



HESSEQUA

2015-2016

ANNUAL REPORT



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ABOUT THE 2015/16 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 2015/16 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.
- Chapter 6 Auditor General Opinion
- Annexure A - Audited Financial Statements
- Annexure B - Auditor General's Report
- Annexure C - Oversight Committee Report

The Annual Report 2015/16 serves as a key record revealing the continuation of service delivery, progress, growth and performance of the Hessequa Municipality.



Chapter 1:

Overview of Hessequa

Municipality



1.1 FOREWORD BY THE EXECUTIVE MAYOR

It is my privilege to present the final Annual Report of Hessequa Municipality for the term 2011 – 2016. This term of five years has proven what the term 'Governing well' entails. It is with pride that the Council that governed for the current term, can hand over an administration to the newly elected Council that has a sound financial base, proven ethical principles and supports the goals of effectivity and productivity. At the time of writing this foreword, Hessequa has received two clean audit opinions, the first for Hessequa, in the 2013/14 as well as the 2014/15 budget years. It is necessary to mention that the Chief Financial Officer completes the Financial Statements herself and no consultants are appointed as so often is



seen in many municipalities. This municipality also completes the Performance Management and Evaluation in-house. This results in savings as well as capacitating own personnel.

Although Hessequa also feels the strain of the economic challenges worldwide and in South Africa, the financial shortfall we inherited in 2011, has been eradicated and now boast with a vastly improved liquidity level. Various infrastructure projects have been implemented, paving the way to approve development in towns, which will enhance the income needed to prevent increased taxes and tariffs and remain affordable to the diverse communities and residents of the Hessequa area. This will allow for projects to improve the lives and dignity of residents living in informal areas by developing serviced plots to accommodate individual families.

The common outcry because of the social degradation of many communities due to drug abuse, lack of jobs in a challenged economy in rural areas, calls for innovative planning. Social upliftment and growing the economy go hand in hand and partnering with the University of Stellenbosch, Provincial Departments, Local Forums have brought new projects that can change the way of thinking and way forward. These interventions will be assisting in the implementation of projects that will improve the social uplifting of residents, developing their skills and instilling hope for the future, which they will be part of.

The well-developed Indigent Policy brings relief to the unemployed and the poor, whilst instilling certain responsibilities to improve their dignity and realisation of the need of taking responsibility for their own lives as well. Services are delivered free to these approved residents and reduced to the higher Indigent- income group. These communities are assisted by programs driven by the Social Department within the Directorate, Community Development, through the Social Forum as part of the Thusong Program. The excellent management and implementation of these programs have been acknowledged by the Provincial Government and rated Hessequa Thusong Program first in the Province. More than twenty different departments are invited to special outreach programs, Jamborees, held in a different town every two months to bring services closer to our communities.



FOREWORD – MESSAGE FROM THE EXECUTIVE MAYOR

Programs to keep students and children busy during the holiday seasons, are a highlight each year and gives all the opportunity to improve their outlook on life and instil hope for the future.

Hessequa presented a well- attended seminar on Alternative Energy and the most efficient way in which this could be implemented in this municipality. A strategy was drawn up in order to be less dependent on Eskom and is ready to be implemented in the next budgets.

Hessequa has been awarded the first place in the Greenest Municipality Competition in the Western Cape in 2015 as well as the first place nationally in the Arbor Award competition in the same year.

Hessequa Municipality has had some challenges in the Directorate Technical Services and the Director resigned at the end of 2015. This resulted in projects that had not been planned correctly, could not be completed in the relevant budget year. After two unsuccessful attempts to appoint a fit for purpose applicant, this position is still vacant at the time of writing this foreword in August 2016. This has unfortunately caused projects to be rolled over to the budget year 2016/17. The Municipal Manager took charge of this Directorate during the first six months of 2016 and needs to be thanked for his commitment.

This Municipality is fortunate to offer a variety of attractive towns at the foot of the Langeberg Mountains as well as popular coastal attractions. Currently very few industrial development exists. Agriculture and tourism are the main income generators and need to be continuously developed to attract more visitors to this spectacular area, which has so much potential.

I must pay tribute to the Municipal Manager and his personnel and committed councillors throughout my term of office and know that Hessequa will flourish, with good governance of course, in years to come.

Emor Nel
EXECUTIVE MAYOR
AUGUST 2016



1.2 MUNICIPAL MANAGER'S OVERVIEW

It is with great pleasure that the 2015/2016 Annual Report is presented to Council and the public of Hessequa Municipality. Hessequa is responsible for services delivery to the residents of the Hessequa area in terms of Section 155/156 of the Constitution of South Africa as a category B municipality. Hessequa does not have any entities who delivers services on behalf of the municipality. Hessequa is known for good governance practices and have the audit outcomes of the previous financial year confirmed this with the achievement of a clean audit opinion from the Auditor General of South Africa.



As a result of the implementation of the Hessequa Financial Plan, the state of the municipal finances are in good order, as confirmed by external audit from the Auditor General of South Africa and various assessments by the Provincial Treasury.

Hessequa does well to manage its revenues and have the credit control initiatives provided an above standard collection of service charges and taxes, as reflected in the audited financial statements. Even though the municipality did take up an external loan during the financial year of this annual report, the gearing ratios and loan threshold is within the norm for local municipalities.

The resignation of the Director Technical Services was, and still is, a challenging change to the management of Hessequa Municipality that is being managed and have all steps been taken to appoint a suitable candidate. Unfortunately by the time of this report being prepared, no appointment could have been made. This is an issue of highest priority to Council and the management of Hessequa Municipality

The municipality continues to develop and implement controls to mitigate strategic, operational and disaster risks. The largest initiative, relating to disaster risks, is the medium term plan being developed for the establishment of a compliant and effective municipal fire safety service.

With these few highlights mentioned, I invite all readers to engage themselves with the contents of this report and continue to be involved and empower themselves as residents to participate in public participation processes during the financial year.

Johan Jacobs
MUNICIPAL MANAGER
AUGUST 2016

1.3 MUNICIPAL & SERVICE DELIVERY OVERVIEW

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

Ward	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



1.3.1 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. A projected household figure for Hessequa is calculated to **17 388** based on an annual growth rate between 2001 and 2011 of **2.31%**. The projected population count for 2015 is **56 488**, based on the same period of growth at a rate of **1,78%** per annum.

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

In terms of population growth, Hessequa have experienced a relatively low population growth rate of 1.78%. The following table shows the growth in various towns within the Hessequa municipal area.

Town	Census Statistics			Projected Totals			
	2001	Growth Rate	2011	2015	2020	2025	2030
Albertinia Town	1529	-0.84%	1406	1360	1304	1250	1199
Theronville	3163	4.61%	4966	5948	7453	9339	11701
Gouritsmond	459	1.16%	515	539	571	605	641
Jongensfontein	282	2.33%	355	389	437	490	550
Heidelberg	7125	1.49%	8259	8762	9433	10156	10934
Melhoutfontein	1479	5.53%	2533	3141	4111	5380	7040
Riversdale	11678	2.73%	15292	17033	19492	22305	25524
Riversdale Settlement (Rural)	1115	-2.28%	885	807	719	640	571
Slangrivier	2352	2.50%	3011	3324	3761	4255	4814
Stillbay	3012	1.55%	3514	3737	4037	4360	4710
Witsand	199	4.90%	321	389	494	627	796
Rural	11741	-0.13%	11586	11525	11448	11372	11297
Hessequa	44134	1.78%	52642	56488	61693	67378	73586



Households

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

	Household Size								Total
	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	
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

When the information from the 2001 and 2011 Census of growth in households are compared to population growth, it can be noted that the average household size has declined as a growth rate in households of 2.31% was experienced, compared to the 1.78% growth in population.

a) Indigent Households

In 2015/16, indigent households in Hessequa, being those who applied for indigent status and met Hessequa's criteria, decreased slightly from **5 104** (2014/2015) to **4 961** (2015/2016). This was as a result of data cleansing processes and strict adherence to criteria.

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

The social and economic information for the municipal area are reflected in the following tables.

Financial year	Housing Backlog	Households with No Income (%)	People older than 14 years illiterate (%)
2015/16	6 790	8	13

Table 4.: General Socio-Economic Information



CHAPTER 1 – OVERVIEW OF HESSEQUA MUNICIPALITY

a. Household Income by Ward

Changes to household income levels are compared in the following table. Green indicates the highest amount of households with Red indicating the lowest figures within a ward. It is clearly visible that the income of households have increased since 2001 to 2011 with Ward 2 not experiencing the level of change as the other wards.

		Household Annual Income												Total
		No income	R1 - R4 800	R4 801 - R 9 600	R9 601 - R 19 200	R19 201 - R 38 400	R38 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	
Ward 1	2001	78	74	297	515	518	277	129	39	8	6	6	-	1945
	2011	190	17	46	230	430	586	451	299	121	28	8	6	2425
Ward 2	2001	136	73	184	338	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	384	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 5.: Household Income Levels by Ward

b. Education Levels

The following table shows the variance in percentages per ward between 2001 and 2011. The green formatting indicates the highest percentages within each ward and as a result also the movement from 2001 to 2011 is visible. Ward 2 did not experience the improvement in educational levels as the other wards. This issue has been taken up with the Provincial Department of Education.

Education Levels per Ward (2001 & 2011) – Percentage per Ward																
	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	N/A	2.0	N/A	3.0	N/A	1.0	N/A	3.0	N/A	3.0	N/A	4.0	N/A	2.0	N/A	3.0
No schooling	9.0	4.0	7.0	5.0	10.0	5.0	9.0	4.0	8.0	4.0	8.0	4.0	8.0	4.0	8.0	5.0
Grade 1 (completed or in process)	4.0	2.0	3.0	3.0	3.0	2.0	5.0	4.0	3.0	3.0	4.0	2.0	4.0	3.0	5.0	3.0
Grade 2	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
Grade 3	4.0	3.0	3.0	3.0	4.0	3.0	6.0	4.0	4.0	3.0	4.0	3.0	4.0	3.0	5.0	4.0
Grade 4	5.0	3.0	4.0	4.0	4.0	3.0	8.0	5.0	5.0	4.0	4.0	4.0	5.0	4.0	5.0	5.0
Grade 5	7.0	3.0	5.0	5.0	5.0	4.0	10.0	6.0	6.0	4.0	5.0	4.0	5.0	4.0	6.0	5.0
Grade 6	8.0	5.0	7.0	7.0	7.0	5.0	11.0	8.0	6.0	6.0	7.0	4.0	8.0	4.0	8.0	6.0
Grade 7	8.0	7.0	9.0	7.0	6.0	5.0	10.0	9.0	9.0	7.0	7.0	7.0	10.0	6.0	13.0	9.0
Grade 8/form 1	9.0	8.0	6.0	10.0	7.0	8.0	9.0	11.0	11.0	11.0	9.0	10.0	10.0	8.0	11.0	12.0
Grade 9/form 2	5.0	6.0	5.0	7.0	2.0	4.0	5.0	9.0	7.0	7.0	6.0	7.0	8.0	6.0	10.0	10.0
Grade 10/form 3/NTC I	8.0	10.0	10.0	10.0	8.0	6.0	3.0	7.0	9.0	9.0	8.0	10.0	8.0	9.0	6.0	9.0
Grade 11/form 4/NTC II	3.0	3.0	3.0	3.0	2.0	2.0	1.0	4.0	4.0	4.0	3.0	4.0	3.0	3.0	2.0	4.0
Grade 12/form 5/matric./NTC III	13.0	20.0	16.0	16.0	19.0	22.0	7.0	11.0	13.0	19.0	15.0	15.0	10.0	18.0	7.0	11.0
Other	9.0	9.0	8.0	10.0	9.0	11.0	11.0	9.0	8.0	11.0	8.0	14.0	9.0	11.0	10.0	10.0
Recognized Tertiary	5.0	13.0	11.0	4.0	12.0	17.0	3.0	3.0	5.0	6.0	10.0	6.0	5.0	11.0	1.0	1.0

Table 6.: Education levels by Ward



1.3.3 Service Delivery Overview

Basic Service Delivery Performance Highlights

Highlight	Description
Successful completion of the 66KV Electrical Substation	The Stilbaai 66KV bulk electricity project is a multi-year project that is key to the development of future revenue. The successful completion of this Substation marks a step further towards the goal of being a cost effective municipality.
Refurbishment of Albertinia Waste Water Treatment Works	The project was implemented to help improve the green drop score for Albertinia waste water treatment work. The sludge drying capacity was increased during the successful completion of the project.
Upgrading of Stilbaai Waste Water Treatment Works	The project was implemented to help improve the green drop score for the Stillbaai waste water treatment work. The sludge drying capacity was increased during the successful completion of the project.
Upgrading of Riversdale Bulk Sewerage Pipeline	The project was implemented to help increase the current capacity issues of existing bulk sewer main which in the past provided a lot of problems. This will secure sufficient capacity in the pipeline.
New Paved Streets in Jongensfontein and Preekstoel Municipal Resort	The project was implemented to address stormwater related issues in the Skilpadslot residential area in Jongensfontein. To prevent stormwater damages to existing houses. To improve service delivery to the Hessequa residents.
Award for Golden Performance in the Expanded Public Works Programme (EPWP)	Hessequa Municipality was nominated as one of the golden key performing municipalities for achieving they national targets set in terms of work opportunities and excellent reporting performance.
Greenest Municipality Competition	Hessequa Municipality won the 2015/16 Greenest Municipality Competition as well as Leadership in the Western Cape accolade.
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
<i>State of the Environment Report</i>	<i>Successful update of the Hessequa State of the Environment Report which was approved by Council on the 26th of June 2015.</i>

Table 7.:Basic Service Delivery Highlights



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. More significant Provincial and National investment in local sphere of government is needed to maintain service levels
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 challenges.

*Table 8.: Basic Service Delivery Challenges***Proportion of Households with access to Basic Services – Census 2011**

It is important to note that the following tables contain figures representing all households within the urban edge of towns and not the rural areas where households are located on private land and are not serviced by the municipality. To compare this, the table on the right compares the Basic Service delivery, as per set standards, for water. Note how Ward 8, which is completely within the urban edge of the municipal service delivery area is reflected as 100%.

Basic Water Service Delivery (All Households)		
	%	
	Below Basic Water Services	Acceptable Basic Water Services
Ward 1	5	95
Ward 2	3	97
Ward 3	2	98
Ward 4	2	98
Ward 5	1	99
Ward 6	3	97
Ward 7	1	99
Ward 8	-	100



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 9.: 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

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	2014/15	2015/16	Comments
Debt Coverage {(Total operating revenue – operating grants received) : debt service payments due within the year}	7.06	10.08	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)	0.10	0.11	None
Cost coverage {(Available cash + investments) : Monthly fixed operating expenditure	14.4	14.63	Improvement is due to more cash available from grants (flood grants)

Table 10.: National KPI's for financial viability and management



1.4.4 Financial Overview

Details	Approved Budget	Actual
	R'000	R'000
Income		
Grants	93 232	79 848
Taxes, Levies and tariffs	235 031	239 351
Other	110 802	77 865
Sub Total	394 338	397 064
<i>Less Expenditure</i>	368 185	347 037
Net Surplus	26 153	50 027

Table 11.: Financial Overview

1.4.5 Operating Ratios

Detail	Expected norm (% of total budget exp) %	Actual/ Final budget (%)	Variance %
Employee Cost	33.5	31.62	-1.88
Repairs & Maintenance	5.87	3.4	-2.47
Finance Charges & Depreciation	10.01	10.64	0.63

Table 12.: Operating ratios

1.4.6 Total Capital Expenditure

Detail	2014/15	2015/16
	R'000	
Approved Budget	81 274	95 538
Actual	28 868	78 750
% spent	35.5%	82%

Table 13.: 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 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
	2015/16	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	82.43	35.52%

Table 14.: National KPIs - Good Governance and Public Participation Performance

2.2 Performance Highlights – Good Governance and Public Participation

Highlight	Description
Completion of Organisational Review	Various work studies were completed during the 2015/2016 financial year, which resulted in a restructuring of various functions to enhance efficiency within the organisation.
Internal Review and Development of Risk and Performance Management Systems	With Risk and Performance Management functions being internally driven and coordinated without the assistance of consultancy services, these functions are now growing in governance beyond compliance. The review of both the Risk and Performance Management



Highlight	Description
	<p>Policies have provided the platform to institutionalise these processes further within the staff establishment. The risk appetite of the municipality have been assessed and are actions plans now being developed to mitigate risks that pose a threat to the organisation Individual performance management processes where tested during the financial year within the Corporate Services Directorate with great success and will the process be formalised to be rolled out to all levels in the organisation over the coming financial years.</p>
<p>Long Term Strategic Framework Process</p>	<p>With the leadership of the Council, the process was started to discuss long term objectives with communities and stakeholders. This forms part of a process which will provide a clear framework for future development in Hessequa. The ultimate goal of this participatory process is to establish a common vision and a clear framework for future development which is supported by all stakeholders.</p>

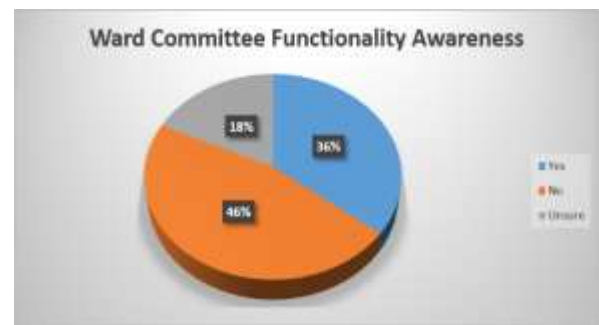
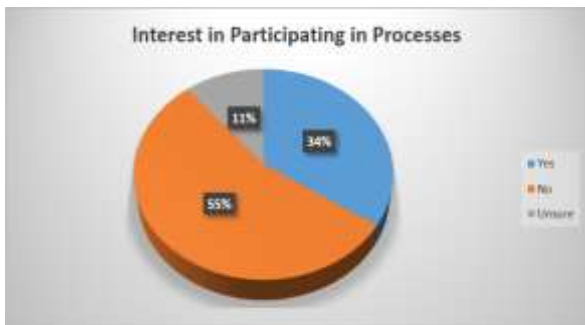
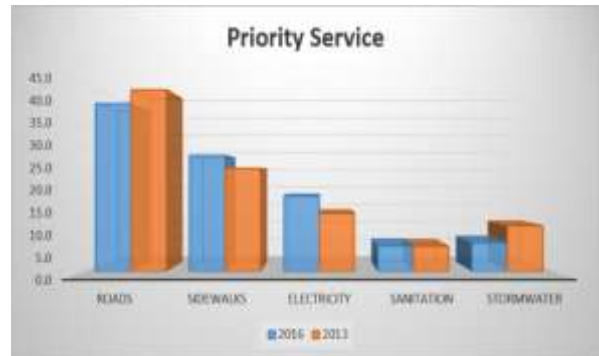
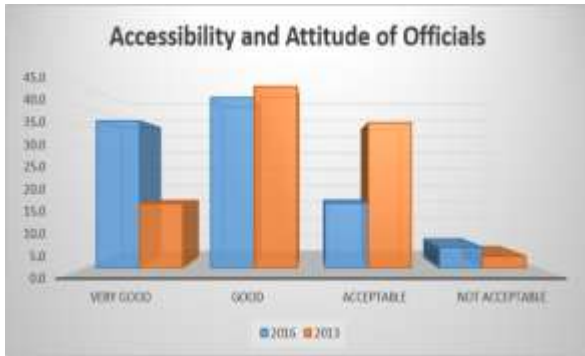
Table 15.: Good Governance and Public Participation Performance Highlights

2.3 2016 Consumer Satisfaction Survey

Hessequa Municipality has done a consumer satisfaction survey during the 2015/2016 financial year. The nature of the survey is primarily focused on the client's experience of service delivery. The structure of the survey where maintained from 2013, when the first 10+% sample of all households where done. The 2015/2016 survey included 2 extra questions concerning public participation and ward committees. It was wonderful to see how the response from the general public has increased in most instances from 2013. The methodology that is followed have been developed with Statistics South Africa to be uniform in application in all towns. Herewith a brief overview of the results compared to 2013. The full report has been tabled to Council and is available on request at the municipal offices. The following questions were asked during the survey and this report includes an extract from the survey results.

1. Preferred communication medium
2. Attitude and availability of personnel
3. General opinion about services rendered by the Municipality
4. Quality of water
5. Cleanliness of neighbourhood
6. Priority service to improve
7. Most disrupted service in neighbourhood
8. (New in 2016) Interest in participating in municipal processes and Knowledge about the ward committees





2.4 Challenges – Good Governance and Public Participation

Description	Actions to address
Representation of various communities in the processes of public participation who are not represented by an organised platform like Rate Payers Associations or Residents Forums	After the 2016 elections a new methodology for representation of communities in Ward Committees will be implemented. It focuses on representation from non-represented communities through a “hybrid” model of “neighbourhood block” representatives, together with sector representatives

Table 16.: Good Governance and Public Participation Challenges

2.5 Governance Structure

2.5.1 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 7 Proportional Representation (PR) Councillors. The portfolio committees are made up of Councillors drawn from all political parties. The party representation in the Council is presented in the table below and the Councillors are categorised within their specific political parties and wards for the 2015/16 financial year:

Council Members	Capacity	Political Party	Ward representing or proportional	Number of Council meetings attended (Total 14)	Percentage Apologies for non-attendance
					%
E Nel	Executive Mayor	DA	PR	14	n/a



Council Members	Capacity	Political Party	Ward representing or proportional	Number of Council meetings attended (Total 14)	Percentage Apologies for non-attendance
					%
JJ Merkeur	Executive Deputy Mayor	Cope	PR	14	n/a
LJ Fourie	Councillor	DA	PR	14	n/a
R Johannes (Resigned July 2015)	Councillor	DA	PR	0	100
M Jakobs (From October 2015)	Councillor	DA	PR	12	100
A Hartnick	Councillor	ANC	Ward 5	12	100
CP Taute	Councillor	ANC	Ward 8	12	100
ME Dayimani	Councillor	ANC	PR	13	100
LC February	Councillor	ANC	Ward 4	13	100
FC Carelse (Resigned June 2016)	Councillor	Civic Independent	PR	10	100
D Abrahams	Councillor	ANC	PR	12	100
PR Claassens	Councillor	DA	Ward 1	14	n/a
EJ Prins	Speaker	DA	Ward 3	14	n/a
CAE Prins	Councillor	DA	Ward 2	14	n/a
F Hartnick	Councillor	ANC	Ward 6	13	100
AM Joubert	Councillor	DA	Ward 7	13	100

Table 17.: 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 her to manage the day-to-day affairs. This means



that she 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 2015 to 30 June 2016:

Name of member	Capacity
E Nel	Executive Mayor
JJ Merkeur	Executive Deputy Mayor
CAE Prins	Mayoral Committee member
L Fourie	Mayoral Committee member
FC Carelse (Resigned June 2016)	Mayoral Committee member
Vacant	
Meeting dates	Number of reports submitted to Council
29 July 2015	317
26 August 2015	
30 September 2015	
28 October 2015	
24 November 2015	
22 January 2016	
23 February 2016	
31 March 2016	
14 April 2016	
28 April 2016	
24 May 2016	
24 June 2016	

Table 18.: Executive Mayoral Committee

c. Portfolio Committees

In terms of section 80 of the Municipal Structures Act, 1998, a Council may appoint in terms of 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 - 2016 Mayoral term and their Chairpersons are as follow:

I. Corporate Services

Name of member	Capacity
FC Carelse (Resigned June 2016)	Chairperson
LJ Fourie	Member
EJ Prins	Member
JJ Merkeur	Member
ME Dayimani	Member
CP Taute	Member
AM Joubert	Member

Table 19.: Corporate Services Portfolio Committee

Meeting dates	Number of reports submitted to Council
15 July 2015	294
12 August 2015	
16 September 2015	
14 October 2015	
11 November 2015	
10 February 2016	
16 March 2016	
13 April 2016	
11 May 2016	
8 June 2016	

Table 20.: Corporate Services Portfolio Committee Meetings

II. Community Services

Name of member	Capacity
CAE Prins	Chairperson
LJ Fourie	Member
R Johannes (Resigned July 2015)	Member



Name of member	Capacity
M Jakobs (From October 2015)	Member
PR Claassens	Member
FC Carelse (Resigned June 2016)	Member
AM Joubert	Member
D Abrahams	Member
L February	Member
A Hartnick	Member

Table 21.: Community Services Portfolio Committee

Meeting dates	Number of reports submitted to Council
15 July 2015	131
12 August 2015	
16 September 2015	
14 October 2015	
11 November 2015	
10 February 2016	
16 March 2016	
13 April 2016	
11 May 2016	
8 June 2016	

Table 22.: Community Services Portfolio Committee Meetings

III. Technical Service

Name of member	Capacity
JJ Merkeur	Chairperson
LJ Fourie	Member
PR Claassens	Member
FC Carelse (Resigned June 2016)	Member
ME Dayimani	Member
F Hartnick	Member
R Johannes (Resigned July 2015)	Member



Name of member	Capacity
M Jakobs (From October 2015)	Member

Table 23.: Technical Services Portfolio Committee

Meeting dates	Number of reports submitted to Council
15 July 2015	161
12 August 2015	
16 September 2015	
14 October 2015	
11 November 2015	
10 February 2016	
16 March 2016	
13 April 2016	
11 May 2016	
8 June 2016	

Table 24.: Technical Services 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 (Resigned July 2015)	Member
M Jakobs (From October 2015)	Member
JJ Merkeur	Member
CP Taute	Member
ME Dayimani	Member

Table 25.: Finance and Audit Portfolio Committee

Meeting dates	Number of reports submitted to Council
15 July 2015	138
12 August 2015	
16 September 2015	
14 October 2015	
11 November 2015	
10 February 2016	
16 March 2016	
13 April 2016	
11 May 2016	
8 June 2016	

Table 26.: Finance and Audit Portfolio Committee Meetings

V. Planning and Environmental Management

Name of member	Capacity
LJ Fourie	Chairman
EJ Prins	Member
PR Claassens	Member
JJ Merkeur	Member
AM Joubert	Member
FC Carelse (Resigned June 2016)	Member
ME Dayimani	Member
D Abrahams	Member

Table 27.: Planning and Environmental Management Portfolio Committee

Meeting dates	Number of reports submitted to Council
15 July 2015	87
12 August 2015	
16 September 2015	
14 October 2015	
11 November 2015	
10 February 2016	
16 March 2016	
13 April 2016	
11 May 2016	
8 June 2016	

Table 28.: Planning and Environmental Management Portfolio Committee Meetings

2.5.2 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. The Municipal Manager is supported by a management team as set out in Table 29.

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 (Resigned 31 Des 2015)	Technical Services	Yes
Mr. C Onrust	Community Services	Yes

Table 29.: Administrative Governance Structure



COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.6 Intergovernmental Relations

2.6.1 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.

2.6.2 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 attends the Western Cape Municipal Managers Forum.

2.6.3 District Intergovernmental Structures

Hessequa Local Municipality is a member of the Eden District Municipality. Where multiple district forums and meetings are attended and information, strategies and best practice models, are shared amongst each other. District Speaker and Mayoral Forums are held often and are 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 2000 (MSA) provides for a municipality to 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.



2.7 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
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
Jamborees	Jamborees are held on a rotation schedule in different towns to bring governmental services to their door, every second month.
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. Four Advertisement slots of 30 seconds each are allocated per day to the municipality.
Environmental Advisory Forums	Stilbaai Environmental Advisory Forum (EAF), Gouritsmond EAF and Witsand/Grootvadersbosch EAF are involved in the management of all protected areas. All conservation projects and initiatives are overseen by these platforms
MSA Article 17(4) Forums	Economic Development Advisory Forum, Social Development Advisory Forum and Grey Power Advisory Forum all meet on a quarterly basis with reports from relevant departments.

Table 30.: Public Meetings

2.7.2 Ward Committees

Ward committees are established in terms of Section 72 and 73 of the Local Government : Municipal Structures Act 1998. As a formal mechanism of public participation, ward committees are seen as a vital platform to ensure that the municipal council creates an environment where communities can participate in the affairs of local government.

Ward committees can be involved in various processes within the municipality, including integrated development planning, budgeting and performance monitoring. Except for marginal involvement currently within these processes, Hessequa Municipality primarily utilises ward committees for comment and advice to various items presented to Council for decisions. This relates to any project / program that impacts on a ward, or all wards, and need public input. In itself this is of great value to the municipal decision making process and is managed formally through the administration office of the municipality.

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.

The above mentioned examples are not the full extent of the roles and responsibilities that ward committee members can play within the public participation processes of council, but are they a reflection of the implementation methodology that council employed during the reporting period of this annual report.

A. Ward 1: Bietouville, Gouritsmond, 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
Cllr PR Claassens	Chairperson	22 July 2015 25 August 2015 28 September 2015 22 October 2015 30 November 2015 18 February 2016 21 April 2016
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 31.: 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
Cllr CAE Prins	Chairperson	23 July 2015 27 August 2015 22 October 2015 19 November 2015 16 February 2016 20 April 2016 23 June 2016
T van Rensburg	Member	
RM Briel	Member	
FC Kroukamp	Member	
J Luyt	Member	
M Steicher	Member	

Table 32.: 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 Goukouriver 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
Cllr EJ Prins	Chairperson	27 July 2015 24 August 2015 26 October 2015 23 November 2015 21 April 2016
WP Jacobs	Member	
L le Roux	Member	
J Willemse	Member	
A Miggels	Member	
R Pretorius (resigned 26 Oct 2015)	Member	
N Palmer	Member	
J van der Hoven	Member	

Table 33.: 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. Its 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 as well as 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
Cllr L February	Chairperson	30 July 2015 20 August 2015 19 November 2015
J Swart	Member	
G Hartman	Member	
P Hartnick	Member	
JA Hoogbaard	Member	
S Botha	Member	
P February	Member	
Cllr LJ Fourie	Member	



*Table 34.: 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	28 July 2015
RM Jacobs	Member	20 August 2015
S Pieterse	Member	19 November 2015
L Lots	Member	25 February 2016
G Mali	Member	25 April 2016
		23 June 2016

*Table 35.: 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	23 July 2015
N Juta	Member	29 September 2015
M Hendricks	Member	27 October 2015
NA Joseph	Member	19 November 2015
M de Villiers	Member	21 April 2016
		23 June 2016

*Table 36.: Ward 6 Committee Meetings***G. Ward 7: Riversdale, Aalwynfleur, 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 which is primarily a informal residential area where almost all residents are indigent. The divergent



compilation of the residence and centre of commerce in ward 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	23 July 2015
M Stander	Member	27 August 2016
H Stroebel	Member	1 October 2015
K Victor	Member	22 October 2015
P de Kock	Member	19 November 2015
WM Davids	Member	25 February 2016
A Daniels	Member	18 April 2016
		26 Mei 2016
		23 June 2016

Table 37.: 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	23 July 2015
K Saayman	Member	20 August 2015
J van Staden	Member	1 October 2015
F Adams	Member	22 October 2015
K Adolf	Member	19 November 2015
A Eksteen	Member	18 February 2016

Table 38.: Ward 8 Committee Meetings

2.7.3 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 through the minutes of their meetings advise the ward councillor who makes specific submissions directly to the Council and the Municipal Manager. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

2.7.4 Labour Forum

The Local Labour Forum is a structure created in terms of the Labour Relations Act (1995) and functions under the auspices of the South African Local Government Bargaining Council (SALGBC). The function of the Forum is to create a platform where matters of mutual interest between the Trade Unions and the Employer can be discussed. The powers and functions of the Forum is limited to matters that do not fall within the scope of either Provincial and/or National collective bargaining. It is in the main a consultative forum. The table below specifies the members of the Labour Forum for the 2015/16 financial year:

Name of representative	Capacity	Meeting dates
July 2015 - December 2015		
Cllr. L Fourie	Councillor	13 July 2015 6 August 2015 3 September 2015 1 October 2015 5 November 2015
Cllr. EJ Prins	Councillor	
Cllr. CAE Prins	Councillor	
Cllr. R Johannes(Resign July 2015)	Councillor	
Cllr M Jakobs (From October 2015)	Councillor	
Cllr. ME Dayimani	Councillor	
Cllr. F Hartnick	Councillor	
Mr. J Jacobs	Employer (Chairperson)	
Ms. AM Griesel	Employer	
Mr AJ Oelofse	Employer	
Ms M Cronje (From October 2015)	Employer	
Mr. J Paige	SAMWU	
Mr. J Nomdo	SAMWU	
Ms. S Motha	SAMWU	
Mr J Saayman	SAMWU	
Mr. M Saayman	SAMWU	
Mr S Sibotoboto	SAMWU	
Ms M Kiewitz	IMATU	
Mr H Abrahams (Ended Oct 2015)	IMATU	
Ms R Stanfliet (Started Nov 2015)	IMATU	
Mr J Jaegers (Started Nov 2015)	IMATU	



Name of representative	Capacity	Meeting dates
July 2015 - December 2015		
Mr F Rust	IMATU	
Ms E Hobson	IMATU	
January 2016 – June 2016		
Cllr. L Fourie	Councillor	4 February 2016 3 March 2016 7 April 2016
Cllr. EJ Prins	Councillor	
Cllr. CAE Prins	Councillor	
Cllr M Jakobs	Councillor	
Cllr. ME Dayimani	Councillor	
Cllr. F Hartnick	Councillor	
Mr. J Jacobs	Employer	
Ms. AM Griesel	Employer	
Mr AJ Oelofse	Employer	
Ms M Cronje	Employer	
Mr. J Paige	SAMWU	
Mr J Saayman	SAMWU	
Mr. J Nomdo	SAMWU	
Mr S Sibotoboto	SAMWU	
Ms. S Motha	SAMWU (Chairperson)	
Mr. M Saayman	SAMWU	
Ms E Hobson	IMATU	
Ms M Kiewitz	IMATU	
Mr F Rust	IMATU	
Ms R Stanfliet	IMATU	

Table 39.: Labour Forum

2.7.5 Mayoral Outreaches

The Mayoral Outreaches give 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 Council's work. The table below provides the details of the Mayoral Outreaches that were held during the 2015/16 financial year:

Dates of events	Reason for Engagement	Place where event was held
12 – 29 October 2015	IDP & Budget Input	Gouritsmond, Albertinia, Kwanokuthula, Heidelberg, Jongensfontein, Stilbaai, Melkhoutfontein, Heidelberg(Duivenhoks), Riversdale, Witsand, Slangrivier
14 – 26 April 2016	Draft IDP & Budget	Kwanokuthula, Riversdale, Albertinia, Gouritsmond, Stilbaai, Slangrivier & Witsand, Heidelberg, Melkhoutfontein

Table 40.: Mayoral Outreaches during 2015/16

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.

2.8 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 respective Departments. Council approved the reviewed risk management policy and inclusive to the policy also reviewed the risk appetite for the municipality. The key changes to the policy content was to enforce the development of Risk Action Plans and the review of progress in terms of the action plans.



2.9 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 of 2003 (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 41.: 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 42.: Strategies implemented

2.10 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 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 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 Municipal Planning and Performance Management Regulations 2001, 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 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. PJ du Plessis	Chairperson (Member Performance)	31 August 2015 31 August 2015 (Financial Statements) 23 November 2015 25 February 2016 12 April 2016 (Budget) 26 May 2016
Mr. KG Herbst	Member	
Mr. FH Zietsman	Member	
Mrs. S van Jaarsveld	Member	
Mr GD Lewis	Member	

Table 43.: Members: Audit Committee



2.11 Internal Auditing

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

The internal audit unit of a municipality must –

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

The internal audit function is performed internally and consists of two staff members.

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 2015
Risk based audit plan approved for 2016/17 financial year	26 May 2016
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 44.: Internal Audit Functions

a) Annual Audit Plan

The Risk Based Audit Plan for 2015/2016 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 2015	
Phase 2				
Compiling Risk Based Audit Plan		20	May 2015	
Phase 3				
Audit Engagement	Departmental System	Detail	No of Hours	Date completed



Description			No of Hours	Date completed
Leave and Overtime	Corporate Services	The following controls and processes have been checked: 1.Reconciliation of overtime 2.Biometric System 3.Hand Leave System 4.Reconciliation of registers	160	July 2015
Debtors	Financial Services	The following controls and processes have been checked. 1. Pay points 2. Trained staff 3. Application of indigent policy 4. Venus financial system	120	August 2015
Building Activities	Planning	The following controls and processes have been checked. 1. Staff capacity 2. Trained staff 3. Routine visits 4. Prosecution	160	September 2015
Housing	Community Safety and Housing	The following controls and processes have been checked. 1. Filing systems 2. Transfers 3. System controls 4. Staff capacity	160	October 2015
Sewerage	Technical and Civil Services	The following controls and processes have been checked. 1. Maintenance plans 2. Staff capacity 3. Budget 4. Sewerage Maintenance plans	160	November 2015
Supply Management Chain	Financial Services	The following controls and processes have been checked. 1.Statement of interest forms 2.Specification committee 3.Adequate storage 4. Inventory surveys	160	January 2016
IT Governance	Municipal Manager	The following controls and processes have been checked. 1. Consolidated ICT asset register 2. Server room security and access control 3. Anti-virus and firewall 4. Back-up systems 5. Inter departmental communication	160	February 2016
Water	Technical and Civil Services	The following controls and processes have been checked. 1. Water sources	160	March 2016



Description			No of Hours	Date completed
		2. Prepaid water meters 3. Water losses		
Assets and Asset Register	Financial Services	The following controls and processes have been checked. 1. Annual asset survey 2. Asset policies and procedures	160	April 2016
Vehicles	Technical Services	The following controls and processes have been checked. 1. Staff capacity 2. Misuse of vehicles	120	May 2016
Follow-up audits	Various	Follow up on audits above	120	June 2016
Total Hours			1 740	

Table 45.: Internal Audit Coverage Plan

2.12 By-laws

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

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

By-laws in force and not amended in 2015/2016
Customer Care & Revenue 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



By-laws in force and not amended in 2015/2016
Roads and Streets
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
Tariffs
Rates

Table 46.: By-laws in force and not amended

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	10/05/2016	Yes	27/05/2016

Table 47.: By-laws adopted with amendments

Policies developed and reviewed during the financial year:

Policies developed/ revised	Date adopted by Council
Acting Policy	August 2015
Bereavement Policy	August 2015
Hessequa Occupational health and Safety Policy	October 2015
Hessequa Overtime and standby Policy	October 2015
Leave Policy	November 2015
Hessequa Environmental Policy	November 2015
ICT Policy Framework	January 2016
Housing and Selection Policy	March 2016
Employee Support Policy	March 2016
Resort Policy	May 2016



Policies developed/ revised	Date adopted by Council
ICT Policy Framework	May 2016
Communication Policy	May 2016
Supply Chain Management (SCM) Policy	May 2016
Transport Policy	June 2016
Performance Policy	June 2016
Risk Management Policy	June 2016
Property Rates Policy	June 2016
Credit Control and Debt Policy	June 2016
Spaza Shop Policy	June 2016

Table 48.: Policies developed and reviewed

2.13 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	Yes
Newsletters distributed at least quarterly	Yes – monthly newsletter

Table 49.: Communications Activities

2.14 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 2014/15	Yes
Annual Financial Statements for 2014/15	Yes
All service delivery agreements for 2015/16	All service delivery agreements received from the departments were placed on the Hessequa website
All supply chain management contracts above the prescribed value for 2015/16	Yes
Performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act for 2015/16	Yes
All quarterly reports tabled in the Council in terms of section 52 (d) of the MFMA during 2015/16	Yes

Table 50.: Documents published on the Municipal Website



2.15 Supply Chain Management

2.15.1 Competitive Bids in Excess of R200 000

a) Bid Committee

The following table details the number of Bid Committee meetings held for the 2015/16 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
31	37	37

Table 51.: Bid Committee Meetings

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

Member	Attendance
H. Visser	28 (90.32%)
F. Bergh	20 (64.52%)
A. Carelse	26 (83.87%)
R. Bent (Seconded)	5 (100%)

Table 52.: Attendance of members of bid specification committee

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

TECHNICAL SERVICES

Member	Attendance
A Hansen	6
R Wesso	4 (resigned Dec 2015)
S Kennedy	<u>12</u>
J Solomons	<u>4</u>
H Thesner	<u>5</u>

FINANCIAL SERVICES

Member	Attendance
L. Saayman	2
J. Heunis	2



CORPORATE SERVICES

Member	Attendance
A Kleynhans	7
A Oelofse	2
E Smit	3
JS Smit	1

COMMUNITY SERVICES

Member	Attendance
C. Onrust	1
A. Voss	3
R. Heunis	1

PLANNING AND ENVIRONMENTAL SERVICES

Member	Attendance
S. Carelse	2

OFFICE OF THE MUNICIPAL MANAGER

Member	Attendance
J Kleinhans	4
L. De Villiers	1

Table 53.: Attendance of members of bid specification committee

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

Member	Attendance
M. Griesel	33 (89.19%)
F. Bergh	17 (45.95%)
A. Carelse	34 (91.89%)
N. La Grange (Alternate)	4 (100%)

Table 54.: Attendance of fixed members of bid specification committee

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

TECHNICAL SERVICES

Member	Attendance
R. Wesso	7 (resigned Dec 2015)
S. Kennedy	11
A. Hansen	4
H. Thesner	5
J. Lesch	1



Member	Attendance
J. Solomons	5

FINANCIAL SERVICES

Member	Attendance
J. Heunis	2
L. Saayman	1

CORPORATE SERVICES

Member	Attendance
A. Oelofse	1
A. Kleynhans	11
J.S. Smit	2
E. Smit	2

COMMUNITY SERVICES

Member	Attendance
C. Onrust	3
A.R. Voss	4

PLANNING AND ENVIRONMENTAL SERVICES

Member	Attendance
S. Carelse	1

OFFICE OF THE MUNICIPAL MANAGER– INFORMATION TECHNOLOGY

Member	Attendance
J. Kleinhans	3

Table 55.: Attendance of members of the directorates of the bid evaluation committee

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

Member	Attendance
L. Viljoen	1 (2.7%)
T. Maddison	37 (100%)
R. Bent	31 (83.78%)
H. Visser	22 (59.46%)
C. Onrust	30 (80.08%)
R. Wesso	9 (56.25%) Member resigned December 2015.

Table 56.: Attendance of members of bid adjudication committee



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.)(R)
HES-EL 03/1516	STILBAAI WEST - SUPPLY, INSTALLATION AND COMMISSIONING OF 11 KV NETWORK STRENGTHENING	Technical Services	VE RETICULATION (PTY) LTD	6 539 890.50
HES-EL 02/1516	ELECTRICAL CAPITAL PROJECTS 2015/16 AND 2016/17 FOR ALBERTINIA, GOURITS AND STILL BAY	Technical Services	MDL ELECTRICAL	5 665 000.00
HES-WRS 02/1516	UPGRADING OF WATER MAINS IN STILL BAY AND JONGENSFONTEIN	Technical Services	WF CONSTRUCTION	5 086 015.00
HES-SSPO 15/1516	UPGRADING OF ROADS AND STORMWATER IN SLANGRIVIER	Technical Services	ENTSHA HENRA	4 809 078.75
HES-WRS 08/1516	UPGRADING OF SEWER INFRASTRUCTURE IN MELKHOUTFONTEIN	Technical Services	PHAMBILI CIVILS	3 343 434.60
HES-SSPO 14/1516	UPGRADING OF STORMWATER RETICULATION SYSTEM IN MELKHOUTFONTEIN	Technical Services	ACV CIVILS	2 839 200.00
HES-WRS 03/1516	UPGRADING OF WATER MAINS IN ALBERTINIA	Technical Services	WF CONSTRUCTION	2 172 500.00
HES-WRS 01/1516	UPGRADING OF WATER MAINS IN RIVERSDALE	Technical Services	WF CONSTRUCTION	2 085 600.00
HES-GEN 01/1516	PROVISIONING OF FIRE FIGHTING SERVICES	Technical Services	KISHUGU IFMS (PTY) LTD	1 554 898.25
HES-GEN 03/1516	PROVISIONING OF FULL FIRE FIGHTING SERVICES TO HESSEQUA MUNICIPALITY	Technical Services	KISHUGU STRUCTURAL FIRE FIGHTING (PTY) LTD	2 153 251.00

Table 57.: 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	Successful Bidder	Value of bid awarded R (EXCL. VAT)
HES-FIN 07/1516	TAKING UP OF AN EXTERNAL LOAN	Financial Services	THE STANDARD BANK OF SOUTHERN AFRICA LIMITED	37 719 298.25
HES-SSPO 16/1516	REPAIR OF EXTENSIVE FLOOD DAMAGE TO VARIOUS ROADS AND STORMWATER	Technical Services	BENVER CIVILS AND PLANT HIRE	31 185 239.80



Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded R (EXCL. VAT)
	INFRASTRUCTURE IN RIVERSDALE			
HES-SSPO 01/1516	RESEAL OF STREETS IN THE HESSEQUA MUNICIPAL AREA	Technical Services	ENTSHA HENRA	16 453 910.00
HES-EL 01/1516	ELECTRICAL CAPITAL PROJECTS 2015/16 AND 2016/17 FOR RIVERSDALE, HEIDELBERG AND WITSAND	Technical Services	MDL ELECTRICAL	9 035 000.00

Table 58.: Awards made by Accounting Officer

d) Objections lodged by aggrieved bidders

Eight (8) 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 objections were successful.

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

f) The following tables detail 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 2015/16 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(R)
56	49	142 762 906.14	16	1 989 480.50

Table 59.: HDI Bid Awards

2.15.2 Deviations from normal procurement processes

The following table provides a summary of deviations approved during the financial year

Type of deviation	Number of deviations	Value of deviations R	Percentage of total deviations value
<R2 000	525	R 383 245.58	3.02%
Sole Supplier	4	R 4 942.02	0.039%
Emergency	213	R 130 938.90	1.03%



Type of deviation	Number of deviations	Value of deviations R	Percentage of total deviations value
Exceptional Circumstances	308	R 247 364.66	1.94%
R2 000 – R30 000	287	R 2 523 941.58	19.88%
Sole Supplier	11	R 153 981.72	1.21%
Emergency	58	R 457 406.45	3.60%
Exceptional Circumstances	218	R 1 912 553.41	15.06%
R30 000 – R200 000	60	R 4 021 805.72	31.68%
Sole Supplier	4	R 270 510.36	2.13%
Emergency	5	R 315 283.06	2.48%
Exceptional Circumstances	51	R 3 436 012.30	27.06%
>R200 000	7	R 5 767 137.24	45.42%
Sole Supplier	1	R 829 477.61	6.53%
Exceptional Circumstances	6	R 4 937 659.63	38.89%
Total	879	R 12 696 130.12	100%

Table 60.: 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. The approved macro structure of the municipality is displayed in the following table and does it provide alignment between organisational structure and how it gives effect to the vision and Key Performance Areas (KPA's).

Department	Functions	Applicable KPA's
Municipal Manager	Internal Audit	Accountable and Transparent Government, Economic Growth, Effective Communication
	Economic Development	
	Strategic Services	
Manager Finance	Income	Accountable and Transparent Government
	Expenditure	
	Supply Chain Management	
	Budget & Treasury	
	Financial Statements	
Manager Corporate Services	Administration, Archives and Communication	Accountable and Transparent Government, Effective Communication
	Property Management	
	Human Resource Management	
Manager Technical Services	Infrastructure Planning & Project Management	Infrastructure & Services, Economic Growth
	Infrastructure Maintenance	
	Electrical & Mechanical Services	
	Parks & Public Areas Management	
Manager Community Services	Safety Services	Safe & Healthy Communities, Infrastructure and Services
	Human Settlements	
	Social Development	
Manager Spatial Planning & Environmental Management	Spatial Planning	Safe & Healthy Communities, Heritage of Preservation, Economic Growth
	Building Control	
	Environmental Management	

Table 61.: Macro structure



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) of the MSA 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 2015/16 was approved by Council on 27 May 2015. The SDBIP for 2015/16 was approved by the Executive Mayor on 23 June 2015. Performance agreements with Senior Managers were signed by the 6th of July 2015 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 2015/16

3.2.1 OVERVIEW OF ACTUAL PERFORMANCE FOR 2015/16

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:







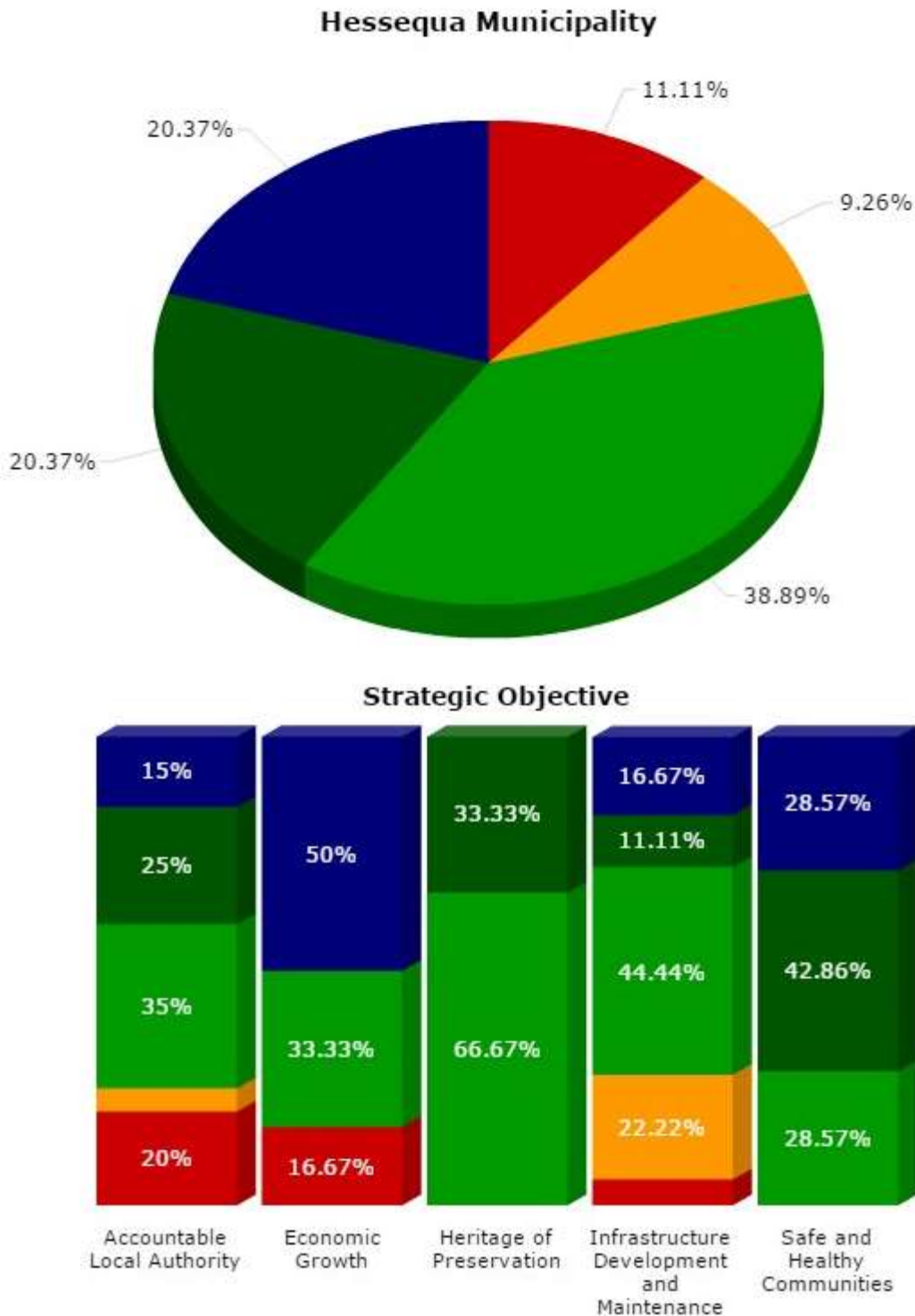
Category	Color	Explanation
KPI's Not Yet Measured		KPIs with no targets or actuals in the selected period.
KPI's Not Met		0% >= Actual/Target < 75%
KPI's Almost Met		75% >= Actual/Target < 100%
KPI's Met		Actual/Target = 100%
KPI's Well Met		100% > Actual/Target < 150%
KPI's Extremely Well Met		Actual/Target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

Figure 1.: SDBIP Measurement Categories

The graphs below display the overall performance, per strategic objective (as set out in the IDP) for the 2015/16 financial year:



Graph 1.: Overall performance per National Key Performance Area (* note that the Accountable Local Authority includes the targets for Effective Communication)

3.2.2 DETAIL PERFORMANCE PER STRATEGIC OBJECTIVE FOR 2015/16

Accountable Local Authority

Ref	KPI	Unit of Measurement	Previous year performance 2014/15	Overall Performance for 2015/16			
				Target	Actual	R	Performance comment / Corrective Measures
TL6	Development of a Monitoring Framework	Number of submitted Frameworks	New KPI for 2015/16	1	0		Target could not be reached as a result of the e-GAP Governance Monitoring System that has been rolled out by Provincial Treasury. The system provides all municipalities in the Western Cape with the ability to measure governance maturity in comparison to best practice and does it provide an accurate "Dashboard" to the Municipal Manager to manage throughout the financial year. This service has been provided to municipalities without any cost.
TL7	Development of an Integrated IDP Process Plan	Number of submitted Process plan	New KPI for 2015/16	1	1		None
TL8	Development of Growth Profiles for all town in Hessequa	Number of submitted growth profiles	New KPI for 2015/16	1	0		Part of the development process of the Long Term Strategic Framework, is to develop separate "growth policies" for each town in Hessequa. This is a process that involves in depth discussions with communities and interested stakeholders to develop a "policy" in terms of what kind of development and growth each town would like to see in the long term. The process was not as successful as planned and could initial discussions only take place in some towns. Towns like Slangrivier, Witsand, Heidelberg, Albertinia and Riversdale failed to provide sufficient participative input to the process. The primary factor to the failure to reach this target where the inability of ward committees to provide a representative



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Ref	KPI	Unit of Measurement	Previous year performance 2014/15	Overall Performance for 2015/16			
				Target	Actual	R	Performance comment / Corrective Measures
							audience for input into the process from the above mentioned towns.
TL9	Development of a Concept Long Term Strategic Framework	Number of submitted Frameworks	New KPI for 2015/16	1	0		The development of the Strategic Framework where immensely impacted by the inability to facilitate successful meetings in the following communities. Riversdale wards 6, 8 and Kwanokuthula. Theronville/Albertinia, Slangrivier and Heidelberg. In Slangrivier, Heidelberg and Riversdale Ward 8, the ward committees were unable to present representative input. This was reported to the Portfolio Committee and a key action to be taken would be to review the representative nature of Ward Committees for the next elected Council's term.
TL10	Completion of ICT Risk Assessment for inclusion in the Municipal Risk Register	Number of reports submitted	New KPI for 2015/16	1	1		None
TL11	Development of a Medium Term ICT Strategy	Number of reports submitted	New KPI for 2015/16	1	0		The main focus in 2015/16 was the implementation of mSCOA and ensure complete readiness pertaining to ICT infrastructure. However engagements on ICT specific needs in the medium term was discussed with departments. In addition a complete risk assessment was done on the ICT infrastructure. All the information required has been successfully gathered for inclusion in the Medium Term ICT Strategy.
TL12	Development of Supporting ICT Policies	Number of completed Policies	New KPI for 2015/16	6	6		None



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Ref	KPI	Unit of Measurement	Previous year performance 2014/15	Overall Performance for 2015/16			
				Target	Actual	R	Performance comment / Corrective Measures
TL18	Maintain a vacancy rate of less than 10% of budgeted staff establishment	% Vacancy rate	6.23%	10%	7.73%		None
TL19	Organisational review of the Financial Department and Technical Services Department	Number of reports submitted to Portfolio committee	New KPI for 2015/16	2	6		None
TL20	The percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the Municipalities Annual Employment Equity report	% employed of target groups	New KPI for 2015/16	66%	75%		None
TL21	Review of Client Services Standards	Number of reports submitted to Portfolio committee	1	1	1		None
TL24	95% Spending of Municipal Replacement fund (Grant)	Percentage of Grant spent	New KPI for 2015/16	95%	95.68%		None
TL25	Submit a liquidity report of the Municipality to the Finance Portfolio Committee by end Nov 2015	Number of reports submitted to Portfolio Committee	1	1	1		None



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Ref	KPI	Unit of Measurement	Previous year performance 2014/15	Overall Performance for 2015/16			
				Target	Actual	R	Performance comment / Corrective Measures
TL26	Submit a report on Borrowing Funds and Reserves to the Financial Portfolio Committee	Number of reports submitted to Portfolio Committee	1	1	1		None
TL27	Management of Income annual payment rate of thresholds higher than 95%	% income annual payments received	98.25%	95%	97.27%		None
TL28	95 % Expenditure of the Financial Management Grant	% of Grant spent	New KPI for 2015/16	95%	100%		None
TL29	Evaluate land use applications within 60 days after receipt of all relevant information and documents	% applications evaluated	100%	90%	100%		None
TL30	Internal review of the Municipal Spatial Development Framework	Quarterly submission of report	New KPI for 2015/16	4	4		None
TL31	Approve/reject building plans within 30 days for buildings less than 500m2 and 60 days for buildings more than 500m2 after all information required has been correctly submitted	% of plans evaluated	99.08%	90%	100%		None
TL48	Monthly Head and Sups Progress meetings	Number of meetings held	8	8	6		Only 6 meetings took place in 2015/16 financial year. A contributing factor was the resignation of the Director: Technical Services. In the absence of a Director meetings were held with the Municipal Manager



Table 62.: Actual performance for 2015/16 for the strategic objective : Accountable Local Authority

Safe and Healthy Communities

Ref	KPI	Unit of Measurement	Previous year performance 2014/15	Overall Performance for 2015/16			
				Target	Actual	R	Departmental Corrective Measures
TL38	Coordination of Quarterly Hessequa Social Development Forum	Number of meetings	New KPI for 2015/16	4	4		None
TL39	Implementation of Social Development Initiatives	Number of initiatives reported and implemented	New KPI for 2015/16	10	19		None
TL40	Implementation of Sport Development Initiatives	Number of initiatives reported and implemented	New KPI for 2015/16	10	12		None
TL41	Implement the Thusong Outreach Programme	Number of Outreach Initiatives	New KPI for 2015/16	6	6		None
TL42	Receive a performance of 80% for the formal Provincial Audits on the licensing Agency Services	Average % achieved	93.3	80%	92.50%		None
TL43	Traffic safety initiatives per quarter	Number of initiatives	13	11	14		None
TL44	Number of integrated vehicle checkpoints per quarter	Number of checkpoints	13	8	21		None

Table 63.: Actual performance for 2015/16 for the strategic objective : Safe Communities



Heritage of Preservation

Ref	KPI	Unit of Measurement	Previous year performance 2014/15	Overall Performance for 2015/16			
				Target	Actual	R	Departmental Corrective Measures
TL32	Development and Submission of Hessequa Environmental Policy	Policy Submitted to Portfolio Committee	New KPI for 2015/16	1	1		None
TL33	Development and Submission of Hessequa Climate Change Strategy	Policy Submitted to Portfolio Committee	New KPI for 2015/16	1	1		None
TL54	Recycle waste to relieve pressure on Waste Disposal sites.	Tonnage recycled	New KPI for 2015/16	1,000	1,362		None

Table 64.: Actual performance for 2015/16 for the strategic objective: Heritage of Preservation



Maintenance and Development of Infrastructure

Ref	KPI	Unit of Measurement	Previous year performance 2014/15	Overall Performance for 2015/16			
				Target	Actual	R	Departmental Corrective Measures
TL1	Provision of electricity to residential properties connected to the municipal infrastructure network for both prepaid and credit electrical metering	Percentage of formal residential properties connected to the municipal electrical infrastructure network	New KPI for 2015/16	100%	96.11%		None
TL2	Provision of water to residential properties connected to the municipal infrastructure network for both prepaid and credit metering	Percentage of formal residential properties connected to the municipal water network	New KPI for 2015/16	100%	100%		None
TL3	Provision of refuse removal and solid waste disposal for residential account holders	Percentage of residential properties billed for refuse removal	New KPI for 2015/16	100%	100%		None
TL4	Provision of sanitation/sewerage services to residential account holders	Percentage of residential properties billed for sanitation/sewerage services	New KPI for 2015/16	100%	100%		None
TL5	The number of registered indigent account holders (poor households) with access to free basic services	Number of registered indigent households	New KPI for 2015/16	100%	96.11%		Target is not reached as a result of not all households registered for indigent support are eligible for all services. However the target is calculated by measuring all indigent services against all registered indigent households. As a result this target can never be fully reached.



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Ref	KPI	Unit of Measurement	Previous year performance 2014/15	Overall Performance for 2015/16			
				Target	Actual	R	Departmental Corrective Measures
TL22	95% expenditure of approved budget for Municipal Properties	% Budget Spent	93.6%	95%	96.47%		None
TL23	Development of a Municipal Resorts Development Strategy	Number of reports submitted to Council	New KPI for 2015/16	1	1		None
TL34	Install services for the Heidelberg 122 serviced site project	Number of serviced sites created	New KPI for 2015/16	122	122		None
TL35	Completion of 50 top structures for the Melkhoutfontein North Housing Project	Number of top structures completed	New KPI for 2015/16	50	0		The project did not take place as it was not finally approved by the department of Human Settlements. The approval however will be received in the following year. The municipality is the implementing agent for the provincial department and all projects are dependent on project and financial approval at a provincial level.
TL36	Scheduled outreach programmes for all towns to update housing waiting lists	Number of outreaches	New KPI for 2015/16	7	15		None
TL37	Review the Housing Allocation Policy to be in line with National and Provincial regulations	number of reports	New KPI for 2015/16	1	1		None
TL45	90% Expenditure of the approved Capital Budget	% Capital budget spent	67.17%	90%	82.43%		The main reason for the underspending was the transfer of External Funding Sources(Flood Damage Grant) from previous applications to the municipal budget during the second half of the financial year. This caused that the funds needed to be accommodated in the budget, but as a result



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Ref	KPI	Unit of Measurement	Previous year performance 2014/15	Overall Performance for 2015/16			
				Target	Actual	R	Departmental Corrective Measures
							of project engineer design and tender processes it was not able to spend it as well.
TL46	90% Expenditure of the approved Operation Budget	% Operational budget spent	84%	90%	83.91%		The underexpenditure on the operating costs of the Technical Department are as a result of cost containment measures and savings.
TL49	Monthly report to the Portfolio committee regarding MIG	Number of reports submitted	New KPI for 2015/16	10	9		The report that was not submitted where dealt with during the performance evaluations operationally.
TL50	95% Expenditure of Municipal Infrastructure Grant (MIG)	% of MIG Grant spent	New KPI for 2015/16	95%	82.57%		Various factors contributed to the underspending. All funds that were not spent contributed to enhanced spending in the following financial year as it was carried over with projects not being able to be completed within the financial year. This has been done in collaboration with the Provincial and National Treasury without negative impact on the municipal position for external grant funding.
TL52	Limit Electricity losses to 10%	% unaccounted electricity	9.68%	10%	9.81%		None
TL53	95% Expenditure of National Electrification Grant spent	95% of Electrification Grant spent	New KPI for 2015/16	95%	100%		None
TL55	Limit Water losses to 30%	% unaccounted for	34.5%	30%	22.67%		None

Table 65.: Actual performance for 2015/16 for the strategic objective: Maintenance and Development of Infrastructure



Economic Growth

Ref	KPI	Unit of Measurement	Previous year performance 2014/15	Overall Performance for 2015/16			
				Target	Actual	R	Departmental Corrective Measures
TL13	Development of a Business Directory	Number of directories/publications completed	New KPI for 2015/16	1	1		None
TL14	Facilitate Youth SMME Support Initiatives	Number of training events or workshops for youth	New KPI for 2015/16	2	3		None
TL15	Complete a detailed business process analysis with recommendation on possible process improvements with regard to red tape reduction and submit to Portfolio committee	Number of reports submitted to Portfolio committee	New KPI for 2015/16	1	1		None
TL16	Facilitate and Coordinate Slangrivier Transformation Process	Number of meetings facilitated	New KPI for 2015/16	3	5		None
TL17	Submit quarterly progress reports on organisation spending in terms of Council's approved Preferential Procurement Policy	number of reports submitted to Portfolio committee	New KPI for 2015/16	3	1		Target not met due to lack of cooperation and buy-in from the line departments to identify projects to be implemented in terms of the approved Preferential Procurement Policy.
TL47	Number of FTE's (Full Time Equivalent) created through EPWP	Number of FTE's created	52	30	52		None

Table 66.: Actual performance for 2015/16 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 2015/16 financial year and where applicable, in comparison to the 2014/15 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		
	2015/16	17	2		10		5
Corporate Services (Admin, HR, Property Administration, Communication, Library & Legal Services)	2014/15	6	1		4	1	
	2015/16	7	2	3	2		
Community Services	2014/15	9	1	2	5		1
	2015/16	11	3	3	4		1
Financial Services	2014/15	3		1	2		
	2015/16	4		2	2		
Planning & Environment	2014/15	3		2	1		
	2015/16	5		2	3		
Technical Services	2014/15	8	1	1	2	1	3
	2015/16	19	3	2		5	

Table 67.: 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;



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

Table 68.: 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 BAC: 12/07/2012 (TENDER DOCUMENT USED AS CONTRACT)	3	Services rendered in general was of good quality. Positive feedback was received 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.
KISHUGU IFMS (PTY) LTD	TENDER: HES-GEN 01/1516 BAC: 03/08/2015 Collab no: 901455	2.16	On average and in general was the services rendered of a very good standard, regular meetings were held between the relevant role-players to discuss/ manage/resolve any shortcomings and/or issues that arise. There were issues with regards to personnel misconduct of Kishugu, but was properly handled and resolved by Kishugu, service delivery was not affected as a result of aforementioned.

Table 69.: Section 76 (b) Service providers for 2015/16

Kishugu IFMS (PTY)Ltd rendered the Fire Brigade service on behalf of Hessequa municipality. The contract made provision for 22 firefighters and a medium capacity pumper truck. Firefighting personnel were deployed in the towns of Riversdale, Heidelberg and Melkhoutfontein and concentrated primarily on



structural fires, and acted as first responders in cases where veldfires occurred. In the meantime the municipality started with an investigation considering the possibility of establishing its own internal firefighting service over a period of time, in order to service all of its towns.

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

3.2.5 MUNICIPAL FUNCTIONS

The municipal function areas for the 2015/16 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
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



Municipal Function	Municipal Function Yes / No
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 70.: 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.

Please note that the following figures relate to users accessing municipal services within the service areas as identified in the Spatial Development Framework. These figures should not be reconciled with the total households of the municipal region as these figures do not include rural/farm households and communities like Vermaaklikheid or Garcia in any/some figures. As an example, Garcia is a community that is provided by a package sewerage solution, but water and electricity are metered per household. Therefore the number of households can and will vary for different 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.



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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	2015/16
	Actual	Actual
	No.	No.
<i>Water: (above min level)</i>		
Piped water inside dwelling or yard	13 349	13 316
Using public tap (within 200m from dwelling)	399	427
Other water supply (within 200m)	0	0
<i>Minimum Service Level and above sub-total</i>	13 748	14 322
<i>Minimum Service Level and above Percentage</i>	100	100
<i>Include informal settlements</i>		

Table 71.: Water Service Delivery levels: Households

Employees: Water and Sewerage					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	32	32	31	1	3%
4 - 6	30	30	29	1	3%
7 - 9	4	6	5	1	16%
10 - 12	5	5	5	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	71	73	70	3	4%



Employees: Water and Sewerage					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
<i>Employees and posts numbers are as at 30 June.</i>					

Table 72.: Employees : Water Services

Capital Expenditure 2015/16: Water				
R				
Capital Projects	Adjusted Budget	Actual Expenditure	Variance from adjusted budget	Comments
Air valves - S/B & JFT	50000	0	50000	The funding is provisional budgets for ad-hoc purchases as may be needed for replacement.
Reserve water pumps (Albertinia)	60000	23400	36600	The funding is provisional budgets for ad-hoc purchases as may be needed for replacement. One pump was purchased, the balance can be seen as a saving.
Water pumps Grootfontein	60000	0	60000	The funding is provisional budgets for ad-hoc purchases as may be needed for replacement.
Irrigation Water Pump Installation (Riversdale)	91607	8518.34	83088.66	The tender was cancelled from the Upgrading of Water Networks in Heidelberg and was the funds transferred to the Riversdale Water project. The project is under construction with 42% of the works, completed, the project started late due to the transfer of funds from Heidelberg to the Riversdale tender which led to the project only commencing in May 2016. A memorandum was submitted to the finance department to transfer the remaining funds of the 2015/16 financial year to the 2016/17 financial year. The project is a multiyear project.
Water Leak Detector – Water (Hessequa)	70 000	0	70 000	No suitable product could be procured during the financial year for the approved budget
Air valves - S/B & JFT	72 066	0	72 066	The funding is provisional budgets for ad-hoc purchases as may be needed for replacement.

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Capital Expenditure 2015/16: Water				
R				
Capital Projects	Adjusted Budget	Actual Expenditure	Variance from adjusted budget	Comments
WWTW. Security (water reservoirs). (Riversdale WTW)	80 000	68 434.34	11 565.66	The balance can be seen as a saving after the works has been completed by 30 June 2016.
Laboratory Equipment (Hessequa)	100 000	94 422.5	5 577.5	The balance of R 5577.50 can be seen as a saving after all orders and requisitions was paid.
Provision of Flow Meters (Witsand)	100 000	0	100 000	No successful bidder could be procured during the financial year
Upgrading of water network/Water Pressure (Stilbay)	143 136	100 932.07	42 203.93	The original budget was R 143 136 of which only R 100 932 was spent by 30 June 2016. This is a multiyear project. The project was awarded to WF Construction and is currently under construction. The project is under construction with 65% of the works. A memorandum was submitted to the finance department to transfer the remaining funds of the 2015/16 financial year to the 2016/17 financial year.
Telemetric system (Albertinia)	130 000	126 590.96	3 409.04	Project is completed. The balance are part of the retention funds which will be paid to the contractor after the 12 months liability period.
Water line to Airfield (Riversdale)	190 848	312 44,66	159 603,34	The original budget was R 190 848 of which only R 31 245 was spent up to June 2016. This is multiyear project. The project is under construction with 42% of the works, completed, the project started late due to the transfer of funds from Heidelberg to the Riversdale tender which led to the project only commencing in May 2016. The project consist of hand excavation and backfilling works as prescribe in the tender document, which led to a slower production rate. a Memorandum was submitted to the finance department to transfer the remaining funds of the 2015/16 financial year to the 2016/17 financial year.
Upgrading of network at Palinggat (Stilbay)	190 848	118 588,45	72 259,55	The original budget was R 190 84 of which only R 118 588 was spent up to June 2016. This is a multiyear project. The



Capital Expenditure 2015/16: Water				
R				
Capital Projects	Adjusted Budget	Actual Expenditure	Variance from adjusted budget	Comments
				project was awarded to WF Construction and is currently under construction. The project is under construction with 65% of the works. A memorandum was submitted to the finance department to transfer the remaining funds of the 2015/16 financial year to the 2016/17 financial year.
Upgrading of Reservoir (Slangrivier)	200 000	373,88	199 626,12	This is a multiyear project. The project was awarded to WF Construction and is currently under construction. The project is under construction with 65% of the works. A memorandum was submitted to the finance department to transfer the remaining funds of the 2015/16 financial year to the 2016/17 financial year.
Replace Main Water Supply from Reservoirs 800m (Albertinia)	17 005	17 005	0	The original budget was R 230 000 but was amended to R 17 005, which was all spend by 30 June 2016.The project was awarded to WF Construction.
Water meters - 6510025202646 - 1415 (Hessequa)	500 000	215 949,31	284 050,69	The funding is provisional budgets for ad-hoc purchases as may be needed for replacement and new installations.
Telemetric system (Riversdale)	395 000	395 000	0	Project is completed. The balance are part of the retention funds which will be paid to the contractor after the 12 months liability (retention) period.
Replace old water Network (Riversdale)	543 918	366 044,72	177 873,28	Originally budget was R 543 918 of which R 366 045 was spent by the end of June 2016. This is a multiyear project. The project was awarded to WF Construction and is currently under construction with 65% of the works complete. The project consist of hand excavation and backfilling works as prescribe in the tender document, which led to a slower production rate. A memorandum was submitted to the finance department to transfer the remaining funds of the 2015/16 financial year to the 2016/17 financial year.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

Capital Expenditure 2015/16: Water				
R				
Capital Projects	Adjusted Budget	Actual Expenditure	Variance from adjusted budget	Comments
Upgrading of Network (Riversdale)	591 630	591 630	0	The project was awarded to WF Construction and was the full budget of R 867054 spent by 30 June 2016
Replace low pressure water line (Riversdale)	90 976	21 494,13	69 481,87	The project was awarded to WF Construction. This is a multiyear project. The remaining funds will be transferred to the 2016/17 financial year.
Decalcification of Household water (Additional of R202 410 to 2015/16 original amount) (Gouritsmond)	706 210	464 854,18	241 355,82	The tender has been awarded to Urhwebo e Transand. The available funds was insufficient to completed both the civil and mechanical components of the tender and therefore only the civil part of the contract has been completed by 30 June 2016. The remaining balance of R 241 356 was requested to be transferred to the 2016/17 financial year to implement the full project.
Replace low pressure water line (Riversdale)	687 054	152 480,99	534 573,01	The original budget was R 697 054 of which R 152 481 was spent by 30 June 2016. This is a multiyear project. The project is under construction with 42% of the works.. The project started late due to the transfer of funds from Heidelberg to the Riversdale tender which led to the project only commencing in May 2016. The project consist of hand excavation and backfilling works as prescribe in the tender document, which led to a slower production rate. A memorandum was submitted to the finance department to transfer the remaining funds of R 543 573 of the 2015/16 financial year to the 2016/17 financial year.
Replacement of Water aqueduct/conduit (Riversdale)	687 054	201 966,06	485087,94	The original budget was R 687054 of which R 201 966 was spent by 30 June 2016. This is a multi year project. The tender was cancelled from the Ugrading of Water Networks in Heidelberg and was the funds transferred to the Riversdale Water project. The project is under construction with 42% of the works, completed, the project started late due to



Capital Expenditure 2015/16: Water				
R				
Capital Projects	Adjusted Budget	Actual Expenditure	Variance from adjusted budget	Comments
				the transfer of funds from Heidelberg to the Riversdale tender which led to the project only commencing in May 2016. A memorandum was submitted to the finance department to transfer the remaining funds of the 2015/16 financial year to the 2016/17 financial year.
Replacement of Water aqueduct/conduit (Riversdale)	687 054	687 054	0	The project was awarded to WF Construction and was the full budget of R 867054 spent by 30 June 2016
Upgrading of water supply (Stilbay)	696 421	452 739,65	243 681,35	The original budget was R 1 000 000 which was adjusted to R 696 421 of which R 542 470 was spent by 30 June 2016. This is a multiyear project. The project was awarded to WF Construction and is currently under construction. The project is under construction with 65% of the works. A memorandum was submitted to the finance department to transfer the remaining funds of the 2015/16 financial year to the 2016/17 financial year.
Upgrading of water supply (Stilbay)	1 383 650,00	899 145,68	484 504,32	The original budget was R 1 3 83 50 of which R 899 146 was spent by 30 June 2016. This is a multiyear project. The project was awarded to WF Construction and is currently under construction. The project is under construction with 65% of the works. A memorandum was submitted to the finance department to transfer the remaining funds of the 2015/16 financial year to the 2016/17 financial year.
New Bulk Water supply S/B & MHFT - 6510035302455 - 1415 (Melkhoutfontein)	354 742	116 431,55	238 310,45	The final public Participation process was submitted to the Department of Environmental Affairs at the end of 2015. The project was amended to R 404 406 of which R 116 432 was spent on fees due to the environmental authorization process which was granted on 30 May 2016. Due to the limited time ,the project could not be implemented and the remaining balance was transferred with

Capital Expenditure 2015/16: Water				
R				
Capital Projects	Adjusted Budget	Actual Expenditure	Variance from adjusted budget	Comments
				the adjustment budget to the 2016/17 financial year.
REPLACE WATER METERS (Heidelberg, Slangrivier en Witsand)	300 000	0	300 000	A Rollover application was submitted before 31 August 2016 to apply for the R 300 000 to be transferred to the 2016/17 financial year.

Table 73.: Capital Expenditure 2015/16: 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.

The total sanitation statistics for 2014/15 year, includes* a total of 1 787 for septic tanks which was already added to the Flush Toilet category. The increase trend from 2014/15 increase is as a result of new meters added to the 2015/16 financial year.

Sanitation Service Delivery Levels		
Households		
Description	2014/15	2015/16
	Actual	Actual
	No.	No.
<i>Sanitation/sewerage: (above minimum level)</i>		
Sanitation Services above Minimum Standard provided	14 601	12 987
<i>Minimum Service Level and Above sub-total</i>	14 601	12 987
<i>Minimum Service Level and Above Percentage</i>	100	100

Sanitation Service Delivery Levels		
Households		
Description	2014/15	2015/16
	Actual	Actual
	No.	No.
Total households connected	14 601*	12 987
<i>Including informal settlements</i>		

Table 74.: 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.

The 2014/15 statistics already included the Eskom connections* and that of businesses and industries in the total of 14 557, which in the 2015/16 financial year was indicated separately under other Energy sources and only consist of Residential connections. The increase are due to new electrical connections in the 2015/16 financial year.



Electricity Service Delivery Levels		
Households		
Description	2014/15	2015/16
	Actual	Actual
	No.	No.
<i>Energy: (above minimum level)</i>		
Electricity (at least minimum service level)	4 333	3 655
Electricity - prepaid (minimum service level)	10 224	10 037
<i>Minimum Service Level and Above sub-total</i>	14 557	13 692
<i>Minimum Service Level and Above Percentage</i>	100	100
Other energy Providers	0	581 (ESKOM)
<i>Below Minimum Service Level sub-total</i>	0	0
<i>Below Minimum Service Level Percentage</i>	0	0
Total number of households	14557*	14 273

Table 75.: Electricity Service Delivery Levels

Employees: Electricity Services					
Job level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	2	2	0	0
4 – 6	24	26	23	3	12%
7 – 9	5	7	6	1	14%
10 – 12	7	7	7	0	0
13 – 15	1	2	1	1	50%
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
Total	38	44	39	5	11%
<i>Employees and Posts numbers are as at 30 June.</i>					

Table 76.: Employees : Electricity

Capital Expenditure 2015/16: Electricity				
Capital Projects	Adjusted Budget (R)	Actual Expenditure (R)	Variance from Adjusted budget (R)	Comments
Safety Signs - Electricity	10 000	2 955	7 044	The electricity signs were purchased, the balance can be seen as a saving.
Meters for Municipal use	11 305	11 305	0	The project was completed
Tools – Mechanical	12 000	10 664	1 335	The project was completed
Replace meters – Heidelberg	50 000	47 301	2 699	The project was completed.
Upgrading of network – Witsand	188 411	188 411	0	The project was completed.
Upgrading of sub-stations - Stilbaai-West	200 000	194 755	5 244.65	The project was completed.
Upgrading 11 KV Main sub-station - Witsand	235 513	235 513	0	The project was completed.
Upgrading of sub-stations - Station Road / Theronville	282 616	282 616	0	The project was completed.
Upgrading of network – Gouritsmond	291 308	291 308	0	The project was completed.
Low tension conductors	438 411	438 411	0	The project was completed.
Upgrading of sub-stations - Heidelberg	482 616	482 616	0	The project was completed
Upgrading of sub-stations – Witsand	482 616	482 616	0	The project was completed
Upgrading 11 KV Main sub-station - Albertinia	600 000	600 000	0	The project was completed.
Upgrading of sub-station – Gouritsmond	750 000	730 333	19 667	The project was completed
Upgrading 11 KV Main sub-station Heidelberg	771 026	771 026	0	The project was completed
Upgrading of network Heidelberg	771 026	771 026	0	The project was completed
Upgrading of network – Riversdale	859 437	859 437	0	The project was completed.



Capital Expenditure 2015/16: Electricity				
Capital Projects	Adjusted Budget (R)	Actual Expenditure (R)	Variance from Adjusted budget (R)	Comments
Electrification of houses – Kwanokuthula		403 947	(403 947)	The project was completed – Part of JOB in collective vote – 74106 4300 20611 ZZZZ D7
Upgrading of sub-stations – Riversdale			207 252	The project was completed – Part of JOB in collective vote – 74106 4300 20611 ZZZZ D7
Electrification of houses – Melkhoutfontein		210 059	(210 059)	The project was completed – Part of JOB in collective vote – 74106 4300 20611 ZZZZ D7
Electrification of houses - Diepkloof HB		1 689 486	(1 689 486)	The project was completed – Part of JOB in collective vote – 74106 4300 20611 ZZZZ D7
Upgrading of network - Stilbaai - West/East	909 437	909 437	0	Project is completed.
Upgrading 11 KV Main sub-station - Riversdale	1 371 026	1 371 026	0	Project is completed.
Installation of 66/11 KV Main sub-station Stilbaai	22 700 000	21 283 702	1 416 297	Project for the Stilbaai 66/11 kv Network is complete.

Table 77.: Capital Expenditure 2015/16 : 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. Please note that the 2014/15 figures includes businesses and the 2015/16 figures do not.

Solid Waste Service Delivery Levels		
Description	Households	
	2014/15	2015/16
	Actual	Actual
	No.	No.
<i>Solid Waste Removal: (Minimum level)</i>		
Removed at least once a week	13 432	13 066
<i>Minimum Service Level and Above sub-total</i>	13 432	13 066
<i>Minimum Service Level and Above percentage</i>	100	100
Total number of households	13 432	13 066

Table 78.: 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 was 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. The 41 top structures were completed and handed over to beneficiaries.

Heidelberg Housing Project (122 Serviced sites)

This project were a mitigating project approved by the Provincial department for Human Settlements for 122 serviced sites as a phase 1 contract. The top structures approval were also received as a phase 2 contract.

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

The latter two 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 Melkhoutfontein (top structures) was formulated and submitted to the Provincial Department of Human Settlements for their consideration. Council resolved that applications for the upgrading of informal settlements also to be formulated and submitted to the Provincial department for Human Settlements for consideration.

The following table shows the increase/decrease in the number of people on the housing demand database. The demand for housing opportunities was **7811** for the 2014/2015 financial year and for the 2015/2016 financial year a total of **8080 as per municipal Collaborator database**

Financial year	No of housing units on waiting list	% Housing waiting list increase/decrease from previous year
2014/15	7811	24%
2015/16	8080	3.45%

Table 79.: 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 **3 111** housing opportunities as at end June 2016.

It also needs to be noted, that National Government made an announcement about prioritisation of persons above 40 years of age for a housing opportunity, and that are on municipal housing demand databases. The Western Cape department of Human Settlements announced that they will implement the above 40 rule, as sent out in formal circular 10 of 20 May 2015, in this regard for implementation by all municipalities.

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
2014/15	11 108 536	11 108 536	100	41	170
2015/16	7 076 000	7 076 000	100	0	122

Table 80.: Houses built in 2015/16

Employees: Housing					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Posts	Employees
	No.	No.	No.	No.	No.
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	1	2	2	0	0%
10 - 12	2	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	3	0	0%
<i>Employees and Posts numbers are as at 30 June.</i>					

Table 81.: Employees : Housing

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 that received free basic services in the past financial year:

Financial Year	Indigent Household Services								
	Registered Indigent Housholds	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2015/16	5 279	5200	98.5	4 961	93.9	5 039	95.45	5 095	95.8

Table 82.: Free basic services to indigent households

Cost of Free Basic Services - Electricity									
Financial year	Indigent Households			Non-indigent household			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
2015/16	4 629	50kWh	2 173 344	N/A	N/A	N/A	571	50kWh	314 687

Table 83.: Free basic Electricity services to indigent households

Cost of Free Basic Services - 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
2015/16	4 961	6kl	6 778 951	N/A	N/A	N/A

Table 84.: Free basic Water to indigent households

Cost of Free Basic Services - Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	AVG R value per HH	Value	No. of HH	Unit per HH per month	Value
			R			R
2015/16	5 039	1 361	6 856 893	N/A	N/A	N/A

Table 85.: 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
2015/16	5 095	Once a week	5 387 854	N/A	N/A	N/A

Table 86.: Free basic Refuse Removal services to indigent households

Financial Performance 2015/16: Cost to Municipality of Free Basic Services Delivered				
Services Delivered	2014/15	2015/16		
	Actual R'000	Budget R'000	Actual R'000	Variance to Budget R'000
Water	4 917	3 449	6 779	(3 330)
Waste Water (Sanitation)	6 248	6 648	6 857	(109)
Electricity	2 478	2 680	2 488	192
Waste Management (Solid Waste)	4 484	5 229	5 388	(159)
Total	18 485	18 107	21 512	-3 405

Table 87.: 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
2012/13	42	10	0.4	32
2013/14	42	0	0	42
2014/15	42	0	0	42
2015/16	42	0.29	0	42.3

Table 88.: 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
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
2015/16	231	0	1.97	0.84	231

Table 89.: 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
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
2015/16	0.0	0.0	422	0.00	0.00	3 805

Table 90.: Cost of construction / maintenance of roads

Employees: Roads					
Job Level	2014/15	2015/16			
	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	43	44	41	3	7%
7 - 9	14	12	11	1	8%
10 - 12	4	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	77	76	71	4	5%

Employees and Posts numbers are as at 30 June.

Table 91.: Employees : Roads

Capital Expenditure 2015/16: Road Transport				
(R)				
2015/16				
Capital Projects	Adjusted budget	Actual Expenditure	Variance from adjusted budget	Comments
Repair of Streets damaged by floods - Orr SStar& Grasskopf Intersection - Riversdale	84 000	84 000,00	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the Bid Adjudication Committee . The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 846 791 to R 84 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the spent could not be fully implemented the funds in the 2015/16 financial year. This is a multiyear project
Repair of Streets damaged by floods - Long Str from Main to Roux - Riversdale	64 000	64 000	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging a appeal against the final decision of the Bid Adjudication Committee. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 641 406 to R 64 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully Spent the funds in the 2015/16 financial year. This is a multiyear project
Repair of Streets damaged by floods - Felicia & Lonaria Street - Riversdale	18 000	18 000,00	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the Bid Adjudication Committee. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 176 316 to R 18 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully Spent the funds in the 2015/16 financial year. This is a multiyear project
Repair of Streets damaged by floods - Homeria Street - Riversdale	13 000	13 000	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the Bid Adjudication Committee. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 132 237 to R 13 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully Spent the funds in the 2015/16 financial year. This is a multiyear project

Capital Expenditure 2015/16: Road Transport				
(R)				
2015/16				
Capital Projects	Adjusted budget	Actual Expenditure	Variance from adjusted budget	Comments
Repair of Streets damaged by floods - Geranium Street - Riversdale	3 000	3 000	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the Bid Adjudication Committee. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 26 447 to R 3 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully Spent the funds in the 2015/16 financial year. This is a multiyear project
Repair of Streets damaged by floods - Versfeld Street - Riversdale	15 000	15 000	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the Bid Adjudication Committee. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 145 461 to R 15 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully Spent the funds in the 2015/16 financial year. This is a multiyear project
Repair of Streets damaged by floods - Heide Street - Riversdale	10 000	10 000	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the Bid Adjudication Committee. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 94 329 to R 10 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully Spent the funds in the 2015/16 financial year. This is a multiyear project
Repair of Streets damaged by floods - Osler Street - Riversdale	100 000	100 000	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the Bid Adjudication Committee. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 1 098 239 to R 100 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully Spent the funds in the 2015/16 financial year. This is a multiyear project
Repair of Streets damaged by floods - Kloof Street - Stilbaai	4 000	4 000	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the Bid Adjudication Committee. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 42 761 to R 4 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully Spent the funds in the 2015/16 financial year. This is a multiyear project

Capital Expenditure 2015/16: Road Transport				
(R)				
2015/16				
Capital Projects	Adjusted budget	Actual Expenditure	Variance from adjusted budget	Comments
Repair of Streets damaged by floods - Melkboom Street - Stilbaai	26 000	26 000	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the Bid Adjudication Committee. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 256 562 to R 26 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully Spent the funds in the 2015/16 financial year. This is a multiyear project
Repair of Streets damaged by floods - Rowweklip Street - Jongensfontein	30 000	30 000	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders which lodged a appeal against was received the final decision. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 846 791 to R 84 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully implemented the funds in the 2015/16 financial year. This is a multiyear project
Repair of Streets damaged by floods - Voelklip Avenue - Jongensfontein	84 000	84 000	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the Bid Adjudication Committee Meeting. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 838 715 to R 84 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully Spent the funds in the 2015/16 financial year. This is a multiyear project
Repair of Streets damaged by floods - Roberts Road - Heidelberg	53 000	53 000	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the Bid Adjudication Committee Meeting. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 533 394 to R 53 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully Spent the funds in the 2015/16 financial year. This is a multiyear project
Repair of Streets damaged by floods - Gamble Street - Heidelberg	70 000	70 000	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the Bid Adjudication Committee Meeting. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 701 754 to R 70 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully Spent the funds in the 2015/16 financial year. This is a multiyear project

Capital Expenditure 2015/16: Road Transport				
(R)				
2015/16				
Capital Projects	Adjusted budget	Actual Expenditure	Variance from adjusted budget	Comments
Repair of Streets damaged by floods - Andries Du toit Street - Heidelberg	53 000	53 000	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the Bid Adjudication Committee Meeting. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 533 394 to R 53 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully Spent the funds in the 2015/16 financial year. This is a multiyear project
Repair of Streets damaged by floods - Nywerheids Avenue - Albertinia	75 000	75 000	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the Bid Adjudication Committee Meeting. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 748 307 to R 75 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully Spent the funds in the 2015/16 financial year. This is a multiyear project
Repair of Streets damaged by floods - van Riebeeck Street - Gouritsmond	93 000	93 000	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the Bid Adjudication Committee. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 931 547 to R 93 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully Spent the funds in the 2015/16 financial year. This is a multiyear project
Reseal of gravel roads in Garcia	150 000	150000	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the Bid Adjudication Committee Meeting. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. The project is completed.
Construction of Speed Bumps	200 000	199 999,39	0,61	The project is complete.
LDV - Public Works	200 000	188 443,33	11 556,67	Completed , balance can be seen as a saving
LDV - Public Works	200 000	188 443,33	11 556,67	Completed , balance can be seen as a saving
New Paved Streets - Witsand (200m)	295 000	295 000,00	0	Project is complete

Capital Expenditure 2015/16: Road Transport				
(R)				
2015/16				
Capital Projects	Adjusted budget	Actual Expenditure	Variance from adjusted budget	Comments
Reseal of gravel roads in Theronville	32 000	32 000,00	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 400 000 to R 32 000 with the Adjustment budget. Entsha Henra was appointed in April 2016 and due to the limited time available the project could not be fully implemented in the 2015/16 financial year. This is a multiyear project
Fiat 780 Tractor - Public works	581 000,00	580 000,00	1 000,00	Completed , see balance as saving
New Paved Streets - Jongensfontein	647 143	647 143,00	0	Project is complete.
Rebuilding of Existing Streets - Stilbaai (66 007m) Steadfray Ave	64 000	61 423,35	2 576,65	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the BAC Meeting. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R 800 000 to R 64 000 with the Adjustment budget of which R 61 423 was spent. Entsha Henra was appointed in April 2016 and due to the limited time available the funds could not be full in the 2015/16 financial year. This is a multiyear project.
New Paved Streets - LED Riversdale (3 700m)	881 369	964 082,76	(82 713,76)	The project was awarded to Benver Civils and Plant Hire and was completed by 30 June 2016. The over spent amount were funded from the VAT that was reclaimed.
Repair of Streets damaged by floods - Martin Hartnick Road	200 000	136 148,51	63 851,49	The original budget was R 1 002 ,791 which was amended to R200 000 of which R 136 149 was spent up to June 2016. This is a multiyear project. Benver Civils was appointed and was the final letter only issued on 23 June 2016. A rollover application was submitted for the unspent amount of R 63 851.49 before 31 August 2016.
Repair Storm water damaged by floods - Oosthuizen Street	53 200	19 288,12	33 911,88	The original budget was R 1 084 050 which was amended to R53 200 of which R 19 288 was spent up to June 2016. This is a multiyear project. Benver Civils was appointed and was the final letter only issued on 23 June 2016. A rollover application was submitted for the unspent amount of R 39 912 before 31 August 2016.
Rehabilitation of Streets - R/D Testing Station	56 400	20 448,30	35 951,70	The original budget was R 1 128 600 which was amended to R56 400 of which R 20 488 was spent up to June 2016. This is a multiyear project. Benver Civils was appointed and was the final letter only issued on 23 June 2016. A rollover application was submitted for the unspent amount of R35 952 before 31 August 2016.

Capital Expenditure 2015/16: Road Transport				
(R)				
2015/16				
Capital Projects	Adjusted budget	Actual Expenditure	Variance from adjusted budget	Comments
Repair of Streets damaged by floods - Oosthuizen Street - portion left in 1415 now transferred to 1516	63 000	22 841,19	40 158,81	The original budget was R 1 265 000 which was amended to R 63 000 of which R 22 841 was spent up to June 2016. This is a multiyear project. Benver Civils was appointed and was the final letter only issued on 23 June 2016. A rollover application was submitted for the unspent amount of R 40 159 before 31 August 2016.
Repair Storm water damaged by floods (2014/15)	1 220 680	1 220 680,00	0	Complete
Grader - Public Works	1 500 000	1 500 000,00	0	Complete
1 Ton Flat Bed Truck - Public Works	1 500 000	1 493 766,00	6 234,00	Complete , balance can be seen as a saving
Repair of Streets damaged by floods - Muir/Louw Street	93 000	33 717,94	59 282,06	The original budget was R 1 875 500 which was amended to R 93 000 of which R 33718 was spent up to June 2016. This is a multiyear project. Benver Civils was appointed and was the final letter only issued on 23 June 2016. A rollover application was submitted for the unspent amount of R 59 282.06 before 31 August 2016.
Repair of Streets damaged by floods - Kwanokuthula - portion left in 1415 now transferred to 1516	109 000	39 518,88	69 481,12	The original budget was R 2 185 919 which was amended to R109 000 of which R 39 519 was spent up to June 2016. This is a multiyear project. Benver Civils was appointed and was the final letter only issued on 23 June 2016. A rollover application was submitted for the unspent amount of R 69 481 before 31 August 2016.
Repair of Streets damaged by floods - Hessequa	379 000	379 000,00	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the BAC Meeting. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R3 791 667 to R 162 000 with the Adjustment budget of which R 379 000 was spent. Entsha Henra was appointed in April 2016 and due to the limited time available the funds could not be fully spent in the 2015/16 financial year. This is a multiyear project.
Repair of Streets damaged by floods - Dahlia Road	189 200	128 368,22	60 831,78	The original budget was R 3 804 020 which was amended to R189 200 of which R 128 368.22 was spent up to June 2016. This is a multiyear project .Benver Civils was appointed and was the final letter only issued on 23 June 2016. A rollover application was submitted for the unspent amount of R 60 832 before 31 August 2016.

Capital Expenditure 2015/16: Road Transport				
(R)				
2015/16				
Capital Projects	Adjusted budget	Actual Expenditure	Variance from adjusted budget	Comments
Reseal of gravel roads in Theronville (Albertinia)	162 000	162 000,00	0	The project forms part of the Reseal of Roads tender which was delayed due to one of the bidders lodging an appeal against the final decision of the BAC Meeting. The appeal led to legal proceedings which was finalised by the court on 14 March 2016. This led to the project funding be amended from R3 862 859 to R 162 000 with the Adjustment budget of which R 162 000 was spent. Entsha Henra was appointed in April 2016 and due to the limited time available the funds could not be fully spent in the 2015/16 financial year. This is a multiyear project.
Fiat 780 Tractor - Public works	223 000	140 718,95	82 281,05	The original budget was R 4 468 420 which was amended to R 223 000 of which R 140 719 was spent up to June 2016 This is a multiyear project. Benver Civils was appointed and was the final letter only issued on 23 June 2016. A rollover application was submitted for the unspent amount of R 82 281 before 31 August 2016.
New Paved Streets – Jongensfontein	329 000	119 282,36	209 717,64	The original budget was R 6 592 773 which was amended to R 329 000 of which R 119 282 was spent up to June 2016 This is a multiyear project. Benver Civils was appointed and was the final letter only issued on 23 June 2016. A rollover application was submitted for the unspent amount of R 209 717.64 before 31 August 2016.
Rebuilding of Existing Streets - Stilbaai (66 007m) Steadfray Ave	470 000	170 402,52	299 597,48	The original budget was R 9 402 428 which was amended to R 470 000 of which R 170 403 was spent up to June 2016 This is a multiyear project. Benver Civils was appointed and was the final letter only issued on 23 June 2016. A rollover application was submitted for the unspent amount of R 299 597.48 before 31 August 2016.
New Paved Streets - LED Riversdale (3 700m) (EPWP – Expanded Public Works programme Grant)	3 318 992,00	1 831 169,12	1 487 822,88	The project was not budget for on the original MIG Budget , but due to the delays in the Authorisation process of the Melkhoutfontein Bulk Water Project the project was placed on the amended budget. Due to limited time available the contractor could not fully spent all the funds and was the contractor planning to complete the project by 24 August 2016.The project was awarded to ACV Civils and are the contractor onsite. The project is a multiyear project .A rollover application was submitted for the unspent amount of R 1 487 822.88 before 31 August 2016
Repair of Streets damaged by floods - Martin Hartnick Road (Albertinia)	2 327 291	2 327 289,99	1,01	The funds for the project was fully spent by 30 June

Capital Expenditure 2015/16: Road Transport (R)				
2015/16				
Capital Projects	Adjusted budget	Actual Expenditure	Variance from adjusted budget	Comments
Repair Storm water damaged by floods - Oosthuizen Street (Riversdale)	800 000	332 669,86	467 330,14	The original Budget was R 9 674 175 which was amended to R 800 000. The Consulting Engineer tender was awarded to WEC Consult. Only Professional fees and the construction of the wall at Swart street 1 in Heidelberg was planned but due to the procurement process that the limited time available before 30 June 2016 only the professional fees of R 332 669 was spent. This is a multiyear project. A rollover application was submitted for the unspent amount before 31 August 2016
Rehabilitation of Streets - R/D Testing Station (Riversdale)	190 000	109 807,00	80 193,00	The project forms part of the upgrading of Stormwater Project of which only fees was claimed up to the end of June 2016. This is a multiyear project. The over spent amount was funded by the VAT that was reclaimed

Table 92.: Capital Expenditure 2015/16 : 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
2012/13	81.4	0.7	0	82.1
2013/14	82.1	0	0	82.1
2014/15	82.1	0	0.15	82.25
2015/16	82.25	0	0.13	82.38

Table 93.: Stormwater Infrastructure



Stormwater Infrastructure cost: R'000			
Year	New	Upgraded	Maintained
2015/16	0.00	1 056	232

Table 94.: Cost of construction / maintenance of stormwater systems

Capital Expenditure 2015/16: Waste Water Management				
R				
Capital Projects	2015/16			
	Adjusted Budget	Actual Expenditure	Variance from Adjusted budget	Comments
Enlargement of Chlorine room - Sewerage works	13 222	12 456	765	The project forms part of the Upgrading of Stilbay WWTW and Inlet works project which is completed. The balance is part of the retention funds which will only be released after the 12 months retention period.
Mechanical sieve - Sewerage	198 333	198 333	0	The project forms part of the Upgrading of Stilbay WWTW and Inlet works project which is completed. The balance is part of the retention funds which will only be released after the 12 months retention period.
Flow meter - Sewerage	66 111	62 285	3 825	The project forms part of the Upgrading of Stilbay WWTW and Inlet works project which is completed. The balance is part of the retention funds which will only be released after the 12 months retention period.
Flow meter - Sewerage - Green Drop	198 334	172 184	26 149	The project forms part of the Upgrading of Stilbay WWTW and Inlet works project which is completed. The balance is part of the retention funds which will only be released after the 12 months retention period.
Sewerage Rods	3 000	2 320,00	680,00	Completed, balance can be seen as a saving.
Sewerage Rods	5 500	5 084	415	Completed., balance can be seen as a saving.
Sewerage Rods	5 500	2 474	3 026	Completed., balance can be seen as a saving.
Upgrading of Sewerage works	1 100 000	1 100 000	0	The tender was awarded to A2 Loodgieters. This is a multiyear

Capital Expenditure 2015/16: Waste Water Management				
R				
Capital Projects	2015/16			
	Adjusted Budget	Actual Expenditure	Variance from Adjusted budget	Comments
				project. The R 1 100 000 budgeted for the 2015/16 year was fully spent.
New Bulk Sewer Supply S/B & MHFT - 5510035302450	2 631 578	1 410 674	1 220 903	The general authorization from the Department of Environmental Affairs for the irrigation of the dams at the Melkhoutfontein Oxidation ponds was received in March 2016 and therefore the tender was advertised later than planned. During the adjustment budget in February 2016 the budget was amended from R 3 649 319 to R 2 631 578 of which only R 1 410 674 was spent by 30 June 2016. only issued On 03 June 2016. The tender has been awarded to Phambili Civils on 03 June 2016. This is a multiyear project. A MIG Rollover application for the remaining funds of R 1 220 903.44 was submitted before 31 August 2016..
Upgrading of Sewerage works / 5510036202922 0 - 1415	3 250 000	3 061 945	188 054	Project is completed. The balance is for retention funds which will only be released after the 12 month retention period are expired.
Refurbishment Alb Sewerage Works-ACIP	2 857 894	2 822 279	35 614	Project is completed.
Upgrading of Bulk Sewerage	8 194 175	8 213 109	(18 934)	Project is completed.

Table 95.: Capital Expenditure 2015/16: 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 focuses 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	2015/16	2014/15	2015/16	2014/15	2015/16
Applications received	64	72	17	18	679	526
Determination made in year of receipt	19	45	8	9	679	526
Determination made in following year	0	1	0	0	0	0
Applications withdrawn	2	2	0	2	0	0



Applications for Land Use Development						
Detail	Formalization of Townships		Rezoning		Built Environment	
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Applications outstanding at year end	39	27	9	9	0	0

Table 96.: Application for Land Use Development

Employees: Planning & Environmental Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	6	6	1	5	83%
4 - 6	1	2	2	0	0
7 - 9	2	1	1	0	0
10 - 12	3	4	4	0	0
13 - 15	4	2	1	1	50%
16 - 18	0	1	1	0	0
19 - 20	0	0	0	0	0
Total	16	16	10	6	38%

Employees and Posts numbers are as at 30 June.

Table 97.: Employees: Planning

3.5.2 LOCAL ECONOMIC DEVELOPMENT

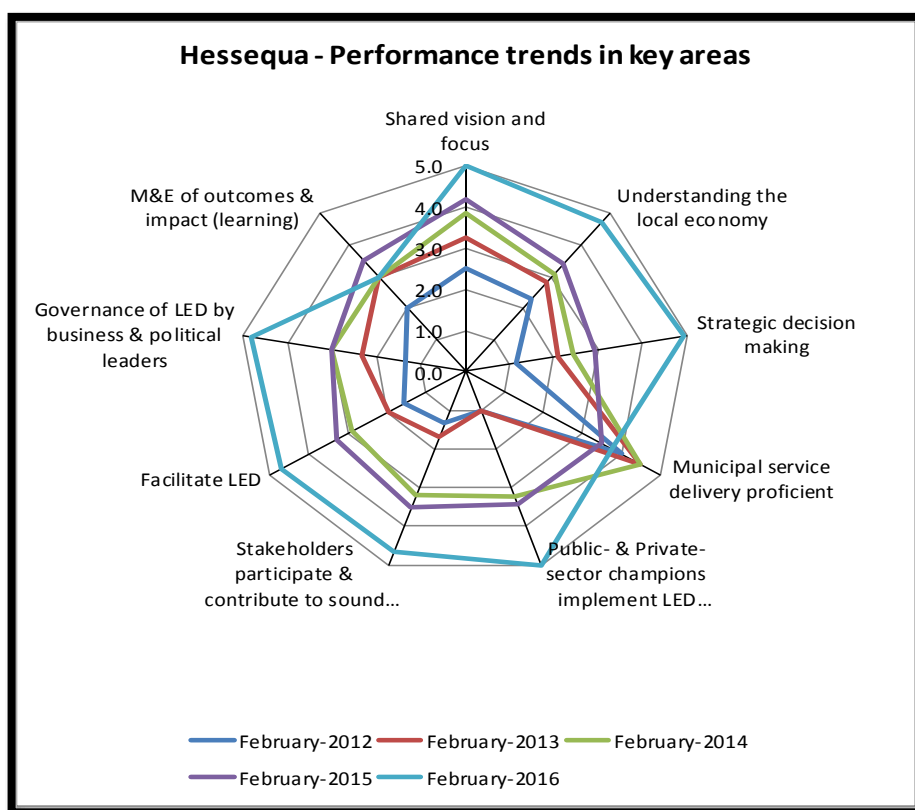
A) *Performance Highlights*

Performance highlights with regard to the implementation of the LED strategy for 2015/2016 financial year are:

LED MATURITY ASSESSMENT

Continued sustainable improvement in LED Maturity Assessment. The LED again showed an increase in performance in The LED Maturity Assessment executed by Provincial Government. The assessment report will again be used as basis for designing future interventions, some of the highlighted challenges (e.g. functioning of LED Forum, monitoring and evaluation of impact of interventions).

The results of the LED Maturity Assessment serves as a guide for future planning, the implementation of programmes/initiatives and the allocation of municipal resources and budget contributing to the local economy. Given the trends in the nine key areas, it is clear that two areas for improvement are (i) monitoring and evaluation & impact and (ii) municipal service proficiency. It must be emphasized that the LED Maturity Assessment is based on ascertaining the overall performance of the municipal administration and governance influencing the local economy.



SOUTH CAPE ECONOMIC PARTNERSHIP (SCEP)

Formal agreement signed, in collaboration with the six local B Municipalities in the Eden District, to identify regional economic development initiatives to promote economic development, through the utilisation of the special purpose vehicle SCEP. With financial support agreed by a number of municipalities in the Eden District, and matched by the Western Cape Economic Development Partnership, which resulted in a marked acceleration in deliverables through the partnership i.e. Film Guide for Eden District, Baseline research etc. Progress in cross-border collaboration through formalisation of South Cape Economic



Partnership. The outcomes of this partnership specific for the Hessequa Region, was the baseline research on the key economic sectors, where after priority regional economic initiatives would be identified for implementation. Specific reference to the tourism sector, is the research conducted on niche markets, whereby the film industry was identified, leading to the design and compilation of a film guide to attract investors i.e. film production teams etc. to the area. A service provider was appointed to scout sites within the various municipal areas. Still bay has been identified and has been incorporated in the film guide for the Eden Region.

HESSEQUA BUSINESS DIRECTORY

The development of a local business directory to assist local businesses to market and promote their services/goods.



MARK OF GOOD PUBLIC SERVICE

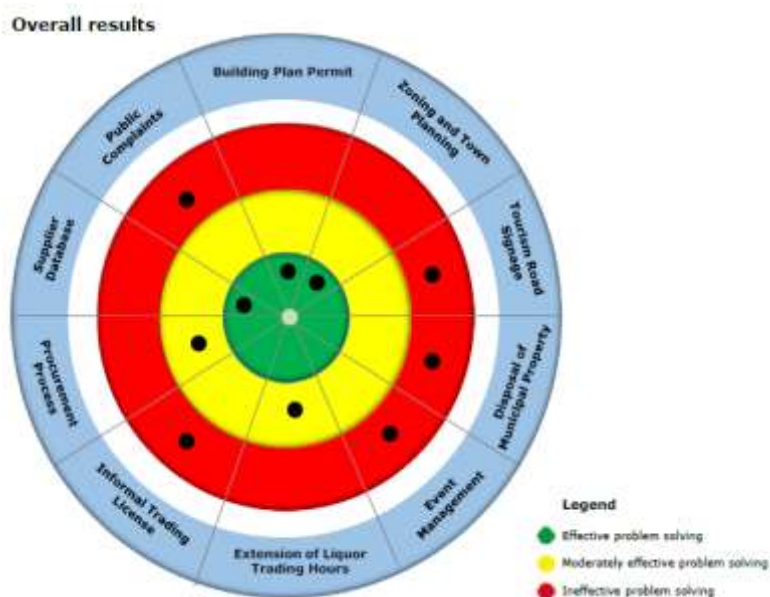
The Mark of Good Public Service is a methodology used to develop a uniformed framework for (a) measuring and (b) improving the quality of government services for businesses. It is an improvement plan with the targets of the municipality to improve public services by reducing red tape within the organisation. Funding obtained from the Department of Economic Development and Tourism (R400 000.00) to implement the Mark of Good Public Service methodology to +reduce red tape within the Municipality. Ten goods/services identified to improve red tape in the organisation. Final report and implementation plan developed to commence implementation in the 2016/2017 financial year.

The outcomes of this pilot are the identification of improvement measures to be implemented by the administration to reduce cost of businesses when doing business with the municipality. These improvement measures in return will improve also service delivery standards of the municipality.

FUNDING SECURED TO CONDUCT FEASIBILITY FOR AGRICULTURE STRATEGIC INFRASTRUCTURE

The Department formally confirmed to Hessequa Municipality that funds have been approved in the 2016/2017 financial year to conduct a pre-feasibility study for the construction of an agri-processing facility in Heidelberg. A service provider will be appointed to conduct a pre-feasibility study for the construction thereof. The pre-feasibility assessment will address the following aspects i.e. details of wheat quantity consumption patterns; an in-depth review of market sizes, trends and price levels for current wheat and other related products / commodities; investment requirements for the establishment of an agri-processing facility. It will also ascertain the potential opportunities for complementary sized grain silo, value adding products/services i.e. a bakery / cold storage facilities etc. on the same portion of municipal land as the planned agri-processing facility. Further to this, the study needs to ascertain opportunities to process other cereal

types cultivated locally, product and / or price differentiation and possibilities for sustainable competitive advantage. In addition, a five-year cash flow projection for the planned facility, as well as a detailed financial viability assessment will be included as part of the report. The envisaged completion date of this study is February 2017. The report will enable the municipality to apply for grant funding to subsidise capital contribution for the development. An agri-processing development will have a positive contribution to job creation opportunities, value chain expansion and economic growth of the area.



SLANGRIVIER TRANSFORMATION

The Department of Rural Development and Land Reform appointed a service provider to complete the Slangrivier Trancraa Process which started in 2005. The objective of the Transfer of Certain Rural Areas Act (TRANCRAA Act 9 of 1998) is to provide for the transfer of certain land to an entity



of choice by the local Act 9 community i.e. municipality or another legal entity of choice i.e. Community Property Association”, Trust or Municipality. A transformation Committee has been established to drive the process in collaboration with the Department and the Municipality, facilitated by a service provider. The Municipality formally request the Minister to place a notice announcing the 18-month period announcing the start of the transformation process for Slangrivier. The process will continue in the 2016/2017 financial year. The completion of the transformation process is critical and informs future development of Slangrivier.



of choice by the local Act 9 community i.e. municipality or another legal entity of choice i.e. Community Property Association”, Trust or Municipality. A transformation Committee has been established to drive the process in collaboration with the Department and the Municipality, facilitated by a service provider. The Municipality formally request the Minister to place a notice announcing the 18-month period announcing the start of the transformation process for Slangrivier. The process will continue in the 2016/2017 financial year. The completion of the transformation process is critical and informs future development of Slangrivier.

SUPPORT INITIATIVES TO SMALL MEDIUM AND MICRO BUSINESSES

The LED Unit facilitated several smme support initiatives during the 2015/2016 financial year i.e. youth expo, funding summit, contractor development training, registration on central supplier database, mentorship programme with the Afrikaans Handelsinstituut (AHI), SARS Registration, business registrations etc. The outcomes of these training interventions were to ensure that local smme’s are compliant and can compete for tenders through the supply chain management process of government.

Contractor Development Training

Youth Expo



SMME Training

FENCING PROJECT FOR EMERGING FARMERS IN SLANGRIVIER

The Department of Rural Development and Land Reform approved funding to an amount of R1.2million for the upgrading of the stock water system and replacement of fencing on commonage in the Slangrivier area. The provision of stock water will supply reliable water which will be readily available to stock. The replacement of the external fencing will assist in marking out territory, control herds and their movements to manage grazing land". In total 18km of fencing was replaced on the outer boundaries and in total 2km of stock water system were provided.

Hessequa Municipality assisted with the facilitation of temporary employment through the shake shake process. The project was completed within four months after inception in April 2015. This project is a good example of partnerships amongst various stakeholders i.e. provincial government, national and local government and the local community of Slangrivier to promote development at a local level. The outcome of the project was the replacement of infrastructure i.e. fencing which is crucial for controlling of stock and farming activities.

TOURISM ROUTE DEVELOPMENT & BRANDING

Continuous updating and designing of marketing material, as part of marketing the Explorer’s Garden Route, promoting the local products and services available to tourists.

TOURISM CAPACITY BUILDING & TRAINING

The SMME workshop was hosted to empower local entrepreneurs and small business owners. It had the specific aim of focussing on the correct mind-set and vision needed to build a successful company. The one day workshop was hosted in Riversdale at the Civic Centre on 3 May 2016 and in Stilbaai at the Civic Centre on 4 May 2016. Invites were sent out to the business community of Hessequa via an email database as well as posters at municipal offices, libraries and community centres. A quarter page advertisement also appeared in the Suid-Kaap Forum. The facilitator of the training session was facilitated by Shaun van Eck, author of *The Tourism Coach*.

The poster for the SMME Werkswinkel Workshop features a central photograph of a workshop in progress with participants seated in red chairs. The text is arranged around and below the photo. At the top left, it says: "You started your business to have a better life. Come and get the tips to make more money, guaranteed!". Below this, it invites attendees to a FREE Workshop with Mawande Kondlo and Shaun van Eck. On the right, there is a Dutch translation of the workshop's purpose. At the bottom, two colored boxes provide the dates and times for the workshops in Riversdale and Stilbaai. Contact information for RSVP is also provided.

You started your business to have a better life. Come and get the tips to make more money, guaranteed!

Die werkswinkel bied insig en kennis oor die ontwikkeling van 'n visie vir suksesvolle entrepreneurs, hoe om hulle onderneming te bemark, hoe kliënte positiewe boodskappe vir besighede kan versprei, en hoe om verhoudings te kweek met gevestigde besighede om 'n groter marktaandeel te bekom.

SMME WERKSWINKEL WORKSHOP

COME TO THE FREE WORKSHOP WITH Mawande Kondlo, who has built one of the most famous SMME businesses on the Garden Route, and Shaun van Eck, a Coach who wants you to be part of a successful business team!

TUESDAY 3 MAY 2016
CIVIC CENTRE, RIVERSDALE
09:00 - 14:00

WEDNESDAY 4 MAY 2016
CIVIC CENTRE, STILBAAI
09:00 - 14:00

RSVP / Bevestig u bywoning teen 28 April 2016 deur 028 713 7829 of guillaume@hessequa.gov.za te kontak

CUSTOMER SERVICE TRAINING

The one-day basic customer service training is a repeat of the training hosted in May 2015 for local businesses in Hessequa. It was popularly received and requests came from the private sector for another initiative of this nature. The goal of the training is to motivate and empower attendees to communicate clearly and concisely with an emphasis on client care and relationship building. The outcome of the training was to improve customer services



CHALLENGES - LED & TOURISM

DESCRIPTION	ACTION TO ADDRESS
Lack of commitment and collaboration amongst organised private sector to lead Tourism information offices	To establish a destination marketing body / to obtain services of an organisation to provide tourism information services for the Hessequa region.
Review of tourism function	Review tourism function to identify key focus areas for interventions to harness economic development.
Review and Implementation of Preferential Procurement Policy Framework (PPPFA)	To date limited/no buy in from organisation to implement PPPFA. PPPFA can be utilised as effective measure to assist local contractors, unemployed citizens of Hessequa to create a conducive environment to promote economic development as prescribed by policy.
Strategic utilisation of municipal resources i.e. focusing on developing economic infrastructure to unlock economic development in the area.	Hessequa Municipality's investment in infrastructure is relatively high at 17 per cent of the total recorded, performed well per the infrastructure index within

	the district. The provision of economic infrastructure is a necessary condition for economic growth. It is evidently crucial for Hessequa to identify areas in which their growth potential lies and to ensure that appropriate economic infrastructure services are provided. It is important to note that different economic sectors and communities require a different mix of infrastructure services.
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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, implemented these initiatives. The LED Framework must be reviewed in the 2016/2017 financial year as part of aligning the document to the long term strategic development plan for Hessequa.

Employees: LED & Tourism					
Job Level	2014/15	2015/16			
	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	0	0	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	3	3	3	0	0
<i>Employees and Posts numbers are as at 30 June.</i>					

Table 98.: Employees: LED and Tourism

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 nine formal libraries, one satellite library and four Mini Libraries 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.

The Thusong Centre programme is the Flagship implementation programme for various initiatives, and is currently seen as a best practise in the Western Cape. A total number of 30 999 persons visited these centre to obtain a variety basket of services, mostly which are of government such as Home Affairs, Labour, CPS, SARS, CCMA, IEC, Cape Access/E-Centre, Health, Education, etc.

3.6.1 LIBRARIES

A) *Highlights: Libraries*

Highlights	Description
Mandela Day, July 2015	Outreach activities ranged from clean-up campaigns, food donations, visits to schools, old age homes, storytelling sessions and soup and sandwiches.
IFLA (The International Federation of Library Associations and Institutions) August 2015	The Library Manager, Evelyn Smit, attended IFLA's 81 st World Library and Information Congress, 15-21 August 2015 in Cape Town.
September 2015 International Day for People with Disabilities	Discussions were held on the topic of disabled people and their needs.
March 2016 South African Library Week	South African Library Week was celebrated from 14 – 21 March 2016 with the theme; #Libraries4lifelonglearning @ your library. A wide range of activities were presented.
April 2016 World Book Day	Displays and talks promoted the importance of books and reading. A book discussion by the writer, Max Baise on his book, Mr Ref, was held.
May 2016 Africa Day	Talks, activities and displays highlighted this subject.
May 2016 Book Discussions	The author, Hannes Deetlefs, presented a talk on his book, Die Boertjie.

Table 99.: *Libraries Highlights*

B) *Service Statistics for Libraries*

Type of service	2014/2015	2015/16
Library members	15236	14 967
Items circulated	462 463	423 440
Exhibitions held	571	797
Literacy initiatives	2900	2 251

Table 100.: *Service Statistics for libraries*



Employees: Libraries					
Job Level	2014/15	2015/16			
	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	16	22	16	6	27%
7 - 9	6	6	6	0	0
10 - 12	2	3	2	1	33%
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	27	34	27	7	21%

Employees and Posts numbers are as at 30 June.

Table 101.: Employees: Libraries

3.6.2 CEMETERIES

A) Highlights: Cemeteries

Highlights	Description
Heidelberg cemetery extension	Aim Consulting Services received the final approval of the Dept of Health to extend the cemetery on erf 557. Aim Consulting Services are now consulting now with Cape Nature before the final public participation process is started.
Albertinia cemetery extension	The Council bought the 3.57ha of land at Albertinia to extend the existing cemetery. The EIA process were completed and the first burials took place on the new ground.

Table 102.: Cemeteries Highlights

B) Challenges: Cemeteries

Description	Actions to address
Digging of graves	The development of the infrastructure such as roads , fencing and storm water drainage at the new cemetery at Albertinia, must starts as soon as possible. The new ground structure are not very suitable for digging of graves. Solid rocks were found from 900mm deep until 1.6m deep. It can take up to 4 days to dig one grave due to the rocky structure.
Approval of Heidelberg cemetery on erf 557	The final approval to extend the cemetery took to long and we already run out of space at the existing cemetery.

*Table 103.: 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 the 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 a 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.

The municipality also became part of the Wolwekloof Academy program which have to a large degree the same focus of the Chrysalis Program. Nine youth from the Hessequa municipal area is part of the program. As Law enforcement and basic fire fighting skills training is also key to the program, these students were placed under the custodianship of department Protection Services. The program runs over



a two year period, and are co-funded between the municipality and the provincial department of Public Safety through a partnership agreement.

A coordinating body, the Social Development Advisory Forum, was formed which act as platform where structured engagements with regards to matters in the social fraternity take place. This body comprise of representatives from civil society role-players, sector departments as well as the municipality. These forum meets quarterly and has the following focus areas:

- Youth Development
- Sport and Culture
- Institutional Capacity
- HIV/AIDS, TB and STI's, Teenage Pregnancies
- Food Security
- Early Childhood Development
- Elderly
- Persons with disabilities
- Substance abuse
- Women and Children
- Rural Development

Monthly and quarterly reports on the activities of the Forum are submitted to Council.

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> <p style="padding-left: 40px;">To build communities and to change lives;</p> <p>To bring government services to communities especially to our rural areas;</p> <p>To build partnerships with national, provincial and local service providers;</p> <p>To give effect to the principles of "Batho Pele "we <i>belong, we care, we serve.</i></p> <p>Six outreach programs were conducted in the 2015/2016 financial year. These areas included, Slangrivier, Heidelberg, Riversdale, Melkhoutfontein and Albertinia as well as the farming community of Uitkyk/Vermaaklikheid and surroundings.</p> <p>The number of citizens that was reached through this initiative was 4812</p>



Highlights	Description
	<p>The success of this program lies within the fact that all our partners/ role 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/cricket, Golden Games, Athletics, Indigenous games sporting weekend, Table tennis, Soccer, Olympic Day event, Rural Sports Day, Sport Festival, and Holiday programs. More than two thousand citizens could be reached through this programmes.</p> <p>It needs to be noted that all sporting initiatives were rotated throughout the Hessequa municipal area as follows: Chess (Albertinia), Rugby (Riversdale and Heidelberg), Netball (Riversdale and Heidelberg), Mini Cricket (Albertinia)/cricket (Riversdale), Golden Games (Riversdale), Athletics (Riversdale), Indigenous games sporting weekend (Riversdale), Table tennis (Riversdale, Albertinia and Heidelberg), Soccer (Riversdale), Olympic Day event (Albertinia), Rural Sports Day (Riversdale), Sport Festival (Albertinia, Riversdale, Heidelberg, Slangrivier and</p>



Highlights	Description
	Melkhoutfontein), and Holiday programs (Slangrivier, Heidelberg, Albertinia, Gouritsmond and Melkhoutfontein). More than two thousand citizens was reached through this programmes/initiatives.

Table 104.: Child Care, Aged Care and Social Programmes Highlights

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

Description	Actions to address
The lack of funding will always be a big challenge in addressing social needs.	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.
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.	The idea of an Inter departmental working group was raised and will be explored further.

Table 105.: Child Care, Aged Care and Social Programmes Challenges

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

Description	2015/16
Municipal Outreach Programs (Jamboree's)	Six mobile programs has been conducted; Slangrivier (twice) (864) Heidelberg (1363) Albertinia (1150) Melkhoutfontein (563) Riversdale (872) The total number of people reached : 4812

Description	2015/16																								
Delivery of water tanks	132 water tanks were delivered over this period in the towns of Riversdale (54 tanks), Heidelberg (30 tanks), Albertinia (10 tanks), Slangrivier (2 tanks), Farms (4 tanks), Melkhoutfontein (30 tanks) and Vondeling School (2 tanks)																								
Hessequa Pro20 Rugby tournament	The Hessequa Pro20 rugby tournament took place on the 8 and 15 November 2015. 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 2015</td> <td style="text-align: center;">807</td> </tr> <tr> <td style="text-align: center;">August 2015</td> <td style="text-align: center;">563</td> </tr> <tr> <td style="text-align: center;">September 2015</td> <td style="text-align: center;">758</td> </tr> <tr> <td style="text-align: center;">October 2015</td> <td style="text-align: center;">388</td> </tr> <tr> <td style="text-align: center;">November 2015- January 2016</td> <td style="text-align: center;">2026</td> </tr> <tr> <td style="text-align: center;">February 2016</td> <td style="text-align: center;">639</td> </tr> <tr> <td style="text-align: center;">March 2016</td> <td style="text-align: center;">575</td> </tr> <tr> <td style="text-align: center;">April 2016</td> <td style="text-align: center;">450</td> </tr> <tr> <td style="text-align: center;">May 2016</td> <td style="text-align: center;">351</td> </tr> <tr> <td style="text-align: center;">June 2016</td> <td style="text-align: center;">625</td> </tr> <tr> <td style="text-align: center;">TOTAL</td> <td style="text-align: center;">7182</td> </tr> </tbody> </table>	Month	Number of visits	July 2015	807	August 2015	563	September 2015	758	October 2015	388	November 2015- January 2016	2026	February 2016	639	March 2016	575	April 2016	450	May 2016	351	June 2016	625	TOTAL	7182
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July 2015	807																								
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February 2016	639																								
March 2016	575																								
April 2016	450																								
May 2016	351																								
June 2016	625																								
TOTAL	7182																								



Description	2015/16
Hessequa Youth Development Programme	<ul style="list-style-type: none"> ➤ The Community Development office understood the fact that the Socio – Economic challenges, has a direct impact on the youth. There-for the Community Development office, are fully aware of the importance to capacitate the youth with the necessary skills, knowledge and hope for tomorrow. ➤ For the financial year the Social Development office managed to successfully held the following programmes and activities: ➤ The Success of the Chrysalis program, was confirmed by the three of Hessequa’s Chrysalis Students who was appointed as Instructors for the Wolwekloof Academy program. ➤ Currently there is one Female student in the Chrysalis Academy program based at the Thusong Centre and nine Wolwekloof Male students based at the Traffic / Law Enforcement Division. ➤ School Holiday program during June-July 2015 in Riversdale, Gouritsmond & Vermaaklikheid where the Social Development office reached +- 600 kids. ➤ During September 2015, the Social Development office manage to held a program for 15 unemployed youth, in Albertinia; in conjunction with Department of Labour. The focus was on job preparedness. ➤ The Community Development division, form part of the Cape Access Computer Centre development program, by helping with the evaluation of the students during their practical part of their studies. The Social Development office was part of the February 2016, practical evaluation session. ➤ During October 2015, the Social Development division coordinate and facilitate a Youth Development weekend; which include a Video evening for the Friday evening, a Youth Indaba and a Hessequa got talent show the Saturday and the Sunday in various towns in Hessequa a Matric Church Service. The Social Development office manage to reach +- 400 youngsters during the weekend. ➤ During May this year, the Social Development office successfully coordinate and facilitated, a Hessequa Youth Camp for 53 learners and 9 Chrysalis students. ➤ The Social Development office in partnership with the Local Economic Development Office, successfully held a Career Exhibition in conjunction with 16 Stakeholders and 1 Primary and 3 Secondary Schools.
Early Childhood Development within Hessequa	<ul style="list-style-type: none"> ➤ The Social Development 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. ➤ The Social Development sits in at the Hessequa ECD forum, in order to establish the network between the ECD representative and the Hessequa Social Development Advisory forum.
People with Disabilities initiative	<ul style="list-style-type: none"> ➤ The Social Development office understands the challenges people with disabilities are facing, for that reason people with disabilities are part of our Social Development Strategy. ➤ Due to financial constraints, no event were held for People with disabilities. ➤ The Social Development office, manage to attend various meetings of the Association for People with Disabilities, with the focus to establish an



Description	2015/16
	effective network between People with disabilities, the representative for People with Disabilities and Hessequa Social Development Advisory forum.
Hessequa Social Development Advisory Forum	<ul style="list-style-type: none"> ➤ The Hessequa Social Development Advisory forum, is fully functioning. The team took part in various events the past financial year namely: <ul style="list-style-type: none"> • The Rural Development workshop in July 2015. • The Hessequa Alcohol and Drugs summit in September 2015. • The Hessequa Senior Burgers summit in December 2015. • The Hessequa Social Development Advisory forum summit in May 2016. • It is good to report that the Advisory forum is up and running.
Older person initiative	<ul style="list-style-type: none"> ➤ A successful Hessequa Older Person summit, were held in December 2015. The focus was to set a platform from where the Older Persons within Hessequa, could speak out against the Socio-Economic challenges they faced and their action plan in how these challenges can be tackled. ➤ The success of the summit, was that all our set objectives were met.
Rural Development Initiative	<ul style="list-style-type: none"> ➤ The Community Development division, hosted a successful Rural Development workshop, in Riversdale. The focus of the event was, to inform Farm workers of all the available services, that was represent on that day namely. Department Social Services, SAPS, Department Agriculture, Department Rural Development.
Planning	<ul style="list-style-type: none"> ➤ The Community Development office in conjunction with the Hessequa Social Development Advisory forum, set up a year plan in order to address the Social challenges, who was identify in the past year. ➤ The Community Development division are in the process of drawing up a long term Social Development Strategy, in line with the long-term strategy of Council.
Special events hosted	<p>Sporting/ Cultural Events:</p> <p>The Hessequa Rugby Cup and Hessequa Sports Festival tournament took place in February 2016.</p> <p>The Hessequa Schools athletics fund raising event took place in April 2016 with more than 200 athlete's participating.</p> <p>Eden Drama Festival took place in September 2015.</p> <p>Table tennis tournament took place in September 2015</p>

Table 106.: Service statistics for Child Care, Aged Care and Social Programmes

Employees: Child Care, Aged Care, Social Programmes					
Job Level	2014/15	2015/16			
	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	2	0	0	0	0
7 - 9	1	3	2	1	33%
10 - 12	2	2	1	1	50%
13 - 15	0	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	6	6	4	2	33%

Employees and Posts numbers are as at 30 June

Table 107.: 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 implemented the Hessequa Air Quality Management Plan during the 2015/16 financial year. The municipality also updated the Hessequa Climate Change Adaptation Plan during the 2015/16 financial year and in addition developed a Hessequa Climate Change Strategy. It should be noted that all above mentioned documents was 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 2015/16 the first phase of the Witsand Dune Management Plan was implemented. Other strategic documents that was generated during the 2015/16 financial year was a Hessequa Environmental Policy and a Hessequa Environmental Education Strategy which was also approved by Council.



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 three of the eight local municipal nature reserves has been successfully included as contract nature reserves 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 Leadership, during the annual Greenest Municipality Competition (GMC). Hessequa Municipality also for the first time won the GMC and thus was awarded with the greenest municipality in the Western Cape accolade. 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, excluding the districts and Metro. The municipality also registered three Eco-Schools during 2015/16.

3.7.1.1 POLLUTION CONTROL

The Hessequa Municipality has Air Quality By-laws which were 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 compliance inspections as part of an agreement between Hessequa Municipality and Eden District Municipality at various residential as well as industrial facilities. Different platforms have been developed for the reporting of environmental pollution, some of which are the various estuary management forums (x3), Protected Areas Advisory Forums (x3), Bi-monthly meetings with CapeNature, regular engagement with the provincial Department of Environmental Affairs & Development Planning as well as with the national Department of Environmental Affairs.

3.7.1.2. BIO-DIVERSITY AND LANDSCAPE

As previously mentioned the municipality have registered three of our eight nature reserves under the Cape Nature Stewardship Program and the other are in the process of being registered. Hessequa Municipality also declared an additional nature reserve in Jongensfontein as a nature reserve with a



developed management plan during the 2015/16 financial year. Thus ensuring that our efforts to provide all settlements in the Hessequa area with access to at least one or more nature reserves in its vicinity are being rewarded.

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 2015/16 the municipality again invested large amounts of resources into the expansion of the Tuin-op-die-Brak. The municipality entered two environmental orientated competitions during 2015/16, one the Harbour City awards (National) and the Greenest Municipality Awards (Provincial). We won both competitions

The booklet which was distributed to the relevant municipal departments regarding the National Environmental Management Act: Listed Activities was also revised to ensure its relevancy to new legislation. 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.

2015/16 also saw the continuous update of the municipality's #100000TreeCampaign which is mostly internet based to ensure that it stays fresh and relevant. 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 Maintenance work to the Kraaltjie (slipway) was concluded at the beginning of the 2015/16 financial year and Witsand now boast with a new launching area. Maintenance management plans for all public launch sites (PLs) in the Hessequa area have been developed during 2015/16.

Hessequa municipality also actively participated in the Western Cape Coastal Management Program which was Gazetted during 2015/16. Also we have up and running Estuary Management Committees for all four estuaries which falls within our area of operation.

Two municipal officials successfully completed their Environmental Management Inspectorate (EMI) training and are awaiting designation from the Minister into the Green Scorpion family. The municipality also actively participation in compliance inspections along the coast with CapeNature and DEA:DP: Compliance (Green Scorpions) were illegal activities or structures was erected.



3.8 COMPONENT F: SECURITY AND SAFETY

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 areas implemented in most of Hessequa's schools, the schools that was first targeted was, Panorama, Bertie Barnard and Albertinia Primary
Training of Law Enforcement Officers to Traffic Wardens	We have volunteers that are volunteering in the Law Enforcement and also people from the EPWP, Wolwekloof project, that are under our supervision that was trained as Law Enforcement and Traffic Wardens. The amount of officers are 10.
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 108.: 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), EOY (Examiners of Vehicles), Advance Driving, Self-defence courses.

Table 109.: Traffic Services and Law Enforcement Challenges

C) SERVICE STATISTICS FOR TRAFFIC SERVICES AND LAW ENFORCEMENT

No.	Details	2015/16
		Actual No.
1	Number of by-law infringements attended	255
2	Number of officers in the field on an average day	2
3	Number of officers on duty on an average day	4

Table 110.: Service Statistics: Law Enforcement

Additional Performance Information for Traffic Services and Law Enforcement		
Type of service	2014/15	2015/16
Animals impounded	789	310
Motor vehicle licenses processed	22 381	19 342
Learner driver licenses processed	1 352	1 367
Driver licenses processed	3 970	4 748
Driver licenses issued	2 643	3 468
Fines issued for traffic offenses	81 132	95 546
R-value of fines collected	13 302 00	9 805 950
Operational call-outs	30	33
Roadblocks held	5	5
Complaints attended to by Traffic Officers	212	144
Special Functions–Escorts	24	42
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>Painting of Junior traffic training centre. Also training of the toddlers on using the junior traffic training centre.</p> <p>Show grounds traffic exhibition =1</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 a number of</p>	<p>School project - Daantjie kat - 12 interventions.</p> <p>Schools are visited to inform scholars on traffic safety</p> <p>Painting of Junior traffic training centre. Also training of the toddlers on using the junior traffic training centre.</p> <p>Annual Agricultural show - Ttraffic Exhibition =1</p>



Additional Performance Information for Traffic Services and Law Enforcement		
Type of service	2014/15	2015/16
	<p>years. This year the exhibition were awarded the won the first prize for the most informative exhibition.</p> <p>Launch a special learners license project at two local school reaching 100 pupils. Also training of unemployed and youth within municipal area for learners license</p> <p>December and Easter welcoming =2 Smoke emission tests =1 Scholar patrols =20</p>	<p>The annual agricultural show takes place during February in Riversdale and the traffic department have been part of the exhibition for a number of years . In 2016 a first prize was received for the most informative exhibition.</p> <p>Launch a special learners license project at two local school reaching 100 pupils. Also training of unemployed and youth within municipal area for learners license</p> <p>December welcoming =1 Smoke emission tests =1 Scholar patrols =20</p>

Table 111.: Additional performance information for Traffic Services and Law Enforcement

Employees: Traffic Services and Law Enforcement					
Job Level	2014/15	2015/16			
	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	9	9	9	0	0
7 - 9	7	8	8	0	0
10 - 12	10	8	8	0	0
13 - 15	2	3	3	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	32	32	32	0	0%
<i>Employees and Posts numbers are as at 30 June.</i>					

Table 112.: Employees: Traffic Services and Law Enforcement

The fire brigade services for the 2015/16 financial year was done by a contracted service through Kishugu. The contract states that they must deliver a service to structural fires, road traffic accidents and commonage fires. The main station is situated in Riversdale which consists of 4 shifts with a 24 our



service . Stilbaai, Heidelberg and Albertinia has substations and work 16 hours out of the 24. The personnel are directly supervised by the Hessequa municipality only for operational purposes. There is one medium fire engine that is contracted and 4 “bakkie sakkie” units that belongs to Hessequa municipality. Human resources are mainly supervised by Kishigu and the operational part by Hessequa municipality.

Hessequa Municipality have also started to procure capital items for fire services and will be appointing two (2) Junior Fire Fighters in the 2016/17 book year. A Fire Fighting vehicle was donated by the Western Cape Provincial Government, Department Fire and Disaster Management, and will be receiving another one for the 2016/17 book year.

3.8.3 DISASTER MANAGEMENT

During the period of July 2015 to June 2016 there were no major disaster incidents in the Hessequa Municipal area. We had normal rains and the challenges were 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.

Various playgroups, creches, schools, old age homes, and businesses were visited to promote the awareness of disasters with special emphasis being placed on veldt fires as these are common in our region. Educational institutions that were visisted, include Lekker Laggies, Sunbeam, Kleine Pikkewyne, Lukhanyo, Pikkewouters, Groenie die Drakie, Hansie & Grietjie, Bollie Konyn, Melkhoutfontein Primary school, Bertie Barnard Primary School, Heidelberg High and Langenhoven High.

3.9 COMPONENT G: SPORT AND RECREATION

3.9.1 SPORT AND RECREATION

A) Introduction

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

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

Table 113.: Summary of existing assets: Sport and Recreation

B) Highlights: Sport and Recreation

Highlights	Description
<ul style="list-style-type: none"> Marketing and upgrading of infrastructure at the resorts. Increase in the income of the camps compared to the previous financial year. 	A policy on the Management of the Camp sites was approved by Council on 10 May 2016. The policy provides strategic guidance on the marketing, maintenance and operation of

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Highlights	Description
<ul style="list-style-type: none"> Maintenance of Infrastructure at camps and sporting facilities and general maintenance. The tariffs charged for the use of our sport facilities are affordable. Awards Maintenance and extension of facilities. The quality of the playparks and facilities monthly report to council improved a lot. The new cemetery in Albertinia are already in use. The final approval of the extension of the Heidelberg cemetery by the Dept. of Health are nearly completed. With a few statistics / information from AIM Consulting Services still outstanding Hessequa have 6 recognised beaches in the region. All 6 beaches are part of the Blue flag programme. (4 Full status and 2 Pilot status beaches) During the 2015/16 blue flag season – all the beaches were inspected by WESSA. 3 of the 4 Full status beaches received 5 star grading and one received 4 star grading. Hessequa Municipality won the 2015 National Harbour City Award and received second place in the Western Cape for the Greenest Municipality Competition. 	<p>the camps in an attempt to improve the profitability of the camps.</p> <p>Various capital upgrades to the infrastructure at the camps were successfully completed in the 2015/2016 financial year.</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 its beaches on the Blue flag program</p> <p>Hessequa Municipality submitted the Application for the Greenest Municipality Competition and Harbour City Award.</p>

Table 114.: Sport and Recreation Highlights

C) Challenges: Sport and Recreation

Description	Actions to address
<p>Budget and upgrading. Communication</p> <p>During the 2015/16 season Lappiesbaai received a silver certificate for 10 years ongoing blueflag status and Witsand received a bronze certificate for 5 years ongoing blue flag status. (Both Full status Blue flag) 3 Full status beaches received 5 star grading and one beach received 4 star grading during inspections by WESSA.</p>	<p>To increase the occupancy levels of the camps during low season the tariffs of the camps was amended to make provision for a monthly tariff during low season which commence on 11 January.</p> <p>To identify events and organize events that improve tourists numbers to our region and camps for example bike events and festivals.</p> <p>To improve our customer care / services at the camps and facilities in Hessequa.</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 2014/15 season.</p>

Table 115.: Challenges: Sport and Recreation

D) Service Statistic for Sport and Recreation

Type of service	2014/15	2015/16
Community parks		
Number of parks with play park equipment	32	34



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Type of service	2014/15	2015/16
Number of wards with community parks	8	8
Swimming pools		
Number of visitors per annum	+ - 13800	15300
R-value collected from entrance fees	R59 984	R65550
Camp sites/Resorts		
Number of visitors per annum	40 000	41 500
R-value collected from visitation and/or accommodation fees	9 173 389	9 953 077.57
Sport fields		
Number of wards with sport fields	7	7
Number of sport associations utilizing sport fields	10	18
R-value collected from utilization of sport fields	19 369	28 549.51
Sport halls		
Number of wards with sport halls	7	7
Number of sport associations utilizing sport halls	15	25
R-value collected from rental of sport halls (community halls)	238 848	R281 429.23

Table 116.: Additional performance information for Sport and Recreation

Employees: Parks and Recreation					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	50	58	55	3	1,7%
4 - 6	32	40	38	2	5%
7 - 9	7	8	8	0	0
10 - 12	0	4	0	4	100%
13 - 15	0	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%



Employees: Parks and Recreation					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	89	111	102	9	8%
<i>Employees and Posts numbers are as at 30 June</i>					

Table 117.: Employees: Parks and Recreation

3.10 COMPONENT H: SERVICE DELIVERY PRIORITIES FOR 2015/16

The main development and service delivery priorities for 2015/16 form part of the Municipality's top layer SDBIP for 2015/16 and are indicated in the table below:

3.10.1 AN ACCOUNTABLE LOCAL AUTHORITY

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL6	Development of a Monitoring Framework	Number of submitted Frameworks	All	1
TL7	Development of an Integrated IDP Process Plan	Number of submitted Process plan	All	1
TL8	Development of Growth Profiles for all town in Hessequa	Number of submitted growth profiles	All	1
TL9	Development of a Concept Long Term Strategic Framework	Number of submitted Frameworks	All	1
TL10	Completion of ICT Risk Assessment for inclusion in the Municipal Risk Register	Number of reports submitted	All	1
TL11	Development of a Medium Term ICT Strategy	Number of reports submitted	All	0
TL12	Development of Supporting ICT Policies	Number of completed Policies	All	4
TL18	Maintain a vacancy rate of less than 10% of budgeted staff establishment	% Vacancy rate	All	10%
TL19	Organisational review of the Financial Department and Technical Services Department	Number of reports submitted to Portfolio committee	All	2
TL20	The percentage of people from employment equity target groups employed in the three highest levels of management in compliance	% employed of target groups	All	66%



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Ref	KPI	Unit of Measurement	Wards	Annual Target
	with the Municipalities Annual Employment Equity report			
TL21	Review of Client Services Standards	Number of reports submitted to Portfolio committee	All	1
TL24	95% Spending of Municipal Replacement fund (Grant)	Percentage of Grant spent	All	95%
TL25	Submit a liquidity report of the Municipality to the Finance Portfolio Committee by end Nov 2015	Number of reports submitted to Portfolio Committee	All	1
TL26	Submit a report on Borrowing Funds and Reserves to the Financial Portfolio Committee	Number of reports submitted to Portfolio Committee	All	1
TL27	Management of Income annual payment rate of thresholds higher than 95%	% income annual payments received	All	95%
TL28	95 % Expenditure of the Financial Management Grant	% of Grant spent	All	95%
TL29	Evaluate land use applications within 60 days after receipt of all relevant information and documents	% applications evaluated	All	90%
TL30	Internal review of the Municipal Spatial Development Framework	Quarterly submission of report	All	4
TL31	Approve/reject building plans within 30 days for buildings less than 500m2 and 60 days for buildings more than 500m2 after all information required has been correctly submitted	% of plans evaluated	All	90%
TL48	Monthly Head and Subs Progress meetings	Number of meetings held	All	8

Table 118.: Service Delivery Priority for 2015/16 : An Accountable Local Authority

3.10.2 ECONOMIC GROWTH

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL13	Development of a Business Directory	number of directories/publications completed	All	1
TL14	Facilitate Youth SMME Support Initiatives	number of training events or workshops for youth	All	2
TL15	Complete a detailed business process analysis with recommendation on possible process	number of reports submitted to Portfolio committee	All	1



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Ref	KPI	Unit of Measurement	Wards	Annual Target
	improvements with regard to red tape reduction and submit to Portfolio committee			
TL16	Facilitate and Coordinate Slangrivier Transformation Process	Number of meetings facilitated	4	3
TL17	Submit quarterly progress reports on organisation spending in terms of Council's approved Preferential Procurement Policy	number of reports submitted to Portfolio committee	All	3
TL47	Number of FTE's (Full Time Equivalent) created through EPWP	Number of FTE's created	All	30

Table 119.: Service Delivery Priority for 2015/16: Economic Growth

3.10.3 HERITAGE OF PRESERVATION

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL32	Development and Submission of Hessequa Environmental Policy	Policy Submitted to Portfolio Committee	All	1
TL33	Development and Submission of Hessequa Climate Change Strategy	Policy Submitted to Portfolio Committee	All	1
TL54	Recycle waste to relieve pressure on Waste Disposal sites.	Tonnage recycled	All	1,000

Table 120.: Service Delivery Priority for 2015/16: Heritage of preservation

3.10.4 MAINTENANCE AND DEVELOPMENT OF INFRASTRUCTURE

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL1	Provision of electricity to residential properties connected to the municipal infrastructure network for both prepaid and credit electrical metering	Percentage of formal residential properties connected to the municipal electrical infrastructure network	All	100%
TL2	Provision of water to residential properties connected to the municipal infrastructure network for both prepaid and credit metering	Percentage of formal residential properties connected to the municipal water network	All	100%
TL3	Provision of refuse removal and solid waste disposal for residential account holders	Percentage of residential properties billed for refuse removal	All	100%
TL4	Provision of sanitation/sewerage services to residential account holders	Percentage of residential properties billed for sanitation/sewerage services	All	100%
TL5	The number of registered indigent account holders (poor households) with access to free basic services	Number of registered indigent households	All	100%



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Ref	KPI	Unit of Measurement	Wards	Annual Target
TL22	95% expenditure of approved budget for Municipal Properties	% Budget Spent	All	95%
TL23	Development of a Municipal Resorts Development Strategy	Number of reports submitted to Council	All	1
TL34	Install services for the Heidelberg 122 serviced site project	Number of serviced sites created	4	122
TL35	Completion of 50 top structures for the Melkhoutfontein North Housing Project	Number of top structures completed	1	50
TL36	Scheduled outreach programmes for all towns to update housing waiting lists	Number of outreaches	All	7
TL37	Review the Housing Allocation Policy to be in line with National and Provincial regulations	number of reports	All	1
TL45	90% Expenditure of the approved Capital Budget	% Capital budget spent	All	90%
TL46	90% Expenditure of the approved Operation Budget	% Operational budget spent	All	90%
TL49	Monthly report to the Portfolio committee regarding MIG	Number of reports submitted	All	10
TL50	95% Expenditure of Municipal Infrastructure Grant (MIG)	% of MIG Grant spent	All	95%
TL52	Limit Electricity losses to 10%	% unaccounted electricity	All	10%
TL53	95% Expenditure of National Electrification Grant spent	95% of Electrification Grant spent	All	95%
TL55	Limit Water losses to 30%	% unaccounted for	All	30%

Table 121.: Service Delivery Priority for 2015/16: Maintenance and development of infrastructure

3.10.5 SAFE AND HEALTHY COMMUNITIES

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL38	Coordination of Quarterly Hessequa Social Development Forum	Number of meetings	All	4
TL39	Implementation of Social Development Initiatives	Number of initiatives reported and implemented	All	10
TL40	Implementation of Sport Development Initiatives	Number of initiatives reported and implemented	All	10
TL41	Implement the Thusong Outreach Programme	Number of Outreach Initiatives	All	5
TL42	Receive a performance of 80% for the formal Provincial Audits on the licensing Agency Services	Average % achieved	All	80%



CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL43	Traffic safety initiatives per quarter	Number of initiatives	All	11
TL44	Number of integrated vehicle checkpoints per quarter	Number of checkpoints	All	8

Table 122.: Service Delivery Priority for 2015/16: Safe Communities



Chapter 4:

Organisational Development

Performance



CHAPTER 4

To better understand the organisational structure and service delivery relating to the structure of the municipal staff, it is important to understand the historical and geographical context of Hessequa Municipality. Hessequa consists of ten (10) service centres, each with its unique service delivery infrastructure. This is closely linked to the geographical layout of Hessequa, but the historical context created the current reality as to how services are rendered in Hessequa.

In 2000 the following municipalities were amalgamated into the Langeberg Municipality, that is now known as Hessequa Municipality:

- Riversdale Municipality
- Heidelberg Municipality
- Albertinia Municipality
- Stilbaai Municipality
- Gouritsmond Municipality
- Slangrivier Municipality

This resulted in a geographical area of more than 5200 km² with duplication of almost all services in all related towns. Various towns had various levels of service infrastructure and can this still be seen today. Additional service points have been created as time has passed which included communities like Melkhoutfontein, Jongensfontein, Garcia and Witsand. The amalgamation resulted in various restructuring processes as a central management approach was implemented. The following map gives an overview of the geographical context of Hessequa Municipality.

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
	2014/15	2015/16
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	12	15
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.85% based on personnel budget	0.78% based on personnel budget

Table 123.: National KPIs- Municipal Transformation and Organisational Development(Excludes white females)*

4.2 Introduction to the Municipal Workforce

The Hessequa Municipality currently employs 534 (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
0	0	1	3	0	0	0	0

Table 124.: 2015/16 EE targets/Actual by racial classification (* Top 3 Occupational levels)

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
0	2	200%	1	1	100%	0	0	-

Table 125.: 2015/16 EE targets/actual by gender classification (* Top 3 Occupational levels)

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	38	415	0	81	534
% for Positions filled	7.1%	77.7%	0%	15.2%	100%

Table 126.: EE population 2015/16

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	7	0	5	0	1	0	4	17
Professionals	1	10	0	11	1	10	0	10	43
Technicians and Trade Workers	2	35	0	11	0	0	0	0	48
Clerical and Administrative	0	7	0	2	2	35	0	15	61

Occupational categories	Posts filled								Total
	Male				Female				
	A	C	I	W	A	C	I	W	
Community and Personal Service	0	1	0	0	0	0	0	0	1
Sales Workers	2	29	0	7	0	11	0	1	50
Machinery and Drivers	2	31	0	1	0	0	0	0	34
Elementary Workers	22	178	0	4	5	44	0	0	253
Total permanent	29	298	0	41	8	103	0	30	507
Fixed-term Contracts	0	5	0	2	1	10	0	8	27
Grand total	29	304	0	43	9	113	0	38	534

Table 127.: 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	1	0	1	0	0	0	2	4
Senior Management	0	9	0	11	0	2	0	1	23
Mid-Management/Prof.	1	9	0	10	1	3	0	7	31
Skilled Tech/Junior Man.	1	27	0	8	1	8	0	5	50
Semi-Skilled	8	119	0	8	1	47	0	15	198
Unskilled	19	133	0	3	5	41	0	0	201
Total permanent	29	298	0	41	8	101	0	30	507
Fixed-term Contracts	0	6	0	2	1	10	0	8	27
Grand Total	29	304	0	43	9	111	0	38	534

Table 128.: Occupational Levels - Race

4.2.2 VACANCY RATE

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 are indicated in the tables below by post and functional level. 49 funded posts were vacant at the end of the financial year representing a vacancy rate of 9.1%. 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 number of filled posts as well as budgeted vacant posts within each Directorate in the municipality:

Per Functional Level		
Functional area	Filled	Vacant and Funded
Municipal Manager	17	1
Corporate Services	87	8
Technical Services	316	26
Community Services	43	4
Financial Services	60	9
Planning and Environment	11	1
Total	534	49

Table 129.: Filled and funded vacant posts

The table below indicates the critical vacancies per staff 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	1	4	Director: Technical Services	25%
Senior Management	1	17	Town Planner	5.88%
Professional/Highly Skilled	7	43	Training Officer (SDF) Accountant: Internal Control Assistant Accountant: Credit Control Senior Tourism Development Officer Project Manager (MIG) Head: Thusong Centre Senior Electrician	16.28%
Total	9	66		13.64%

Table 130.: Critical vacancy

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 2015/2016 increased to 9.7%. The turnaround time for appointments in vacant posts was delayed due to organizational review processes that required finalization and approval prior to the filling of posts. The labour turnover rate in this period across all industries was reported between 5% and 10% with much less new hires.

The table below indicates the turn-over rate over the last three 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%	$\left[\frac{31}{(536 + 545)/2} \right] \times 100 = 5.7\%$
2015/16	47	53	9.7%	$\left[\frac{53}{(555 + 534)/2} \right] \times 100 = 9.7\%$

Table 131.: 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 from 89 to 65. The decrease can be attributed to increased awareness, regular health and safety meetings and corrective action, as well as recognition for excellence for injury-free working hours by the respective towns. 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 decline in occupational injury is due to implementation of and management of related policies.

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

Directorates	2014/15	2015/16
Municipal Manager	0	0
Corporate Services	1	4
Technical Services	82	57
Community Services	2	2
Financial Services	3	2
Planning	1	0
Total	89	65

Table 132.: 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.

Sick leave days taken by employees has a negative influence on service delivery and has cost implications for Council. The monitoring of sick leave identifies certain patterns or trends within directorates. The management of sick leave are executed in conjunction with the various directorates. The total number of workdays lost due to sick leave during the 2015/16 financial year shows an increase of 29.5 days compared to the previous financial year. On average 271 working days are lost per month. 6 days working days are lost due to sick leave per employee per year.

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

Directorates	2014/15	2015/16
Municipal Manager	86.5	30.5
Corporate Services	471	579.5
Technical Services	2 078.5	1 900
Community Services	311	286.5
Financial Services	247.5	384.5
Planning	24.5	53.5
Total	3 219	3 248.50



Table 133.: Sick Leave

4.3.3 HR POLICIES AND PLANS

Policies and plans provide procedural guidelines to assist in the decision making process within the Municipality.

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

Name of policy	Date approved/ revised
Acting Allowance Policy	26 August 2015
Bereavement Policy	26 August 2015
Disciplinary Code	5 October 2015
Overtime and Standby Policy	28 October 2015
Occupational Health and Safety Policy	28 October 2015
Leave Policy	24 November 2015
Employee Support Programme	3 March 2016
Use of Municipal Transport Policy	26 June 2016

Table 134.: HR policies and plans

4.3.4 EMPLOYEE PERFORMANCE REWARDS

In accordance with regulation 32, a performance bonus, provided it is affordable, 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 managers 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



Race	Gender	Number of beneficiaries	Total number of employees received performance rewards	% Employees received performance rewards
	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 135.: Performance Rewards

4.4 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a 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 (2015/2016)					
		Learnerships		Skills programmes & other short courses		Total	
		Actual	Target	Actual	Target	Actual	Target
Managers	Female	-	-	1	-	1	-
	Male	-	-	2	-	2	-
Professionals	Female	-	-	4	3	4	3
	Male	-	-	9	8	9	8
Technicians and Trade Workers	Female	-	-	0	0	0	0
	Male	4	-	8	7	12	7
Clerical and Administrative	Female	-	-	5	4	5	4
	Male	-	-	3	2	3	2
Community and Personal Service	Female	-	-	0	0	0	0
	Male	-	-	0	0	0	0
Sales Workers	Female	-	-	2	2	2	2



Occupational categories	Gender	Training provided within the reporting period (2015/2016)					
		Learnerships		Skills programmes & other short courses		Total	
		Actual	Target	Actual	Target	Actual	Target
	Male	2	-	11	11	13	11
Machinery and Drivers	Female	-	-	0	0	0	0
	Male	3	-	11	11	14	11
Elementary Workers	Female	-	-	11	11	11	11
	Male	16	-	57	57	73	57
<i>Sub total</i>	<i>Female</i>	0	-	23	20	23	20
	<i>Male</i>	25	-	101	96	126	96
Total		25	0	124	116	149	116

Table 136.: Skills Development

4.4.2 SKILL DEVELOPMENT – BUDGET ALLOCATION

The table below indicates that a total amount of R 883 962 was allocated to the workplace skills plan and that 90.06% of the total amount was spent in the 2015/16 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	
102 221 349	883 962	796 123	90.06%

Table 137.: Budget Allocated and Spent for Skills Development

4.4.3 MFMA COMPETENCIES

Three (3) senior managers 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	
2014/15	114,041(including Council)	312 751	36.46
	108,250(excluding Council)		34.61
2015/16	122,460 (Including Council)	347 037	35.28
	116,414 (Excluding Council)		33.55

Table 138.: Personnel Expenditure

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

Financial year	2014/15		2015/16	
	Actual		Approved Budget	Actual
	R'000		R'000	R'000
Councillors				
Basic Salary	3 901	4 270	4 083	
UIF, Medical and Pension Fund	167	179	179	
Vehicle	1 356	1 483	1 421	
Cellphone	367	429	364	
Housing	0			
Performance	0			
Other	0			
In-kind Benefits	0			
Sub Total	5791	6 361	6 047	
% increase/(decrease)			4.42%	
Senior Managers of the Municipality				
Salary	4 263	4 563	4 190	
UIF, Medical Aid– and Pension Contributions	918	1 011	905	
Motor Vehicle Allowance	372	372	381	
Cell phone Allowance	114	53	49	
Housing allowance	0	0	0	
Performance Bonus	706	832	690	
Other Benefits or Allowances	78	37	53	



Financial year	2014/15	2015/16	
Description	Actual	Approved Budget	Actual
	R'000	R'000	R'000
In-kind Benefits	0	0	0
Sub Total	6451	6 870	6 268
% increase/(decrease)			(2.8%)
Other Municipal Staff			
Basic Salaries and Wages	73 733	83 172	77 782
UIF, Medical Aid– and Pension Contributions	16 274	19 378	17 478
Motor Vehicle Allowance	3 966	4 330	4 192
Cell phone Allowance	252	364	335
Housing Allowance	307	554	1 069
Overtime	2 901	3 747	3 351
Other benefits or allowances	4 366	9 226	5 937
Sub Total	101 799	120 770	110 145
% increase/ (decrease)			8.2%
Total Municipality	114 041	134 001	122 460
% increase/ (decrease)			7.38%

Table 139.: Personnel Expenditure

* Above percentages are calculated as actual 15/16 minus actual 14/15) divided by actual 14/15= percentage increase



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 LOCAL MUNICIPALITY						
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AT 30 JUNE 2016						
Statement of Financial Performance						
Figures in Rand						
Revenue	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Revenue from non-exchange transactions						Note 55
Property Rates	66 022 885	-	66 022 885	65 936 567	(86 318)	
Fines	42 277 437	-	42 277 437	44 051 887	1 774 450	Rev 1
Licences and permits	762 561	-	762 561	1 245 120	482 559	
Income from agency services	1 673 115	-	1 673 115	1 778 356	105 241	
Donated Property, Plant & Equipment	-	-	-	73 300	73 300	
Government grants and subsidies	93 231 548	-	93 231 548	79 848 423	(13 383 125)	Rev 2
Gain on revaluation of Investment Property	-	-	-	711 600	711 600	Rev 6
Revenue from exchange transactions						
Service Charges	169 007 861	-	169 007 861	173 413 199	4 405 338	Rev 3
Rental of facilities and equipment	10 531 591	-	10 531 591	11 093 561	561 970	
Interest earned - external investments	4 597 089	-	4 597 089	12 637 014	8 039 925	Rev 4
Interest earned - outstanding receivables	1 147 546	-	1 147 546	1 034 590	(112 956)	
Other income	4 586 275	-	4 586 275	5 240 001	653 726	Rev 7
Gains on disposal of property, plant and equipment	500 000	-	500 000	-	(500 000)	Rev 5
Total Revenue	394 337 908	-	394 337 908	397 063 618	2 725 710	
Expenditure						
Employee related costs	127 636 283	4 291	127 640 574	116 413 761	(11 226 813)	Exp 1
Remuneration of Councillors	6 360 321	-	6 360 321	6 046 658	(313 663)	
Bad debts	33 256 721	-	33 256 721	38 268 449	5 011 728	Exp 2
Collection costs	2 471 189	-	2 471 189	1 892 307	(578 882)	
Depreciation and amortisation	20 840 400	-	20 840 400	25 481 069	4 640 669	Exp 3
Repairs and maintenance	13 593 672	4 376 088	17 969 760	15 685 796	(2 283 964)	Exp 4
Interest paid	8 783 321	13 292	8 796 613	13 694 690	4 898 077	Exp 5
Bulk purchases	87 513 945	-	87 513 945	85 599 383	(1 914 562)	
Loss on disposal of property, plant and equipment	-	-	-	218 494		
Contracted services	9 611 022	-	9 611 022	4 504 463	(5 106 559)	Exp 6
General expenses	60 635 364	(6 910 568)	53 724 796	39 231 761	(14 493 035)	Exp 7
Total Expenditure	370 702 238	(2 516 897)	368 185 341	347 036 830	(21 367 006)	
Surplus/(Deficit) For The Year	23 635 670	2 516 897	26 152 567	50 026 787	24 092 716	



CHAPTER 5 – FINANCIAL PERFORMANCE

HESSEQUA LOCAL MUNICIPALITY						
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AT 30 JUNE 2016						
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	115 956 000	56 668 000	172 624 000	249 265 020	76 641 020	
Inventory	750 000	156 000	906 000	2 850 212	1 944 212	
Trade receivables from exchange transactions	44 728 737	-12 109 000	32 619 737	18 759 906	-13 859 831	
Trade receivables from non-exchange transactions	921 204	1 351 000	2 272 204	18 006 045	15 732 841	
VAT Receivable	2 659 263	0	2 659 263	2 582 638	-76 625	Fp1
Bank, Cash and Cash Equivalents	66 616 000	67 270 000	133 886 000	206 785 097	72 899 097	Fp2
Operating Lease Assets	278 796	0	278 796	278 796	0	
Current Portion of Long-term Receivables	2 000	0	2 000	3 326	1 326	
Non-Current Assets	774 668 000	1 113 000	775 781 000	694 930 215	-80 850 785	
Property, Plant and Equipment	725 478 000	-9 052 000	716 426 000	634 873 236	-81 552 764	
Intangible assets	327 000	0	327 000	342 000	15 000	
Investment Property	40 525 000	10 165 000	50 690 000	51 377 600	687 600	Fp3
Heritage Assets	8 322 000	0	8 322 000	8 321 875	-125	
Long-term Receivables	16 000	0	16 000	15 505	-495	
Total Assets	890 624 000	57 781 000	948 405 000	944 195 235	-4 209 765	
LIABILITIES						
Current Liabilities	49 669 000	72 533 000	122 202 000	139 612 936	17 410 936	
Consumer Deposits	3 461 000	281 000	3 742 000	4 413 645	671 645	
Provisions	6 352 000	-228 000	6 124 000	6 453 873	329 873	
Creditors	27 390 524	-3 321 014	30 711 538	44 114 057	13 402 519	Fp4
Unspent Conditional Grants and Receipts	0	69 966 986	69 966 986	69 966 986	0	Fp5
Operating Lease Liabilities	98 476	0	98 476	98 476	0	
Current Portion of Long-term Liabilities	12 367 000	-808 000	11 559 000	14 565 900	3 006 900	Fp6
Non-Current Liabilities	194 053 000	64 714 000	258 767 000	224 269 568	-34 497 432	
Long-term Liabilities	123 622 000	21 659 000	145 281 000	107 294 319	-37 986 681	Fp7
Retirement Benefit Liabilities	0	43 055 000	43 055 000	42 982 001	-72 999	Fp8
Non-current Provisions	68 614 845	0	68 614 845	72 177 093	3 562 248	Fp9
Trust Fund	1 816 155	0	1 816 155	1 816 155	0	
Total Liabilities	243 722 000	137 247 000	380 969 000	363 882 505	-17 086 495	
Total Assets and Liabilities	646 902 000	-79 466 000	567 436 000	580 312 731	12 876 731	
NET ASSETS	646 902 000	-79 466 000	567 435 883	580 312 735	12 876 735	
Statutory Funds	21 658 000	114 000	21 772 000	246 694	-21 526 423	Fp10
Accumulated Surplus	625 244 000	-79 580 000	545 663 883	580 067 041	34 403 158	Fp11
Total Net Assets	646 902 000	-79 466 000	567 436 000	580 312 735	12 876 735	

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HESSEQUA LOCAL MUNICIPALITY						
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AT 30 JUNE 2016						
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						
Property rates	66 032 000	-370 000	65 662 000	65 375 475	-286 525	Cf1
Service charges	187 180 000	-6 600 000	180 580 000	128 413 648	-52 166 352	
Other revenue	23 516 000	6 600 000	30 116 000	67 615 586	37 499 586	
Government grants and subsidies	113 094 000	-19 863 000	93 231 000	112 080 546	18 849 546	
Payments						
Suppliers and employees	-315 033 000	0	-315 033 000	-257 534 511	57 498 489	Cf2
Transfers and grants	-260 000	0	-260 000	0	260 000	
Cash generated from operations	74 529 000	-20 233 000	54 296 000	115 950 744	61 654 744	
Interest received	3 751 000	370 000	4 121 000	13 671 604	9 550 604	Cf3
Interest paid	-10 184 000	0	-10 184 000	-13 694 690	-3 510 690	Cf4
Net Cash from Operating Activities	68 096 000	-19 863 000	48 233 000	115 927 658	67 694 658	
Cash flows from Investing Activities						
Purchase of property, plant and equipment	-154 733 000	61 623 000	-93 110 000	-78 676 538	14 433 462	Cf5
Sale of property, plant and equipment	4 000 000	-3 500 000	500 000	656 579	156 579	Cf6
(Increase)/decrease in non-current receivables			0	1 359	1 359	
Net Cash flows from Investing Activities	-150 733 000	58 123 000	-92 610 000	-78 018 600	14 591 400	
Cash flows from Financing Activities						
New loans raised/(repaid)	41 563 000	0	41 563 000	31 460 640	-10 102 360	Cf7
(Decrease)/increase in consumer deposits	0	0	0	671 815	671 815	
Increase in Trust Funds			0	44 034	44 034	
Net Cash from Financing Activities	41 563 000	0	41 563 000	32 176 489	-9 386 511	
Net Increase / (decrease) in Cash and Cash Equivalents	-41 074 000	38 260 000	-2 814 000	70 085 544	72 899 548	
Cash and cash equivalents at the beginning of the year	99 772 000	36 928 000	136 700 000	136 699 553	-447	
Cash and cash equivalents at the end of the year	58 698 000	75 188 000	133 886 000	206 785 097	72 899 097	Cf8

The table below shows the 5 most expensive consultancy arrangements for the 2015/16 financial year:

Consultant arrangement	Cost R '000	Result	Reason for this engagement
Entsha Henra	2 844	Upgrade of Theronville Sport field	Sport Infrastructure
MDL Electrical	8 752	Upgrading of Electrical Networks	Upgrade & Strengthen Electrical networks
VE Reticulation PTY LTD	21 706	Upgrading of Stilbaai West 66/11KV substation	Upgrade Electrical networks
Clinkscapes Maughan BRO	952	Energy Efficiency and Demand Management Electrical Networks	Energy saving measures
Hessequa Raadgewende Ingenieurs	3 570	Upgrade of Water/Stormwater/ Roads Network	Civil Projects

Table 150.: 5 Most expensive consultants for 2015/16 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 2015/16 financial year:

Please note that Original budget was based on the old structure whereas the Adjustment budget & Actuals is based on SCOA (Standard Chart of Accounts), hence at times significant variances to Original budget.

Financial Summary						
R'000						
Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Financial Performance						
Property rates	60 793	66 878	66 023	65 937	-941	-86
Service charges	154 508	191 000	169 008	173 413	-17 587	4 405
Investment revenue	6 091	3 050	4 597	12 637	9 587	8 040
Transfers recognised - operational	58 769	58 602	61 147	52 392	-6 210	-8 755
Other own revenue	67 816	58 817	61 479	65 229	6 412	3 750



CHAPTER 5 – FINANCIAL PERFORMANCE

Financial Summary						
R'000						
Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Financial Performance						
Total Revenue (excluding capital transfers and contributions)	347 977	378 347	362 253	369 608	-8 739	7 354
Employee costs	108 250	127 842	127 641	116 414	-11 428	-11 227
Remuneration of councillors	5 791	6 360	6 360	6 047	-313	-313
Depreciation & asset impairment	19 923	20 840	20 840	25 481	4 641	4 641
Finance charges	9 851	10 183	8 797	13 695	3 512	4 898
Materials and bulk purchases	75 014	86 229	87 514	85 599	-630	-1 915
Transfers and grants	0	620	600	515	-105	-85
Other expenditure	93 922	132 821	116 434	99 286	-33 535	-17 148
Total Expenditure	312 751	384 895	368 185	347 037	-37 858	-21 149
Surplus/(Deficit)	35 226	-6 548	-5 932	22 571	29 119	28 503
Transfers recognised - capital	14 309	90 384	32 084	27 456	-62 928	-4 628
Contributions recognised - capital & contributed assets	381	0	0	0	0	0
Surplus/(Deficit) after capital transfers & contributions	49 916	83 836	26 153	50 027	-33 809	23 874
Share of surplus/(deficit) of associate	0	0	0	0	0	0
Surplus/(Deficit) for the year	49 916	83 836	26 153	50 027	-33 809	23 874
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	12 777	90 385	32 767	24 297	-66 088	-8 470
Public contributions & donations	0	0	0	73	73	73
Borrowing	11 264	53 930	54 356	43 000	-10 930	-11356
Internally generated funds	4 827	10 418	8 415	11 380	962	2965
Total sources of capital funds	28 868	154 733	95 538	78 750	-75 983	-16 788
Financial position						
Total current assets	176 409	115 956	172 624	249 265	133 309	76 641
Total non current assets	643 889	774 668	775 781	694 930	-79 738	-80 851
Total current liabilities	97 775	49 669	122 202	139 613	89 944	17 411



CHAPTER 5 – FINANCIAL PERFORMANCE

Financial Summary						
R'000						
Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Financial Performance						
Total non current liabilities	192237	194 053	258 767	224 270	30 217	-34 497
Community wealth/Equity	530286	646 902	567 436	580 313	-66 589	12 877
Cash flows						
Net cash from (used) operating	97 102	68 096	48 233	115 928	47 832	67 705
Net cash from (used) investing	-26 483	-150 733	-92 610	-78 019	72 714	14 591
Net cash from (used) financing	13 498	41 563	41 563	32 176	-9 387	-9 387
Cash/cash equivalents at the year end	136 700	58 698	133 886	206 785	148 087	72 899
Cash backing/surplus reconciliation						
Cash and investments available	136 700	58 698	133 886	206 785	148 087	72 899
Application of cash and investments	41 189	-21 100	62 945	72 079	98 517	14 472
Balance - surplus (shortfall)	95 511	79 798	70 940	134 706	49 570	58 427
Asset management						
Asset register summary (WDV)	643 871	725 479	716 427	694 915	30 564	-21 512
Depreciation & asset impairment	19 923	49 776	38 960	25 481	-24 295	-13 479
Renewal of Existing Assets	13 406	154 733	95 538	78 750	-75 983	-16 788
Repairs and Maintenance	11 908	14 266	17 969	15 686	1 420	-2 283
Free services						
Cost of Free Basic Services provided	17 356	20 104	20 104	21 512	1408	1408
Revenue cost of free services provided	23 265	26 743	26743	27 635	892	892
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 2015/16

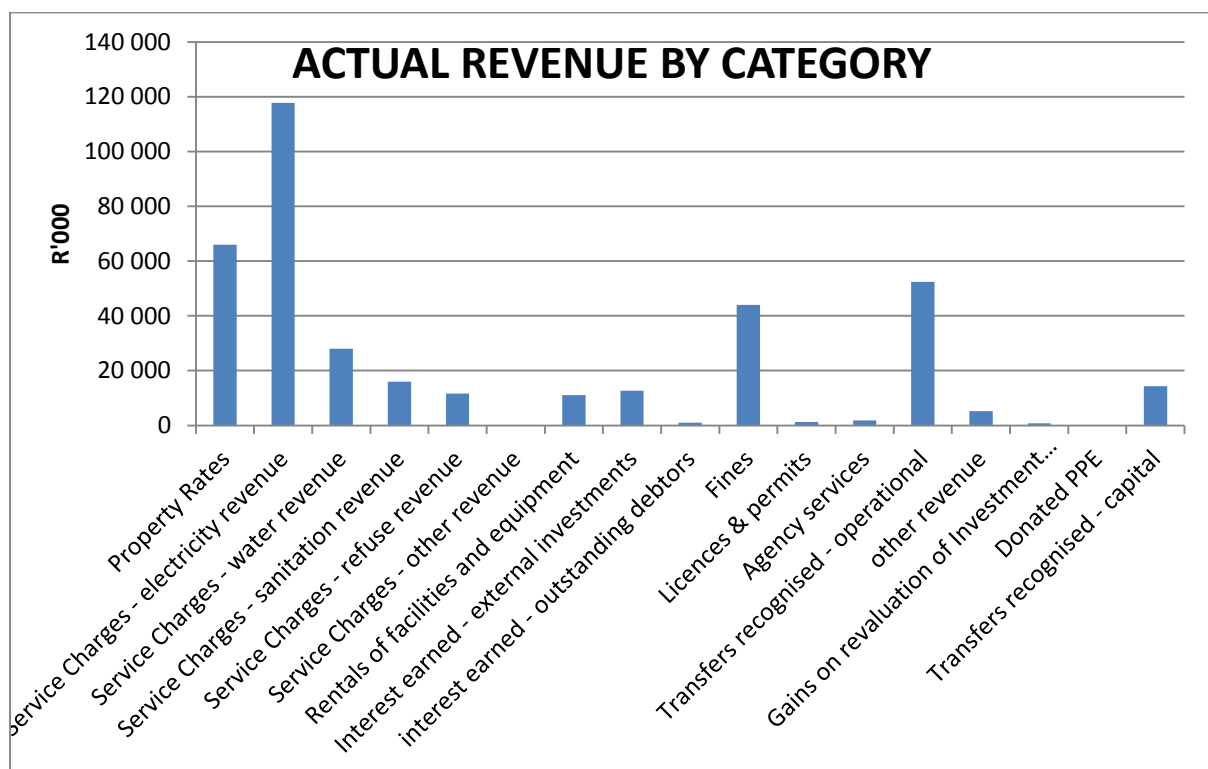


The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
2014/15	379 407	362 667	-34 740	95.6%	335 643	312 751	-22 892	93.2%
2015/16	394 338	397 064	2 726	100.7%	368 185	347 037	-21 148	94.3%

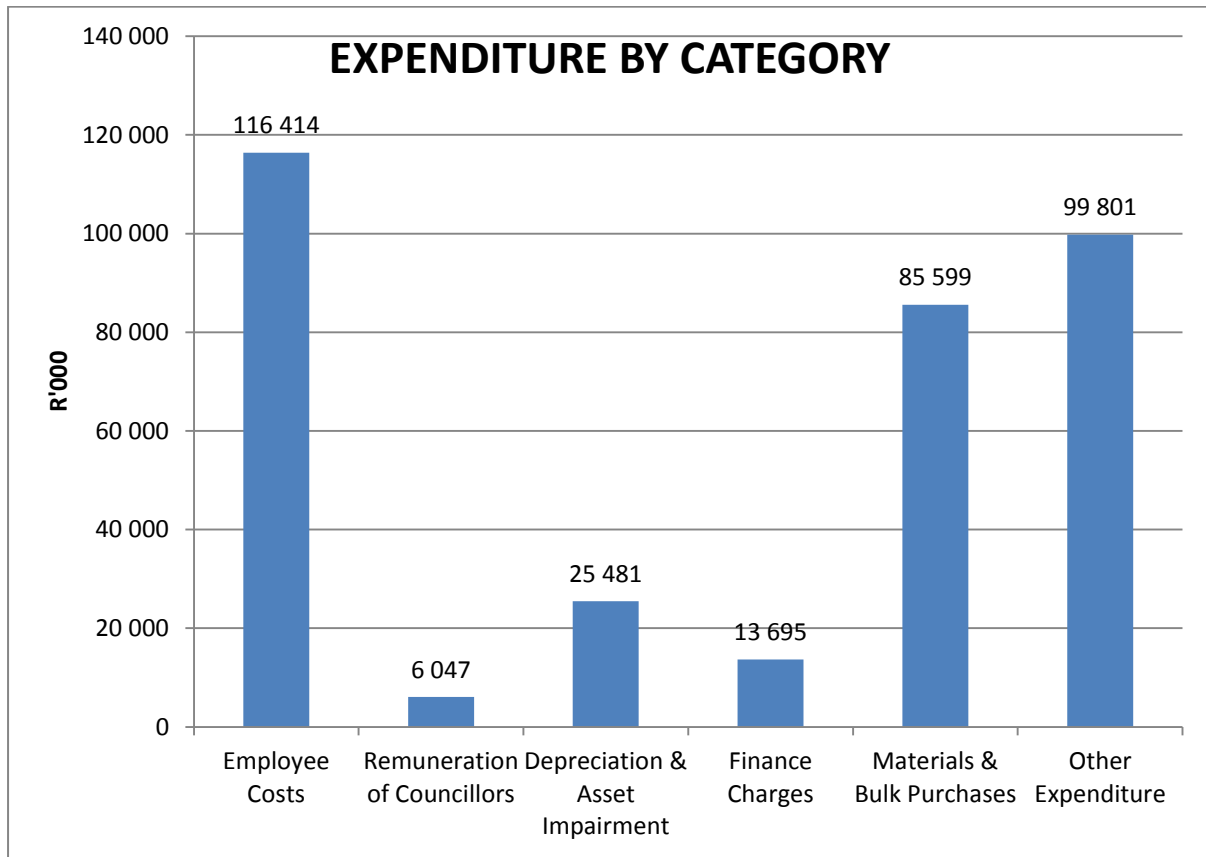
Table 152.: Performance against budgets

The following graph indicates the various types of revenue items in the municipal budget for 2015/16



Graph 3.: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2015/16.



Graph 4.: *Operating expenditure*

5.1.1 Revenue collection by Vote

The table below indicates the Revenue collection performance by Vote:

Vote description	2014/15	2015/16		2015/16 Variance		
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjusted budget
R'000						
Vote 1 - Executive and Council	32 116	33 575	33 575	32 712	(863)	(863)
Vote 2 - Budget and Trasury Office	70 815	73 522	74 626	82 284	8 762	7 657
Vote 3 - Corporate Services	13 269	1 968	2 645	3 595	1 626	950
Vote 4 - Planning and Development	2 921	5 535	2 035	2 568	(2 967)	533
Vote 5 - Public Safety	39 607	45 445	45 445	46 852	1 406	1 406
Vote 6 - Health						
Vote 7 - Community and Social Services	5 801	6 922	7 411	6 924	2	(487)
Vote 8 - Sports and Recreation	13 681	9 159	9 459	10 050	891	591
Vote 9 - Housing	11 460	13 194	16 181	9 425	(3 769)	(6 756)
Vote 10 - Waste Management	10 189	16 211	11 134	11 877	(4 335)	742
Vote 11 - Road Transport	9 733	69 203	13 566	10 368	(58 835)	(3 197)
Vote 12 - Waste Water Management	20 724	37 934	30 697	30 552	(7 381)	(145)
Vote 13 - Water	27 097	35 122	26 492	28 410	(6 711)	1 919
Vote 14 - Electricity	104 784	120 596	120 596	120 988	392	392
Vote 15 - Environmental Management	470	345	475	459	114	(16)
Total Revenue by Vote	362 667	468 732	394 338	397 064	(71 668)	2 726

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:

Vote description	2014/15	2015/16		2015/16 Variance		
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjusted budget
	R'000					
Property rates	60 793	66 878	66 023	65 937	(941)	(86)
Service charges - Electricity revenue	103 799	117 479	117 596	117 788		
Service charges - water revenue	26 297	28 997	25 578	28 018	(979)	2
Service charges - sanitation revenue	14 257	21 632	14 884	15 995	(5 637)	1
Service charges - refuse revenue	10 155	16 158	10 950	11 612	(4 546)	1
Service charges - other		6 734			(6 734)	
Rentals of facilities and equipment	10 962	4 146	10 532	11 094	7	1
Interest earned - external investments	6 091	3 050	4 597	12 637	10	8
Interest earned - outstanding debtors	1 391	1 148	1 148	1 035	(113)	(113)
Dividends received						
Fines	37 741	42 234	42 277	44 052	2	2
Licences and permits	601	382	763	1 245	1	
Agency services	1 584	1 744	1 673	1 778		
Transfers recognised - operational	58 769	58 602	61 147	52 392	(6 210)	(8 755)
Other revenue	4 899	5 163	4 586	5 240		1
Gains on disposal of PPE	741	4 000	500		(4 000)	(500)
Gains on revaluation of Investment Property	9 897			712	1	1
Donated PPE	381			73		
Environmental protection						
Total Revenue by Vote excluding capital transfers and contributions	348 358	378 347	362 253	369 608	(8 739)	7 354

Table 154.: Revenue by Source

5.1.3 Operational Services Performance

The table below indicates the Operational services performance for the 2015/16 financial year:

Description R'000	2014/15	2015/16		2015/16 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Operating Cost						
Water	7 187	12 375	3 570	7 204	-5 171	3 634
Waste Water (Sanitation)	5 995	20 190	13 208	14 021	-6 169	813
Electricity	14 165	12 933	15 801	20 360	7 427	4 559
Waste Management	-2 604	2 502	-2 467	-11 817	-14 319	-9 350
Housing	128	-1368	-1797	-1361	7	436
Component A: sub-total	24 871	46 632	28 315	28 407	-18 225	92
Water (Stormwater Drainage)		-				
Roads	-24 888	34 208	-20 927	-20 372	-54 580	555
Transport		-				
Component B: sub-total	-24 888	34 208	-20 927	-20 372	-54 580	555
Planning	-3 190	-1549	-4975	-3 007	-1 458	1 968
Local Economic Development	-829	-1161	-1161	-776	385	385
Component C: sub-total	-4 019	-2 710	-6 136	-3 783	-1 073	2 353
Community & Social Services	-3 665	-4 648	-4 106	-3 630	1 018	476
Environmental Protection	-427	-1133	-1174	-1440	-307	-266
Health					0	0
Security and Safety	3 611	-2 447	-2 360	-351	2 096	2 009
Sport and Recreation	-2 112	-7 957	-7 385	-5 245	2 712	2 140
Corporate Policy Offices and Other	56 545	21 892	39 926	56 441	34 549	16 515
Component D: sub-total	53 952	5 707	24 901	45 775	40 068	20 874
Surplus/deficit	49 916	83 837	26 153	50 027	-33 810	23 874
<i>Reflects the Net (income less expenditure) of all departments</i>						

Table 155.: Operational Services Performance

5.2 Financial Performance per Municipal Function

5.2.1 Water Services

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Water	R'000				
Total Operational Revenue	27 097	35 122	26 492	28 410	1 919
Expenditure:					
Employees	6 182	7 560	7 750	7 558	(192)
Repairs and Maintenance	1 063	938	1 651	1 564	(87)
Other	12 665	14 250	13 521	12 085	(1 436)
Total Operational Expenditure	19 910	22 747	22 921	21 207	(1 715)
Net Operational Expenditure	7 187	12 375	3 570	7 204	3 634
<i>Variances equal to actual minus original budget</i>					

Other Expenditure actuals includes the following:

- Depreciation R1.933 million
- Bulk purchases R5.823 million
- Interest paid R0.609 million
- Bad debts R0.975 million
- General expenses R2. 745 million

Table 156.: Financial Performance: Water services

5.2.2 Waste Water (Sanitation)

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Waste Water	R'000				
Total Operational Revenue	20 724	37 934	30 697	30 552	(145)
Expenditure:					
Employees	6 770	8 767	8 945	8 412	(533)
Repairs and Maintenance	1 048	1 197	1 741	1 598	(143)
Other	6 911	7 779	6 803	6 520	(283)
Total Operational Expenditure	14 729	17 744	17 489	16 531	(959)
Net Operational Expenditure	5 995	20 190	13 208	14 021	814
<i>Variances equal to actual minus original budget</i>					

Other Expenditure actuals includes the following:

- Depreciation R3 144 million
- Bulk purchases R0.208 million
- Interest paid R0.628 million
- Bad debts R0.731 million
- General expenses R1.809 million

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



5.2.4 Electricity

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Electricity	R'000				
Total Operational Revenue	104 784	120 596	120 596	120 988	392
Expenditure:					
Employees	8 958	10 847	10 847	8 993	(1 854)
Repairs and Maintenance	2 191	1 988	2 807	2 450	(357)
Other	79 469	94 828	91 141	89 185	(1 956)
Total Operational Expenditure	90 618	107 663	104 795	100 628	(4 167)
Net Operational Expenditure	14 166	12 933	15 801	20 360	4 559
<i>Variances equal to actual minus original budget</i>					

Other Expenditure actuals includes the following:

Depreciation R1 628 million

Bulk purchases R79.501 million

Interest paid R3. 929 million

Bad debts R1.297 million

General expenses R2.830 million

Table 158.: Financial Performance: Electricity

5.2.3 Waste Management

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Waste Management	R'000				
Total Operational Revenue	10 189	16 211	11 134	11 877	742
Expenditure:					
Employees	6 566	7 978	8 020	8 110	90
Repairs and Maintenance	798	1 295	1 262	1 044	(218)
Other	5 429	4 436	4 319	14 540	10 220
Total Operational Expenditure	12 793	13 710	13 601	23 694	10 093
Net Operational Expenditure	(2 604)	2 502	(2 467)	(11 817)	(9 350)
<i>Variances equal to actual minus original budget</i>					

Other Expenditure actuals includes the following:

Depreciation R6. 305 million

Interest paid R5. 061 million

Bad debts R0. 446 million

Contracted Services R0.785 million

General expenses R1. 943 million

Table 159.: Financial Performance: Waste Management



5.2.5 Housing

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Housing	R'000				
Total Operational Revenue	11 460	13 194	16 181	9 425	(6 756)
Expenditure:					
Employees		1 331	1 331	1 087	(244)
Repairs and Maintenance					
Other	11 332	13 231	16 647	9 699	(6 948)
Total Operational Expenditure	11 332	14 562	17 978	10 786	(7 192)
Net Operational Expenditure	128	(1 368)	(1 797)	(1 361)	436
<i>Variances equal to actual minus original budget</i>					

Other Expenditure actuals includes the following:

Depreciation R0.002

General expenses R9. 697 million

Table 160.: Financial Performance: Housing

5.2.6 Roads

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Roads	R'000				
Total Operational Revenue	8 871	69 203	13 566	10 368	(3 197)
Expenditure:					
Employees	17 436	16 493	16 293	14 414	(1 879)
Repairs and Maintenance	3 443	4 581	6 253	5 494	(760)
Other	13 055	13 920	11 946	10 832	(1 114)
Total Operational Expenditure	33 934	34 995	34 493	30 740	(3 752)
Net Operational Expenditure	(25 063)	34 208	(20 927)	(20 372)	555
<i>Variances equal to actual minus original budget</i>					

Other Expenditure actuals includes the following:

Depreciation R6. 377 million

Interest paid R3. 114 million

General expenses R1. 341 million

Table 161.: Financial Performance: Roads

5.2.7 Planning

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Planning	R'000				
Total Operational Revenue	2 921	1 535	1 535	2 555	1 020
Expenditure:					
Employees	5 337	5 786	5 786	4 827	(959)
Repairs and Maintenance	23	31	34	26	(9)
Other	751	(2 733)	689	709	20
Total Operational Expenditure	6 111	3 084	6 510	5 562	(947)
Net Operational Expenditure	(3 190)	(1 549)	(4 975)	(3 007)	1 967
<i>Variances equal to actual minus original budget</i>					

Depreciation R0. 030 million

Interest paid R0. 001 million

General expenses R0. 679 million

Table 162.: Financial Performance: Planning

5.2.8 Community & Social Services

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Community and Social Services	R'000				
Total Operational Revenue	5 801	6 922	7 411	6 924	(487)
Expenditure:					
Employees	6 676	8 447	8 179	7 940	(239)
Repairs and Maintenance	328	389	747	478	(269)
Other	2 462	2 734	2 591	2 137	(455)
Total Operational Expenditure	9 466	11 570	11 517	10 554	(963)
Net Operational Expenditure	(3 665)	(4 648)	(4 106)	(3 630)	476
<i>Variances equal to actual minus original budget</i>					

Other Expenditure actuals includes the following:

Depreciation R0. 030 million

Interest paid R0. 001 million

General expenses R0. 679 million

Table 163.: Financial Performance: Community & Social Services



5.2.9 Environmental Protection

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Environmental Protection	R'000				
Total Operational Revenue	470	345	475	459	(16)
Expenditure:					
Employees	4	702	792	1 149	358
Repairs and Maintenance	13	60	129	122	(6)
Other	881	716	730	627	(103)
Total Operational Expenditure	898	1 478	1 650	1 899	249
Net Operational Expenditure	(428)	(1 133)	(1 175)	(1 440)	(265)
<i>Variances equal to actual minus original budget</i>					

Other Expenditure actuals includes the following:

Depreciation R0. 0. 005 million

General expenses R0. 622 million

Table 164.: Financial Performance: Environmental Protection

5.2.10 Security and Safety

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Security and Safety	R'000				
Total Operational Revenue	39 607	45 445	45 445	46 925	1 480
Expenditure:					
Employees	6 867	7 843	7 881	8 736	855
Repairs and Maintenance	636	980	807	710	(97)
Other	28 493	39 069	39 118	37 829	(1 289)
Total Operational Expenditure	35 996	47 893	47 806	47 276	(530)
Net Operational Expenditure	3 611	(2 447)	(2 361)	(351)	2 010
<i>Variances equal to actual minus original budget</i>					

Other Expenditure actuals includes the following:

Depreciation R0. 317 million

Interest paid R0. 025 million

Bad debts R33. 888 million

Contracted Services R2. 614 million

General expenses R0. 986 million

Table 165.: Financial Performance: Security and Safety



5.2.11 Sport and Recreation

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Sport and Recreation	R'000				
Total Operational Revenue	13 681	9 159	9 459	10 050	591
Expenditure:					
Employees	9 340	11 241	10 896	9 553	(1 343)
Repairs and Maintenance	1 255	1 180	1 344	1 091	(253)
Other	5 199	4 695	4 604	4 651	46
Total Operational Expenditure	15 794	17 116	16 844	15 295	(1 549)
Net Operational Expenditure	(2 113)	(7 957)	(7 385)	(5 245)	2 140
<i>Variances equal to actual minus original budget</i>					

Other Expenditure actuals includes the following:

Depreciation R2. 122 million

Interest paid R0. 123 million

Contracted Services R0. 628 million

General expenses R1. 777 million

Table 166.: Financial Performance: Sport and Recreation

5.2.12 Corporate Policy Offices & Other

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Corporate Policy Offices and Other	R'000				
Total Operational Revenue	116 991	92 366	110 847	118 517	7 671
Expenditure:					
Employees	33 138	46 870	46 630	41 033	(5 597)
Repairs and Maintenance	1 039	770	1 196	1 109	(86)
Other	25 478	22 834	23 095	19 934	(3 161)
Total Operational Expenditure	59 655	70 474	70 920	62 076	(8 844)
Net Operational Expenditure	57 336	21 892	39 926	56 441	16 514
<i>Variances equal to actual minus original budget</i>					

Other Expenditure actuals includes the following:

Depreciation R2. 764 million

Interest paid R0. 179 million

Bad debts R0. 933 million

Contracted Services R0. 477 million

General expenses R15. 582 million

Table 167.: Financial Performance: Corporate Policy Offices & Other



5.2.12 Local Economic Development

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Local Economic Development	R'000				
Total Operational Revenue				13	13
Expenditure:					
Employees	592	651	651	647	(4)
Repairs and Maintenance					
Other	237	510	510	142	(367)
Total Operational Expenditure	829	1 161	1 161	789	(371)
Net Operational Expenditure	(829)	(1 161)	(1 161)	(776)	384
<i>Variances equal to actual minus original budget</i>					

Other Expenditure actuals includes the following:

Depreciation R0.001 million

General expenses R0. 142 million

Table 168.: Financial Performance: LED

5.3 Grants

5.3.1 Grant Performance :

Grant Performance						
R'000						
Description	2014/15	2015/16			2015/16 Variance	
	Actual	Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Operating Transfers and Grants						
National Government:	40278	37 776	37 776	35 032	-	-3018
Equitable share	29 993	31259	31259	31529	-	-
Municipal Systems Improvement	934	930	930	820	-	-
Finance Management	1 450	1450	1450	1450	-	-
Energy Efficiency & Demand Management	885	3000	3000	374	-3000	-3000

CHAPTER 5 – FINANCIAL PERFORMANCE

Grant Performance						
R'000						
Description	2014/ 15	2015/16			2015/16 Variance	
	Actual	Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Expended Public Works programme (EPWP)	346	200	200	192	-8	-8
Disaster Recovery Grant	6 021	-	-	-	-	-
Mig 5%	650	667	667	667	-	-
Provincial Government:	17 901	19 580	24 859	17 147	-2433	-6797
Housing	11 250	13118	16523	9657	-3461	-6596
Housing Consumer education			-		-	-
Housing Correction Previous claims			-	-	-	-
National Emergency Housing Programme	50		-	-	-	-
Tuin op die brak	300	70	200	195	125	-5
Financial Support Grant	864	0	979	617	617	-362
Performance Management Grant	125				-	-
Thusong Centre	218		100	5	5	-95
Capacity Building			665	649	649	-17
Libraries, CDW, Road Maintenance	4 333	6392	6392	6024	368	277
Other grant providers	589	190	414	214	-63	-287
Seta/Disaster Relief/Trade Union/HCE/ASLA/tourism	569	190	190	190	-10	-10
Heritage Council WC			24	24	24	0



Grant Performance						
R'000						
Description	2014/ 15	2015/16			2015/16 Variance	
	Actual	Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Arbor City			200	0	0	-200
National Lottery fund	20	0	0	0	(77)	(77)
Total Operating Transfers and Grants	58 769	57 545	63 049	52 393	-5 504	-10 092
<i>Variances equal to actual minus original/adjustment budget</i>						

Table 169.: Grant Performance for 2015/16

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	11 772	12 105	9 020	2 751	3 085	
Total	11 772	12 105	9 020	2 751	3 085	
<i>This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG). Variances equal to actual minus original/adjustment budget</i>						

Table 170.: Conditional Grant (excl. MIG)

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

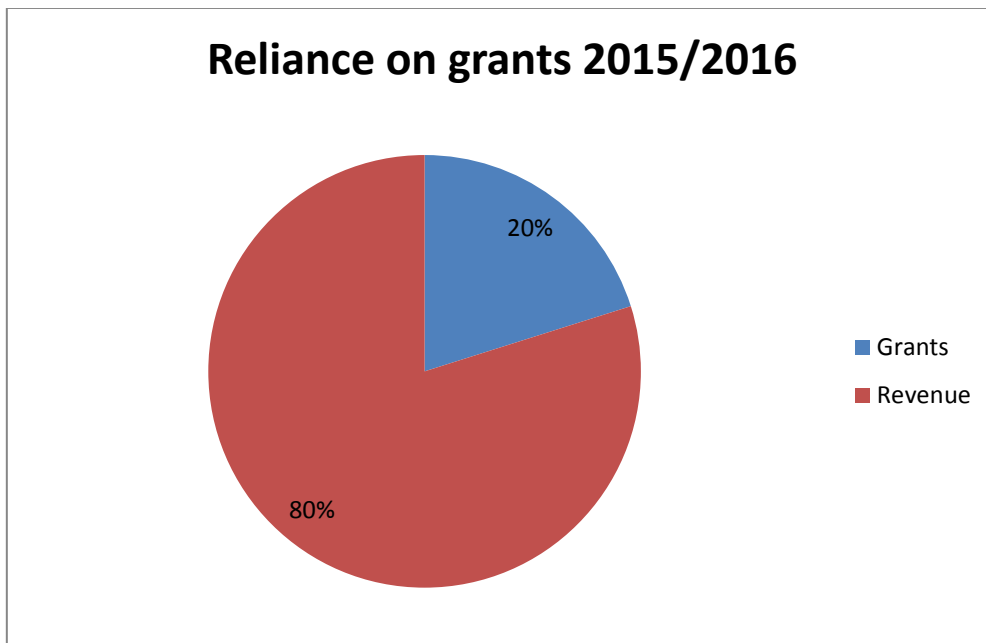
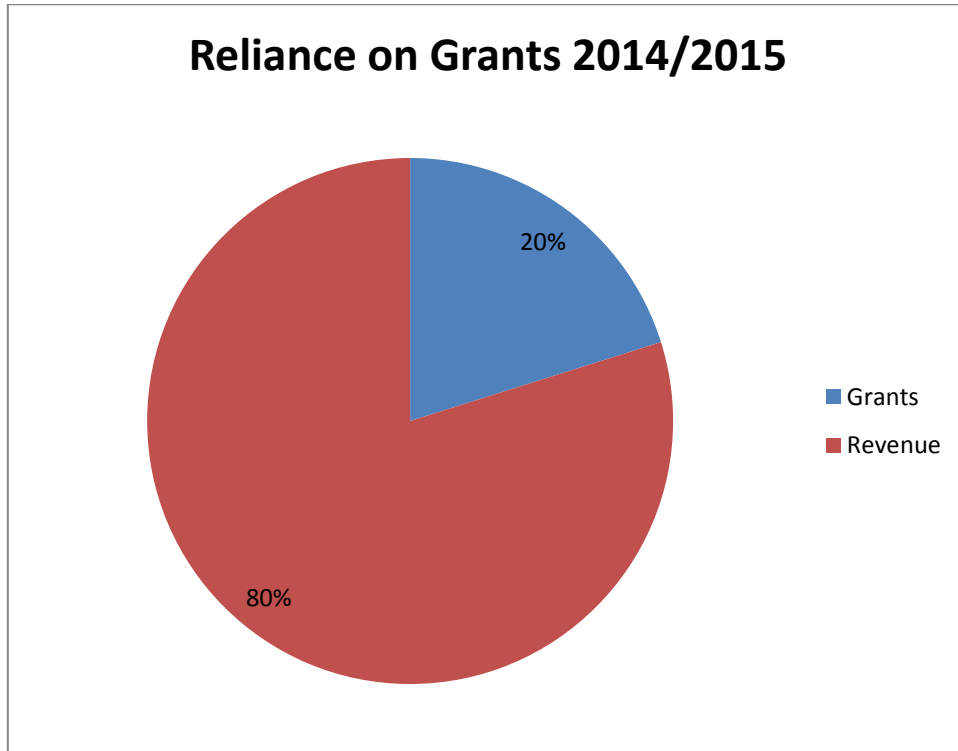
5.3.4 Level of Reliance on Grants & Subsidies

Financial year	Total grants	Total	Percentage
	and subsidies received	Operating Revenue	
	R'000	R'000	
2014/15	73 077	362 667	20.15%
2015/16	79 848	397 064	20.11%

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 (Substation)	
Description	To provide a reliable and sufficient source of electricity.	
Asset Type	Infrastructure	
Key Staff Involved	Director Technical Services: (Vacant) & Manager Civil Planning and Project Management (Shahida Kennedy)	
Staff Responsibilities	Project management	
Asset Value	2014/15 (R'000)	2015/16 (R'000)
	3 076	21 284

Table 172.: Summary of Largest Asset

Asset 2		
Name	Refurbishment of Albertina Waste Water Treatment Works	
Description	Refurbishment of Waste Water Treatment Works	
Asset Type	Infrastructure	
Key Staff Involved	Director Technical Services: (Vacant) & Manager Civil Planning and Project Management (Shahida Kennedy)	
Staff Responsibilities	Project management	
Asset Value	2014/15 (R'000)	2015/16 (R'000)
	280	2 822

Table 173.: Summary of 2nd Largest Asset

Asset 3		
Name	UPGRADING OF STILBAY WASTE WATER TREATMENT WORKS	
Description	Upgrading of Waste Water Treatment Works	
Asset Type	Infrastructure	
Key Staff Involved	Director Technical Services: (Vacant) & Manager Civil Planning and Project Management (Shahida Kennedy)	
Staff Responsibilities	Project management	
Asset Value	2014/15 (R'000)	2015/16 (R'000)
	965	3 507

Table 174.: Summary of 3rd Largest Asset



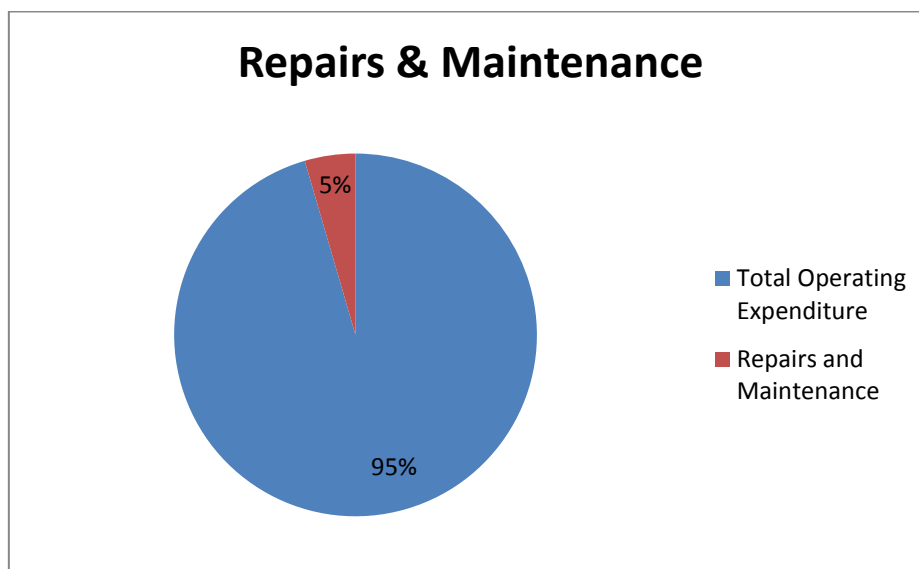
One of the recommendations in the approved financial plan of the Council is not to neglect the replacement of existing assets.

5.4.2 Repairs and Maintenance

Description	2014/15	2015/16
	R'000	R'000
Total Operating Expenditure	312 751	347 037
Repairs and Maintenance	11 908	15 686
% of total OPEX	3.81%	4.52%

Table 175.: **Note: These figures do not include salaries of repairs and maintenance staff* 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	2014/15	2015/16
		Audited outcome	Audit outcome
Current Ratio	Current assets/current liabilities	1.80	1.79
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.48	1.5
Liquidity Ratio	Monetary Assets/Current Liabilities	1.78	1.76

Table 176.: Liquidity Financial Ratio (norm 1:5 to 2:1)

Financial year	Total Assets	Total Liabilities	Ratio
	R'000	R'000	
2014/15	820 298	290 012	2.83:1
2015/16	944 195	363 883	2.6:1

Table 177.: Liquidity Financial Ratio (norm 1:5 to 2:1)

5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2014/15	2015/16
		Audited outcome	Audit outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	7.06	10.08
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.10	0.11
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	14.4	14.63

Table 178.: Financial Viability National KPAs

5.5.3 Creditors Management

Description	Basis of calculation	2014/15	2015/16
		Audited outcome	Audit outcome
Creditors System Efficiency	of Creditors Paid Within Terms (within 'MFMA' s 65(e))	65,2 Days	67,5 Days

Table 179.: Creditors Management



5.5.4 Borrowing Management

Description	Basis of calculation	2014/15	2015/16
		Audited outcome	Audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.41%	5.79%

Table 180.: Borrowing Management

5.5.5 Employee costs

Description	Basis of calculation	2014/15	2015/16
		Audited outcome	Audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.07%	31.42%

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	154 733	95 538	78 750	-75 983	-16 788
Operating Expenditure	384 895	368 185	347 037	-37 858	-21 148
Total expenditure (Capital)	154 733	95 538	78 750	-75 983	-16 788
Water and sanitation	44 567	32 574	23 663	-20 904	-8 911
Electricity	24 302	33 905	32 254	7 952	- 1 651
Housing	0		0	0	0
Roads, Pavements, Bridges and storm water	71 247	15 002	10 358	-60 889	-4 644
Other	14 617	14 057	12 475	-2 142	-1 582
Total Finance Source - Capital	154 733	95 538	78 750	-75 983	-16 788
External Loans	53 930	54 356	43 000	-10 930	-11 356
Internal contributions	10 418	8 415	11 380	962	2 965
Grants and subsidies	90 385	32 767	24 297	-66 088	-8 470
Other	0	0	73	73	73



CHAPTER 5 – FINANCIAL PERFORMANCE

R million	Original Budget	Adjusted Budget	Actual	Original Budget variance	Adjusted Budget Variance
Salaries, wages and allowances	127 844	127 641	116 414	-11 430	-11 227
External loans repaid	10 183	8 797	8 680	-1 503	-117
Operating Revenue	468 732	394 338	397 064	-71 668	2 726
Property rates	66 878	66 023	65 937	-941	-86
Service charges	191 000	169 008	173 413	-17587	4405
Other own revenue	210 854	159 307	157 714	-53140	-1593
Operating Expenditure	384 895	368 185	347 037	-37 858	-21 148
Employee related costs	127 842	127 641	116 414	-11 430	-11 227
Provision for working capital	33 257	33 257	38 268	5 011	5 011
Repairs and maintenance	14 266	17 970	15 686	1 420	-2 284
Bulk purchases	86 229	87514	85 599	-630	-1 915
Other expenditure	123 301	101803	91070	-32 231	-10 733
	120596	120596	120987	391	391
Service charges: Electricity	117 596	117596	117788	192	192
Grants & subsidies: Electricity	3 000	3000	3000	0	0
Other revenue: Electricity	0	0	199	199	199
	107 663	104 795	100 628	-7035	-4167
Employee related costs: Electricity	10847	10847	8993	-1854	-1854
Provision for working capital: Electricity	1784	1784	1297	-487	-487
Repairs and maintenance: Electricity	1988	2807	2450	462	-357
Bulk purchases: Electricity	79917	79917	79501	-416	-416
Other expenditure: Electricity	13127	9440	8387	-4740	-1053
	35122	26492	28411	-6711	1919
Service charges: Water	29027	25578	28018	-1009	2440
Grants & subsidies: Water	6094	914	342	-5752	-572
Other revenue: Water	0	0	51	51	51
	22 747	22 921	21 207	-1 541	-1715
Employee related costs: Water	7 560	7 750	7 558	-2	-192
Provision for working capital: Water	688	688	975	287	287
Repairs and maintenance: Water	938	1 651	1 564	626	-87
Bulk purchases: Water	7 166	7 166	5 823	-1 343	-1 343
Other expenditure: Water	6 396	5 667	5 287	-1 109	-380

Table 182.: Analysis of Capital and Operating Expenditure

*Note: The major adjustments within the financial year were as a result of flood damage funds that was received within the financial year, but as a result of it being received three years after applications have been submitted, all project costing and scope of work should be done again and have the funds been requested for transfer to the following financial year.



5.7 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2015/16 financial year:

Capital Expenditure - Funding Sources 2014/15 to 2015/16						
R'000						
Details	2014/15	2015/16				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Variance Ori	Variance Adju
External loans	11 264	53 930	54 356	43 000	-10 930	-11 356
Public contributions and donations				73	73	73
Grants and subsidies	12 777	90 385	32 767	24 297	-66 088	-8 470
Other / CRR	4 827	10 418	8 415	11 380	962	2 965
Total	28 868	154 733	95 538	78 750	-75 983	-16 788
Percentage of finance						
External loans	39.02%	34.85%	56.89%	54.60%	14.38%	67.64%
Public contributions and donations	0.00%	0 %	0%	0.09%	-0.10%	-0.43%
Grants and subsidies	44.26%	58.41%	34.3%	30.85%	86.98%	50.45%
Other	16.72%	6.73%	8.81%	14.46%	-1.28%	-17.66%
Total	28 868	154 733	95 538	78 750	-75 983	-16 788
Percentage of expenditure						
Water and sanitation	24.33%	28.8%	34.1%	30.05%	27.51%	53.08%
Electricity	47.26%	15.71%	35.49%	40.96%	-10.47%	9.83%
Housing	0.00%	0%	0%	0%	0	0%
Roads and stormwater	24.98%	46.05%	15.7%	13.15%	80.14%	27.66%
Other	-4.93%	9.45%	14.71%	15.84%	2.82%	9.42%

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 2015/16

Name of Project*	Current Year: 2015/16		Variance Current Year: 2015/16
	Amended Budget R'000	Actual Expenditure R'000	Variance R'000
INSTALLATION OF 66/11 KV MAIN	22 700	21 284	-1416
UPGRADING OF BULK SEWERAGE	8 194	8 213	19
UPGRADING OF SEWERAGE WORKS	3 250	3 062	-188
STORMWATER & ROADS - MIG	2 327	2 327	0
REFURBISHMENT ALB SEWERAGE WOR	2 858	2 822	-36

Table 184.: Capital Expenditure on the 5 Largest Projects

Name of Project	INSTALLATION OF 66/11 KV MAIN SUB-STATION
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 BULK SEWERAGE
Objective of Project	To increase the current capacity of the existing bulk sewer main.
Delays	Two months delay due to existing services and the narrow construction working space in long street and the e additional works at the Pump station.
Future Challenges	None.
Anticipated citizen benefits	16172 (Riversdale)

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

Name of Project	UPGRADING OF SEWERAGE WORKS
Objective of Project	To provide additional drying capacity at the Waste Water Treatment works
Delays	None
Future Challenges	none
Anticipated citizen benefits	3513

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

Name of Project	STORMWATER & ROADS - MIG
Objective of Project	To upgrade the stormwater and Road infrastructure to improve service delivery
Delays	None
Future Challenges	None
Anticipated citizen benefits	2533

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

Name of Project	REFURBISHMENT ALB SEWERAGE WOR
Objective of Project	To increase the sludge Drying Capacity of the Sewerage works
Delays	Approximately 3 months delay while awaiting approval of additional funding.
Future Challenges	None
Anticipated citizen benefits	6372 (Albertinia)

Table 189.: Summary of Upgrading of Sewerage Works - Albertinia

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 2015/16 on Service backlogs					
R 000					
Details		Approved Budget	Actual	Variance from	
					Approved Budget
Infrastructure - Road transport		6 437	4 158		-2 279
<i>Storm water</i>					
Infrastructure - Electricity		0	0		0
<i>Street Lighting</i>					
Infrastructure - Water		404	116		-288
<i>Dams & Reservoirs</i>					
Infrastructure - Sanitation		12 341	9 624		-2 717
<i>Reticulation</i>					
Other:		0	0		0
Total		19 183	13 899		-5 284

** 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 is the difference between actual and approved budget*

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	2014/15	2015/16		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	237 513	276 727	276 357	261 405
Government grants and subsidies	108 740	113 095	93 232	112 081
Interest	7 482	3 751	4 121	13 672
Payments				
Suppliers and employees	(246 782)	(315 033)	(315 033)	(257 535)
Finance charges	(9 851)	(10 184)	(10 184)	(13 695)
Transfers and Grants		(260)	(260)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	97 102	68 096	48 233	115 928
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	2 382	4 000	500	657
Decrease (Increase) in non-current debtors	2	-	-	1
Decrease (increase) other non-current receivables	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-
Payments				
Capital assets	(28 868)	(154 733)	(93 110)	(78 677)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(26 483)	(150 733)	(92 610)	(78 019)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	-	-	-
Borrowing long term/refinancing	13 140	53 930	53 930	31 461
Increase (decrease) in consumer deposits	281	-	-	672
Increase (decrease) in trust funds	78	-	-	44
Payments				
Repayment of borrowing	-	(12 367)	(12 367)	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	13 498	41 563	41 563	32 176
NET INCREASE/ (DECREASE) IN CASH HELD	84 117	(41 074)	(2 814)	70 086
Cash/cash equivalents at the year begin:	52 583	99 772	136 700	136 700
Cash/cash equivalents at the year end:	136 700	58 698	133 886	206 785
Source: MBRR SA7				

Table 191.: Cash flow



5.11 Gross Outstanding Debtors per Service

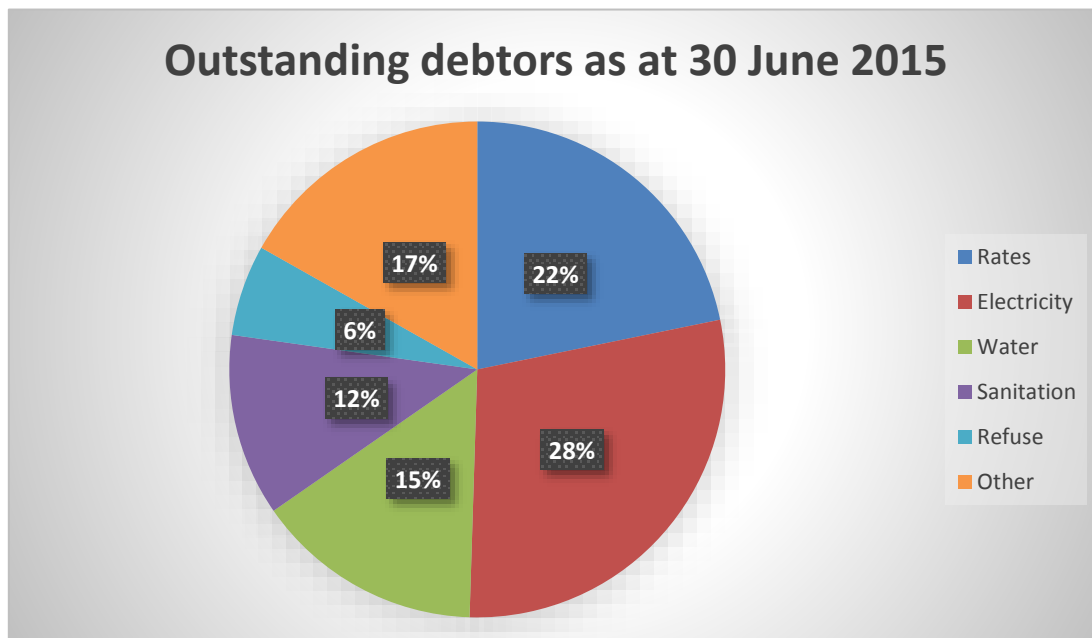
NB: Total debtors outstanding excluding Fines is R44 522 million in 2014/2015 & R 48, 799 million

Financial year	Rates	Trading services (Electricity and Water)	Economic services (Sanitation and Refuse)	Housing rentals	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000
	2014/15	10 000	19 196	7808		7 518
2015/16	10 561	22 259	8706		7 273	48 799
Difference	-561	-3063	-898		245	-4 277
% growth year on year	5,31%	13,76%	10,31%	#DIV/0!	-3,37%	8,76%

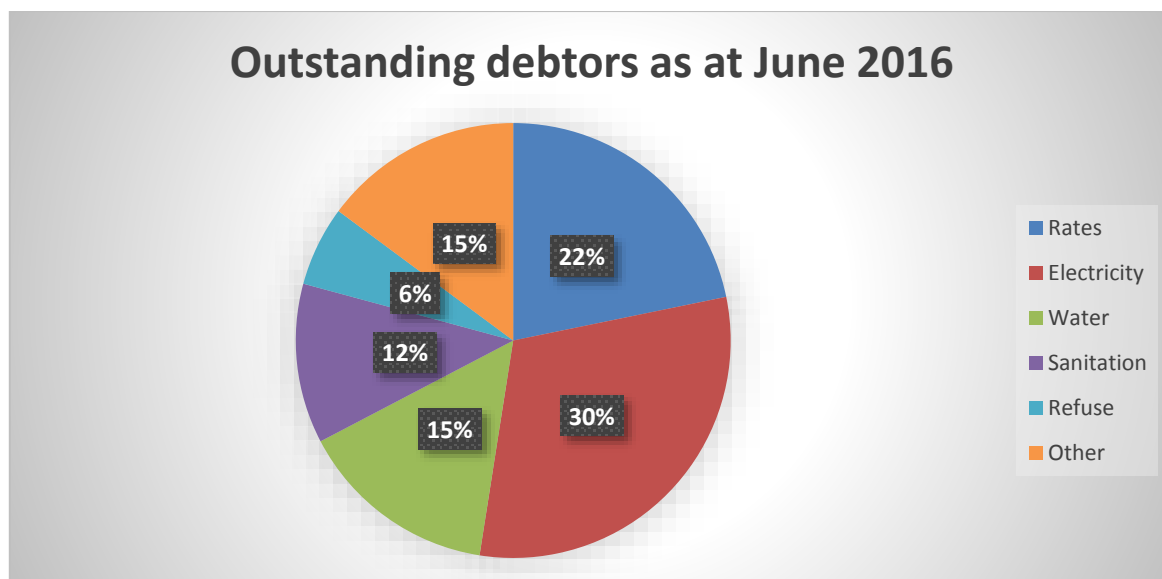
Note: Figures exclude provision for bad debt. - (Impairment i.r.o. Traffic Fines is included)

Table 192.: Gross outstanding debtors per service

The following graphs indicate the total outstanding debt per type of service for 2014/15 and 2015/16.



Graph 7.: Outstanding debtors the 2014/15 financial years.



Graph 8.: Outstanding debtors for 2015/16 financial year.

5.12 Total Debtors Age Analysis

NB: Total debtors outstanding excluding Fines is R44 522 million in 2014/2015 & R 48, 799 million 1516

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
2014/15	17 827	3 181	1 470	22 043	44 522
2015/16	20 460	3 751	1 461	23 127	48 799
Difference	² 632	570	(10)	¹ 084	⁴ 277
% growth year on year	12,87%	15,20%	-0,67%	4,69%	8,76%

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 97% WHICH IS WELL ABOVE THE NORM FOR MUNICIPALITIES.

5.13 Borrowing and Investments

5.13.1 Actual Borrowings

R'000		
Instrument	2014/15	2015/16
Long-Term Loans (annuity/reducing balance)	90 256	121 860
Total	90 256	121 860

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

6.1 COMPONENT A: AUDITOR-GENERAL OPINION 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	
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

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 with no findings audit opinion Unqualified with no findings audit opinion (Clean Audit) (Clean Audit)

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

6.2 COMPONENT B: AUDITOR-GENERAL OPINION 2015/16

AUDITOR GENERAL OPINION

Auditor-General Report on Performance Information 2015/16	
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
Auditor General Report on Non-Compliance Issues 2015/16	
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 197.: AG Report on Performance information & Compliance 2015/16

Auditor-General Report on Financial Performance 2015/16	
Financial Statements presents fairly in all material aspects, the financial position of the Hessequa Municipality as at 30 June 2016 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 with no findings audit opinion (Clean Audit)

Table 198.: AG Report on Financial Performance 2015/16



6.3 COMPONENT C: AUDITOR GENERAL REPORT 2015/16

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 83, which comprise the statement of financial position as at 30 June 2016, 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, 2015 (Act No. 1 of 2015) (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 2016 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.

Reclassification due to implementation of municipal standard chart of accounts (mSCOA)

8. As disclosed in note 46 to the financial statements, the corresponding figures for 30 June 2015 were reclassified as a result of the mSCOA implementation at the municipality during the 2015-16 financial year, which resulted in the reclassification of certain classes of transactions disclosed in the statement of financial performance for the year ended 30 June 2015.

Material underspending of the capital budget

9. As disclosed in the appropriation statement, the municipality materially underspent its finally approved capital budget of R95,5 million by approximately R16,78 million (2014-15: R52,4 million). Furthermore, as disclosed in note 16, capital expenditure linked to grants resulted in the material underspending of grant funding by approximately R69,96 million (2014-15: R37,7 million). The explanations for the significant underexpenditure are disclosed in note 55 to the financial statements.

Material losses/impairments

10. As disclosed in note 3 to the financial statements, the receivables of R36,04 million (2014-15: R31,7 million) from exchange transactions (consumer debtors) were significantly impaired by R17,28 million (2014-15: R14,95 million). Furthermore, as disclosed in note 4, the receivables from non-exchange transactions of R58 million, which included traffic fines and rate debtors, were significantly impaired by R40 million (2014-15: R43,16 million).

Additional matters

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



Unaudited supplementary schedules

12. The supplementary information set out on pages 84 to 94 did not form part of the financial statements and was presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

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 the MFMA. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

14. 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

15. 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 2016:
 - Objective 4: maintenance and development of infrastructure on pages 56 to 58
16. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned objective. 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.
17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify material findings on the usefulness and reliability of the reported performance information for the following objective:
 - Objective 4: maintenance and development of infrastructure

Additional matter

19. 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 matter:

Achievement of planned targets

20. Refer to the annual performance report on pages 56 to 58 for information on the achievement of the planned targets for the year.



Compliance with legislation

21. 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

22. 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 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure A: Hessequa Annual Financial Statements – 30 June 2016



Annexure B: Oversight Report

