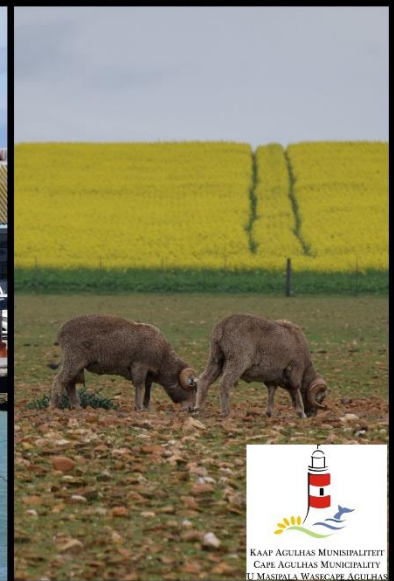




CAPE AGULHAS MUNICIPALITY ANNUAL REPORT 2016/17



**RESOLUTION 04/2018
30 JANUARY 2018**



CONTENTS

CHAPTER 1: MAYORS FOREWORD AND EXECUTIVE SUMMARY 9

COMPONENT A: MAYORS FOREWORD 9

COMPONENT B: EXECUTIVE SUMMARY 11

1.1 MUNICIPAL MANAGERS OVERVIEW 11

1.2 MUNICIPAL OVERVIEW 13

1.2.1 VISION, MISSION AND VALUES 13

1.2.2 GEOGRAPHIC AREA 14

1.3 DEMOGRAPHIC, SOCIO ECONOMIC AND ENVIRONMENTAL OVERVIEW 19

1.3.1 DEMOGRAPHIC OVERVIEW 19

1.3.2 SOCIO ECONOMIC OVERVIEW 23

1.3.3 ENVIRONMENTAL OVERVIEW 24

1.3.3.1 COASTAL MANAGEMENT 25

1.3.3.2 CLIMATE CHANGE 25

1.3.3.3 BIODIVERSITY MANAGEMENT 26

1.3.3.4 AIR QUALITY 26

1.4 BASIC SERVICE DELIVERY OVERVIEW 27

1.4.1 BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS 27

1.4.2 BASIC SERVICE DELIVERY CHALLENGES 27

1.4.3 HOUSEHOLD ACCESS TO BASIC SERVICES 29

1.5 FINANCIAL HEALTH OVERVIEW 30

1.5.1 FINANCIAL VIABILITY HIGHLIGHTS 30

1.5.2 FINANCIAL VIABILITY CHALLENGES 30

1.5.3 NATIONAL KEY PERFORMANCE INDICATORS OF FINANCIAL VIABILITY (RATIO'S) 31

1.5.4 FINANCIAL OVERVIEW 31

1.5.5 OPERATING RATIO'S 31

1.5.6 TOTAL CAPITAL EXPENDITURE 32

1.6 ORGANISATIONAL DEVELOPMENT OVERVIEW 33

1.6.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS
33

1.6.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT
CHALLENGES 33

1.6.3 EMPLOYMENT EQUITY 34

1.6.4 SKILLS DEVELOPMENT 34

1.7 AUDITOR GENERAL REPORT 35

1.7.1 AUDIT OUTCOMES 35

CHAPTER 2: GOVERNANCE 36

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE 36

2.1 NATIONAL KEY PERFORMANCE INDICATOR - GOOD GOVERNANCE AND PUBLIC
PARTICIPATION 36

2.2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION PERFORMANCE HIGHLIGHTS 36

| | | |
|--|---|----|
| 2.3 | CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION | 37 |
| 2.4 | GOVERNANCE STRUCTURE..... | 37 |
| 2.4.1 | POLITICAL GOVERNANCE STRUCTURE | 37 |
| 2.4.2 | ADMINISTRATIVE GOVERNANCE STRUCTURE | 42 |
| COMPONENT B: INTERGOVERNMENTAL RELATIONS | | 44 |
| 2.5 | INTERGOVERNMENTAL RELATIONS..... | 44 |
| 2.5.1 | INTERGOVERNMENTAL STRUCTURES | 44 |
| 2.5.2 | JOINT PROJECTS AND FUNCTIONS WITH SECTOR DEPARTMENTS | 45 |
| COMPONENT C: PUBLIC ACCOUNTABILITY | | 46 |
| 2.6 | PUBLIC MEETINGS | 46 |
| 2.7 | WARD COMMITTEES..... | 48 |
| 2.7.1 | MEMBERSHIP AND FUNCTIONALITY OF WARD COMMITTEES..... | 50 |
| 2.7.2 | TRAINING INITIATIVES | 54 |
| 2.8 | REPRESENTATIVE FORUMS | 54 |
| 2.8.1 | LOCAL LABOUR FORUM | 54 |
| 2.8.2 | IDP FORUM (CAPE AGULHAS MUNICIPAL ADVISORY FORUM)..... | 55 |
| COMPONENT D: CORPORATE GOVERNANCE..... | | 56 |
| 2.9 | RISK MANAGEMENT | 56 |
| 2.9.1 | FRAUD AND RISK MANAGEMENT COMMITTEE..... | 57 |
| 2.9.2 | RISK ASSESSMENTS | 58 |
| 2.9.3 | TOP STRATEGIC RISKS FOR THE MUNICIPALITY | 58 |
| 2.9.4 | RISK POLICIES AND STRATEGIES | 59 |
| 2.10 | ANTI-CORRUPTION AND ANTI-FRAUD | 59 |
| 2.11 | AUDIT COMMITTEE | 60 |
| 2.11.1 | FUNCTIONS OF THE AUDIT COMMITTEE | 61 |
| 2.11.2 | MEMBERS OF THE AUDIT COMMITTEE | 61 |
| 2.11.3 | MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS | 62 |
| 2.12 | PERFORMANCE AUDIT COMMITTEE | 63 |
| 2.12.1 | FUNCTIONS OF THE PERFORMANCE AUDIT COMMITTEE..... | 63 |
| 2.12.2 | MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE | 63 |
| 2.13 | INTERNAL AUDITING | 64 |
| 2.14 | BY-LAWS AND POLICIES | 65 |
| 2.15 | COMMUNICATION..... | 65 |
| 2.15.1 | THE COMMUNICATION UNIT | 66 |
| 2.15.2 | COMMUNICATION POLICIES AND STRATEGIES | 66 |
| 2.15.3 | COMMUNICATION PLATFORMS | 66 |
| 2.16 | MUNICIPAL WEBSITE | 67 |
| 2.17 | CLIENT SERVICES..... | 68 |
| 2.18 | SUPPLY CHAIN MANAGEMENT | 69 |
| 2.18.1 | SUPPLY CHAIN MANAGEMENT POLICIES | 69 |

| | | |
|---|--|-----|
| 2.18.2 | BID COMMITTEES | 69 |
| 2.18.3 | DEVIATIONS FROM NORMAL PROCUREMENT PROCESSES | 72 |
| 2.18.4 | LOGISTICS MANAGEMENT..... | 73 |
| 2.18.5 | SYSTEMS | 73 |
| 2.18.6 | PARTICIPATION IN INTERGOVERNMENTAL FORUMS | 74 |
| CHAPTER 3 SERVICE DELIVERY PERFORMANCE..... | | 75 |
| 3.1 | INTRODUCTION | 75 |
| 3.2 | LEGISLATIVE FRAMEWORK | 75 |
| 3.3 | OVERVIEW OF PERFORMANCE MANAGEMENT WITHIN THE MUNICIPALITY .. | 76 |
| 3.3.1 | ORGANISATIONAL PERFORMANCE MANAGEMENT | 76 |
| 3.3.2 | INDIVIDUAL PERFORMANCE MANAGEMENT | 77 |
| 3.3.3 | THE PERFORMANCE MANAGEMENT SYSTEM | 78 |
| 3.3.4 | SERVICE PROVIDER STRATEGIC PERFORMANCE | 78 |
| 3.4 | STRATEGIC PERFORMANCE 2016/17 | 79 |
| 3.4.1 | OVERVIEW..... | 79 |
| 3.4.2 | DETAILED PERFORMANCE FOR 2016/17 PER STRATEGIC OBJECTIVE | 82 |
| 3.4.2.1 | DEVELOPMENT AND REGULAR MAINTENANCE OF BULK INFRASTRUCTURE SUCH AS ROADS, STORM WATER NETWORKS, POTABLE WATER NETWORKS, WASTE WATER TREATMENT PLANTS, LAND AND INTEGRATED HUMAN SETTLEMENTS..... | 83 |
| 3.4.2.2 | ESTABLISHING A FUNCTIONAL MUNICIPALITY THAT CAN DELIVER ON THE IDP PRIORITIES, IMPLEMENT POLICIES THAT WILL FACILITATE TRANSFORMATION, EFFECTIVE STAFF STRUCTURE, GENERAL MANAGEMENT PRACTICES AND TRAINING..... | 89 |
| 3.4.2.3 | PREPARE A BUDGET AND EXERCISE EFFECTIVE ASSET MANAGEMENT OVER THE RESOURCES OF THE MUNICIPALITY | 93 |
| 3.4.2.4 | PROMOTE SERVICE EXCELLENCE AND A CORRUPTION FREE ENVIRONMENT..... | 95 |
| 3.4.2.5 | PROVISION OF QUALITY BASIC SERVICES SUCH AS WATER, ELECTRICITY, REFUSE REMOVAL AND SANITATION | 96 |
| 3.4.2.6 | TO FACILITATE ECONOMIC DEVELOPMENT BY CREATING A CONDUCTIVE ENVIRONMENT FOR BUSINESS DEVELOPMENT AND UNLOCK OPPORTUNITIES TO INCREASE PARTICIPATION AMONGST ALL SECTORS OF SOCIETY IN THE MAINSTREAM ECONOMY TO ULTIMATELY CREATE DECENT JOB OPPORTUNITIES | 99 |
| 3.4.2.7 | TO FACILITATE THE HOLISTIC DEVELOPMENT OF PEOPLE, EXPAND THE SAFETY NET FOR VULNERABLE GROUPS AND IMPLEMENT SUSTAINABLE PROGRAMMES TO IMPROVE THEIR LIVELIHOODS | 101 |
| 3.4.2.8 | TO IMPLEMENT SOUND FINANCIAL MANAGEMENT SYSTEMS & PROCEDURES THAT WILL ENSURE THE FINANCIAL VIABILITY OF CAPE AGULHAS MUNICIPALITY | 104 |
| 3.4.2.9 | TO PROVIDE AN ADMINISTRATION THAT ENSURES PUBLIC PARTICIPATION IN A TRANSPARENT AND ACCOUNTABLE WAY AS WELL AS TO PROMOTE INTERGOVERNMENTAL RELATIONS..... | 106 |
| 3.5 | MUNICIPAL FUNCTIONS | 107 |
| 3.6 | OVERVIEW OF PERFORMANCE PER WARD / TOWN | 108 |

| | | |
|--------|---|-----|
| 3.6.1 | BASIC SERVICE DELIVERY..... | 108 |
| 3.6.2 | WARD 1: NAPIER, ELIM, SPANJAARDSKLOOF AND SURROUNDING FARMS | 109 |
| 3.6.3 | WARD 2: PART OF BREDASDORP, KLIPDALE, HOUTKLOOF AND SURROUNDING FARMS | 109 |
| 3.6.4 | WARD 3: PART OF BREDASDORP (SELFBOU AREA, KLEINBEGIN, ZWELITSHA, KALKOONDE AREA, VOLSTRUISKAMP) | 110 |
| 3.6.5 | WARD 4: PART OF BREDASDORP (CBD), PROTEM, VANDERSTELSKRAAL AND SURROUNDING FARMS..... | 110 |
| 3.6.6 | WARD 5: ARNISTON, STRUISBAAI, L'AGULHAS, SUIDERSTRAND, HAASVLAKTE AND SURROUNDING FARMS | 111 |
| 3.7 | COMPONENT A: BASIC SERVICES..... | 112 |
| 3.7.1 | WATER | 112 |
| 3.7.2 | SANITATION (WASTE WATER) | 114 |
| 3.7.3 | ELECTRICITY | 116 |
| 3.7.4 | WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING) | 120 |
| 3.7.5 | HOUSING | 122 |
| 3.7.6 | FREE BASIC SERVICES AND INDIGENT SUPPORT | 126 |
| 3.8 | COMPONENT B: ROAD TRANSPORT..... | 129 |
| 3.8.1 | INTRODUCTION TO ROAD TRANSPORT | 129 |
| 3.8.2 | ROADS..... | 129 |
| 3.8.3 | WASTE WATER (STORMWATER DRAINAGE) | 131 |
| 3.9 | COMPONENT C: PLANNING AND ECONOMIC DEVELOPMENT | 133 |
| 3.9.1 | INTEGRATED DEVELOPMENT PLANNING | 133 |
| 3.9.2 | SPATIAL PLANNING | 134 |
| 3.9.3 | BUILDING CONTROL | 136 |
| 3.9.4 | LOCAL ECONOMIC DEVELOPMENT | 138 |
| 3.10 | COMPONENT D: COMMUNITY AND SOCIAL SERVICES | 141 |
| 3.10.1 | LIBRARIES..... | 141 |
| 3.10.2 | CEMETERIES | 142 |
| 3.10.3 | HUMAN DEVELOPMENT | 143 |
| 3.11 | COMPONENT E: ENVIRONMENTAL PROTECTION..... | 147 |
| 3.11.1 | AIR QUALITY CONTROL..... | 147 |
| 3.11.2 | NOISE CONTROL | 147 |
| 3.11.3 | BIO-DIVERSITY AND LANDSCAPE | 147 |
| 3.11.4 | COASTAL PROTECTION..... | 148 |
| 3.11.5 | CLIMATE CHANGE | 149 |
| 3.12 | COMPONENT F: SAFETY AND SECURITY | 150 |
| 3.12.1 | INTRODUCTION TO SAFETY AND SECURITY | 150 |
| 3.12.2 | TRAFFIC SERVICES AND LAW ENFORCEMENT | 150 |
| 3.12.3 | DISASTER MANAGEMENT | 153 |

| | | |
|--------|---|-----|
| 3.12.4 | FIRE SERVICES | 154 |
| 3.13 | COMPONENT G: SPORT AND RECREATION..... | 156 |
| 3.14 | COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES..... | 158 |
| 3.14.1 | EXECUTIVE AND COUNCIL | 158 |
| 3.14.2 | FINANCIAL SERVICES | 159 |
| 3.14.3 | HUMAN RESOURCE SERVICES | 161 |
| 3.14.4 | INFORMATION COMMUNICATION TECHNOLOGY | 163 |
| 3.15 | COMPONENT I: DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2017/18 | 166 |
| 3.15.1 | STRATEGIC GOAL 1: TO CREATE A SAFE AND HEALTHY ENVIRONMENT FOR ALL CITIZENS AND VISITORS TO THE CAPE AGULHAS MUNICIPALITY | 166 |
| 3.15.2 | STRATEGIC GOAL 2: TO ENSURE ACCESS TO EQUITABLE AFFORDABLE AND SUSTAINABLE MUNICIPAL SERVICES FOR ALL CITIZENS..... | 166 |
| 3.15.3 | STRATEGIC GOAL 3: TO ENSURE GOOD GOVERNANCE AND INSTITUTIONAL SUSTAINABILITY | 169 |
| 3.15.4 | STRATEGIC GOAL 4: TO ENSURE INSTITUTIONAL SUSTAINABILITY | 170 |
| 3.15.5 | STRATEGIC GOAL 5: TO IMPROVE THE FINANCIAL VIABILITY OF THE MUNICIPALITY AND ENSURE ITS LONG TERM FINANCIAL SUSTAINABILITY..... | 170 |
| 3.15.6 | STRATEGIC GOAL 6: TO PROMOTE LOCAL ECONOMIC DEVELOPMENT IN THE CAPE AGULHAS MUNICIPAL AREA | 171 |
| | CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE | 172 |
| 4.1 | NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT..... | 172 |
| 4.1.1 | MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS AND CHALLENGES | 172 |
| 4.2 | INTRODUCTION TO THE MUNICIPAL WORKFORCE | 173 |
| 4.2.1 | EMPLOYMENT EQUITY | 174 |
| 4.2.2 | VACANCY RATE | 176 |
| 4.2.3 | STAFF TURNOVER RATE | 178 |
| 4.3 | MANAGING THE MUNICIPAL WORKFORCE..... | 178 |
| 4.3.1 | INJURIES | 178 |
| 4.3.2 | SICK LEAVE | 179 |
| 4.3.3 | HUMAN RESOURCE POLICIES AND PLANS..... | 179 |
| 4.3.4 | EMPLOYEE PERFORMANCE REWARDS | 180 |
| 4.4 | CAPACITATING THE MUNICIPAL WORKFORCE | 181 |
| 4.4.1 | SKILLS MATRIX..... | 181 |
| 4.4.2 | SKILLS DEVELOPMENT – TRAINING | 182 |
| 4.4.3 | SKILLS DEVELOPMENT – BUDGET ALLOCATION..... | 184 |
| 4.5 | MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE | 184 |
| 4.5.1 | PERSONNEL EXPENDITURE..... | 184 |
| 4.6 | MFMA COMPETENCIES | 185 |
| | CHAPTER 5 FINANCIAL PERFORMANCE..... | 187 |
| 5.1 | OVERVIEW BY THE CHIEF FINANCIAL OFFICER | 187 |

| | |
|--|-----|
| COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE | 193 |
| 5.2 FINANCIAL SUMMARY | 193 |
| 5.2.1 REVENUE COLLECTION BY VOTE | 194 |
| 5.2.2 REVENUE COLLECTION BY SOURCE | 195 |
| 5.2.3 OPERATIONAL SERVICES PERFORMANCE..... | 196 |
| 5.3 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION..... | 198 |
| 5.3.1 WATER SERVICES | 198 |
| 5.3.2 WASTE WATER (SANITATION) | 198 |
| 5.3.3 ELECTRICITY | 198 |
| 5.3.4 WASTE MANAGEMENT | 199 |
| 5.3.5 ROADS AND STORMWATER..... | 199 |
| 5.3.6 LIBRARIES | 199 |
| 5.3.7 ENVIRONMENTAL PROTECTION | 200 |
| 5.3.8 SOCIAL SERVICES AND COMMUNITY DEVELOPMENT | 200 |
| 5.3.9 TRAFFIC AND LAW ENFORCEMENT | 200 |
| 5.3.10 HOLIDAY RESORTS AND CAMPSITES | 201 |
| 5.3.11 SWIMMING POOLS AND SPORT GROUNDS..... | 201 |
| 5.3.12 COMMUNITY FACILITIES AND THUSONG CENTRES | 201 |
| 5.3.13 OFFICE OF THE MUNICIPAL MANAGER | 202 |
| 5.3.14 ADMINISTRATION | 202 |
| 5.3.15 HUMAN RESOURCES..... | 202 |
| 5.3.16 FINANCIAL SERVICES..... | 203 |
| 5.3.16 HOUSING | 203 |
| 5.4 GRANTS..... | 204 |
| 5.4.1 GRANT PERFORMANCE | 204 |
| 5.4.2 CONDITIONAL GRANTS..... | 205 |
| 5.4.3 LEVEL OF RELIANCE ON GRANTS & SUBSIDIES..... | 205 |
| 5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS | 207 |
| 5.5.1 LIQUIDITY RATIO..... | 207 |
| 5.5.2 NATIONAL FINANCIAL VIABILITY INDICATORS | 207 |
| 5.5.3 BORROWING MANAGEMENT | 209 |
| 5.5.4 EMPLOYEE COSTS..... | 209 |
| 5.5.5 REPAIRS AND MAINTENANCE | 210 |
| COMPONENT B: SPENDING AGAINST CAPITAL BUDGET | 211 |
| 5.6 CAPITAL EXPENDITURE BY NEW ASSET PROGRAM | 211 |
| 5.7 SOURCES OF FINANCE | 212 |
| 5.8 TREATMENT OF THE THREE LARGEST ASSETS | 214 |
| 5.9 CAPITAL SPENDING ON THE LARGEST PROJECTS | 214 |
| 5.10 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW | 215 |
| 5.10.1 MUNICIPAL INFRASTRUCTURE GRANT (MIG) | 216 |

| | |
|---|-----|
| COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS | 217 |
| 5.11 CASH FLOW | 217 |
| 5.12 GROSS OUTSTANDING DEBTORS PER SERVICE | 218 |
| 5.13 TOTAL DEBTORS AGE ANALYSIS | 218 |
| 5.14 BORROWING AND INVESTMENTS | 219 |
| 5.14.1 ACTUAL BORROWINGS | 219 |
| 5.14.2 INVESTMENTS..... | 219 |
| COMPONENT D: OTHER FINANCIAL MATTERS | 220 |
| 5.15 SUPPLY CHAIN MANAGEMENT | 220 |
| 5.16 GRAP COMPLIANCE | 220 |
| 5.17 SOUTHERNMOST DEVELOPMENT AGENCY (PTY) LTD | 220 |
| CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS | 221 |
| COMPONENT A: AUDITOR-GENERAL OPINION 2014/15..... | 221 |
| 6.1 AUDITOR-GENERAL REPORT 2015/16 | 221 |
| COMPONENT B: AUDITOR-GENERAL OPINION 2016/17 | 221 |
| 6.2 AUDITOR-GENERAL REPORT 2016/17 | 221 |
| TABLES | 223 |
| FIGURES..... | 227 |

ANNEXURE A: ANNUAL FINANCIAL STATEMENTS 2016/17

ANNEXURE B: REPORT OF THE AUDITOR GENERAL 2016/17

ANNEXURE C: REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE 2016/17

CHAPTER 1: MAYORS FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYORS FOREWORD



As Executive Mayor of the Southernmost Municipality in Africa, it is my pleasure and privilege to present our Annual Report for the 2016/17 financial year.

Our Annual Report gives us the opportunity to reflect on what we have achieved in terms of our Municipality's Integrated Development Plan objectives and what our contribution has been to achieving the strategic priorities of the Western Cape Provincial Strategic Plan: 2014 – 2019 as well as the National Development Plan 2030. Each of our goals, objectives and key performance indicators links to these plans to ensure that as a Municipality we contribute to the achievement of

Provincial and National goals. The Municipality did well in the achievement of its objectives for the year and although we were not able to fully achieve all our objectives, we continuously monitor our performance and where necessary, implement corrective measures.

The year brought about significant change and challenges associated with change which had to be dealt with. Municipal elections took place on 3 August 2016, and the Council was tasked with implementing the final review of the Integrated Development Plan and Budget that was approved by the outgoing Municipal Council, whilst simultaneously drafting a new five-year Integrated Development Plan and SPLUMA compliant Spatial Development Framework for the new Councils term of office, which was approved on 30 May 2017.

Our Community played a key role in the above process by participating in the public participation structures and platforms that we have such as ward committees, IDP meetings quarterly feedback meetings and budget imbizo's. Your contributions enabled us to confirm where our key challenges lie and craft a plan to address these challenges. Our key challenge is the prevailing socio economic climate, and we encourage you to continue to participate and help us work towards solutions.

Despite a small albeit proportionate budget for a Municipality our size, we are leaders in terms of service delivery. We have done extremely well in providing basic services and all households in the Municipality's area of jurisdiction have access to basic services despite very limited funding. We have also focussed on improving our infrastructure to ensure sustainable service delivery. We are also proud to say that our capital budget for the year was utilised effectively and some of our flagship projects include:

- Construction of a new water storage reservoir in L'Agulhas.
- Upgrading of the Bredasdorp Waste Water Treatment Works (WWTW) (Phase 1)
- Public lighting programme in the self-build, sub economic and informal areas of Bredasdorp and Napier as well as the Struisbaai main road.
- Electrification of informal dwellings in Napier and Bredasdorp.
- A total of 55 517.50m² of roads were re-sealed.
- Roads were upgraded in the low cost housing areas of Arniston and Bredasdorp.

- Upgrading of storm water systems in Bredasdorp, Struisbaai, L'Agulhas and Napier in accordance with storm water master plans.

The Cape Agulhas Municipality endeavours wherever possible to create employment through our capital development and maintenance programmes and we are proud to say that we created a total of 371 jobs (52 full time equivalents) during the financial year through the Expanded Public Works Programme.

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

Cllr Paul Swart
Executive Mayor

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGERS OVERVIEW



Cape Agulhas, the southern-most municipality in South Africa, is a Grade 2 municipality, committed to fulfilling its constitutionally mandated functions and powers. This is all done with limited financial and human resources amongst an ever-growing community need and within a severely constricted macro-economic environment. Be that as it may, the view is held that the Municipality is faring well regarding the delivery of quality and affordable services in a caring manner and by observing the principles of good governance. It should also be acknowledged that even with the local government elections that were held within the year under review, and a complete change in political power within council, service delivery was not negatively affected and the change-over was smooth, though challenging.

In recognition of the fact that we are the sphere of government at the coal face of service delivery, but only responsible for the provision of certain services, the Municipality has embarked on a journey of vigorous engagement with sector departments such as education, health and social development as well as the SAPS in a bid to enhance and support these departments to deliver on their mandate to the beneficiation of our community. The Department of Local Government and Provincial Treasury need to be commended for their continued support and cooperation in giving effect to their Constitutional mandate to support us. It may be recalled from the last overview, that the Municipality was a so-called Back to Basics one, however it is with pride that it is announced that it has graduated from that status and is thus not regarded as a municipality in distress.

The Municipality received an unqualified, with no matters, audit opinion for 2016/17, our fourth consecutive clean audit. Following the 2015/16 audit, an audit action plan was developed to implement recommendations on the audit by the Auditor General. Of the twenty-three non-reportable findings, all were completed. These findings and recommendations assisted the Municipality to strengthen controls and enhance future audit processes. It should however be noted that even if the audit scope remains the same, the specific focus thereof changes year on year so it becomes challenging to maintain the clean audit status.

The Municipality's debt impairment provision as a percentage of accounts receivable has increased to 42,7% (2015/16: 39,6%) which is a relatively high percentage. This is mainly due to the percentage of customers that will not be able to pay for services rendered, due to high unemployment rate of consumers within the Municipal Area.

The creditor payment period has increased to 68 days (2015/16: 17 days) and the debt collection period has decreased to 50 days (2015/16: 57 days). This will allow for better cash flow management at the Municipality. The increase of 51 days in creditor payment period can be attributed to the recognition of three high value creditors at year end and is not an indication of payments not being made within the 30 day legislated timeframes.

The year-end bank balance has increased by 69,4% compared to the previous year and is an indication of adequate cash flow management. This is mainly attributed to investments that matured on 30 June 2017 and an increase in the capital replacement reserve, which resulted in a net increase in cash held of R9,9 million.

Creditors as a percentage of cash and cash equivalents have increased by 70,3%. Outstanding creditors at year end therefore accounted for more cash reserves compared to the previous year. This was due to individual material creditors recognised at year end.

In terms of internal management changes on the senior and middle management level, there were none. All the senior manager posts were filled for the duration of the financial year and all of them possess the legislated qualifications and competencies. Allegations of fraud and corruption were investigated against one of the senior managers and disciplinary proceedings followed. Unfortunately, this process came to a halt with the resignation of the said senior manager in the new financial year but the case is still under investigation by the South African Police Service.

The top strategic risks identified by Council in the previous year were future financial viability, implementation of mSCOA, political instability due to upcoming elections and poor public participation. Plans were developed to mitigate these risks but due to the nature of some of them implementation is of a long term nature. They are however still relevant and will receive our continued attention. Council reviews its strategic risks annually.

In conclusion, I would like to extend our warmest appreciation to our Community, our Councillors, Ward Committees, as well as my management colleagues and their respective staff for their support during this reporting year. The future of this Municipality requires the collective effort of all its stakeholders and my wish is that we all strive towards achieving this collectivism; council, administration and community.

Please take time to browse through this report and your comment thereon is appreciated.

DGI O'Neill
Municipal Manager

1.2 MUNICIPAL OVERVIEW

The 2016/17 Annual Report of the Cape Agulhas Municipality is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA). This Annual Report reflects on the performance of the Municipality for the period 1 July 2016 to 30 June 2017, in relation to its Constitutional objectives, legislated functions and its Integrated Development Plan (IDP).

Section 152 (1) of the Constitution sets out the objectives of local government namely:

- To provide democratic and accountable government to the community;
- To ensure the sustainable provision of services to the community;
- To promote social and economic development;
- To promote a safe and healthy environment;
- To encourage communities and community organisations to get involved in local government matters.

The Constitution also assigns a developmental duty to municipalities which requires them to structure and manage their administration, budgeting and planning processes in a manner that gives priority to the basic needs of the community whilst promoting social and economic development of the community. The functions of municipalities are set out in Schedules 4B and 5B of the Constitution, and municipalities must perform these functions in a manner that enables them to achieve their Constitutional objectives.

The 2016/17 financial year was the final year of the five-year Integrated Development Planning cycle that commenced in 2012. Municipal elections took place on 3 August 2017, and a new Municipal Council was voted into office. The practical implication of this is that the new Council was tasked with implementing the final IDP Review of its predecessor, whilst simultaneously drafting a new Integrated Development Plan (IDP) for its term of office. There will thus be numerous references in this Annual Report to pre and post-election situations.

1.2.1 VISION, MISSION AND VALUES

The vision and mission of the Cape Agulhas Municipality as contained in the 2016/17 IDP review is as follows:

VISION

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

MISSION

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

In December 2016, the Municipal Council adopted a new vision and mission as well as a set of values as a forerunner to the development of its new IDP.

NEW VISION

"Together for excellence"

Saam vir uitnemendheid
Sisonke siyagqwesa"

NEW MISSION

"To render excellent services through good governance, public ownership and partnership in order to create a safer environment that will promote socio-economic growth and ensure future financial sustainability in a prosperous southernmost community"

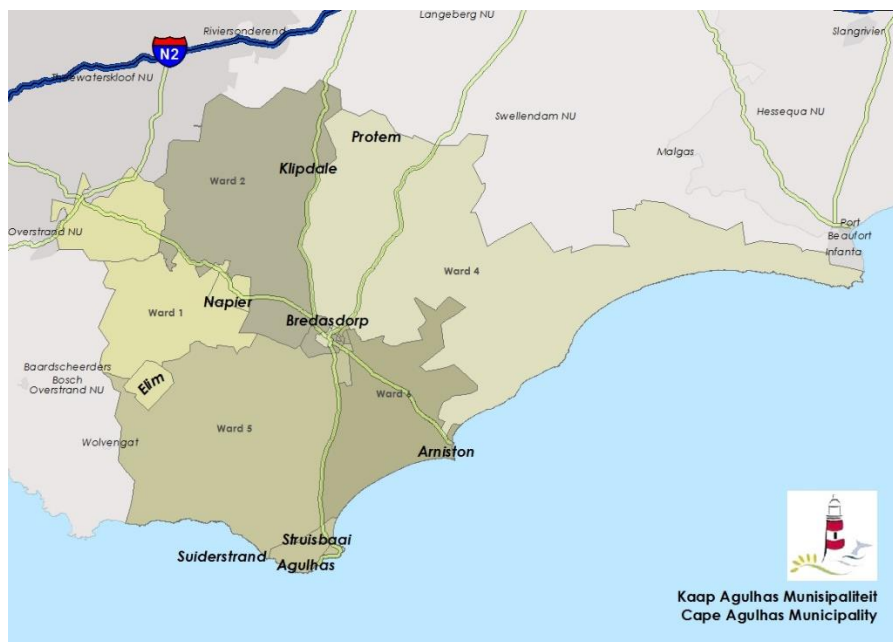
NEW VALUES

Fairness
Integrity
Accountability and responsibility
Transparency
Innovativeness
Responsiveness

1.2.2 GEOGRAPHIC AREA

Cape Agulhas Municipality is the southernmost municipality in Africa and falls within the Overberg District of the Western Cape. The Municipality is geographically diverse and comprises an area of 2 411 km². It includes 9 urban settlements namely Bredasdorp which is the administrative seat, Napier, Struisbaai, Arniston / Waenhuiskrans, L'Agulhas, Klipdale, Protém and Suiderstrand and Elim which is a historical Moravian mission station. It also includes the vast rural areas in between and approximately 178 Km of coastline. The coastline comprises the Atlantic and Indian oceans, which meet at L'Agulhas, the most southern town in Africa.

FIGURE 1 MAP OF CAPE AGULHAS MUNICIPALITY AND WARD DELIMITATION



The following paragraphs provide an overview of each town within the Municipal Area

Bredasdorp



Bredasdorp is centrally located at the intersection of the R316 (which runs between Caledon and Arniston) and the R319 (which runs between Agulhas/Struisbaai and Swellendam). It is also the economic hub of the Cape Agulhas Municipal Area and is home to the biggest concentration of urbanised population. Bredasdorp is also regarded as the administrative capital of the Overberg Region as a number of Government Departments and State Owned Enterprises have established regional offices in this town. The head office of the Overberg

District Municipality is also located in Bredasdorp and is strategic for the development of the local economy of the area. Agriculture is the backbone of the towns economy but the business and tourism sectors have also grown significantly over the years. Unique tourism products such as the Shipwreck Museum, Heuningberg Nature Reserve and the Anglican Rectory are some of the most important tourism attractions.

Arniston / Waenhuiskrans



The fishing village of Arniston/Waenhuiskrans is situated approximately 24 km southeast of Bredasdorp and is the only town with two official names. The name of the village was derived from a British ship, the Arniston, which ran ashore in this bay in 1815. Waenhuiskrans refers to a large cavern that can only be reached during low tide. The rugged coastline of the continental shelf dominates this unique fishing hamlet with its relatively closely-knit population. Fishermen prior to 1820 occupied the bay in which Arniston/Waenhuiskrans is

situated and they called it Kassiesbaai. Kassiesbaai is a well-known and attractively restored fishing village and a national monument. The backbone of Arniston's economy is tourism and fishing, and fishermen still go to sea in traditional boats known as chuckys. The Overberg Test Range is situated adjacent to the town.

Struisbaai



Struisbaai, only a few kilometres from L'Agulhas, is renowned for its pristine 14 km beach, which is one of the longest uninterrupted stretches of white sandy beach in the southern hemisphere. Struisbaai is very popular for aquatic sports and its small convenient harbour facility offers boat owners the lure of deep-sea fishing. The route to Struisbaai skirts around the Karsriviervlei and Zoetendalsvlei, which is the largest natural body of fresh water in South Africa. Struisbaai is a secondary economic hub and is a renowned

tourist destination. Other attractions in the town include the colourful, bustling Struisbaai Harbour where visitors can see the traditional fisherman bring in their daily catch and buy fresh fish. Also not to be missed, is the resident stingray Parrie making an appearance.

L'Agulhas and Suiderstrand



L'Agulhas is the southernmost town on the African continent. A cairn marks the official position of the southernmost tip of Africa and it is at this longitudinal point that the Atlantic and Indian Oceans officially meet. The town of L'Agulhas developed around the famous lighthouse at Cape Agulhas, which is the country's second oldest lighthouse - dating back to 1848. The lighthouse is still fully functional and houses the only lighthouse museum in Africa.

Suiderstrand is widely regarded as an extension of the town of L'Agulhas and is situated approximately 10km west of this panoramic coastal town. Suiderstrand mostly consists of a number of holiday homes along the beach and makes use of all public facilities and services of L'Agulhas.

Napier



Napier is situated 58 km from Caledon and 16 km from Bredasdorp off the N2 on Route 316. Napier originated because of differences between two well-known personalities, Mr Pieter van der Byl and Mr Michiel van Breda who could not agree on where a church should be situated in the district. Neither would give way and thus in 1838 two villages were established. Agriculture, predominantly grain farming is the predominant economic activity of the town and its surrounds. It is also one of the most important wool

producing areas in the country. The climate is also favourable for vegetable farming and it is renowned for its sweet potatoes commonly known as patats. Due to the tranquil and laid back atmosphere of the town various artists have made Napier their home and their work is for sale at local businesses and art galleries. Napier is also a very popular place for retirees. Attractions include the Kakebeenwa Monument (in memory of the Ossewa Trek) and the Dutch Reformed Church, which was declared a National Monument in 1978 as well as the only sundial in the province located at the Municipal offices built by Danie du Toit in 1965.

Elim



The Elim mission station was founded in 1824 and is predominantly inhabited by members of the Moravian Church. On 12 May 1824 Bishop Hallbeck of the Moravian Church acquired the 2 570 ha farm Vogelfontein from Johannes Schonken. On Ascension Thursday 12 May 1825 the name was changed to Elim (which means *palm trees*). The mission station was established around the original farmhouse built in 1796 by a Huguenot named Louis du Toit.

The entire town has been declared a national monument and has also been identified as a cultural historic site. The church has the oldest working clock in South Africa (more than 250 years old) and one of the most popular draw cards of Elim is the largest wooden waterwheel in South Africa. Elim also has a slave monument dedicated to the emancipation of slaves on 1 December 1938. The Geelkop Nature Reserve near Elim is renowned for the rare dwarf Elim Fynbos and is home to more than 200 plant species, of which 13 are on the Red Data Species List.

Klipdale and Protem



The construction of a railway line to the settlements of Klipdale and Protem and the grain elevator in the area contributed to the establishment and growth of these two settlements. With the completion of the railway line from Cape Town, via Sir Lowry's Pass, to Bredasdorp early in this century, a branch railway line was built from Klipdale (north of Napier) to a station called Protem. Protem or 'pro tempore' means "for the time being or temporary" and it functioned as

a railway halt. The extension of the railway line further into the Overberg was planned, but never materialised.

1.2.2.1 WARD DELIMITATION

Cape Agulhas Municipality is a municipality with a mayoral executive system combined with a ward participatory system. Wards are demarcated in terms of the Local Government Municipal Demarcation Act (Act 27 of 1998) for municipal election purposes.

The implication of the August municipal elections is that there were two significantly different demarcations applicable within the financial year. The Municipal Area was delimited into 5 wards for purposes of the 2011 municipal elections and 6 wards for the 2016 municipal elections. The tables below depict these ward delimitations.

TABLE 1 WARD DELIMITATION 2011

| WARD | AREA |
|------|--|
| 1 | Napier, Elim, Spanjaardskloof and surrounding farming areas |
| 2 | Part of Bredasdorp, Klipdale, Houtkloof, Self-build scheme (3 rd phase) and the low cost housing scheme (Bergsig) |
| 3 | Part of Bredasdorp which includes the Self-build scheme, the low cost housing scheme (Kleinbegin), and Zwelitsha. |
| 4 | Part of Bredasdorp including the Central Business District, Protem and the low cost housing scheme, Simunye |
| 5 | Arniston/Waenhuiskrans, L'Agulhas, Struisbaai and Haasvlakte |

Cape Agulhas Municipality was demarcated into six wards for the 2016 Municipal election in accordance with the Local Government Municipal Demarcation Act, No 27 of 1998. This new demarcation became applicable from 3 August 2016, and the new ward composition is as follows:

TABLE 2 WARD DELIMITATION 2016

| WARD | AREA DESCRIPTION |
|------|---|
| 1 | Napier, Elim, Spanjaardskloof, Houtkloof and surrounding farming areas, |
| 2 | Part of Bredasdorp and Klipdale, |
| 3 | Part of Bredasdorp which includes the low cost housing scheme (Kleinbegin), Zwelitsha and Simunye |
| 4 | Part of Bredasdorp including the Central Business District, Protem and surrounding farms |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| | |
|----------|--|
| 5 | Suiderstrand, L'Agulhas, Struisbaai and Haasvlakte |
| 6 | Arniston and surrounding Farms, Overberg Test Range, Part of Bredasdorp (Selfbou and Bergsig area) |

1.3 DEMOGRAPHIC, SOCIO ECONOMIC AND ENVIRONMENTAL OVERVIEW

1.3.1 DEMOGRAPHIC OVERVIEW

a) Population

The Cape Agulhas Municipality population is 33 038 people according to the 2011 Census, which makes it the smallest municipality in the Overberg District. The 2017 Socio-Economic Profile estimates the population to be 35 017.

The table below indicates the total population per town within the municipal area based on the 2011 statistics.

TABLE 3 POPULATION DISTRIBUTION PER TOWN

| NAPIER | BREDASDORP | ELIM | ARNISTON | STRUISBAAI | L'AGULHAS | SUIDER-STRAND | FARMS | TOTAL |
|--------|------------|-------|----------|------------|-----------|---------------|-------|--------|
| 4 212 | 15 524 | 1 412 | 1 267 | 3 877 | 548 | 44 | 6 152 | 33 038 |

Source: Statistics SA 2011

b) Households

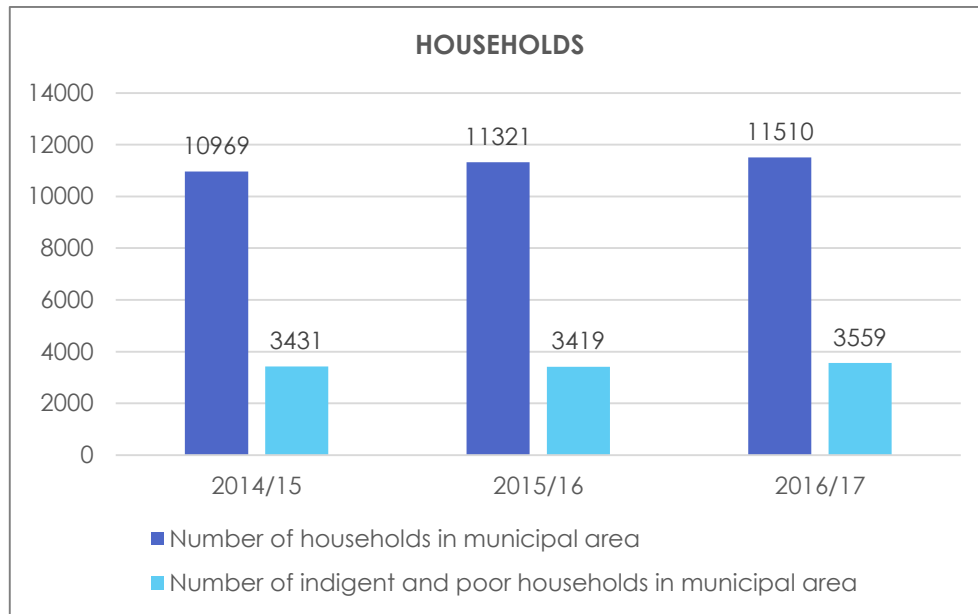
The average household size in Cape Agulhas Municipality is 3.5. The majority of the households in the Municipal Area consist of family members, namely parents with children. In many cases, children are unable to move out of their parent's house, either because they cannot afford to move out or because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

TABLE 4 TOTAL NUMBER OF HOUSEHOLDS

| HOUSEHOLDS | 2014/15 | 2015/16 | 2016/17 |
|--|---------|---------|---------|
| Number of households in municipal area | 10969 | 11321 | 11510 |
| Number of indigent and poor households in municipal area | 3431 | 3419 | 3559 |

Source: MERO 2017 read with CAM Indigent Register

FIGURE 2 HOUSEHOLDS



c) Gender distribution

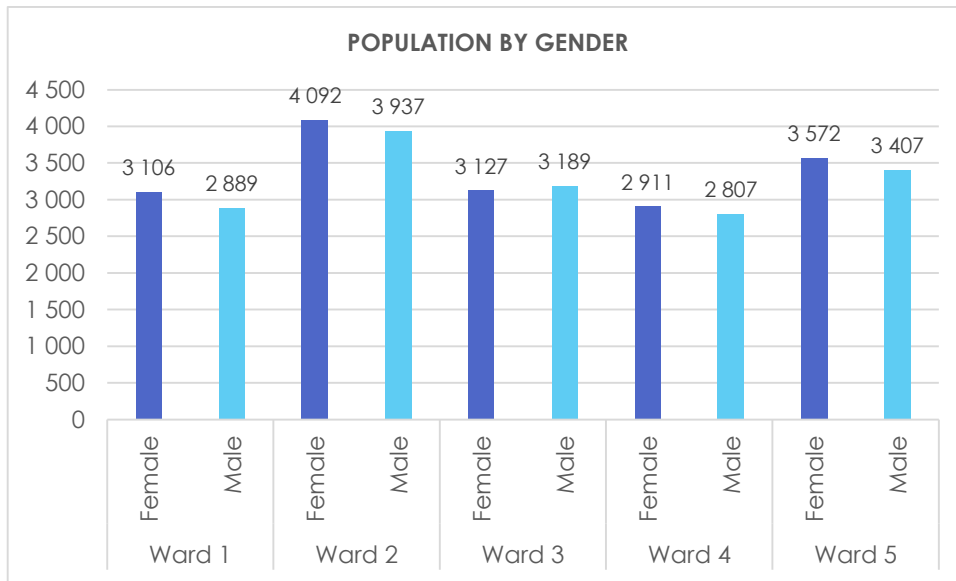
The population is fairly equally distributed in terms of gender, which is in line with South African, Western Cape and Overberg District trends. A limitation is that accurate statistical information for the new wards is not yet available.

TABLE 5 GENDER DISTRIBUTION PER WARD

| WARD 1 | | WARD 2 | | WARD 3 | | WARD 4 | | WARD 5 | | WARD 6 |
|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|---|
| FEMALE | MALE | FEMALE | MALE | FEMALE | MALE | FEMALE | MALE | FEMALE | MALE | Statistical information not yet available |
| 3 106 | 2 889 | 4 092 | 3 937 | 3 127 | 3 189 | 2 911 | 2 807 | 3 572 | 3 407 | |

Source: Statistics SA 2011 based on 2012 ward delimitation

FIGURE 3 POPULATION BY GENDER



d) Age distribution

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

TABLE 6 POPULATION BY AGE

| AGE GROUP | PERCENTAGE OF POPULATION (%) |
|-----------|------------------------------|
| 0-4 | 8.15 |
| 5-9 | 7.28 |
| 10-14 | 8.00 |
| 15-19 | 8.03 |
| 20-24 | 8.19 |
| 25-29 | 8.50 |
| 30-34 | 6.56 |
| 35-39 | 6.79 |
| 40-44 | 7.56 |
| 45-49 | 6.86 |
| 50-54 | 6.13 |
| 55-59 | 4.72 |
| 60-64 | 4.30 |
| 65-69 | 3.32 |
| 70-74 | 2.57 |
| 75-79 | 1.54 |
| 80-84 | 0.96 |
| 85-89 | 0.34 |
| 90+ | 0.21 |

Source: Statistics SA 2011

TABLE 7 POPULATION BY AGE AND GENDER

| AGE | MALE | FEMALE | GRAND TOTAL |
|--------------------|--------------|--------------|--------------|
| 0 - 4 | 1356 | 1335 | 2691 |
| 5 - 9 | 1195 | 1211 | 2406 |
| 10 - 14 | 1342 | 1301 | 2643 |
| 15 - 19 | 1247 | 1406 | 2653 |
| 20 - 24 | 1354 | 1351 | 2705 |
| 25 - 29 | 1411 | 1396 | 2807 |
| 30 - 34 | 1158 | 1009 | 2167 |
| 35 - 39 | 1131 | 1111 | 2242 |
| 40 - 44 | 1226 | 1271 | 2497 |
| 45 - 49 | 1087 | 1178 | 2265 |
| 50 - 54 | 999 | 1025 | 2024 |
| 55 - 59 | 762 | 799 | 1561 |
| 60 - 64 | 642 | 780 | 1422 |
| 65 - 69 | 518 | 579 | 1097 |
| 70 - 74 | 378 | 472 | 850 |
| 75 - 79 | 237 | 272 | 509 |
| 80 - 84 | 129 | 188 | 317 |
| 85 - 89 | 35 | 77 | 112 |
| GRAND TOTAL | 16207 | 16761 | 32968 |

Source: Statistics SA 2011

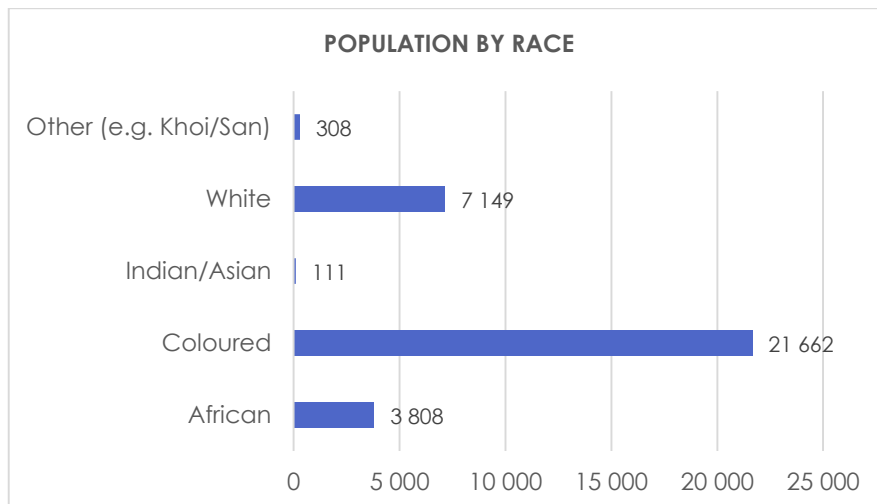
e) Racial distribution

TABLE 8 POPULATION BY RACE

| RACE | TOTAL |
|-----------------------|---------------|
| African | 3 808 |
| Coloured | 21 662 |
| Indian/Asian | 111 |
| White | 7 149 |
| Other (e.g. Khoi/San) | 308 |
| Total | 33 038 |

Source: Statistics SA 2011

TABLE9 POPULATION BY RACE



1.3.2 SOCIO ECONOMIC OVERVIEW

a) Key economic activities

The Municipality is dependent on the following economic activities:

TABLE 10 KEY ECONOMIC ACTIVITIES

| KEY ECONOMIC ACTIVITIES | DESCRIPTION |
|--|--|
| Agriculture and Agro-processing | <p>Agriculture is one of the most important economic sectors of the Cape Agulhas Municipality.</p> <ul style="list-style-type: none"> o Agriculture - Livestock farming, ostriches, wheat crops, canola, vegetables, dried flowers, grapes and olives. o Agro-processing - Dairy products, wool, mutton, meat, wine, oilseed, ostrich meat, geese feathers and down. <p>Bredasdorp has been identified as the location for an Agri Park which will also contribute to this sector.</p> |
| Tourism | <p>Tourism is also one of the most important economic sectors of the Cape Agulhas Municipality, and the sector with the most growth potential. One of the most distinctive tourist attractions which has the potential to become the single most branded item of the region is the southernmost tip of the African continent. The tourism industry includes:</p> <ul style="list-style-type: none"> o Nature Based Tourism (fynbos, fauna & flora species); o Adventure Tourism (horse riding, mountain biking, paintballing, quad biking, kayaking); o Marine Tourism (whale watching, fishing, De Hoop and De Mond marine conservation areas); o Family Holidays (beaches & play parks); o Agri Tourism (wine farms); o Cultural and Heritage Tourism (lighthouse, Elim, shipwrecks); o Business Tourism (conferences, events, teambuilding); o Events Tourism (Foot of Africa marathon, Overberg Air Show, Napier Patatfees, Agri Mega Week, Heartbeat Christian Festival, Cape Floral Kingdom Expo, Arniston Weekender). |
| Fishing and Mari-culture | <p>Cape Agulhas contributes significantly to the Cape line-fish industry. Mari-culture and the processing of marine products like saltwater- and freshwater fish farms, abalone farm, mussels and seaweed cultivation, have the potential to become a very lucrative industry for the area. There is potential for our natural resources to be harvested and processed for commercial use.</p> |
| Trade/SMME/Informal Enterprise Development | <p>The trading industry has remained one of the dominant economic sectors in the Municipal Area during the past 10 years Cape Agulhas already has a vibrant SMME sector, which is an important component of any regional economy because it employs local labour and increases the local buying power. The type of activities that form part of the informal economy includes: hawkers, spaza shops and shebeens.</p> |
| Natural Resource Economics | <p>Our biodiversity is a unique feature of this region, which can be utilised as a catalyst to stimulate the economic growth of the region. Properly managed eco-tourism holds great potential as an economic incentive</p> |

| | |
|---------------|--|
| | for conservation, especially with regard to job creation. One of the greater economic benefits of the natural resources on the Agulhas Plain is the abundant variety of wildflower species. |
| Construction | The contribution of this sector is becoming increasingly important. A challenge is the skills shortages that exist in the sector. Most of the construction workers have low skills levels and there is a shortage of management level skills. The Municipality tries to ensure sufficient access to business opportunities for local contractors within its procurement capabilities. The construction of the Anene Booysen Skills Centre in partnership with the Construction SETA will also assist in this regard. |
| Manufacturing | One of the major challenges for the manufacturing industry particularly in the Cape Agulhas Municipal Area is the steep increase in agriculturally based food prices. Opportunities should be identified for innovative products that can be manufactured to address local demands instead of focussing on the export market. |

b) Socio economic growth indicators

TABLE 11 SOCIO ECONOMIC GROWTH INDICATORS

| FINANCIAL YEAR | HOUSING BACKLOG* | UNEMPLOYMENT RATE | HOUSEHOLDS WITH NO INCOME | SKILLS PROP. OF POP. – LOW SKILLED EMPLOY | PEOPLE OLDER THAN 14 YEARS ILLITERATE | HIV/AIDS PREVALENCE | URBAN/RURAL HOUSEHOLD SPLIT |
|----------------|------------------|--|---------------------------|---|---------------------------------------|---------------------|-----------------------------|
| 2011/12 | 4 331 | 13.8% | 15.2% | 40% | 26% | 2.8% | 83.2/16.8% |
| 2012/13 | 3 726 | Statistics only available on provincial level and not on municipal level | | | | | |
| 2013/14 | 3 319 | Statistics only available on provincial level and not on municipal level | | | | | |
| 2014/15 | 3 411 | Statistics only available on provincial level and not on municipal level | | | | | |
| 2015/16 | 3505 | Statistics only available on provincial level and not on municipal level | | | | | |
| 2016/17 | 3594 | Statistics only available on provincial level and not on municipal level | | | | | |

*Source: Municipal housing data base

1.3.3 ENVIRONMENTAL OVERVIEW

The Environment is a concurrent National and Provincial competency in terms of Part A of Schedule 4, of the Constitution. The Municipal Systems Act requires municipalities to work together with other organs of state to contribute to the progressive realisation of the right to environment (Section 23). The Bill of rights (Section 24) states that

“Everyone has the right -

- a) to an environment that is not harmful to their health or well-being; and
- b) to have the environment protected, for the benefit of present and future generations through reasonable legislative and other measures that;
 - i. prevent pollution and ecological degradation
 - ii. promote conservation
 - iii. secure ecologically sustainable development and use of natural resources while
- c) promoting justifiable economic and social development”

One of the biggest attributes of this region is its natural environment which attracts thousands of tourists to this area on a daily basis. Our natural environment is the foundation of our tourism industry and also plays a key role in the agriculture industry and it is

imperative that our planning and decision making support the principles of sustainable development.

1.3.3.1 COASTAL MANAGEMENT

The Overberg coastline is about 330km long and stretches over jurisdictional areas of three local municipalities. As set out in the NEMA: Integrated Coastal Management Act, (ICM) the ODM plays a key role in terms of coastal management. In response thereto the ODM developed a Coastal Management Programme with supplementary documents for each of the local municipalities to coordinate and assist with coastal management in the District. ODM also developed a Coastal Management Plan and is in process of doing a pilot coastal access strategy.

The Cape Agulhas Municipality has approximately 178 Km of coastline in its area of jurisdiction. The coast is a critical source of economic opportunity including

- Tourism and eco-tourism activities: such as whale watching, bird watching, hiking, mountain biking, recreational fishing, blue flag beaches and several heritage sites such as the shell middens, historic fisherman's cottages, the Cape Agulhas Lighthouse, most southern point of Africa and the Waenhuiskrans Cave.
- Marine living resources: There are two proclaimed fishing harbours in the Municipal Area namely Arniston and Struisbaai. The fishing communities along the coast are highly dependent on subsistence fishing.

1.3.3.2 CLIMATE CHANGE

The impacts of climate change such as floods, droughts, changes in rainfall patterns and temperature will all have serious implications for local communities and local municipalities. Climate change cannot only be limited to natural disasters but it also has economic and social impacts that will need to be accounted for.

Climate change affects multiple systems and so risks from climate change require a systemic and coordinated response. From a practical perspective, this requires input, agreement and collaboration from various stakeholders. Both government entities and the private sector should therefore respond to these impacts through mainstreaming climate change mitigation and adaptation into its way of doing business. Climate change also holds significant opportunities namely:

- Mainstreaming climate change into municipal planning through the Overberg District Municipality Climate Change Response Framework;
- Through the establishment of partnerships, secure the implementation of climate change mitigation and adaptation projects; and
- The National Strategic Environmental Assessment (SEA) for the efficient and effective rollout of wind and solar PV energy in South Africa highlighted the Overberg area as a strategic Renewable Energy Development Zone for large-scale wind energy projects in which significant negative impacts on the natural environment are limited and socio-economic benefits to the country are enhanced.

1.3.3.3 BIODIVERSITY MANAGEMENT

Cape Agulhas is a signatory to the internationally recognised Durban Commitment, which is a long term political commitment to the protection of biodiversity. The Municipality also plays a key role in bioregional planning and biodiversity management and is a commenting authority for any development application. Comments are provided on the basis of set criteria which are based on the principles of sustainability (which includes the protection and conservation of endangered/threatened ecosystems, CBAs and ESAs), is used. Biodiversity conservation guidelines informing the abovementioned criteria are:

- The Western Cape's Spatial Biodiversity Plan;
- ODM GIS database and Spatial Development Framework (SDF);
- Cape Agulhas GIS database and Spatial Development Framework (SDF);
- National list of ecosystems that are threatened and in need of protection.

TABLE 12 ENDANGERED ECOSYSTEMS

| CRITICALLY ENDANGERED | ENDANGERED | VULNERABLE |
|----------------------------------|------------------------------|-----------------------------|
| Cape Lowland Alluvial Vegetation | Agulhas Sand Fynbos | Agulhas Limestone Fynbos |
| Central Rûens Shale Renosterveld | Greyton Shale Fynbos | Albertinia Sand Fynbos |
| Eastern Rûens Shale Renosterveld | Hangklip Sand Fynbos | Boland Granite Fynbos |
| Elgin Shale Fynbos | Potberg Ferricrete Fynbos | Cape Winelands Shale Fynbos |
| Elim Ferricrete Fynbos | Western Cape Milkwood Forest | Hawequas Sandstone Fynbos |
| Kogelberg Sandstone Fynbos | | Montagu Shale Renosterveld |
| Overberg Sandstone Fynbos | | Swellendam Silcrete Fynbos |
| Rûens Silcrete Renosterveld | | |
| Western Rûens Shale Renosterveld | | |

1.3.3.4 AIR QUALITY

Air quality management has been implemented at Cape Agulhas Municipality in terms of the following legislation:

- Constitution of the Republic of South Africa (1996), section 156(2), schedule 4 Part B and schedule 5 Part B;
- National Environmental Management Act: Air Quality Act, 2004 (Act No.39 of 2004) the 2012 National Framework for Air Quality Management.

In terms of the above municipalities are responsible for interalia:

- Development and implementation of Air Quality Management Plans for particular areas
- The setting up of source emission inventories
- Setting up ambient air monitoring networks
- Setting up of community monitoring forums
- Development of standards in line with national baseline standards
- By-laws

Municipalities are required to incorporate air quality issues in their Integrated Development Plans and budget accordingly.

1.4 BASIC SERVICE DELIVERY OVERVIEW

Government policy places specific emphasis on the provision of basic services, which entail the provision of electricity, water, sanitation and waste collection. These services underlie the delivery of housing which is a concurrent Provincial and National Government competency.

The following paragraphs provide an overview of basic service delivery highlights and challenges. Full detail on basic service delivery for 2016/17 is contained in Chapter 3.

1.4.1 BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS

The following paragraphs provide an overview of the Municipality's service delivery highlights.

TABLE 13 BASIC SERVICE DELIVERY HIGHLIGHTS

| SERVICE | HIGHLIGHT DESCRIPTION |
|------------------------------------|--|
| Water provision | <ul style="list-style-type: none"> o Reduction of water losses from 19.02% to 17.48%. o Construction of a new water storage reservoir in L'Agulhas. |
| Waste water provision (Sanitation) | <ul style="list-style-type: none"> o Upgrading of the Bredasdorp Waste Water Treatment Works (WWTW) (Phase 1). |
| Electricity provision | <ul style="list-style-type: none"> o Reduction of electricity losses from 7.20% to 6.50% which is well below the norm. o Public lighting programme in the self-build, sub economic and informal areas of Bredasdorp and Napier as well as the Struisbaai main road. o Electrification of informal dwellings in Napier and Bredasdorp. |
| Waste management (Refuse removal) | <ul style="list-style-type: none"> o Waste management is used as an opportunity to create jobs through the Municipality's EPWP Programme. |
| Upgrading of roads | <ul style="list-style-type: none"> o A total of 55 517.50m² of roads were re-sealed. o Roads were upgraded in the low cost housing areas of Arniston and Bredasdorp. |
| Upgrading of storm water systems | <ul style="list-style-type: none"> o Upgrading of storm water systems in Bredasdorp, Struisbaai, L'Agulhas and Napier in accordance with storm water master plans. |
| Human settlement | <ul style="list-style-type: none"> o Constructed four bathrooms for scheme housing. o Handed over 26 Title Deeds as part of the Title Deed Restoration Programme. |

1.4.2 BASIC SERVICE DELIVERY CHALLENGES

The following paragraphs provide an overview of the Municipality's service delivery challenges.

TABLE 14 BASIC SERVICE DELIVERY CHALLENGES

| SERVICE | CHALLENGE | ACTIONS TO ADDRESS |
|--|--|---|
| General infrastructure development and maintenance | The Municipality does not have an Infrastructure Growth Plan (IGP) | <ul style="list-style-type: none"> An application was made to Western Cape Provincial Department of Local Government to assist with an IGP as part of the Back-to-Basics Programme. |
| | Ageing infrastructure. | <ul style="list-style-type: none"> Infrastructure maintenance is addressed in the approved Long Term Financial Plan. |
| Water provision | Ongoing reduction of water losses. | <ul style="list-style-type: none"> Despite a small decrease in water losses, it remains an ongoing challenge in terms of revenue loss. Funding applications were submitted to various organs of state to obtain funds to continue the water meter replacement programme. Funds were received albeit too late in the financial year to implement the programme. Funding was therefore rolled over to the 2017/18 financial year for implementation. |
| Waste water provision (Sanitation) | Waste water quality and compliance with green drop standards | <ul style="list-style-type: none"> The Bredasdorp WWTW is due for a total upgrade. The project is registered as a MIG project and phase 2 will be done in 2017/18. |
| Electricity provision | Eskom Capacity constraints which will limit development. | <ul style="list-style-type: none"> Investigation of innovative ways to reduce demand. |
| Waste management (Refuse removal) | Bredasdorp Landfill site capacity | <ul style="list-style-type: none"> Investigation of a shared landfill site between Cape Agulhas and Swellendam Municipality |
| | Illegal dumping | <ul style="list-style-type: none"> Recycling is encouraged to lengthen the lifespan of the landfill sites. Law enforcement and awareness campaigns are ongoing to address illegal dumping. |
| Upgrading of roads | Extensive gravel roads that need to be maintained | <ul style="list-style-type: none"> Re-gravelling of sections of road on an annual basis with budget available. |
| Upgrading of storm water systems | Storm water backlogs due to inadequate storm water systems | <ul style="list-style-type: none"> Systematic annual upgrade of storm water system with budget available in accordance with master plans. |
| Human settlement | Funding to implement human settlement pipeline | <ul style="list-style-type: none"> Ongoing liaison with the Department of Human Settlement to fund the implementation of the human settlement pipeline. |
| | Extensive planning processes that cause delays. | <ul style="list-style-type: none"> Investigate ways in which communication can be improved in a bid to limit objections. |

1.4.3 HOUSEHOLD ACCESS TO BASIC SERVICES

The Municipality is providing basic services at the prescribed level to all urban households within its area of jurisdiction and there are no backlogs. The ongoing increase of indigent households is placing ever increasing financial pressure on the Municipality to fulfill its obligations.

TABLE 15 PROPORTION OF HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES

| DESCRIPTION | 2014/15 | 2015/16 | 2016/17 |
|--|----------------|----------------|----------------|
| Electricity - service connections | 100% | 100% | 100% |
| Water - available within 200m from dwelling | 100% | 100% | 100% |
| Sanitation - Households with at least VIP service | 100% | 100% | 100% |
| Waste collection - kerbside collection once a week | 100% | 100% | 100% |

1.5 FINANCIAL HEALTH OVERVIEW

The following paragraphs provide an overview of the financial performance highlights and challenges and key trends. Full detail on financial performance for 2016/17 is contained in Chapter 5.

1.5.1 FINANCIAL VIABILITY HIGHLIGHTS

TABLE 16 FINANCIAL VIABILITY HIGHLIGHTS

| HIGHLIGHT | DESCRIPTION |
|---|---|
| Clean audit | The Municipality achieved a clean audit in 2016/17 for the fourth consecutive year |
| Debt collection | The Municipality maintained a good debt collection rate of 99,07% |
| Liquidity ratio | The Municipality's liquidity ratio regressed slightly from 1.70:1 (Restated Figure) in the previous financial year to 1.26:1 in the 2016/17 financial year, but despite this we still maintained a sound financial position although less than the National Treasury minimum norm at 1.50:1 |
| Creditor payments | Creditors are being paid within the 30 day limit |
| Long term financial viability | Council during approved the revised and updated Long Term Financial Plan Strategy (LTFP) based on the 2015/16 financial year outcome figures together with any amended recommendation targets for implementation. |
| Establishment of a Budget & Treasury Office | The Budget and Treasury Office is fully functional and all vacant positions within the unit were filled during the 2016/17 financial year. |

1.5.2 FINANCIAL VIABILITY CHALLENGES

TABLE 17 FINANCIAL VIABILITY CHALLENGES

| CHALLENGE | ACTION TO ADDRESS |
|--|---|
| Employee related costs | Employee related costs are just above the National Treasury norm of between 30 -40% and are an indicator of productivity and / or efficiency within local municipalities. The LTFP proposes a target of 30% for the Municipality to remain financially viable in the long term. The Municipality has embarked on a productivity study which will be completed in the 2017/18 financial year, and also approved a new macro organogram whereby the number of directorates have been reduced from four to three effective from 1 st July 2017. Aligned with the LTFP recommendations the Municipality only considers the filling of legislative required and / or service delivery orientated positions. |
| Increasing costs of bulk purchases of electricity from ESKOM coupled limitations on tariffs imposed by NERSA | Ongoing review and update of the current tariff structure aligned with NERSA's tariff benchmark guideline for electricity and other services continues in in order to be more transparent, fair and equitable. |
| Long term financial sustainability of the Municipality | The Municipality reviews its Long Term Financial Plan Strategy on an annual basis to stay abreast with any new developments to ensure financial sustainability as one of its most critical performance indicators. |
| Increasing of reserves | By applying a mix of other sources for capital funding aligned with the Municipality's LTFP recommendations, the Municipality embarked on a |

| | |
|--|--|
| | process to introduce external borrowing as an additional source of funding for infrastructure related capital projects. The Municipality managed to improve its cash position from the previous financial year and as a result could increase the capital replacement reserve to R20 million for the financial year under review |
|--|--|

1.5.3 NATIONAL KEY PERFORMANCE INDICATORS OF FINANCIAL VIABILITY (RATIO'S)

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

TABLE 18 NATIONAL KPI'S FOR FINANCIAL VIABILITY AND MANAGEMENT

| KPA & INDICATOR | 2015/16 | 2016/17 |
|--|---------|---------|
| Debt coverage ((Total operating revenue-operating grants received):debt service payments due within the year) (Higher is better) | 232,10 | 324,72 |
| Service debtors to revenue – (Total outstanding service debtors: revenue received for services) (Lower is better) | 9.79 | 8.18% |
| Cost coverage ((Available cash+ investments): Monthly fixed operating expenditure (Higher is better) | 0.79 | 1.18 |

1.5.4 FINANCIAL OVERVIEW

TABLE 19 FINANCIAL OVERVIEW 2016/17

| DETAILS | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL |
|---------------------------|--------------------|--------------------|--------------------|
| Income | | | |
| Grants - Operational | 60,024,936 | 52,916,249 | 33,735,113 |
| Grants - Capital | 11,931,064 | 11,899,441 | 11,735,546 |
| Taxes, Levies and tariffs | 193,394,671 | 191,970,939 | 193,318,294 |
| Other | 25,179,449 | 32,089,376 | 31,038,507 |
| Sub Total | 290,530,120 | 288,876,005 | 270,427,460 |
| <u>Less:</u> Expenditure | 297,384,962 | 286,994,079 | 267,704,084 |
| Net Total* | (6,854,842) | (1,881,926) | 2,723,376 |

1.5.5 OPERATING RATIO'S

TABLE 20 OPERATING RATIOS

| DETAIL | EXPECTED NORM | ACTUAL | VARIANCE |
|---|---------------|--------|-----------------------------|
| Employee Cost (Inclusive of temporary workers – GRAP 1 disclosure requirements) | <35-40% | 40.32% | 5.32 above the minimum norm |

| | | | |
|--|------|------|-----------------|
| according to the nature of function performed) | | | |
| Finance charges & depreciation | <10% | 7.59 | 2.41 below norm |

The Municipality's expenditure on employee related costs is above the national norm. The finance charges are also well below the norm due to the Municipality's conservative approach to taking up new external loans to fund capital investment.

1.5.6 TOTAL CAPITAL EXPENDITURE

TABLE 21 TOTAL CAPITAL EXPENDITURE

| DETAIL | 2015/16 R'000 | 2016/17 R'000 |
|-------------------|------------------|------------------|
| Original Budget | 21 691 | 24 631 |
| Adjustment Budget | 22 664 | 28 164 |
| Actual | 21 265 | 24 279 |
| % Spent | 93.83% | 85.98% |

1.6 ORGANISATIONAL DEVELOPMENT OVERVIEW

Cape Agulhas Municipality currently employs 350 officials (excluding non-permanent positions), who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of human resource management is to render an innovative human resource service that addresses both skills development and an administrative function.

The following paragraphs provide an overview of organisational development highlights and challenges. Full detail on organisational development for 2016/17 is contained in Chapter 4.

1.6.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

TABLE 22 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

| HIGHLIGHT | DESCRIPTION |
|--|---|
| Long term appointments of contract workers | Library personnel who were previously on short term contracts, were appointed on long term contracts with funding from the Provincial Library Grant. |
| Skills development | The completion and official opening of the Anene Booysen Skills Centre on 23 July 2016 by the Minister of Department of Higher Education and Training, Minister Dr Blade Nzimande. This project was a partnership between the Construction SETA, Boland College and the Municipality. |
| Human Resource Strategy | The Western Cape Department of Local Government funded the development of a Human Resource Strategy which was approved by Council.. |
| Reduction in vacancy rates | The vacancy rate decreased from 4.40% in 2015/16 to 3.31 % in 2016/17. |
| Organisational Structure | The Municipality's organizational structure was redesigned in order to align it to the strategic direction and core focus areas of the new IDP. This new structure was approved in June 2017. |

1.6.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

TABLE 23 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

| CHALLENGE | ACTION TO ADDRESS |
|--|--|
| Implementation of the Employment Equity Plan | <p>A concerted effort was made to implement the Municipality's Employment Equity Plan and achieve the goals and targets contained therein.</p> <ul style="list-style-type: none"> o The completion of the job evaluation process enabled the Municipality to place their workforce, using an independent scientific process of determining remuneration at all levels. This is an ongoing process. o Through training and development initiatives we have created a pool of qualified local internal employees, mostly females, for possible opportunities when there are vacancies. |

1.6.3 EMPLOYMENT EQUITY

TABLE 24 2015/16 EMPLOYMENT EQUITY TARGETS/ACTUAL BY RACIAL CLASSIFICATION

| AFRICAN | | | COLOURED | | | INDIAN | | | WHITE | | |
|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|
| TARGET JUNE | ACTUAL JUNE | TARGET REACHED | TARGET JUNE | ACTUAL JUNE | TARGET REACHED | TARGET JUNE | ACTUAL JUNE | TARGET REACHED | TARGET JUNE | ACTUAL JUNE | TARGET REACHED |
| 70 | 4 | 5.71% | 0 | -6 | 0% | 2 | 0 | 0% | 14 | 2 | 14.28% |

TABLE 25 2016/17 EMPLOYMENT EQUITY TARGETS/ACTUAL BY GENDER CLASSIFICATION

| MALE | | | FEMALE | | | DISABLED | | |
|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|
| TARGET JUNE | ACTUAL JUNE | TARGET REACHED | TARGET JUNE | ACTUAL JUNE | TARGET REACHED | TARGET JUNE | ACTUAL JUNE | TARGET REACHED |
| 1 | 0 | 0% | 2 | 2 | 100% | 5 | 2 | 40% |

1.6.4 SKILLS DEVELOPMENT

TABLE 26 BUDGET ALLOCATED AND SPENT FOR SKILLS DEVELOPMENT

| TOTAL OPERATIONAL BUDGET | TOTAL ALLOCATED | TOTAL SPENT | % OF OPERATIONAL BUDGET SPENT ON TRAINING |
|--------------------------|-----------------|---------------|---|
| R279 470 030.00 | 1 450 000.00 | R1 222 683.00 | 0.43% |

1.7 AUDITOR GENERAL REPORT

The Municipality has again maintained its record of unqualified audits with no matters (clean audit) for 2016/17. This serves to emphasize the Municipality's commitment to clean administration and good governance.

An action plan to address the findings was drawn up based on specific audit findings from the 2015/16 audit which is monitored and progress with the corrective actions evaluated on a monthly basis by the Internal Auditor and the CFO. This plan is a standing item on the Municipal Manager's monthly Directors meeting and is also submitted to Council during their monthly meetings, as well as the Audit and Performance Audit Committee during their quarterly meetings.

1.7.1 AUDIT OUTCOMES

TABLE 27 AUDIT OUTCOMES

| YEAR | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|-------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Status | Unqualified with no other matters | Unqualified with no other matters | Unqualified with no other matters | Unqualified with no other matters |

CHAPTER 2: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

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

2.1 NATIONAL KEY PERFORMANCE INDICATOR - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

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

TABLE 28 NATIONAL KPI GOOD GOVERNANCE AND PUBLIC PARTICIPATION

| KPA & INDICATORS | 2015/16 | 2016/17 |
|--|---------|---------|
| 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 | 93.83% | 85.98% |

2.2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION PERFORMANCE HIGHLIGHTS

TABLE 29 GOOD GOVERNANCE AND PUBLIC PARTICIPATION PERFORMANCE HIGHLIGHTS

| HIGHLIGHT | DESCRIPTION |
|--|--|
| Councillor induction and training | New Councillors were inducted through an internal induction programme and they also underwent a training programme presented by SALGA. |
| Council committee systems reviewed and fully functional | The Municipality's committees were reviewed and newly elected Councillors assigned to the various committees. A fully functional MPAC was also established. |
| Development and approval of a new five year Integrated Development Plan and Spatial Development Framework. | The Municipal Council embarked on the process of developing a new five-year Integrated Development Plan (IDP) for the new Councils term of office. A new Spatial Development Framework (SDF) was developed concurrently with the IDP. Both documents were approved on 30 May 2017. |
| Newly established functional ward committees | New ward committees were established by 30 September 2016, within 2 months of the municipal elections. The committees have been given induction and training and are fully functional and meet monthly. |

2.3 CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

TABLE 30 GOOD GOVERNANCE AND PUBLIC PARTICIPATION CHALLENGES

| DESCRIPTION | ACTIONS TO ADDRESS |
|--|---|
| Ward Committee skills and experience constraints | Although inducted and trained, there are still skills and experience constraints that impact of the efficiency and effectiveness of the committees. Ongoing hands on support is being provided at meetings. |
| Lower than expected levels of public participation | Review communication mechanisms and a dedicated drive to encourage residents to register on databases. |

2.4 GOVERNANCE STRUCTURE

2.4.1 POLITICAL GOVERNANCE STRUCTURE

Legislative and executive authority is vested in the Municipal Council. The Municipal Council has delegated its executive functions to the Executive Mayor and the Mayoral Committee in accordance with a delegation framework in terms of Section 59 of the Municipal Systems Act.

Section 79 of the Municipal Structures Act empowers the Municipal Council to establish committees necessary for the for the effective and efficient performance of any of its functions or the exercise of any of its powers. It appoints the chairperson of such committees, determines the functions and may delegate powers and duties. Section 80 of the Municipal Structures Act makes provision for the appointment of committees to assist the Executive Mayor. These committees are commonly known as Portfolio Committees.

a) Municipal Council

Prior to the August municipal elections, the Municipal Council comprised 9 Councillors, four of whom were Ward Councillors and five of whom were Proportional Representation (PR) Councillors. The Council was a led by an African National Congress (ANC) / Independent coalition. It must be noted that the outgoing Municipal Council only served one month of the financial year (July 2016) which was also the month during which the Council was in recess.

Following the August election, the Council comprises 11 Councillors, 6 of whom are Ward Councillors and 5 of whom are Proportional Representation (PR) Councillors. The Council is now led by the Democratic Alliance (DA)

Section 37(c) of the Municipal Structures Act requires Municipal Councils to meet a minimum of quarterly. A total of 14 Council Meetings took place during the year. There were 10 ordinary meetings and 4 special meetings.

TABLE 31 COUNCIL MEETINGS

| DATE | SPECIAL / ORDINARY |
|-------------------|--------------------|
| 15 August 2016 | Ordinary |
| 30 August 2016 | Ordinary |
| 29 September 2016 | Ordinary |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| DATE | SPECIAL / ORDINARY |
|------------------|--------------------|
| 25 October 2016 | Ordinary |
| 18 November 2016 | Special |
| 6 December 2016 | Ordinary |
| 31 January 2017 | Special |
| 27 February 2017 | Ordinary |
| 9 March 2017 | Special |
| 31 March 2017 | Ordinary |
| 13 April 2017 | Special |
| 25 April 2017 | Ordinary |
| 30 May 2017 | Ordinary |
| 29 June 2017 | Ordinary |

The tables below provide a list of Councillors, their office, political affiliations and whether they served as a ward or proportional Councillor for the 2016/17 financial year, pre and post-election:

TABLE 32 COUNCILLOR REPRESENTATION AND MEETING ATTENDANCE: PRE ELECTION (JULY 2016)

| COUNCIL MEMBER | CAPACITY | POLITICAL PARTY | WARD OF PROPORTIONAL | COUNCIL MEETING ATTENDANCE % | APOLOGIES FOR NON-ATTENDANCE % |
|----------------|-----------------------------|-----------------|----------------------|------------------------------|--------------------------------|
| R Mitchell | Executive Mayor | ANC | Ward 3 | NA | No Meetings |
| D Jantjies | Deputy Mayor | Independent | Ward 2 | NA | |
| R Mokotwana | Member of Mayoral Committee | ANC | Proportional | NA | |
| E Marthinus | Speaker | ANC | Proportional | NA | |
| P Atyhosi | District Representative | ANC | Proportional | NA | |
| D Burger | Ward Councillor | DA | Ward 5 | NA | |
| E Sauls | Ward Councillor | DA | Ward 1 | NA | |
| J Nieuwoudt | District Representative | DA | Ward 4 | NA | |
| Z Tonisi | Councillor | DA | Proportional | NA | |

TABLE 33: COUNCILLOR REPRESENTATION AND MEETING ATTENDANCE: POST ELECTION (AUGUST 2016 –JUNE 2017)

| COUNCIL MEMBER | CAPACITY | POLITICAL PARTY | WARD OF PROPORTIONAL | COUNCIL MEETING ATTENDANCE % | APOLOGIES FOR NON-ATTENDANCE % |
|----------------|-----------------------------------|-----------------|----------------------|------------------------------|--------------------------------|
| PJ Swart | Executive Mayor / Ward Councillor | DA | Ward 5 | 100 | 0 |
| Z Tonisi | Deputy Mayor | DA | Proportional | 100 | 0 |
| GD Burger | Member of Mayoral Committee | DA | Proportional | 100 | 0 |
| J Nieuwoudt | Speaker / Ward Councillor | DA | Ward 4 | 85 | 15 |

| COUNCIL MEMBER | CAPACITY | POLITICAL PARTY | WARD OF PROPORTIONAL | COUNCIL MEETING ATTENDANCE % | APOLOGIES FOR NON-ATTENDANCE % |
|----------------|---|--------------------|----------------------|------------------------------|--------------------------------|
| RJ Baker | Ward Councillor | ANC | Ward 3 | 92 | 8 |
| D Europa | Ward Councillor | ANC | Ward 6 | 100 | 0 |
| E Sauls | District Representative / Ward Councillor | DA | Ward 1 | 100 | 0 |
| CJ Jacobs | PR Councillor | KAPCO | Proportional | 77 | 23 |
| D Jantjies | PR Councillor | Diensleweringparty | Proportional | 85 | 15 |
| M October | Member of Mayoral Committee / Ward Councillor | DA | Ward 2 | 100 | 0 |
| EC Marthinus | PR Councillor / District Representative | ANC | Proportional | 100 | 0 |

b) Executive Mayoral Committee

The Executive Mayor of the Municipality, heads the executive arm of the Municipality and is assisted by the Mayoral Committee. Ald. R Mitchell was Executive Mayor prior to the municipal election, and Cllr P Swart was elected Executive Mayor following the municipal election.

A total of 8 Mayoral Committee meetings were held in 2016/17. The outgoing Municipal Council was in recess during July 2016, hence no Mayoral Committee meetings were held in July 2016.

TABLE 34 EXECUTIVE MAYORAL COMMITTEE: PRE ELECTION (JULY 2016)

| NAME OF MEMBER | CAPACITY | MEETING ATTENDANCE | MEETING DATES |
|----------------|-----------------------------|--------------------|---------------|
| R Mitchell | Executive Mayor | NA | No Meetings |
| D Jantjies | Deputy Mayor | NA | |
| R Mokotwana | Member of Mayoral Committee | NA | |

TABLE 35 EXECUTIVE MAYORAL COMMITTEE: POST ELECTION (AUGUST 2016 –JUNE 2017)

| NAME OF MEMBER | CAPACITY | MEETING ATTENDANCE | MEETING DATES |
|----------------|-----------------------------|--------------------|--|
| P Swart | Executive Mayor | 100 | 26 September 2016 |
| Z Tonisi | Deputy Mayor | 100 | 18 October 2016 |
| D Burger | Member of Mayoral Committee | 87 | 30 November 2016 14 February 2017 |
| M October | Member of Mayoral Committee | 100 | 2 March 2017 20 March 2017 18 April 2018 20 June 2017 |

c) Portfolio Committees

Portfolio Committees are established in terms of the Municipal Systems Act to assist the Executive Mayor. The number of committees may not exceed the number of members of the Mayoral Committee. They advise the Executive Mayor on policy matters and make recommendations to the Executive Mayor. The tables below indicate the portfolio committees, their composition and meeting dates, pre and post-election.

TABLE 36 PORTFOLIO COMMITTEES: PRE ELECTION (JULY 2016)

| COMMITTEE | MEMBERS | MEETING DATES |
|---------------------|---|---------------|
| Public Works | D Jantjies (Chairperson) D Burger P Atyhosi | No Meetings |
| Masakhane Committee | P Atyhosi R Mokotwana D Jantjies (Chairperson) J Nieuwoudt | No Meetings |
| Corporate Services | R Mokotwana (Chairperson) J Nieuwoudt P Atyhosi | No Meetings |

TABLE 37 PORTFOLIO COMMITTEES: PRE ELECTION (AUGUST 2016 –JUNE 2017)

| COMMITTEE | MEMBERS | MEETING DATES |
|---------------------|---|--|
| Public Works | M October (Chairperson) D Burger RJ Baker CJ Jacobs D Jantjies | 13 September 2016 11 October 2016 22 November 2016 7 February 2017 14 March 2017 10 April 2017 16 May 2017 13 June 2017 |
| Community Services | Z Tonisi (Chairperson) E Sauls D Europa CJ Jacobs D Jantjies | 13 September 2016 11 October 2016 22 November 2016 7 February 2017 14 March 2017 10 April 2017 16 May 2017 13 June 2017 |
| Corporate Services | GD Burger (Chairperson) M October E Marthinus CJ Jacobs D Jantjies | 13 September 2016 11 October 2016 22 November 2016 7 February 2017 14 March 2017 10 April 2017 16 May 2017 13 June 2017 |
| Masakhane Committee | Z Tonisi (Chairperson) P Swart E Sauls D Europa RJ Baker | 13 September 2016 11 October 2016 22 November 2016 7 February 2017 14 March 2017 |

| | | |
|--|-----------|--|
| | M October | 10 April 2017 16 May 2017 13 June 2017 |
|--|-----------|--|

d) Municipal Public Accounts Committee

the Municipal Public Accounts Committee (MPAC) is a Committee of Council established in terms of section 79 of the Municipal Structures Act and performs an oversight function on behalf of Council. This Committee consists solely of Councillors appointed by the Council and is representative of all political parties on the Council. The Committee is chaired by one of the opposition political parties who is also appointed by the Council.

The primary functions of the Municipal Public Accounts Committees are as follows:

- o To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on the annual report;
- o In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the Annual Report, must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and annual reports;
- o To examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;
- o To promote good governance, transparency and accountability on the use of municipal resources;
- o To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee; and
- o To perform any other functions assigned to it through a resolution of Council within its area of responsibility.

The table below indicate the MPAC composition and meeting dates, pre and post-election.

TABLE 38: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

| NAME OF REPRESENTATIVE | CAPACITY | POLITICAL PARTY | MEETING DATES |
|---|-------------|---------------------|-----------------|
| Pre-election (July 2016) | | | |
| D Burger | Chairperson | DA | 1 July 2017 |
| D Jantjies | Member | Independent | 21 July 2017 |
| P Atyhosi | Member | ANC | |
| Post-election (August 2016 –June 2017) | | | |
| C Jacobs | Chairperson | KAPCO | 31 October 2016 |
| E Marthinus | Member | ANC | 24 January 2017 |
| E Sauls | Member | DA | |
| D Jantjies | Member | Dienslewering Party | |

The MPAC members attended a training session on 14 -15 June 2017 that was presented by the South African Local Government Association (SALGA).

2.4.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Manager is the Accounting Officer of the Municipality. He is the Head of the Administration and is primarily responsible for service delivery and implementation of political priorities.

The Municipal Council adopted a revised macro structure in May 2017, implementation will only take place in the new financial year. For purposes of this report reference is made to the macro structure that was adopted on 29 September 2015.

The administration consists of the office of the Municipal Manager and four directorates. Each directorate is headed by a Director, appointed in terms of Section 57 of the Municipal Systems Act.

The Municipal Manager and Directors all meet the minimum qualification requirements and competency levels as required by the MFMA and have performance agreements in place that align to the Municipality's top layer SDBIP.

The table below indicates the senior management administrative governance structure.

TABLE 39 ADMINISTRATIVE GOVERNANCE STRUCTURE: SENIOR MANAGEMENT

| NAME OF OFFICIAL | DIRECTORATE | PERFORMANCE AGREEMENT SIGNED |
|------------------|------------------------------|------------------------------|
| Mr D O'Neill | Municipal Manager | Yes |
| Mr S Ngwevu | Director: Corporate Services | Yes |
| Mr N Kotze | Director: Technical Services | Yes |
| Mr H van Biljon | Director: Financial Services | Yes |
| Mr K Mrali | Director: Community Services | Yes |

Each Directorate comprises a number of Departments which are indicated in the table below.

TABLE 40 ADMINISTRATIVE GOVERNANCE STRUCTURE: THIRD TIER

| DIRECTORATE | DEPARTMENTS |
|--------------------|---|
| Municipal Manager | <ul style="list-style-type: none"> o Internal Audit (Reports to Audit Committee) o Strategic Services |
| Corporate Services | <ul style="list-style-type: none"> o Town and Regional Planning o Building Control o Client Services o Corporate Support o Human Resource Management o Information Technology |
| Technical Services | <ul style="list-style-type: none"> o Water and Sanitation o Roads and Storm water o Waste Management and Fleet o Electro Technical Services |
| Financial Services | <ul style="list-style-type: none"> o Revenue o Expenditure o Budget and Treasury Office o Supply Chain Management |
| Community Services | <ul style="list-style-type: none"> o Library Services |

| | |
|--|--|
| | <ul style="list-style-type: none">○ Protection Services○ Public Services○ Human Settlement○ Human Development |
|--|--|

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.5 INTERGOVERNMENTAL RELATIONS

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

2.5.1 INTERGOVERNMENTAL STRUCTURES

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

TABLE 41 INTERGOVERNMENTAL STRUCTURES AND FORUMS

| NAME OF STRUCTURE | PARTICIPANTS | PURPOSE |
|------------------------------------|---|---|
| SALGA | Western Cape Municipalities | All municipal service topics |
| Waste Forum | Western Cape Municipalities | Waste related topics |
| Blue and Green Drop Forum | Western Cape Municipalities | Water & sanitation related topics |
| MIG | Western Cape Municipalities | Infrastructure projects |
| DWA Bi-Lateral Meetings | Overberg District Municipality and Overberg Water | Water & sanitation related topics |
| IMESA | Southern Cape Engineers | Municipal related topics |
| EPWP | Provincial Government | EPWP related topics |
| MinMay | Municipal Managers and Mayor | Provincial Local Government driven agenda |
| MinMay Tech | Municipal Managers | Provincial Local Government driven agenda |
| PCF (Premier's Coordinating Forum) | Premier and Municipal Managers | Premier's Department responsible for agenda |
| DCF (District Coordinating Forum) | Municipal Managers and Mayor | Inter-municipal co-operation, shared services |
| DCF Tech | Municipal Managers | Inter-municipal co-operation, shared services |
| Provincial IDP Managers Forum | Western Cape Municipalities, Directorate: Integrated Development Planning Department of Local Government, Provincial treasury | IDP related topics |
| District IDP Rep/ PPComm Forum | District Municipality, Overberg Local municipalities, Private Sector, Western Cape Government Sectors | Communication, IDP, Tourism topics |
| Provincial LED Forum | Western Cape Local Government LED department, local municipalities LED officials | LED related topics |

| NAME OF STRUCTURE | PARTICIPANTS | PURPOSE |
|---|---|---|
| District LED/Tourism Forum | Overberg District Local Municipalities, LED and Tourism officials | LED and Tourism related topics |
| Provincial Public Participation and Communication Forum | Local municipalities: Public Participation- and Communication Officials, Provincial government: Communication and Public Participation, SALGA, GCIS | Public Participation, Communication matters |
| Western Cape Local Government Chief Audit Executive Forum | National Treasury, Provincial Treasury, Internal Auditors | Internal Auditing matters |
| Western Cape Local Government Chief Risk Forum | National Treasury, Provincial Treasury, Internal Auditors | Risk Management related topics |
| Western Cape ICT Managers Forum | Western Cape Local Government ICT Managers | ICT topics |
| Provincial Municipal Accounting Forum | Western Cape Local municipalities, Provincial Treasury | Accounting matters for local municipalities |
| Provincial Supply Chain Managers Forum | Provincial Treasury, Local municipalities SCM Managers | SCM matters |
| Provincial CFO Forum | Provincial Treasury, Local Municipalities CFO's | Accounting topics |

2.5.2 JOINT PROJECTS AND FUNCTIONS WITH SECTOR DEPARTMENTS

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

TABLE 42 JOINT PROJECTS

| NAME OF PROJECT/ FUNCTION | EXPECTED OUTCOME/S OF THE PROJECT | SECTOR DEPARTMENT/S INVOLVED | CONTRIBUTION OF SECTOR DEPARTMENT |
|---------------------------|---|--|---|
| LGMTech (MGRO) | MFMA Compliance | Provincial Treasury, Municipality | Oversight, Planning, Compilation of project plans |
| Back-To-Basics | Implementation of Back to Basics Plan for enhanced sustainability and betterment of service delivery. | Driven by Local Government, but all sector departments participate | Back-To-Basics engagement with senior politicians & officials |

COMPONENT C: PUBLIC ACCOUNTABILITY

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

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

2.6 PUBLIC MEETINGS

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

TABLE 43 WARD BASED PUBLIC MEETINGS

WARD 1

| DATE | PURPOSE | TARGET AUDIENCE | COMMUNICATION |
|---|---------------------------------|--------------------|---|
| 26 July 2016 – Elim 28 July 2016 –Napier | Feedback Meeting | All Ward residents | Pamphlets, sms, loud hailing and Facebook. |
| 13 & 14 September 2016 | Election of new Ward Committees | All Ward residents | Advert in local media, Pamphlets, sms, loud hailing, Facebook and Municipal Website |
| 10 & 11 October 2016 | IDP meetings | All Ward residents | Advert in local media, Pamphlets, sms, loud hailing, Facebook and Municipal Website |
| 8 December 2016 | Year-end-Function | All Ward residents | Pamphlets, and Facebook |
| 10 & 11 April 2017 | Budget Imbizo | All Ward residents | Advert in local media, sms, Facebook and Loud hailing |

WARD 2

| DATE | PURPOSE | TARGET AUDIENCE | COMMUNICATION |
|--------------------------------------|---------------------------------|--------------------|---|
| 15 & 26 September 2017 | Election of new Ward Committees | All Ward residents | Advert in local media, Pamphlets, sms, loud hailing, Facebook and Municipal Website |
| 12 October 2016 13 October 2016 | IDP meetings | All Ward residents | Advert in local media, Pamphlets, sms, loud hailing, Facebook |
| 12 December 2016 13 December 2016 | Ward year-end function | All Ward residents | Pamphlets, and Facebook |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| | | | |
|-----------------------|------------------|--------------------|---|
| 14 & 15 February 2017 | Feedback Meeting | All Ward residents | Pamphlets, sms and Facebook |
| 12 April 2017 | Budget Imbizo | All Ward residents | Advert in local media Pamphlets, sms , Facebook and loud haling |

WARD 3

| DATE | PURPOSE | TARGET AUDIENCE | COMMUNICATION |
|-------------------|---------------------------------|--------------------|---|
| 19 July 2016 | Feedback meeting to community | All Ward residents | Pamphlets, sms, loud haling and Facebook |
| 20 September 2016 | Election of new ward committees | All Ward residents | Advert in local media, sms, Facebook and Loud haling |
| 17 October 2016 | IDP meeting | All Ward residents | Advert in local media, sms, Facebook and Loud haling |
| 23 February 2017 | Feedback Meeting | All Ward residents | Pamphlets, sms, loud haling and Facebook |
| 18 April 2017 | Budget Imbizo | All Ward residents | Advert in local media Pamphlets, sms , Facebook and loud haling |
| 28 June 2017 | Feedback Meeting | All Ward residents | Pamphlets, sms, loud haling and Facebook |

WARD 4

| DATE | PURPOSE | TARGET AUDIENCE | COMMUNICATION |
|------------------------|---------------------------------|--------------------|---|
| 12 & 26 September 2016 | Election of new Ward Committees | All Ward residents | Advert in local media, Pamphlets, sms, loud haling and Facebook |
| 18 & 19 October 2016 | IDP meeting | All Ward residents | Advert in local media, Pamphlets, sms, loud haling and Facebook |
| 2 March 2017 | Feedback meeting | All Ward residents | Pamphlets, sms, loud haling and Facebook |
| 6 April 2017 | Feedback meeting | All Ward residents | Pamphlets, sms, loud haling and Facebook |
| 19 April 2017 | Budget Imbizo | All Ward residents | Advert in local media, Pamphlets, sms, loud haling and Facebook |

WARD 5

| DATE | PURPOSE | TARGET AUDIENCE | COMMUNICATION |
|-------------------|--------------------------------|--------------------------|---|
| 21 September 2016 | Election of new Ward Committee | All Ward residents | Advert in local media, Pamphlets, sms, loud haling and Facebook |
| 25 October 2016 | IDP meetings | All Ward residents | Advert in local media, Pamphlets, sms, loud haling and Facebook |
| 15 December 2016 | Year-end-Function | All Children in the Ward | Pamphlets, sms, loud haling and Facebook |
| 29 March 2016 | Feedback Meeting | All Ward residents | Pamphlets, sms, loud haling and Facebook |

| | | | |
|---------------|---------------|--------------------|---|
| 20 April 2017 | Budget Imbizo | All Ward residents | Advert in local media, Pamphlets, sms, loud haling and Facebook |
|---------------|---------------|--------------------|---|

WARD 6

| DATE | PURPOSE | TARGET AUDIENCE | COMMUNICATION |
|------------------------|--------------------------------|--------------------|---|
| 19 & 22 September 2016 | Election of new Ward Committee | All Ward residents | Advert in local media, Pamphlets, sms, loud haling and Facebook |
| 20 & 25 October 2016 | IDP meetings | All Ward residents | Advert in local media, Pamphlets, sms, loud haling and Facebook |
| 20 & 21 February 2017 | Feedback Meeting | All Ward residents | Pamphlets, sms, loud haling and Facebook |
| 24 & 25 April 2017 | Budget Imbizo | All Ward residents | Advert in local media, Pamphlets, sms, loud haling and Facebook |

The following housing meetings took place:

TABLE 44 HOUSING PUBLIC MEETINGS

| DATE | PURPOSE | TARGET AUDIENCE | COMMUNICATION |
|----------------------------|---|---|---|
| 31 May 2016 Bredasdorp | Handover of Title Deeds | Beneficiaries 168- Housing Project/Home owners | Handout pamphlets / Door to Door |
| 28 June 2016 Struisbaai | Oukamp Informal Settlement - The way forward regarding the relocation of the informal settlement & electricity problems. | Shack Owners Oukamp Struisbaai | Telling shack owners / Door to Door |
| 30 June 2016 Arniston | Housing Consumer Education - Briefing regarding importance of paying Municipal accounts, insurance and maintenance of the houses, importance of title deeds and a will. | 67 Home owners in Arniston | Personal visits from Housing Officials where every household was briefed. |

2.7 WARD COMMITTEES

The Local Government Municipal Structures Act (1998), Chapter 4, Section 72 – 78 provides the legal framework for the establishment, election and operation of ward committees.

Ward committees are elected by the community they serve. A ward committee may not have more than 10 members and it must be representative. The ward councillor is the chairperson of the ward committee. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions to the Executive Mayor and Council.

The purpose of a ward committee is:

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

Ward committees play a very important role in the development and annual revision of the Integrated Development Plan of the Municipality and facilitate wider community participation. 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 term of office of ward committees is coupled to the term of office of the Municipal Council. The municipal elections of 3 August 2016, necessitated the establishment of new ward committees.

The Ward Committee establishment programme was rolled out from 15 July 2016 – 26 September 2016 in accordance with an establishment programme approved by the previous Council. It was necessary to commence the process prior to the municipal elections to ensure that ward committees were established by the end of September 2016 so that they could participate in the IDP process during October 2016.

All newly elected Ward Councillors and communities were informed about the election process, through multiple communication platforms including the radio, loud hailing, pamphlets, press releases, the Municipal Website and Facebook page.

Elections took place from 12 September 2016 until 26 September 2016 with the assistance of Independent Electoral Commission (IEC).

Special vote drives for the elderly were also undertaken at the following venues:

- o Ward 1: Huis Klippe Drift and Napier Retirement Village,
- o Ward 2: Ons Huis and Liefdesnessie,
- o Ward 4: Suider-oord Old age home,
- o Ward 5: Onse Hoop and Suiderlig "Dienssentrum".

A total of 1349 registered voters (IEC's voters roll) participated in the ward committee election process across all 6 wards and a total of 55 organisations / sectors and 5 geographical areas /block representatives were elected. Female representation accounted for 42% of the total number of elected ward committee members and the youth 10 %. This is in line with Section 73 (2) of the Municipal Structures Act which requires that women and a diversity of interests be equitably represented.

The table below provides information on the establishment of ward committees and their functionality within the Cape Agulhas Municipal Area:

TABLE 45 FUNCTIONALITY OF WARD COMMITTEES

| WARD | COMMITTEE ESTABLISHED YES / NO | NUMBER OF REPORTS SUBMITTED TO THE SPEAKERS OFFICE | NUMBER MEETINGS HELD DURING THE YEAR | NUMBER OF PUBLIC WARD MEETINGS HELD DURING THE YEAR |
|------|--------------------------------|--|--------------------------------------|---|
| 1 | Yes | 9 | 9 | 7 |

| WARD | COMMITTEE ESTABLISHED YES / NO | NUMBER OF REPORTS SUBMITTED TO THE SPEAKERS OFFICE | NUMBER MEETINGS HELD DURING THE YEAR | NUMBER OF PUBLIC WARD MEETINGS HELD DURING THE YEAR |
|------|--------------------------------|--|--------------------------------------|---|
| 2 | Yes | 9 | 9 | 7 |
| 3 | Yes | 9 | 9 | 5 |
| 4 | Yes | 9 | 9 | 7 |
| 5 | Yes | 9 | 9 | 7 |
| 6 | yes | 9 | 9 | 7 |

2.7.1 MEMBERSHIP AND FUNCTIONALITY OF WARD COMMITTEES

As a result of the municipal elections held on 3 August 2016, no ward committee meetings took place during July 2016 and August 2016. The new ward committees were only established by 26 September 2016 and the first meetings of Ward Committees commenced from 28 September 2016.

The following table provides an overview of the composition of ward committees pre -election.

TABLE 46 WARD COMMITTEE MEMBERSHIP : PRE ELECTION (JULY 2016)

a) Ward 1: Napier, Elim, Spanjaardskloof and Surrounding Farms

| NAME OF REPRESENTATIVE | CAPACITY REPRESENTING |
|------------------------|---------------------------------|
| E Sauls | Ward Councillor |
| J Wessels | Huis Klippe Drift/ Secretary |
| C Viegeland | Elim Stewards Council |
| J Adams | Napier Health and Welfare Forum |
| E Harker | Agulhas Skills School |
| J Stevens | Protea Primary School |
| I Pieterse | Individual |
| M Cloete | Individual |
| E Johnson | Elim E-Centre |
| K Koebergh | Individual |
| D Schoeman | Individual |

b) Ward 2: Part of Bredasdorp, Klipdale, Houtkloof and surrounding farms

| NAME OF REPRESENTATIVE | CAPACITY REPRESENTING |
|-----------------------------------|-------------------------------|
| D Jantjies | Ward Councillor |
| C Kies | Liefdesnessie Services Centre |
| K Dunston | AMSSS |
| J Adams | De Heide Primary |
| E Green | Bet El Evangelical Church |
| E Plaatjies | Compassion in Action |
| C September | Young Peoples Rugby Club |
| M De Jager | Individual |
| L Marthinus (till September 2015) | Individual |
| F Hendricks | Individual |
| M Meyer | Individual |
| F.Koebergh (from November 2015) | Individual |

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

| NAME OF REPRESENTATIVE | CAPACITY REPRESENTING |
|------------------------|-----------------------------|
| R Mitchell | Ward Councillor |
| R October | Bredasdorp Taxi Association |
| L Manxeba | Lesedi Educare |
| H Kock | United Pentecostal Church |
| J Volmink | CARA |
| N Madubela | Isolomzi Organization |
| K Zimy | Isolomzi Organization |
| H Temmers | Individual |
| D Hans | Individual |
| R Baker | Individual |
| M Asanda | Individual |

d) Ward 4: Part of Bredasdorp (CBD), Proteem, Van der Stelskraal and Surrounding Farms

| NAME OF REPRESENTATIVE | CAPACITY REPRESENTING |
|--------------------------------------|--------------------------------------|
| J Nieuwoudt | Ward Councillor |
| D Gilomee | Otto du Plessis Hospital |
| S van Dyk | ACVV Bredasdorp |
| R Strydom (till August 2015) | Suideroord ACVV Home for the elderly |
| R Visser | Primary Bredasdorp |
| L Groenewald | Bredasdorp Tax Association |
| J Bester | NG Church Bredasdorp |
| M Oosthuizen | Individual |
| L Marais | Individual |
| H Odendaal | Individual |
| E Karelse | Individual |
| Johan Neethling (from December 2015) | Suideroord ACVV Home for the elderly |

e) Ward 5: Arniston, Struisbaai, L'Agulhas, Suiderstrand, Haasvlakte and Surrounding Farms

| NAME OF REPRESENTATIVE | CAPACITY REPRESENTING |
|---------------------------------------|--|
| D Burger | Ward Councillor |
| A Marthinus | Waenhuiskrans Visser Union |
| S Lourens | Struisbaai Community Police Association |
| C. Joubert | WARA |
| R Theunissen | C.I.A |
| C Uys | Onse Hoop |
| D de Jongh (fill July 2015) | Struisbaai Sports Club |
| A Vlok | Suidpunt Conservation Association |
| V de Villiers | NG Church Suidpunt |
| J Keuler | Suidpunt Fishing and Marine Conservation Society |
| D Kleinsmidt | NG Church Struisbaai |
| Johan van der Walt (from August 2015) | Struisbaai Sports Club |

The following table provides an overview of the composition of ward committees post-election.

TABLE 47 WARD COMMITTEE MEMBERSHIP AND FUNCTIONALITY : POST ELECTION (SEPTEMBER 2016)

a) Ward 1: Napier, Elim, Spanjaardskloof and Surrounding Farms

| NAME OF REPRESENTATIVE | CAPACITY REPRESENTING | MEETING DATES |
|------------------------|--|-------------------------------------|
| E Sauls | Ward Councillor | 28 September 2016 |
| J Wessels | Huis Klippe Drift/ Secretary | 13 October 2016 |
| R Coetzer | Napier Community Police Forum | 22 November 2016 |
| W Adams | Napier Health and Welfare Forum | 30 January 2017 16 February 2017 |
| M Sauls | Agulhas School of Skills | 14 March 2017 |
| J De Kock | Overberg District Agricultural Association | 18 April 2017 18 May 2017 |
| J Fillies | Napier Neighbourhood Watch | 13 June 2017 |
| P Richter | Elim Residents Forum | |
| E Johnson | Elim E-Centre | |
| P Apollis | Spanjaardskloof Residents | |
| K Donald | Napier Residents | |

b) Ward 2: Part of Bredasdorp, Klipdale, Houtkloof and surrounding farms

| NAME OF REPRESENTATIVE | CAPACITY REPRESENTING | MEETING DATES |
|--------------------------------------|-------------------------------------|-------------------------------------|
| M October | Ward Councillor | 29 September 2016 |
| J Siljeur – until June 2017 - Vacant | Otto Du Plessis Hospital Board | 18 October 2016 23 November 2016 |
| K Dunston | AMSSS | 6 February 2017 |
| J Adams | De Heide Primary | 16 March 2017 |
| W Abrahams | Bredasdorp Residents Association | 11 April 2017 18 May 2017 |
| E Plaatjies – From April 2017 | Compassion in Action | 15 June 2017 |
| E wildschut | Young Peoples Rugby Club | |
| M De Jager – March 2017 | Cape Agulhas Ratepayers Association | |
| H Eksteen | Standards Rugby Club | |
| E Hendricks | Klipdale Residents | |
| M Meyer | Anglican Church | |
| F.Koebergh | Anglican Church Men Society | |

c) Ward 3: Part of Bredasdorp (Tussen Treine (Simunye), Kleinbegin, Zwelitsha, Kalkoonde.)

| NAME OF REPRESENTATIVE | CAPACITY REPRESENTING | MEETING DATES |
|------------------------|--------------------------------|-----------------------------------|
| R Baker | Ward Councillor | 2016 |
| A van Der Byl | Bredasdorp Neighbourhood Watch | 3 October 2016 18 October 2016 |
| A Philiso | Polapark residents | 8 November 2016 |
| Z Casiwe | Soccer Association | 7 December 2016 |
| H Temmers | Cape Agulhas Disability Forum | 2 February 2017 |
| E Pietersen | Compassion in Action | 16 March 2017 |
| K Grandfield | Religion | 11 April 2017 |
| A Klaasen | Sport | 18 May 2017 |
| A Rudolph | Woman in Progress | 14 June 2017 |

| | | |
|--------------------------------|-------------------------------------|--|
| B Gijana | WILCO | |
| J Arends – until March 2017 | Cape Agulhas Ratepayers Association | |
| J van Reenen – From April 2017 | Cape Agulhas Ratepayers Association | |

d) Ward 4: Part of Bredasdorp (CBD), Protém, Van der Stelskraal and Surrounding Farms

| NAME OF REPRESENTATIVE | CAPACITY REPRESENTING | MEETING DATES |
|------------------------|---|-------------------------------------|
| J Nieuwoudt | Ward Councillor | 4 October 2016 |
| D Gilomee | Otto du Plessis Hospital facility Council | 24 October 2016 22 November 2016 |
| S van Dyk | ACVV Bredasdorp | 31 January 2017 |
| W Joubert | AGS Church | 14 March 2017 |
| M Geldenhuys | High School Bredasdorp | 10 April 2017 |
| J Bester | DR Church Bredasdorp | 16 May 2017 |
| M Hatting | WELFARE AND HEALTH | 12 June 2017 |
| L Marais | Lions Club | |
| H Odendaal | ACVV Service Centre | |
| R Arends | Individual | |
| J Neethling | Suideroord ACVV Home for the elderly | |

e) Ward 5: Struisbaai, L'Agulhas, Suiderstrand, Haasvlakte and Surrounding Farms

| NAME OF REPRESENTATIVE | CAPACITY REPRESENTING | MEETING DATES |
|----------------------------|---------------------------------------|-------------------|
| P Swart | Ward Councillor | 29 September 2016 |
| S Du Plessis | Struisbay Fishermen Union | 26 October 2016 |
| F De Wet | Cape Agulhas Business Forum | 20 November 2016 |
| H Joorst | Council of Stakeholders | 1 February 2017 |
| C Visser | DR Church | 15 March 2017 |
| J Jacobs – until June 2017 | Onse Hoop | 15 May 2017 |
| D de Jongh | Suidpunt Conservation Association | 13 June 2017 |
| R Fourie | Suidpunt Residents | |
| P van As | Springfield and Haasvlakte Rural Area | |
| G Thompson | Struisbaai Rugby Club | |
| J Taljaard | Agulhas National Park | |

f) Ward 6: Bredasdorp (Selfbou area and Bergsig), Arniston and Surrounding Farms

| NAME OF REPRESENTATIVE | CAPACITY REPRESENTING | MEETING DATES |
|-----------------------------------|--|-------------------------------------|
| D Europa | Ward Councillor | 6 October 2016 |
| J Moos | Sport (Social Golf) | 26 October 2016 |
| M Meyer | Anglican Church (woman) | 14 November 2016 |
| G Hendricks | Early Childhood Development (Babbel and Krabbel) | 13 December 2016 7 February 2017 |
| T Mroxisa (until February 2017) | CARA | 22 March 2017 |
| LValentine (From March 2017) | CARA | 10 April 2017 |

| | | |
|--------------|--------------------------------------|--------------|
| N van Staden | Religion (Verenigde Pinkster) | 18 May 2017 |
| W Marthinus | Religion – Arniston (Siliom) | 14 June 2017 |
| G Gertse | Sea Hawks Rugby Club | |
| R Europa | Waenhuiskrans Fishermen Forum | |
| A Marthinus | Waenhuiskrans Ratepayers Association | |
| E R Adonis | Aglican Church (Youth) | |

2.7.2 TRAINING INITIATIVES

New Ward Committees were given induction and orientation at their first meetings and one general training session was held for all ward committee members.

TABLE 48 WARD COMMITTEE TRAINING INITIATIVES

| ACTIVITY | DATE | PURPOSE | TARGET AUDIENCE |
|-----------------------------------|-------------|------------------------------------|---|
| Ward Committee Induction Training | 20 May 2017 | Training of Ward Committee members | Ward Committee members and Ward Councillors |

2.8 REPRESENTATIVE FORUMS

2.8.1 LOCAL LABOUR FORUM

The Local Labour Forum (LLF) is a legislated structure designed to strengthen the relationship between organized labour and management. The Collective Agreement of the SALGBC requires every employer to establish a Local Labour Forum with equal representation from the trade unions and the employer. The trade unions' representation is divided proportionate to their respective membership within the place of employment. Employer representatives consist of Councillors and Management, specifically the Municipal Manager and the Directors directly accountable to the Municipal Manager who are appointed in terms of section 57 of the Municipal Systems Act, 32 of 2000.

The table below indicates the members of the Local Labour Forum, and meeting dates.

TABLE 49 LOCAL LABOUR FORUM

| NAME OF REPRESENTATIVE | CAPACITY | MEETING DATES |
|------------------------|-----------------------------|------------------|
| D O'Neill | Municipal Manager | 8 September 2016 |
| N Kotze | Director Technical Services | 13 October 2016 |
| S Ngwevu | Director Corporate Services | 17 November 2016 |
| K Mrali | Director Community Services | 19 January 2017 |
| E Marthinus | Councillor | 8 February 2017 |
| Z Tonisi | Councillor | 7 March 2017 |
| D Burger | Councillor | 6 April 2017 |
| E Sauls | Councillor | 11 May 2017 |
| W Opperman | SAMWU | 26 May 2017 |

| | | |
|---|-------|-------------|
| W Stanley | SAMWU | 8 June 2017 |
| R Jansen | SAMWU | |
| S Hendricks | SAMWU | |
| A Kloppers | IMATU | |
| C Arends | IMATU | |
| The Human Resource Manager, Ms N Mlathi-Musewe and Human Resource Official, Mr J Diedericks participate in all Labour Forum meetings and play an advisory role. | | |

2.8.2 IDP FORUM (CAPE AGULHAS MUNICIPAL ADVISORY FORUM)

The Cape Agulhas Municipal Advisory Forum (CAMAF) was established in terms of Section 15 of the Municipal Planning and Performance Management Regulations which require municipalities to establish a municipal wide structure to enhance community participation in respect of integrated development planning and performance management.

TABLE 50 CAPE AGULHAS MUNICIPAL ADVISORY FORUM

| MEMBERSHIP | MEETING DATES |
|--|-----------------|
| Executive Mayor (Chairperson) | 31 October 2017 |
| All Councillors | |
| Municipal Manager | |
| All Councillors | |
| 2 Representatives from each Ward Committee | |

COMPONENT D: CORPORATE GOVERNANCE

Corporate Governance is the set of processes, practices, policies, laws and relationships affecting the way an institution is directed, administered or controlled.

2.9 RISK MANAGEMENT

Section 62(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) stipulates that the “Accounting Officer must take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent system of financial and risk management and internal control” This legislative prescript coupled with the obligation to ensure that the resources of the municipality are used effectively, efficiently and economically underlie the implementation of risk management at Cape Agulhas Municipality.

Risk management is managed as a shared service of the Overberg District Municipality (ODM) since 1 August 2015, when a Chief Risk Officer (CRO) was appointed. The shared service business model between the municipalities within the district is premised on the delivery of a uniform service under a shared cost model. This model brought about substantial cost-savings as it meant that in-house skills and resources were available with a corresponding reduction on the need for external service providers for the establishment and maintenance of risk management structures and processes. At local level, the Cape Agulhas Municipality has a local risk champion.

The following risk management activities took place during the 2016/17 financial year.

- An annual risk assessment was conducted and facilitated by the CRO per Directorate, and all Department Managers were involved.
- A District Supply Chain Management (SCM) workshop was held, culminating in a SCM risk assessment;
- Monthly monitoring on the status of the risk register as well as quarterly reporting and recommendations to various statutory and non-statutory committees;
- Annual Review of the Risk Management Strategy and Policy;
- Compilation and monitoring of a District Risk Management Implementation Plan;
- Continuous building of a municipal risk profile to improve risk maturity;
- Streamlining risk related documents and processes with National Treasury's Public Sector Risk Management Framework, King Code of Governance for South Africa, Committee of Sponsoring Organisations of the Treadway Commission (COSO), International Organisation for Standardisation (ISO 31000), etc.;
- Adding value of “best practice” developments to the Fraud and Risk Management Committee (FARMCO);
- FARMCO did a self-evaluation through individual assessments in the form of a questionnaire;
- Encouraged the significant application of risk management to the implementation of mSCOA by participating in the mSCOA work group sessions;
- Regular communication and daily updates from the Institute of Risk Management South Africa;
- Regular communication between Provincial Treasury (Corporate Governance) on risk related matters;

- Recommendations for improvement of software being utilised (IGNITE Risk Assist Module);
- Introducing risk universe and risk maturity initiatives through comparison reporting and benchmarking;
- Compilation of a District Cross-Cutting Report containing the transversal risks of the Overberg district;
- Exploiting opportunities and strategies through identification of emerging and incident Risks;
- Progressive application of compliance related documents and processes;
- Participation in the District Risk and Internal Audit Forum;
- Exploring opportunities through meaningful integration of the functions of ethics, anti-corruption and fraud prevention, occupational health and safety, long term planning, business continuity and disaster management into the risk management objectives and processes;
- Recommended intensifying the alignment between the insurance portfolio/coverage in relation to the asset management register and processes.
- District Ethics Workshop for the Directors and Accounting Officer and a Municipal Ethics Workshop for management, leading to the development of a Code of Ethics;
- Business continuity workshops and engagements with management to develop a Business Continuity Framework;
- A District Risk Appetite Workshop for risk champions, explaining the methodology and importance of determining the municipality's risk appetite and risk tolerance;
- Review of the combined assurance framework and taking ownership as the combined assurance champion;
- Participating in strategic planning sessions to conduct strategic risk assessments and emphasise the importance of risk based decision-making;
- Development of an anti-corruption and fraud prevention strategy, policy and plan;
- Risk management maturity assessment to determine the Municipality's maturity level;
- Improved co-operation between the RMU and Internal Audit Services (IAS), reducing duplication and increasing the sharing of risk information, while respecting IAS's independence;
- Focus on cyber security and ICT control awareness;
- Review of year-end internal control procedures and demand management process (including performance).

2.9.1 FRAUD AND RISK MANAGEMENT COMMITTEE

A Fraud and Risk Management Committee (FARMCO) was established by the Municipal Manager on 29 June 2015. The FARMCO is a high level advisory body that assists the Accounting Officer to fulfil his/her responsibilities for Risk Management as set out in the MFMA, the Public Sector Risk Management Framework and corporate governance principles. The FARMCO operates within the parameters of a FARMCO Charter.

The FARMCO also oversees the effective implementation of the risk management processes, effective management of identified risks and provides timely and useful enterprise risk management reports to the Municipal Manager and the Audit Committee of the Municipality. The table below indicates the membership and meeting dates.

TABLE 51 FRAUD AND RISK MANAGEMENT COMMITTEE (FARMCO)

| NAME | CAPACITY | MEETINGS |
|---|---|--------------------------------------|
| Mr A Kok | External Chairperson (and member of the Audit and Performance Audit Committee) | 9 September 2016 18 November 2016 |
| Mr S Ngwevu | Director: Corporate Services | 24 March 2017 |
| Mr N Kotze | Director: Technical services | 16 May 2017 |
| Mr H Van Biljon | Director: Financial Services | 26 June 2017 |
| Mr K Mrali | Director: Community Services | |
| Mr A Riddles | Chief Risk Officer of the Overberg District Municipality shared risk management service | |
| Ms T Stone | Risk Management Officer of the Cape Agulhas Municipality (Secretariat). | |
| The Chief Audit Executive is a standing invitee in an advisory and observation capacity | | |

2.9.2 RISK ASSESSMENTS

The risk assessment process for 2016/17 commenced in July 2016. The risks identified were classified into high, medium and low risks to determine the inherent risk (impact risk before taking controls into consideration) as well as residual risks (after taking existing control measures into consideration).

The risk assessment results were submitted to the FARMCO on 9 September 2016. The operational risks were recommended for approval by the Municipal Manager who subsequently signed them off and the strategic risks were recommended for approval by Council.

2.9.3 TOP STRATEGIC RISKS FOR THE MUNICIPALITY

TABLE 52 STRATEGIC RISK REGISTER 2016/17

| Risk Level | Risk Description | Current Controls | Residual Risk |
|------------|---|---|---------------|
| Strategic | Changes associated with Municipal Elections | <ul style="list-style-type: none"> o National and Provincial Treasury in process of developing formal training programs for all new Councillors to enable smooth transition in conjunction with SALGA | High |
| Strategic | Financial viability of the municipality | <ul style="list-style-type: none"> o LTFP adopted - June 2015. o Strategies adopted - December 2015 | High |
| Strategic | MSCOA | <ul style="list-style-type: none"> o MSCOA Committee established. o Outdated implementation plan approved | High |
| Strategic | Establishment of functional ward committees after elections | <ul style="list-style-type: none"> o Ward Committee policy in place o Speaker and Provincial oversight o Toolkit issued by Provincial Administration which sets out guidelines for ward functionality. | Medium |
| Strategic | Land invasions | <ul style="list-style-type: none"> o Weekly surveys done by housing department to prevent land invasions. | Medium |

| | | | |
|--|--|--|--|
| | | <ul style="list-style-type: none"> o Incidents of illegal occupation reported to law-enforcement o Land invasion and squatter control policy o Ongoing training o Inter-departmental SOP (Housing and Law enforcement) | |
|--|--|--|--|

2.9.4 RISK POLICIES AND STRATEGIES

The Municipality has a Risk Management Policy and Risk Management Strategy and Implementation Plan in place that were reviewed by FARMCO on 14 December 2016 and recommended for approval by the Municipal Manager who approved them on 8 February 2016. The policy and strategy were later submitted to Council for approval on 28 June 2016 in line with the National Treasury Risk Management Framework.

TABLE 53 RISK POLICIES AND STRATEGIES

| NAME OF DOCUMENT | DEVELOPED YES/NO | COUNCIL APPROVAL |
|--------------------------|------------------|--|
| FARMCO Charter | Yes | 31 March 2017 (Council Resolution 36/2017) |
| Risk Management Policy | Yes | 31 March 2017 (Council Resolution 36/2017) |
| Risk Management Strategy | Yes | 31 March 2017 (Council Resolution 36/2017) |

2.10 ANTI-CORRUPTION AND ANTI-FRAUD

Section 83(c) of the Municipal Systems Act refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, Section 112(1) (m) (i) identifies 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.

The Municipality has a Fraud Prevention Policy in place which was approved in 2009. This will be replaced with a new Anti-Fraud and Corruption Policy which is currently in draft form and which will be submitted to Council for approval early in the new financial year.

TABLE 54 ANTI CORRUPTION AND FRAUD STRATEGIES

| NAME OF DOCUMENT | DEVELOPED YES/NO | APPROVAL BY COUNCIL |
|-------------------------|------------------|---------------------|
| Fraud Prevention Policy | Yes | 1 December 2010 |

The following table provides an overview of the Municipality's implementation strategies:

TABLE 55 IMPLEMENTATION STRATEGIES

| KEY RISK AREAS | KEY MEASURES TO CURB CORRUPTION AND FRAUD |
|--|---|
| Policy | A Fraud Prevention and Anti-Corruption Policy is a key defence mechanism because it emphasises that the Municipality has a formal framework in place to deal with fraud and corruption. It answers key questions such as: <ul style="list-style-type: none"> · What is fraud and corruption? · How do we deal with it when it arises? · What are the roles and responsibilities? · What are the sanctions? |
| Institutional arrangements | The creation of specific structures (e.g. a fraud and risk committee) and the definition of roles and responsibilities facilitates coordination and management of programme implementation. At municipal level these would include structures such as internal audit and the external audit committees. |
| Systems and control | With well-structured and documented systems and controls in place gaps and loopholes are nullified that are often used to perpetrate fraud and corruption. These systems and controls also enable monitoring and management mechanisms that will facilitate detection where there are attempts to override or circumvent such systems and controls. Importantly, systems and controls will ensure compliance with policies and regulations. Supply chain management is a good example of where systems and controls are crucial in preventing fraud and corruption |
| Fraud and corruption risk management | All organisations have systems and controls in place with varying levels of structure and detail. Despite this, organisations are still vulnerable to fraud and corruption because systems and controls are not properly implemented or their inherent gaps and weaknesses can be exploited. Conducting fraud and corruption risk assessments enables organisations to test the integrity and completeness of their systems and controls with a view to implementing measures that strengthen areas of weakness and closing gaps. This approach proactively allows the organisation to prevent fraud and corruption |
| Training, awareness and communication | Making managers, staff, suppliers and customers aware of the risks of fraud corruption, how to deal with it, what the consequences are and why it is important to prevent and fight it are key weapons in building up an organisational culture that opposes fraud and corruption. Training will make managers and staff aware of what to watch out for so that they do not willingly or unwillingly participate in acts of fraud and corruption. Communicating successes in dealing with fraud and corruption serves as deterrent to others and builds the corporate image of an institution. |

2.11 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 –

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

Cape Agulhas Municipality has combined its Audit and Performance Audit Committees into one committee to in order to increase its knowledge base and to enhance efficiency.

2.11.1 FUNCTIONS OF THE AUDIT COMMITTEE

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

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements, and 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.
- To respond to the council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted to it by 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.
- To review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.

2.11.2 MEMBERS OF THE AUDIT COMMITTEE

The table below indicates the membership and meeting dates of the Audit Committee of the Cape Agulhas Municipality:

TABLE 56 MEMBERS OF THE AUDIT COMMITTEE

| NAME | CAPACITY | PERIOD SERVED | MEETING DATES |
|------------|-------------|------------------------|-----------------------------|
| C Pieterse | Chairperson | 1/7/2016 – 30/6/2017 | 29 August 2016 |
| M Weitz | Member | 1/7/2016 – 30/6/2017 | 9 September 2016 |
| E Lakay | Member | 1/7/2016 – 30/6/2017 | 25 November 2016 |
| A Kok | Member | 1/7/2016 – 25/11/2016 | 24 March 2017 |
| P Strauss | Member | 21/11/2016 – 30/6/2017 | 16 May 2017 28 June 2017 |

In terms of the Provincial Treasury guidelines members may only serve on the Committee for two terms but not for a period exceeding six years. The committee member's contracts all

expire in October 2017 and the Municipality has embarked on a systematic process of replacement of current members to ensure continuity and adherence to the guidelines.

2.11.3 MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

TABLE 57 MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

| DATE OF COMMITTEE MEETING | COMMITTEE RECOMMENDATIONS DURING 2016/17 | ACTIONS TAKEN ON RECOMMENDATIONS |
|---------------------------|--|--|
| 29 August 2016 | Satisfaction with the draft annual financial statements for 2015/16 | Draft annual financial statements signed by the Municipal Manager and submitted to the Auditor General on 31 August 2016 |
| | Approval of 2016/17 Internal Audit Risk Based Audit Plan | Approved plan implemented |
| 9 September 2016 | Internal Audit to review the results of the annual review of the Committee and identify weak points | Has been done and discussed by the Committee |
| | Discussion of the results of the annual review of the Internal Audit function – internal audit to identify weak points for the development of corrective measures | Has been done and discussed by the Committee |
| 25 November 2016 | Statistics of contracts awarded to be added to the Committee agenda in future | Now included in the agenda |
| | mSCOA to be added to the agenda as a standing item | Added as a standing item on the agenda |
| 24 March 2017 | That evidence submitted by the s57 members for their performance evaluations be audited by the internal Audit section before evaluation | Was taken up with the Municipal Manager |
| | The issues raised by the Internal Auditor on the submission of supporting evidence for actual performance in terms of set objectives as well as the lack of review commitment to be escalated to the Municipal Manager | Discussed during the monthly Directors meeting chaired by the Municipal Manager |
| | Issues raised by the Internal Audit function on the function of the Motor Vehicle Investigation Committee to be taken up with the Director: Corporate Services | Discussed with the applicable Director and the Municipal Manager for corrective measures |
| | Approval of the Committees quarterly report for the period ended 30 June 2016 for submission to Council. | Report tabled in Council as required |
| | Approval of the Committees half yearly report for the period ended 31 December 2015 on the municipality's performance management system for submission to Council. | Report tabled in Council as required |
| | Approval of the amendments to the risk based audit plan. | Changes effected |

| | | |
|---------------------|---|---|
| | Recommendations on the improvement of the staff appraisal process. | In progress in conjunction with the human resources section |
| | Recommendations on the improvement of the control over overtime worked. | In progress in conjunction with the human resources section |
| | Consolidation of the various evaluations of the Committee as well as recommendations on areas that needs improvement. | In progress |
| | SDBIP half-yearly report to include information regarding the s57 performance evaluations | Now included in the report |
| | Audit and Performance Audit Committee Charter to be split into Audit Committee and Performance Audit Committee Charters | In the process of developing the two different charters |
| 16 May 2017 | No resolutions | N/A |
| 28 June 2017 | Committees quarterly report to Council must include the Internal Audit reports reviewed | Now included in the quarterly report |

2.12 PERFORMANCE AUDIT COMMITTEE

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

Cape Agulhas Municipality has combined its Audit and Performance Audit Committees into one committee to in order to increase its knowledge base and to enhance efficiency.

2.12.1 FUNCTIONS OF THE PERFORMANCE AUDIT COMMITTEE

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

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

2.12.2 MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE

The table below indicates the membership and meeting dates of the Performance Audit Committee of the Cape Agulhas Municipality:

TABLE 58 MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE

| NAME | CAPACITY | PERIOD SERVED | MEETING DATES |
|------------|-------------|------------------------|-----------------------------|
| C Pieterse | Chairperson | 1/7/2016 – 30/6/2017 | 29 August 2016 |
| M Weitz | Member | 1/7/2016 – 30/6/2017 | 9 September 2016 |
| E Lakay | Member | 1/7/2016 – 30/6/2017 | 25 November 2016 |
| A Kok | Member | 1/7/2016 – 25/11/2016 | 24 March 2017 |
| P Strauss | Member | 21/11/2016 – 30/6/2017 | 16 May 2017 28 June 2017 |

2.13 INTERNAL AUDITING

Section 165 of the MFMA requires that:

The internal audit unit of a municipality must –

- o prepare a risk based audit plan and an internal audit program for each financial year; and
- o advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
 - o internal audit matters
 - o internal controls
 - o accounting procedures and practices
 - o risk and risk management
 - o performance management
 - o loss control
 - o compliance with laws and regulations

The role of internal audit is to assist the Municipality in achieving its objective by bringing a systematic and disciplined approach to the evaluation and improvement of effectiveness of risk management, internal control and governance processes. Its activities are, therefore, guided by a philosophy of adding value to improve the operations of the Municipality.

The Municipality has an in-house internal audit function that consists of the head of the internal audit unit and one auditor. The head of the internal audit function is currently also the Deputy Chairperson of the Western Cape Local Government Internal Audit Forum and is also the Chairperson of that forum's Technical Committee.

The table below shows the functions that were performed during the financial year under review by the Internal Audit function:

TABLE 59 INTERNAL AUDIT FUNCTIONS

| FUNCTION | DATE/NUMBER |
|--|-----------------------------------|
| o Execution of the Risk Based Audit Plan for 2016/17 | Ongoing during the financial year |
| o Attendance of management, Mayco, Council and Portfolio Committee meetings where required | Ongoing during the financial year |
| o Driving the Municipal Governance Review and Oversight process as well as the gap analysis process and system | Ongoing during the financial year |

| | |
|---|-----------------------------------|
| <ul style="list-style-type: none"> o Assisting the Manager: Strategic Services with the Service Delivery Budget Implementation Plan through the quarterly auditing of performance | Ongoing during the financial year |
| <ul style="list-style-type: none"> o Attending the Chief Audit Executive and Chief Risk Officers forums | Ongoing during the financial year |
| <ul style="list-style-type: none"> o Auditing of and issuing audit reports on: <ul style="list-style-type: none"> o Compliance to laws and regulations o Administration of grants received through the annual Division of revenue Act o Administration of the housing waiting list (follow-up audit) o Updated land use register (follow-up audit) o Annual review of policies (follow-up audit) o Staff appraisal process (follow-up audit) o Reporting on performance measurements o Process followed with motor vehicle accidents (follow-up audit) o Controls around overtime worked (follow-up audit) o Municipality's readiness to implement the mSCOA accounts | Ongoing during the financial year |

2.14 BY-LAWS AND POLICIES

Section 11 of the Municipal Systems Act gives a Municipal Council the executive and legislative authority to pass and implement by-laws and policies. The tables below indicate the policies and by-laws developed and reviewed during the financial year:

TABLE 60 POLICIES DEVELOPED AND REVIEWED

| POLICY | STATUS | DATE APPROVED | RESOLUTION |
|--|--------|-------------------|------------|
| Mayors Bursary Policy / External Bursary Policy | Review | 29 September 2016 | 194/2016 |
| Supply Chain Management Policy | Review | 31 March 2017 | 54/2017 |
| Supply Chain Management Policy | Review | 4 July 2017 | 165/2017 |
| Budget and Virement Policy | Review | 4 July 2017 | 165/2017 |
| "Masakane" Debt Collection and Credit Control Policy | Review | 4 July 2017 | 165/2017 |
| Risk Management Policy | Review | 31 March 2017 | 36/2017 |

TABLE 61 BY-LAWS DEVELOPED AND REVIEWED

| POLICY | STATUS | DATE APPROVED | RESOLUTION |
|-------------------|--------|-----------------|------------|
| House Shop By-Law | Review | 25 October 2016 | 214/2016 |

2.15 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution 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.

2.15.1 THE COMMUNICATION UNIT

Communications falls within the office of the Municipal Manager and is done by the Senior Officer: External and Internal Communication who was appointed in September 2016. This is the first time that the Municipality has a dedicated communication officer. The communication officer participates actively in District and Provincial Public Participation Communication (PPCOMM) and Communicators Technical (COMMTECH) Forums.

The communication unit has focussed on assisting with public participation campaigns like the IDP and Budget Imbizo's. The unit also participated in marketing of the Municipality, specifically the street market and the 100th year of municipal governance in Bredasdorp which also entailed an exhibition showcasing the history of a municipality in Bredasdorp which was done in partnership with the Shipwreck Museum.

The Unit also focussed on internal communication and an induction booklet was developed for the Human Resources Department to use.

2.15.2 COMMUNICATION POLICIES AND STRATEGIES

TABLE 62 COMMUNICATED RELATED POLICIES AND STRATEGIES

| POLICY / STRATEGY | DATE APPROVED |
|---|---------------|
| Communication Strategy and Implementation Plan Review | 28 June 2015 |

2.15.3 COMMUNICATION PLATFORMS

The Municipality has a number of communication platforms which are detailed below. Additional measures such as flyers, loud hailing are used as and when required.

a) Newsletters

TABLE 63 NEWSLETTER DISTRIBUTION

| TYPE OF NEWSLETTER | NUMBER DISTRIBUTED | CIRCULATION NUMBER | DISTRIBUTION |
|--------------------|--------------------|-----------------------|--------------|
| Internal | 12 | +/- 350 | Monthly |
| External | 4 | +/- 10 000 households | Quarterly |

b) Other communication channels

TABLE 64 ADDITIONAL COMMUNICATION CHANNELS

| CHANNEL | YES/NO | NUMBER OF PEOPLE REACHED 2015/16 | NUMBER OF PEOPLE REACHED 2016/17 |
|------------------------|--------|-------------------------------------|-------------------------------------|
| Facebook | Yes | 5695 | 232 017 |
| Twitter | Yes | 77 | 102 |
| SMS system | Yes | 4308 | 4 353 |
| E-mail newsflashes | Yes | 2354 | 2315 |
| Radio (weekly slot) | Yes | Undetermined | 16 000 RAMS (6 months) |

2.16 MUNICIPAL WEBSITE

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

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

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

The table below provides information on documents that are published on our website:

TABLE 65 WEBSITE CHECKLIST

| DESCRIPTION OF INFORMATION AND/OR DOCUMENT | PUBLISHED YES/NO |
|---|---------------------|
| Municipal contact details (Section 14 of the Promotion of Access to Information Act) | |
| Full Council details | Yes |
| Contact details of the Municipal Manager | Yes |
| Contact details of the CFO | Yes |
| Physical address of the Municipality | Yes |
| Postal address of the Municipality | Yes |
| Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA) | |

| | |
|--|-----|
| Budget 2016/17 | Yes |
| Adjusted Budget 2016/17 | Yes |
| Asset Management Policy | Yes |
| Masakhane - Debt Collection and Credit Control Policy (2017) | Yes |
| Funds and Reserves Policy | Yes |
| Investment Policy | Yes |
| Rates Policy | Yes |
| Supply Chain Management Policy (2017) | Yes |
| Budget & Virement Policy | Yes |
| Petty Cash Policy (2017) | Yes |
| Borrowing Policy | Yes |
| Top layer SDBIP 2016/17 | Yes |
| Integrated Development Plan and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA) | |
| Reviewed IDP for 2016/17 | Yes |
| IDP Process Plan for 2016/17 (Time schedule of key deadlines | Yes |
| Reports (Sections 52(d), 71, 72 & 75(1)(c) and 129(3) of the MFMA) | |
| Annual Report of 2015/16 | Yes |
| Oversight reports 2015 /16 | Yes |
| Mid-year budget and performance assessment (Approved 25 January 2017) | Yes |
| Quarterly reports | Yes |
| Monthly Budget Statements | Yes |
| Local Economic Development (Section 26(c) of the MSA) | |
| Local Economic Development Strategy (2017) | Yes |
| Performance Management (Section 75(1)(d) of the MFMA) | |
| Performance Agreements for employees appointed as per Section 57 of MSA | Yes |
| Assurance Functions (Sections 62(1), 165 & 166 of the MFMA) | |
| Internal Audit Charter (2012) | Yes |
| Audit Committee Charter (2012) | Yes |
| Risk Management Strategy & Implementation Plan (2017) | Yes |

2.17 CLIENT SERVICES

Provision was made on the revised organisational structure for a dedicated Client Services Unit. The aim of this Unit is to improve customer care, and to ensure the provision of quality services to the public.

TABLE 66 CLIENT SERVICE ACTIVITIES

| CLIENT SERVICE ACTIVITIES | YES/NO | DATE /COMPLETED |
|---|--------|-----------------|
| Functional complaint management system | Yes | Continuous |
| Management of complaints and status reporting | yes | continuously |
| Customer satisfaction survey | Yes | July 2016 |
| Mini-Customer Care Surveys | yes | monthly |
| Client Services Charter approval | Yes | September 2016 |
| Complaints quality assurance | yes | continuously |
| Client Services Charter review | yes | June 2017 |
| Functional after-hours emergency desk | yes | continuously |

2.18 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Unit (SCMU) falls within the Finance Directorate and is continuously improving its processes and procedures in order to ensure that the Municipality receives value for money in terms of demand and acquisition management.

2.18.1 SUPPLY CHAIN MANAGEMENT POLICIES

The SCM Policy was approved in 2016. In terms of paragraph 4.3 of the Policy, the Head of the SCMU must review the SCM Policy & system and submit such to the Chief Financial Officer for consultation with the Accounting Officer and submission to the Council for adoption.

The policy was reviewed on 31 March 2017 to address various elements of the SCM regulations and recommendations made during the 2015/16 financial year audit. This was done as part of the annual budget policy review,

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

2.18.2 BID COMMITTEES

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

- o Bid Specification Committee (BSC)
- o Bid Evaluation Committee (BEC)
- o Bid Adjudication Committee (BAC)

a) Bid Committees

The following table details the number of bid committee meetings held for the 2016/17 financial year:

TABLE 67 BID COMMITTEE MEETINGS

| BID SPECIFICATION COMMITTEE | BID EVALUATION COMMITTEE | BID ADJUDICATION COMMITTEE |
|-----------------------------|--------------------------|----------------------------|
| 31 | 40 | 23 |

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

TABLE 68 TABLE 1.: ATTENDANCE OF MEMBERS OF BID SPECIFICATION COMMITTEE

| MEMBERS | PERCENTAGE ATTENDANCE |
|---|-----------------------|
| There are no permanent members on the Bid Specification Committee. Members are allocated dependent on the type of bid | 100% |

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

TABLE 69 ATTENDANCE OF MEMBERS OF BID EVALUATION COMMITTEE

| MEMBER | PERCENTAGE ATTENDANCE |
|--|-----------------------|
| There are no permanent members on the Bid Evaluation Committee. Members are allocated dependent on the type of bid | 100% |

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

TABLE 70 ATTENDANCE OF MEMBERS OF BID ADJUDICATION COMMITTEE

| MEMBER | PERCENTAGE ATTENDANCE |
|---|-----------------------|
| H Van Biljon (Director: Financial Services) | 91.30% |
| N Kotze (Director: Technical Services) | 39.13% |
| S Cooper (Manager: Electro-Mechanical Services) | 86.96% |
| K Mrali (Director: Community Services) | 100% |
| S Ngwevu (Director: Corporate Services) | 86.96% |

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

b) Awards Made by the Bid Adjudication Committee

The following awards were made by the BAC.

TABLE 71 SUMMARY OF AWARDS MADE BY BAC

| AWARDS | 1 ST QUARTER | | 2 ND QUARTER | | 3 RD QUARTER | | 4 TH QUARTER | | YEAR TO DATE | |
|--|----------------------------|----------------|------------------------------|----------------|---------------------------|----------------|-----------------------------|----------------|----------------------------|-----------------|
| | 1 July – 30 September 2016 | | 1 October – 31 December 2016 | | 1 January – 31 March 2017 | | 1 April 2017 – 30 June 2017 | | 1 July 2016 – 30 June 2017 | |
| | Number | Amount | Number | Amount | Number | Amount | Number | Amount | Number | Amount |
| Competitive Bids | 4 | R 1 136 560,28 | 8 | R 7 018 012,87 | 5 | R 3 167 582,07 | 6 | R 1 660 559,76 | 23 | R 12 982 714,98 |
| Formal Written Quotations | 8 | R 765 036,94 | 4 | R 237 617,42 | 5 | R 288 668,28 | 4 | R 314 427,00 | 21 | R 1 605 749,64 |
| Deviation In Terms Of Part 18.6.3 Of The SCMPOS | 3 | R 910 484,66 | 0 | R 0,00 | 1 | R 973 981,80 | 1 | RATES | 5 | R 1 884 466,46 |
| Sale Of Erven | 2 | R 35 000,00 | 0 | R 0,00 | 0 | R 0,00 | 2 | R 330 162,00 | 5 | R 365 162,00 |
| Extensions / Amendment Of Contracts In Terms Of Part 20.14 Of The SCMPOS | 0 | R 0,00 | 4 | R 570 340,60 | 2 | R 9 724,50 | 3 | R 182 092,20 | 9 | R 762 157,30 |
| Procurement In Terms Scm Regulation 32 | 0 | R 0,00 | 0 | R 0,00 | 1 | R 6 812 245,63 | 2 | R 1 697 000,00 | 3 | R 8 509 245,63 |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| | | | | | | | | | |
|---|---|--|---|--|---|--|---|--|---|
| Number of Disputes, Complaints, Enquiries and Objections Received | 3 | | 0 | | 0 | | 0 | | 3 |
|---|---|--|---|--|---|--|---|--|---|

In terms of MFMA Circular 34, all awards above R100 000 must be reported to Provincial and National Treasury within 15 days of the end of each month. The Municipality awarded a total of 34 bids over the value of R100 000 during the financial year to a total value of R 23 669 071,51. The ten highest bids awarded by the bid adjudication committee are as follows:

TABLE 72 SUMMARY OF TEN HIGHEST BIDS

| BID NUMBER | TITLE OF BID | DIRECTORATE AND SECTION | VALUE OF BID AWARDED |
|---------------|---|---|----------------------|
| SCM13/2016/17 | Upgrading of gravel roads to surfaced standard in Bredasdorp & Waenhuiskrans | Technical Services - Roads & Stormwater | R 4 296 078,60 |
| SCM16/2016/17 | Upgrading of mechanical and electrical aeration equipment at Bredasdorp WWTW | Technical Services - Water & Sewerage | R 1 717 991,17 |
| SCM17/2016/17 | Water borehole drilling & testing at Napier & Suiderstrand | Technical Services - Water & Sewerage | R 998 953,50 |
| SCM5/2016/17 | Construction of ablution facilities in Struisbaai | Community Services - Public Services | R 967 912,16 |
| SCM12/2016/17 | Transportation of cash for a period of 3 years | Financial Services - Income | R 731 667,69 |
| SCM27/2016/17 | Productivity assessment | Corporate Services - Human Resources | R 483 380,00 |
| SCM11/2016/17 | Printing and distribution of municipal accounts for the period ending 29 February 2020 (1 mar 17-29 feb 2020) | Financial Services - Income | R 399 337,40 |
| SCM9/2016/17 | Extension of the Bredasdorp library | Community Services - Library | R 375 936,66 |
| SCM20/2016/17 | Building of cloakrooms at Nelson Mandela Hall, Bredasdorp | Community Services - Public Services | R 354 084,00 |
| SCM4/2016/17 | Rehabilitation of sand filters at Napier Water Treatment Works | Technical Services - Water Quality | R 341 997,72 |

The following table indicates the municipality's spending in terms of BBBEE for the financial year.

TABLE 73 SUMMARY OF BBBEE SPENDING ON BIDS

| BEE LEVEL | TOTAL CONTRACTS | TOTAL CURRENT CONTRACT VALUE | TOTAL LOWEST ACCEPTABLE BID VALUE | TOTAL PREMIUM PAID VALUE |
|-----------|-----------------|------------------------------|-----------------------------------|--------------------------|
| Level 1 | 16 | R 2 452 158,00 | R 2 403 612,00 | - |
| Level 2 | 13 | R 15 588 237,87 | R 15 058 813,59 | R 1 835,68 |
| Level 3 | 2 | R 368 368,20 | R 368 368,20 | - |
| Level 4 | 4 | R 575 819,91 | R 570 295,41 | - |

| | | | | |
|---------------------------|-----------|------------------------|------------------------|-------------------|
| Level 8 | 1 | R 1 717 991,17 | R 1 717 991,17 | - |
| Non-compliant contributor | 13 | R 4 332 765,12 | R 4 325 013.16 | - |
| TOTAL | 49 | R 25 035 340,27 | R 24 444 093,53 | R 1 835,68 |

c) Awards Made by the Accounting Officer

No bids were awarded by the Accounting Officer in terms of Section 144 MFMA 56 of 2003 during the 2015/16 financial year.

2.18.3 DEVIATIONS FROM NORMAL PROCUREMENT PROCESSES

The following table provides a summary of deviations approved for the 2016/17 financial year:

TABLE 74 SUMMARY OF DEVIATIONS FOR 2016/17 FINANCIAL YEAR

| NUMBER OF DEVIATIONS | VALUE OF DEVIATIONS |
|---|---------------------|
| Deviations for amounts below R30 000: | |
| 66 | R618 086.06 |
| Deviations for amounts above R30 000: | |
| 21 | R1 616 308.97 |
| Deviations for amounts above R200 000: | |
| 5 | R1 702 479.33 |

TABLE 75 BREAKDOWN OF DEVIATIONS 2016/17

| Deviations from Minor Breaches of the Supply Chain Management Policy (SCM Regulations 36 (1) (a), (i) (ii), (iii), (iv)&(v)) | |
|---|-----------------------|
| Deviations below R30 000 1 July 2016 - 30 June 2017 | |
| 36 (1) (a) (i): Emergency | R 46 969,21 |
| 36 (1) (a) (ii): Sole Provider | R 179 625,09 |
| 36 (1) (a) (iii): Special Works of art | R 0,00 |
| 36 (1) (a) (iv): Animals for zoos | R 0,00 |
| 36 (1) (a) (v): Impractical or Impossible | R 391 491,76 |
| BELOW R30 000 | R 618 086.06 |
| Deviations above R30 000 1 July 2016 - 30 June 2017 | |
| 36 (1) (a) (i): Emergency | R 142 564,98 |
| 36 (1) (a) (ii): Sole Provider | R 257 062,02 |
| 36 (1) (a) (iii): Special Works of art | R 0,00 |
| 36 (1) (a) (iv): Animals for zoos | R 0,00 |
| 36 (1) (a) (v): Impractical or Impossible | R 1 216 681,97 |
| ABOVE R30 000 | R 1 616 308,97 |
| Deviations above R200 000 1 July 2016 - 30 June 2017 | |
| 36 (1) (a) (i): Emergency | R 0,00 |
| 36 (1) (a) (ii): Sole Provider | R 226 005,00 |
| 36 (1) (a) (iii): Special Works of art | R 0,00 |
| 36 (1) (a) (iv): Animals for zoos | R 0,00 |
| 36 (1) (a) (v): Impractical or Impossible | R 1 476 474,33 |
| ABOVE R200 000 | R 1 702 479,33 |

| | |
|--|-----------------------|
| TOTAL AMOUNT OF DEVIATIONS APPROVED | R 3 936 874,36 |
| TOTAL SUMMARISED DEVIATIONS: 1 JULY 2016 - 30 JUNE 2017 | |
| 36 (1) (a) (i): Emergency | R 189 534,19 |
| 36 (1) (a) (ii): Sole Provider | R 662 692,11 |
| 36 (1) (a) (iii): Special Works of art | R 0,00 |
| 36 (1) (a) (iv): Animals for zoos | R 0,00 |
| 36 (1) (a) (v): Impractical or Impossible | R 3 084 648,06 |
| TOTAL AMOUNT OF DEVIATIONS APPROVED | R 3 936 874,36 |

2.18.4 LOGISTICS MANAGEMENT

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

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

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

Stock to the value of R 1381.29 was identified as redundant stock and were reported to Council on 29 June 2017, and subsequently written-off.

TABLE 76 STOCK VALUE AT MUNICIPAL STORES

| STORE | VALUE |
|-----------------------------|----------------------|
| Store A – Bredasdorp Stores | R1 167 172.99 |
| Store C – Electrical Stores | R 122 850.00 |
| Total value of stock | R1 290 022.99 |

The annual stock count took place on Thursday 29 June 2017. No surpluses or deficits was found during the stock count.

2.18.5 SYSTEMS

a) Supplier Database

The database for suppliers is currently operated on a Excel spreadsheet. The number of new suppliers registered within the financial year amounts to **32**. The total number of registred suppliers until 30 June 2017 amounts to **1004**.

b) Web Based Central Supplier Database (CSD)

With effect from 1 July 2016, Municipalities and Municipal Entities must use the CSD supplier number starting with (MAAA) which is auto generated by the Central Database System after successful registration and validation of the prospective provider as mandatory

requirement as part of listing criteria for accrediting prospective provider in line with Section 14(1)(b) of the Municipal Supply Chain Management Regulations.

c) E Tender Publication

The advertisement of bids and publication of awards on the E-Tender Publication Portal is additional to the requirement specified in the SCM Regulation 22 (1) (a) which must be complied with by all municipalities and municipal entities. This initiative supports government's drive to improve access to government business opportunities, reduce red tape and duplication of administrative effort in doing business with the state designed to improve the use of technology across all spheres of government.

With effect from 1 July 2016, municipalities and municipal entities must advertise and publish all awards above R200 000, deviations and limited bids on the E-portal publication. The Cape Agulhas Municipality advertise all formal written quotations above R30 000 as well.

d) Financial System

All requisitions from R200 up to R30 000 were processed electronically on the SAMRAS financial system.

2.18.6 PARTICIPATION IN INTERGOVERNMENTAL FORUMS

The Manager SCM's participation in the Provincial and District SCM Forums ensures valuable inputs which enable Cape Agulhas Municipality to implement equitable, transparent, competitive and cost effective supply chain management procedures.

CHAPTER 3 SERVICE DELIVERY PERFORMANCE

3.1 INTRODUCTION

This chapter constitutes the Annual Performance Report of the Cape Agulhas Municipality for 2016/17 which has been compiled in accordance with Section 46 of the Local Government Municipal Systems Act, Act 32 of 2000.

This report provides an overview of the actual performance of the Cape Agulhas Municipality for the period 1 July 2016 to 30 June 2017 as measured against the strategic objectives that are set out in the Integrated Development Plan (IDP) and the Key Performance Indicators (KPI's) contained in the approved Service Delivery Budget Implementation Plan (SDBIP). It also includes a comparison of the Municipality's actual 2016/17 performance as measured against the actual 2015/16 performance.

3.2 LEGISLATIVE FRAMEWORK

Performance management is regulated by Chapter 6 of the Municipal Systems Act (MSA), Act 32 of 2000 read together with the Municipal Planning and Performance Management Regulations, 796 of August 2001 as well as the Municipal Finance Management Act (MFMA), Act 56 of 2003.

Section 46 of the Municipal Systems Act, Act 32 of 2000, provides that:

"46. (1) A Municipality must prepare for each financial year; a performance report reflecting:

- a) the performance of the municipality and of each external service provider during that financial year;*
- b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and*
- c) measures taken to improve performance.*

(2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act."

Section 38 of the Municipal Systems Act requires municipalities to establish a performance management system. Section 7(1) of the Municipal Planning and Performance Management Regulations states that *"A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players."* This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

Performance Management uses the approved Service Delivery Budget Implementation Plan (SDBIP) as its basis. Section 1 of the MFMA defines the service delivery and budget implementation plan as:

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

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

3.3 OVERVIEW OF PERFORMANCE MANAGEMENT WITHIN THE MUNICIPALITY

Performance is measured on an organisational (strategic) level as well as an individual level in accordance with a framework that was approved by Council on 29 May 2007 (Council Resolution 101/2007). The IDP, budget and performance management process are integrated. The 2016/17 IDP review and budget were approved by Council on 31 May 2016.

3.3.1 ORGANISATIONAL PERFORMANCE MANAGEMENT

a) Top Layer SDBIP (The municipal scorecard)

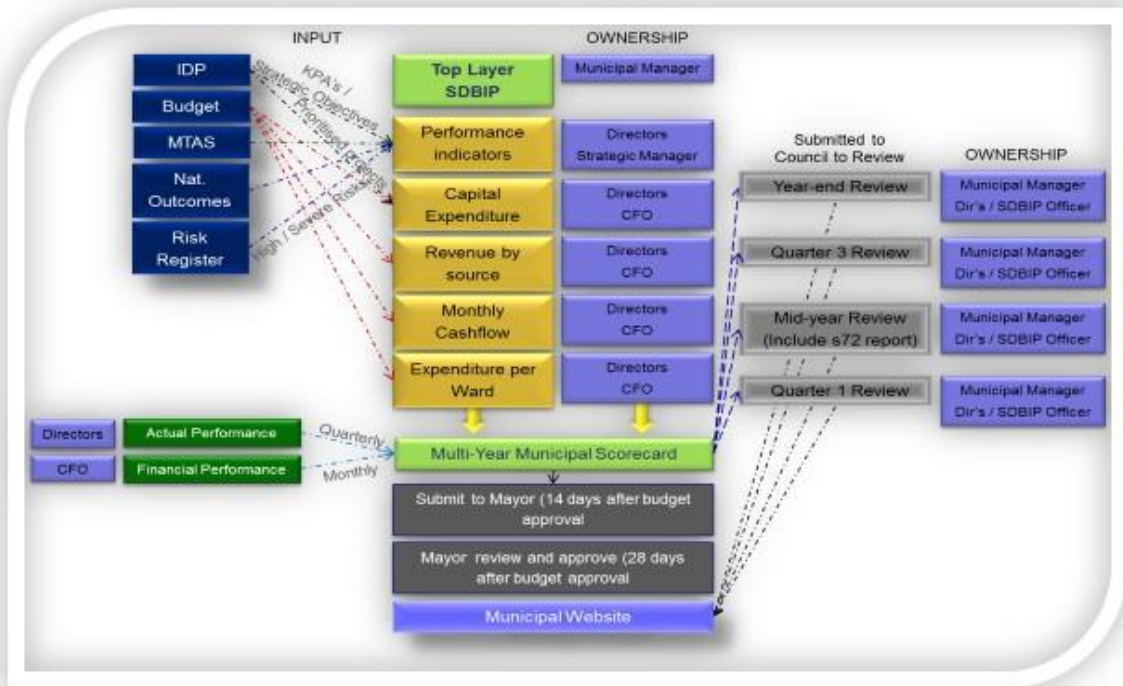
The SDBIP is a layered plan comprising a Top Layer SDBIP and Departmental SDBIPs. The Top Layer SDBIP comprises quarterly high level service delivery targets. It is a public document which was approved by the Executive Mayor on 14 June 2016. Reporting on the Top Layer SDBIP is done to the Mayoral Committee and Council on a quarterly, half yearly (Mid-year Budget and Performance Assessment Report) and annual basis (Annual Report). Any amendments to the Top Layer SDBIP must be approved by Council following the submission of the Mid-year Budget and Performance Assessment Report and the approval of the adjustment budget. The Municipal Council approved amendments to the Top Layer SDBIP on 27 February 2017 and these changes have been incorporated into the Top Layer SDBIP.

The 5 components of the SDBIP are:

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

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

FIGURE 4 COMPONENTS OF THE MUNICIPAL SCORECARD



3.3.2 INDIVIDUAL PERFORMANCE MANAGEMENT

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

The Municipal Systems Act requires the Municipality to conclude performance based agreements with all Section 57-employees and also requires them to be reviewed annually. This process and the format thereof is regulated by Regulation 805 (August 2006) as amended by Regulation 21 (January 2014).

All performance agreements for the 2016/17 financial year were signed by 30 July 2016. The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The mid-year performance evaluations (1 July 2016 to 31 December 2016) took place on 17 March 2017 and the final evaluation of the 2016/17 financial year (1 January 2017 to 30 June 2017) is scheduled for completion during November 2017.

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

- o Executive Mayor;
- o Portfolio Chairperson;
- o Municipal Manager (in case of the performance reviews of a Director);
- o Chairperson of the Audit Committee;
- o Member of the Community.

b) Other municipal personnel

The Municipality has implemented individual performance management to lower level staff in annual phases. All staff on post level 0 - 17 have performance agreements or performance

development plans for the 2016/17 financial year. The mid-year performance of 2016/17 (1 July 2016 to 31 December 2016) took place in March 2016 and the final evaluation of the financial year (1 January 2017 to 30 June 2017) is still in process. The evaluation of performance is done between a manager and the employee in the presence of the applicable supervisor after which senior management do a moderation of all the results to ensure reliable and realistic outcomes.

3.3.3 THE PERFORMANCE MANAGEMENT SYSTEM

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

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

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

3.3.4 SERVICE PROVIDER STRATEGIC PERFORMANCE

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

- A service provider means "a person or institution or any combination of persons and institutions which provide a municipal service"
- An external service provider means "*an external mechanism referred to in Section 76(b) which provides a municipal service for a municipality*"
- A service delivery agreement means "*an agreement between a municipality and an institution or person mentioned in Section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality*"

The Cape Agulhas Municipality did not utilise the services of any such service provider during the financial year.

3.4 STRATEGIC PERFORMANCE 2016/17

3.4.1 OVERVIEW

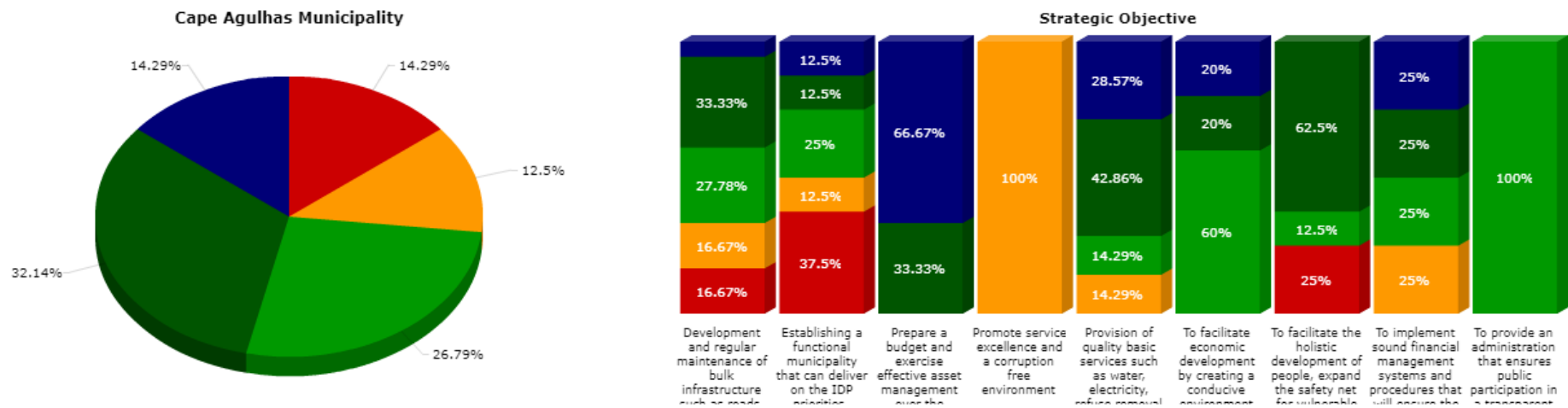
The Cape Agulhas Municipality has six key performance areas which derive from the key performance areas of local government. The nine strategic objectives of the Municipality align to these key performance areas.

TABLE 77 ALIGNMENT OF KEY PERFORMANCE AREAS TO STRATEGIC OBJECTIVES






| INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT | PROVISION OF INFRASTRUCTURE FOR BASIC SERVICE DELIVERY | ECONOMIC DEVELOPMENT | FINANCIAL VIABILITY | GOOD GOVERNANCE | HUMAN DEVELOPMENT |
|--|---|--|---|---|--|
| 1. Establishing a functional municipality that can deliver on the IDP priorities, implement policies that will facilitate transformation, effective staff structure, general management practises and training | 2. Development and regular maintenance of bulk infrastructure such as roads, storm water networks, potable water networks, waste water treatment plants, land and integrated human settlements. 3. Provision of quality basic services such as water, electricity, refuse removal and sanitation | 4. To facilitate economic development by creating a conducive environment for business development and unlock opportunities to increase participation amongst all sectors of society in the mainstream economy to ultimately create decent job opportunities | 5. To implement sound financial management systems & procedures that will ensure the financial viability of Cape Agulhas Municipality 6. Prepare a budget and exercise effective asset management over the resources of the municipality | 7. To provide an administration that ensures public participation in a transparent and accountable way as well as to promote intergovernmental relations 8. Promote service excellence and a corruption free environment | 9. To facilitate the holistic development of people, expand the safety net for vulnerable groups and implement sustainable programmes to improve their livelihoods |

The following graph provides an overview of the Municipality's overall performance for the 2016/17 financial year. The Municipality set 56 Key Performance Indicators (KPI's) for the financial year when the SDBIP was approved in June 2016. Although some KPI's were deleted with the SDBIP amendments, the total remained 56 as the deleted KPI's were replaced. The Municipality met 41 (73.22%) of its targets, almost met another 7 (12.5%) and only failed to meet 8 (14.29%).

FIGURE 5 OVERALL PERFORMANCE PER STRATEGIC OBJECTIVE



CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| RATING | TOTAL | STRATEGIC OBJECTIVE | | | | | | | | |
|---|-------------------|---|---|---|--|---|---|---|--|---|
| | | Development and regular maintenance of bulk infrastructure such as roads, storm water networks, potable water networks, waste water treatment plants, land and integrated human settlements | Establishing a functional municipality that can deliver on the IDP priorities, implement policies that will facilitate transformation, effective staff structure, general management practices and training | Prepare a budget and exercise effective asset management over the resources of the municipality | Promote service excellence and a corruption free environment | Provision of quality basic services such as water, electricity, refuse removal and sanitation | To facilitate economic development by creating a conducive environment for business development and unlock opportunities to increase participation amongst all sectors of society in the mainstream economy to ultimately create decent job opportunities | To facilitate the holistic development of people, expand the safety net for vulnerable groups and implement sustainable programmes to improve their livelihoods | To implement sound financial management systems and procedures that will ensure the financial viability of Cape Agulhas Municipality | To provide an administration that ensures public participation in a transparent and accountable way as well as to promote intergovernmental relations |
|  Not Met | <u>6 (10.7%)</u> | <u>3 (16.7%)</u> | <u>3 (37.5%)</u> | - | - | - | - | 2 (25%) | - | - |
|  Almost Met | <u>7 (12.5%)</u> | <u>3 (16.7%)</u> | <u>1 (12.5%)</u> | - | <u>1 (100%)</u> | <u>1 (14.3%)</u> | - | - | <u>1 (25%)</u> | - |
|  Met | <u>15 (26.8%)</u> | <u>5 (27.8%)</u> | <u>2 (25%)</u> | - | - | <u>1 (14.3%)</u> | <u>3 (60%)</u> | 1 (12.5%) | <u>1 (25%)</u> | <u>2 (100%)</u> |
|  Well Met | <u>20 (35.7%)</u> | <u>6 (33.3%)</u> | <u>1 (12.5%)</u> | <u>1 (33.3%)</u> | - | <u>3 (42.9%)</u> | <u>1 (20%)</u> | 5 (62.5%) | <u>1 (25%)</u> | - |
|  Extremely Well Met | <u>8 (14.3%)</u> | <u>1 (5.6%)</u> | <u>1 (12.5%)</u> | <u>2 (66.7%)</u> | - | <u>2 (28.6%)</u> | <u>1 (20%)</u> | - | <u>1 (25%)</u> | - |
| Total: | 56 | 18 | 8 | 3 | 1 | 7 | 5 | 8 | 4 | 2 |

3.4.2 DETAILED PERFORMANCE FOR 2016/17 PER STRATEGIC OBJECTIVE

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

TABLE 78 SDBIP MEASUREMENT CATEGORIES

| RATING | CATEGORY | EXPLANATION |
|---------------|------------------------|---|
| | KPI Not Met | $0\% \geq \text{Actual} / \text{Target} \leq 75$ |
| | KPI Almost Met | $75\% \geq \text{Actual} / \text{Target} \leq 100$ |
| | KPI Met | Actual target =100% |
| | KPI Well Met | $100\% \geq \text{Actual} / \text{Target} \leq 150$ |
| | KPI Extremely Well Met | Actual / Target ≤ 150 |

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

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|------|--|--|-------|---------------------|--------|------------------|----|----|-------|---------------------------------|-----------|---|--|---------------------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| TL1 | Review the Human Settlement Plan and submit to Council by 30 May 2017 | Human Settlement Plan reviewed and submitted to Council for approval | All | 1 | 1 | 0 | 0 | 0 | 1 | 1 | 1 | G | The Human Settlement Plan was reviewed and approved by Council on 30 May 2017. Council Resolution 113/2017. | None required. |
| TL2 | Secure funding for the servicing of the sites in Area H (Bredasdorp) by 30 June 2017. | Number of written confirmations from the Provincial Department of Human Settlement approving funding | 3 | New KPI | 1 | 0 | 0 | 0 | 1 | 1 | 1 | G | Funding was secured for the project . | None required. |
| TL3 | Submit comprehensive reports to Council with recommendations on the feasibility of the Bredasdorp and Struisbaai IRDP projects by 30 April 2017. | Number of reports submitted. | 3; 5 | New KPI | 2 | 0 | 0 | 0 | 2 | 2 | 2 | G | Reports submitted to Council during the Strategy workshop and The workshop on Human Settlements Plan. Regular reporting is also done during monthly progress meetings and committee meetings | None required |
| TL31 | Reseal roads within the municipal area | Number of square meters resealed | All | 52672 square metres | 30000 | 0 | 0 | 0 | 30000 | 30 000 | 55,517.50 | B | 55517.5 Square metres of roads | None required |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|------|--|---|-------|---------------|--------|------------------|-----|-----|-----|---------------------------------|---------|----|---|--|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| | as per PMS 2009 by 30 June 2017 | | | | | | | | | | | | resealed for the year. | |
| TL32 | 95% of the roads and storm water maintenance budget spent by 30 June 2017 {(Actual expenditure divided by the total approved roads and stormwater maintenance budget) x 100} | % of roads and storm water maintenance budget spent | All | 89.58% | 95% | 15% | 40% | 70% | 95% | 95% | 82.90% | ○ | 82,90% of the roads and storm water maintenance budget was spent. R2 489 458,46 of the R3 003 300 budget spent. | All maintenance done in accordance with maintenance plan. None required. |
| TL33 | 95% of the roads and storm water capital budget spent by 30 June 2017 {(Actual expenditure divided by the total approved roads and stormwater capital budget) x 100} | % of roads and storm water capital budget spent | All | 85.49% | 95% | 0% | 30% | 70% | 95% | 95% | 90.25% | ○ | 90.21% of the roads and storm water capital budget spent. Budget: R8 453 208,00 Spent R7 629 765.96 | None required as all projects were completed. |
| TL34 | 95% of the approved project budget spent by 30 June 2017 to upgrade roads in Arniston {(Actual expenditure divided by the total approved project budget) x 100} | % of approved project budget spent | 5 | 100% | 95% | 10% | 35% | 60% | 95% | 95% | 101.69% | G2 | Arniston Roads project completed. 101.69% of the budget spent. Budget: R1 166 666,00 Spent R 1 186 366,00 | None required |
| TL35 | 95% of the approved project budget | % of approved project budget spent | 3 | 100% | 95% | 10% | 35% | 60% | 95% | 95% | 95.22% | G2 | Bredasdorp Roads project complete. R 3 | None required |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|------|---|--|-------|---------------|--------|------------------|-----|-----|-----|---------------------------------|---------|----|---|---------------------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| | spent by 30 June 2017 to upgrade of roads in Bredasdorp:(Zwelitsha / Sminuye / Bergsig) {(Actual expenditure divided by the total approved project budget) x 100} | | | | | | | | | | | | 635 718,17 of the R 3 818 342,00 budget spent. | |
| TL37 | 95% of the refuse removal maintenance budget spent by 30 June 2017 {(Actual expenditure divided by the total approved refuse removal maintenance budget) x 100} | % of refuse removal maintenance budget spent | All | 95.5% | 95% | 15% | 40% | 70% | 95% | 95% | 95.28% | G2 | 95.28% of the Refuse removal maintenance budget spent. R2 122 421 of the R2 227 700 budget spent. | None required. |
| TL38 | 95% of the approved refuse removal capital budget spent by 30 June 2017 {(Actual expenditure divided by the total approved refuse removal capital budget) x 100} | % of refuse removal capital budget spent | All | 96.15% | 95% | 0% | 30% | 70% | 95% | 95% | 99.73% | G2 | 99,73% of the refuse budget spent. R 64 224,57 of the R 64 400,00 budget spent. 2 Projects completed. | None required |
| TL40 | 95% of the approved water maintenance budget spent by 30 June 2017 {(Actual expenditure | % of water maintenance budget spent | All | 83.14% | 220% | 15% | 40% | 70% | 95% | 95% | 121.38% | G2 | Budget: R1 296 100.00. Spent 1 573 254.72. 121.38%. | None required. |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17







| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|------|--|------------------------------------|-------|---------------|--------|------------------|-----|-----|-----|---------------------------------|--------|---|---|---|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| | divided by the total approved water maintenance budget) x 100} | | | | | | | | | | | | | |
| TL41 | 95% of the approved water capital budget spent by 30 June 2017 {(Actual expenditure divided by the total approved water capital budget) x 100} | % of water capital budget spent | All | 60.32% | 95% | 0% | 30% | 70% | 95% | 95% | 65.60% | R | 65.6% of the water capital budget spent. R2 303 223.92 of the 3 510 972,00 budget spent. 9 Projects completed. The replacement of the Viljoen Street water pipe due to insufficient funds. The securing of boreholes was not completed due to other priorities. The funding for the water meters was received late from the Province and the project could not be completed in time. | The Province allowed for the rollover of the water meter funding and the other two projects were moved to the 2017/18 financial year. |
| TL44 | Develop a water source for Napier by 30 June 2017 | Project completed | 1 | New KPI | 1 | 0 | 0 | 0 | 1 | 1 | 1 | G | Project completed at a cost of R612 717,15. | None required |
| TL45 | Update the Water Services Development | Updated Water Services Development | All | New KPI | 1 | 0 | 0 | 0 | 1 | 1 | 0 | R | Project was not commenced with due to the | Project carried over to 2017/18 |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | | |
|------|--|---|---------|---------------|--------|------------------|-----|-----|-----|---------------------------------|--------|---|---|---|-----------------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures | |
| | Plan and submit to Council by 31 May 2017 | Plan submitted to Council | | | | | | | | | | | | possibility of obtaining Provincial Funding. | financial year. |
| TL46 | 95% of the approved waste water maintenance budget spent by 30 June 2017 {(Actual expenditure divided by the total approved waste water maintenance budget) x 100} | % of waste water maintenance budget spent | All | 93.97% | 95% | 15% | 40% | 70% | 95% | 95% | 88.68% | ○ | 88,68% of the approved waste water maintenance budget spent. R1 079 210 of the R1 217 000 budget spent. Less materials required than anticipated for communal toilets maintenance due to delays in appointment of new contractors . | New contractors to be appointed timeously. | |
| TL48 | Replace Bredasdorp Waste Water Treatment Works Aerators by 30 June 2017 | Project completed | 3; 4; 5 | New KPI | 1 | 0 | 0 | 0 | 1 | 1 | 0 | R | Project could not be fully completed. During preparation for the installation of the aerators, it was found that additional work was required. | The contract was extended to make provision for the additional work, and project will be completed early in 2017/18 | |
| TL49 | Complete the upgrade of the Thusong Centre by 30 June 2017 | Project completed | 2 | 1 | 1 | 0 | 0 | 0 | 1 | 1 | 1 | G | Project completed at a cost of R 847 356,00. | None required | |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|------|---|------------------------------------|-------|---------------|--------|------------------|-----|-----|-----|---------------------------------|---------|----|--|---------------------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| TL50 | 95% of the INEP funds received spent by 30 June 2017 for the electrification of 69 IRDP houses {(Actual expenditure divided by the total received INEP allocation) x 100} | % of the INEP funds received spent | 2 | New KPI | 95% | 0% | 30% | 70% | 95% | 95% | 100.03% | G2 | Project complete - Budget: R1000000 Spent: R1000288.74 | None required |

| Summary of Results: Development and regular maintenance of bulk infrastructure such as roads, storm water networks, potable water networks, waste water treatment plants, land and integrated human settlements | | |
|---|------------------------|-----------|
|  | KPI Not Yet Measured | 0 |
|  | KPI Not Met | 3 |
|  | KPI Almost Met | 3 |
|  | KPI Met | 5 |
|  | KPI Well Met | 6 |
|  | KPI Extremely Well Met | 1 |
| Total KPIs | | 18 |

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







| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|-----|---|---|-------|------------------|--------|------------------|----|----|----|---------------------------------|--------|---|---|---|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| TL4 | Complete the staff area expansion of Bredasdorp Library by 30 June 2017 | Bredasdorp Library staff area expansion completed | All | New KPI | 1 | 0 | 0 | 0 | 1 | 1 | 1 | G | Project completed. | None required. |
| TL5 | Obtain full Blue Flag status for Duiker Street Beach Struisbaai by 30 November 2016 | Full Blue flag status received for Duiker Street Beach Struisbaai | All | 1 (Pilot status) | 1 | 0 | 1 | 0 | 0 | 1 | 0 | R | Application could only be made for Pilot Status which was granted. The results of the sea water quality samples taken during the year did not meet the requirements for Full Blue Flag Status. The quality of the sea water is largely out of the Municipality's control. | Water samples will be monitored and application will be made again for December 2017. |
| TL7 | Construction of a Cloakroom at Nelson Mandela Hall by 30 June 2017 | Cloakroom at Nelson Mandela Hall completed | All | New KPI | 1 | 0 | 0 | 0 | 1 | 1 | 1 | G | Project completed. | None required |
| TL9 | Number of people from employment equity target groups employed in the | Number of people from employment equity target groups employed in the | All | 1 | 1 | 0 | 0 | 0 | 1 | 1 | 0 | R | Target could not be achieved as there were no vacancies on the three | Recruitment and selection drives to identify suitable candidates. |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|------|--|--|-------|---------------|--------|------------------|----|----|-------|---------------------------------|--------|----|---|---------------------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| | three highest levels of management in compliance with a municipality's approved employment equity plan | three highest levels of management as per the Senior Management numerical goals and actuals of the EE 2016/17 reporting plan | | | | | | | | | | | highest levels of management that could be filled. | |
| TL10 | The percentage of the municipality's operational budget actually spent on implementing its workplace skills plan by 30 June 2017. {(Actual amount spent on training/total operational budget)x100} | % of the operational budget spent on training | All | 0.42% | 0.42% | 0% | 0% | 0% | 0.42% | 0.42% | 0.43% | G2 | An amount of R 1 222 684 was spent on training as at 30 June 2017. The total operational budget of the Municipality was R 279 470 030, which translates to 0,43%. The Workplace Skills Plan (WSP) was fully implemented and use was also made of external funding received from the LGSETA. | None required. |
| TL11 | Limit vacancy rate to less than 10% of budgeted post by 30 June 2017 {(Number of funded posts vacant / total number of | % Vacancy rate | All | 4.40% | 10% | 0% | 0% | 0% | 10% | 10% | 3.31% | B | The vacancy rate as at 30 June is 3.31%. There are a total of 362 funded posts on the structure and 350 are filled. | None required. |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | | |
|------|---|--|-------|---------------|--------|------------------|----|------|----|---------------------------------|--------|---|---|--|--|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures | |
| | funded posts)x100} | | | | | | | | | | | | | There are thus only 12 vacancies. | |
| TL12 | Implement the Performance Management Policy through year-end and mid-year evaluations of all personnel by 30 September 2016 and 31 March 2017 | % of personnel employed for the full period of review for whom year end and mid year evaluations were done in accordance with the Performance Management Policy. | All | 67% | 100% | 100% | 0% | 100% | 0% | 100% | 95.72% | ○ | Evaluations took place in September 2016 and March 2017. 94.39% of the personnel were evaluated in September 2016 and 97.05 % of the personnel were evaluated in March 2017. This is an average of 95.72% | There was an improvement, but some managers still experienced difficulties with system and will be appropriately trained. | |
| TL56 | Conduct a Productivity Study by 30 June 2017 | Number of Productivity Study's conducted | All | New KPI | 1 | 0 | 0 | 0 | 1 | 1 | 0 | R | Funding was received from the Western Cape Department of Local Government for this project. The funding was received too late to conclude the SCM process and implement the project. | The SCM process was undertaken and with the permission of the Western Cape Department of Local Government, the funding was rolled over to the 2017/18 financial year for implementation. | |







| | | |
|--|------------------------|----------|
| Summary of Results: Establishing a functional municipality that can deliver on the IDP priorities, implement policies that will facilitate transformation, effective staff structure, general management practices and training | | |
|  | KPI Not Yet Measured | 0 |
|  | KPI Not Met | 3 |
|  | KPI Almost Met | 1 |
|  | KPI Met | 2 |
|  | KPI Well Met | 1 |
|  | KPI Extremely Well Met | 1 |
| Total KPIs | | 8 |

3.4.2.3 PREPARE A BUDGET AND EXERCISE EFFECTIVE ASSET MANAGEMENT OVER THE RESOURCES OF THE MUNICIPALITY

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|------|--|------------------------------|-------|---------------|--------|------------------|----|----|-----|---------------------------------|--------|----|--|---------------------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| TL22 | Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2017 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant) | % Debt to Revenue | All | 0.01% | 45% | 0% | 0% | 0% | 45% | 45% | 1.14% | B | Debt to revenue: 1.14% | None required |
| TL23 | Financial viability measured in terms of the outstanding service debtors as at 30 June 2017 (Total outstanding service debtors/ revenue received for services) | % Service debtors to revenue | All | 9.79% | 10% | 0% | 0% | 0% | 10% | 10% | 8.18% | B | Service debtors to revenue is 818% | None required |
| TL24 | Financial viability measured in terms of the available cash to cover fixed operating | Cost coverage | All | 0.79% | 1 | 0 | 0 | 0 | 1 | 1 | 1.18 | G2 | Cost coverage is 1.18 (R24 361 469 / R20 684 428 = | None required |







CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|-----|---|---------------------|-------|---------------|--------|------------------|----|----|----|---------------------------------|--------|---|---------------------|---------------------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| | expenditure as at 30 June 2017 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)) | | | | | | | | | | | | 1,18) | |

| Summary of Results: Prepare a budget and exercise effective asset management over the resources of the municipality | | |
|---|------------------------|----------|
|  | KPI Not Yet Measured | 0 |
|  | KPI Not Met | 0 |
|  | KPI Almost Met | 0 |
|  | KPI Met | 0 |
|  | KPI Well Met | 1 |
|  | KPI Extremely Well Met | 2 |
| Total KPIs | | 3 |

3.4.2.4 PROMOTE SERVICE EXCELLENCE AND A CORRUPTION FREE ENVIRONMENT

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|------|--|--|-------|---------------|--------|------------------|----|----|----|---------------------------------|--------|---|---|--|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| TL55 | Implement the RBAP for 2016/17 by 30 June 2017 {(Number of audits and tasks completed for the period/ Number of audits and tasks identified in the RBAP)x100} | % of audits and tasks completed in terms of the RBAP | All | 86.80% | 85 | 10 | 30 | 50 | 85 | 85 | 81.10 | ○ | The RBAP was completed 81,1% for the 2016/17 Financial Year, due to other priorities that arose during the year that were outside of the control of the Internal Auditor. | The RBAP is a three year rolling plan and the items not addressed in this financial year have been rolled over to 2017/18. |

| Summary of Results: Promote service excellence and a corruption free environment | | |
|---|------------------------|----------|
|  | KPI Not Yet Measured | 0 |
|  | KPI Not Met | 0 |
|  | KPI Almost Met | 1 |
|  | KPI Met | 0 |
|  | KPI Well Met | 0 |
|  | KPI Extremely Well Met | 0 |
| Total KPIs | | 1 |

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







| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|------|---|---|-------|---------------|--------|------------------|-----|-----|-----|---------------------------------|--------|----|---|---|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| TL27 | Limit unaccounted for electricity to less than 12% by 30 June 2016 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} × 100} | % unaccounted electricity | All | 7.20% | 12% | 0% | 12% | 0% | 12% | 12% | 6.50% | B | Units purchased (Kwh) 74 511 070 Units lost during distribution (Kwh) 4 840 087 Percentage lost during distribution 6.50% Rand Value of Loss R 3 339 660 | None required |
| TL28 | 95% of the electricity maintenance budget spent by 30 June 2017 {(Actual expenditure divided by the total approved maintenance budget) × 100} | % of electricity maintenance budget spent | All | 96.28% | 220% | 15% | 40% | 70% | 95% | 95% | 86.78% | ○ | 86,78% of the Electricity Maintenance Budget Spent: Budget: R794 500.00 Spent R689412,83. | None required. All maintenance was completed. An amount of R78 241,20 was transferred to capital with the compilation of the AFS. |
| TL29 | 95% of the electricity capital budget spent by 30 June 2017 {(Actual | % of electricity capital budget spent | All | 99.43% | 95% | 0% | 30% | 70% | 95% | 95% | 99.03% | G2 | 99,03% of the Electricity Capital Budget spent. Budget: R 4 | None required |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|------|--|--------------------------------|-------|---------------|--------|------------------|-----|-----|-----|---------------------------------|--------|----|---|---------------------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| | expenditure divided by the total approved capital budget) x 100} as per individual project plans | | | | | | | | | | | | 389 909,00. Spent: R4 347 479,93. | |
| TL30 | Upgrade the streetlights projects in Nuwerus, Struisbaai and Bredasdorp by 30 June 2017 | Number of projects completed | All | New KPI | 3 | 0 | 0 | 0 | 3 | 3 | 3 | G | Nuwerus, Struisbaai and Bredasdorp street lighting projects completed at a total cost of R 1 000 288,75. | None required |
| TL42 | Limit unaccounted for water to less than 22% by 30 June 2017 {(Number of Kilotres Water Purchased or Purified - Number of Kilotres Water Sold (incl free basic water) / Number of Kilotres Water Purchased or Purified x 100} for the preceding 12 months | % unaccounted water | All | 19.02% | 22% | 0% | 22% | 0% | 22% | 22% | 17.48% | B | Kilo litres purified 2 586 927 Kilo litres lost during distribution 452 288 Percentage lost during distribution 17.48% Rand Value of Loss R922 668 | None required |
| TL43 | 95% average water quality level obtained as per SANS 241 on micro parameters for | % water quality level obtained | All | 95.01% | 95% | 95% | 95% | 95% | 95% | 95% | 96.21% | G2 | The Municipalities Water quality complies to SANS 241 on micro parameters | None required |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|------|--|---|-------|---------------|--------|------------------|-----|-----|-----|---------------------------------|--------|----|--|---------------------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| | all water supply areas | | | | | | | | | | | | | |
| TL47 | 60% waste water discharge quality obtained for Bredasdorp WWTW | % quality of waste water discharge obtained | All | 60% | 60% | 60% | 60% | 60% | 60% | 60% | 62.02% | G2 | Waste water quality waste for Bredasdorp WWTW achieved. Waterworks urgently in need of upgrading, which has already commenced. | None required |







| Summary of Results: Provision of quality basic services such as water, electricity, refuse removal and sanitation | | |
|---|------------------------|----------|
|  | KPI Not Yet Measured | 0 |
|  | KPI Not Met | 0 |
|  | KPI Almost Met | 1 |
|  | KPI Met | 1 |
|  | KPI Well Met | 3 |
|  | KPI Extremely Well Met | 2 |
| Total KPIs | | 7 |

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

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|------|--|---|-------|---------------|--------|------------------|----|----|-----|---------------------------------|--------|----|--|---------------------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| TL8 | Create FTE's through government expenditure with the EPWP by 30 June 2017 | Number of FTE's created | All | 40 | 30 | 0 | 0 | 0 | 30 | 30 | 52 | B | 52 FTE's created according to Provincial Records. These records are based on the Provincial Financial year and the final report for the Municipality is being awaited. | None required. |
| TL13 | Develop a new Spatial Development Framework (SDF) for the Municipality by 31 May 2017 | Number of new Spatial Development Frameworks developed. | All | New KPI | 1 | 0 | 0 | 0 | 1 | 1 | 1 | G | The new Spatial Development Framework was submitted to Council with the IDP on 30 May 2017 and approved per Resolution 103/2017 | None required. |
| TL51 | Create temporary job opportunities through the Community Works Programme by 30 June 2017 | Number of applications submitted for available opportunities. | All | New KPI | 500 | 0 | 0 | 0 | 500 | 500 | 582 | G2 | A total of 582 applications were submitted for the period 1 July 2016 to 30 June 2017. 451 were approved by Province and | None required |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|------|---|---|-------|---------------|--------|------------------|----|----|----|---------------------------------|--------|---|--|---------------------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| | | | | | | | | | | | | | the remainder are pending. | |
| TL52 | Undertake a feasibility study with recommendations on the development of an informal trading area by 30 June 2017 | Number of reports submitted to Council | All | New KPI | 1 | 0 | 0 | 0 | 1 | 1 | 1 | G | An Informal Trading and Market Establishment Approach Report (Feasibility Study) was submitted to Council on 27 June 2017 and approved by Council per Resolution 130/2017. | None required. |
| TL59 | Review the LED Strategy of Council by 30 June 2017 | Number of LED Strategy revisions submitted to Council | All | 1 | 1 | 0 | 0 | 0 | 1 | 1 | 1 | G | The LED Strategy review was submitted to Council on 27 June 2017 and approved per Resolution 131/2017. | None required. |

| | | |
|--|------------------------|----------|
| Summary of Results: To facilitate economic development by creating a conducive environment for business development and unlock opportunities to increase participation amongst all sectors of society in the mainstream economy to ultimately create decent job opportunities | | |
|  | KPI Not Yet Measured | 0 |
|  | KPI Not Met | 0 |
|  | KPI Almost Met | 0 |
|  | KPI Met | 3 |
|  | KPI Well Met | 1 |
|  | KPI Extremely Well Met | 1 |
| Total KPIs | | 5 |

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







| Ref | KPI | Unit of Measurement | Wards | Previous Year | Revised Target | Quarterly target | | | | Overall Performance for 2016/17 | | | | |
|------|--|---|-------|---------------|----------------|------------------|-------|-------|-------|---------------------------------|--------|----|---|---------------------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance comment | Corrective Measures |
| TL14 | Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2017 | Number of residential properties which are billed for water or have pre paid meters | All | 8601 | 8,601 | 8,550 | 8,550 | 8,601 | 8,601 | 8,601 | 8,677 | G2 | 8677 Formal residential properties are connected to the municipal water infrastructure network and receive piped water | None required. |
| TL15 | Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2017 | Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) | All | 8536 | 8,536 | 8,800 | 8,800 | 8,536 | 8,536 | 8,536 | 9,033 | G2 | 9033 Formal residential properties are connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) (Excluding Eskom areas) and receive electricity. | None required. |
| TL16 | Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2017 | Number of residential properties which are billed for sewerage | All | 5957 | 5,957 | 5,900 | 5,900 | 5,957 | 5,957 | 5,957 | 5,991 | G2 | 5991 Formal residential properties are connected to the municipal waste water sanitation/sewerage network for sewerage service. (Excludes conservancy tanks). | None required. |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Revised Target | Quarterly target | | | | Overall Performance for 2016/17 | | | | |
|------|--|--|-------|---------------|----------------|------------------|-------|-------|-------|---------------------------------|--------|----|--|---|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance comment | Corrective Measures |
| TL17 | Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2017 | Number of residential properties which are billed for refuse removal | All | 9551 | 9,511 | 9,500 | 9,500 | 9,551 | 9,551 | 9,551 | 9,614 | G2 | Refuse is removed for 9614 formal residential properties once per week. | None required |
| TL18 | Provide 6kl free basic water per month to all households during the 2016/17 financial year | Number of HH receiving free basic water | All | 8601 | 8,601 | 8,550 | 8,550 | 8,601 | 8,601 | 8,601 | 8,677 | G2 | 8677 households receive free basic water per month. | None required. |
| TL19 | Provide 50kwh free basic electricity per month per indigent household in terms of the equitable share requirements during the 2016/17 financial year | Number of indigent HH receiving free basic electricity | All | 3419 | 3,419 | 3,260 | 3,260 | 3,419 | 3,419 | 3,419 | 2,558 | R | 2558 indigent households registered on the Municipalities indigent register received free basic electricity. 853 shacks in the informal settlements also had access to free basic electricity and 145 poor households in Elim received free basic electricity from Eskom which was billed to the Municipality. | None required in terms of actual service delivery. The KPI only measures registered indigent households and a methodology will be developed to more accurately measure service provision to informal areas and private towns. |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Revised Target | Quarterly target | | | | Overall Performance for 2016/17 | | | | |
|------|--|---|-------|---------------|----------------|------------------|-------|-------|-------|---------------------------------|--------|---|--|---|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance comment | Corrective Measures |
| TL20 | Provide free basic sanitation and refuse to indigent households in terms of the equitable share requirements during the 2016/17 financial year | Number of indigent HH receiving free basic sanitation and refuse in terms of Councils indigent policy | All | 3419 | 3419 | 3,260 | 3,260 | 3,419 | 3,419 | 3,419 | 2,558 | R | 2558 indigent households registered on the Municipalities indigent register received free basic sanitation and refuse. 853 shacks in the informal settlements also had access to free basic sanitation (communal) and refuse. A grant was provided to the Elim Overseers Council to enable them to provide free basic services to 145 poor Elim residents. | None required in terms of actual service delivery. The KPI only measures registered indigent households and a methodology will be developed to more accurately measure service provision to informal areas and private towns. |
| TL57 | Establish and formally constitute the Junior Town Council by 31 March 2017. | Junior Town Council Constitution adopted by Junior Town Council and approved by the Municipal Council | All | New KPI | 1 | 0 | 0 | 1 | 0 | 1 | 1 | G | Junior Town Council Constitution approved by Council on 31 March 2017. | None required. |







| Summary of Results: To facilitate the holistic development of people, expand the safety net for vulnerable groups and implement sustainable programmes to improve their livelihoods | | |
|---|------------------------|----------|
|  | KPI Not Yet Measured | 0 |
|  | KPI Not Met | 2 |
|  | KPI Almost Met | 0 |
|  | KPI Met | 1 |
|  | KPI Well Met | 5 |
|  | KPI Extremely Well Met | 0 |
| Total KPIs | | 8 |

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

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|------|--|---|-------|---------------|--------|------------------|-----|-----|-----|---------------------------------|--------|----|---|---|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| TL21 | The percentage of the municipality's capital budget actually spent on capital projects by 30 June 2017 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100} | % of the municipal capital budget spent | All | 93.83% | 95% | 0% | 0% | 0% | 95% | 95% | 85.98% | ○ | None or partial spending on capital projects: | Project roll overs and improved planning. |
| TL25 | Achieve a debtors payment percentage of at least 98% by 30 June 2017{(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100} | % debtors payment ratio achieved | All | 100.75% | 98% | 98% | 98% | 98% | 98% | 98% | 99.07% | G2 | The Debtor Payment Rate for the year is 99.07% (R192 121 272 / R193 918 293) x 100 = 99,07%) | None required. |
| TL26 | Increase the maintenance budget to 6% of the total budget from 2016/17 to 2017/18 financial year {(Total maintenance budget for 2017/18 - Total maintenance budget for | % of total maintenance budget provided for in the 2017/18 budget. | All | New KPI | 6% | 0% | 0% | 6% | 0% | 6% | 18.35% | B | The approved 2017/18 Budget reflects that 18.35% will be allocated to maintenance costs. This escalated figure is partially attributable to | None required |







CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|------|--|--|-------|---------------|--------|------------------|----|----|----|---------------------------------|--------|---|--|---------------------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| | 2016/17) / Total maintenance budget for 2016/17] x 100} | | | | | | | | | | | | MSCOA disclosure requirements. | |
| TL58 | Implement a compliant and functional MSCOA system by 30 June | Fully compliant MSCOA system that can generate a main ledger showing all 7 segments. | All | New KPI | 1 | 0 | 0 | 0 | 1 | 1 | 1 | G | Implemented a compliant and functional MSCOA system by 30 June | None required |

| Summary of Results: To implement sound financial management systems & procedures that will ensure the financial viability of Cape Agulhas Municipality | | |
|--|------------------------|----------|
|  | KPI Not Yet Measured | 0 |
|  | KPI Not Met | 0 |
|  | KPI Almost Met | 1 |
|  | KPI Met | 1 |
|  | KPI Well Met | 1 |
|  | KPI Extremely Well Met | 1 |
| Total KPIs | | 4 |

3.4.2.9 TO PROVIDE AN ADMINISTRATION THAT ENSURES PUBLIC PARTICIPATION IN A TRANSPARENT AND ACCOUNTABLE WAY AS WELL AS TO PROMOTE INTERGOVERNMENTAL RELATIONS

| Ref | KPI | Unit of Measurement | Wards | Previous Year | Target | Quarterly Target | | | | Overall Performance for 2016/17 | | | | |
|------|--|--|-------|---------------|--------|------------------|----|----|----|---------------------------------|--------|---|---|---------------------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Target | Actual | R | Performance Comment | Corrective Measures |
| TL53 | Draft and final five year IDP for 2017/18 - 2021/22 submitted to Council for adoption by 30 March 2017 and approval by 30 May 2017 | Draft and final five year IDP for 2017/18 - 2021/22 submitted to Council | All | 2 | 2 | 0 | 0 | 1 | 1 | 2 | 2 | G | The draft five year IDP for 2017/18 - 2021/22 was tabled to Council on 31 March 2017 and adopted per Resolution 35/2017. The final five year IDP for 2017/18 - 2021/22 was submitted to Council on 30 May 2017 and approved per Resolution 99/2017. | None required. |
| TL54 | Implement a training and orientation plan for new Councillors by 30 September 2016 | Training and orientation plan implemented for new Councillors developed and approved | All | New KPI | 1 | 1 | 0 | 0 | 0 | 1 | 1 | G | A Councillor induction programme, which was developed by SALGA was presented to all the Councillors from 12 to 16 September 2016. | None required. |

| Summary of Results: To provide an administration that ensures public participation in a transparent and accountable way as well as to promote intergovernmental relations | | |
|---|------------------------|----------|
|  | KPI Not Yet Measured | 0 |
|  | KPI Not Met | 0 |
|  | KPI Almost Met | 0 |
|  | KPI Met | 2 |
|  | KPI Well Met | 0 |
|  | KPI Extremely Well Met | 0 |
| Total KPIs | | 2 |

3.5 MUNICIPAL FUNCTIONS

The functions of municipalities are set out in Schedules 4B and 5B of the Constitution, and municipalities must perform these functions in a manner that enables them to achieve their Constitutional objectives.

Section 84 of the Municipal Structures Act regulates the division of functions between district and local municipalities and the following table indicates the functions that Cape Agulhas Municipality is authorised to perform.

TABLE 79 MUNICIPAL FUNCTIONS

| MUNICIPAL FUNCTION | MUNICIPAL FUNCTION (YES / NO) |
|---|--|
| Constitution Schedule 4, Part B functions | |
| Air pollution | Yes (currently run in conjunction with the Overberg District Municipality (ODM) due to capacity constraints. The ODM is also responsible for the licensing function) |
| Building regulations | Yes |
| Child care facilities | No |
| Electricity and reticulation | Yes |
| Firefighting services | No (run by ODM) |
| Local tourism | Yes |
| Municipal airports | No |
| Municipal planning | Yes |
| Municipal health services | No |
| Municipal public transport | No |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law | Yes |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto | No |
| Storm water management systems in built-up areas | Yes |
| Trading regulations | Yes |
| Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems | Yes |

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

3.6 OVERVIEW OF PERFORMANCE PER WARD / TOWN

Municipal elections took place on 3 August 2016. The implication of this is that there were two significantly different demarcations applicable within the financial year. The Municipal Area was delimited into 5 wards for purposes of the 2011 municipal elections and 6 wards for the 2016 municipal elections.

The following sections provide a summary of basic service delivery per town, the most significant capital projects per ward as well as community needs identified per ward during the IDP process. The information is based on the 5 wards as per the 2011 demarcation.

3.6.1 BASIC SERVICE DELIVERY

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

TABLE 80 BASIC SERVICE PROVISION PER TOWN

| SERVICE LEVEL | TOWN | WATER | SANITATION | ELECTRICITY | REFUSE |
|---|---------------|-------|------------|-------------|--------|
| Formal Households with minimum service delivery | Bredasdorp | 3691 | 3961 | 4118 | 4300 |
| | Napier | 1123 | 758 | 1333 | 1285 |
| | Struisbaai | 2425 | 904 | 1868 | 2581 |
| | L'Agulhas | 658 | 0 | 647 | 655 |
| | Waenhuiskrans | 604 | 368 | 258 | 603 |
| | Protem | 19 | 0 | 0 | 36 |
| | Klipdale | 20 | 0 | 0 | 30 |
| | Suiderstrand | 137 | 0 | 126 | 124 |
| Informal | Zwelitsha | 0 | 0 | 683 | 0 |
| Households without minimum service delivery | | 0 | 0 | 0 | 0 |

| | | | | |
|-------------------------|-------------|-------------|-------------|--------------|
| TOTAL HOUSEHOLDS | 8677 | 5991 | 9033 | 9 614 |
|-------------------------|-------------|-------------|-------------|--------------|

3.6.2 WARD 1: NAPIER, ELIM, SPANJAARDSKLOOF AND SURROUNDING FARMS

TABLE 81 CAPITAL PROJECTS OF WARD 1

| PROJECT NAME AND DETAIL | START DATE | END DATE | TOTAL VALUE (R) |
|---|-------------------|-----------------|------------------------|
| Construction and drilling 2 boreholes in Napier | April 2017 | May 2017 | 612 717.15 |
| Upgrading of streets at new clinic Napier | March 2017 | June 2017 | 141 158.99 |

TABLE 82 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 1

| NO. | PRIORITY NAME AND DETAIL | PROGRESS DURING 2016/17 |
|------------|---|---|
| 1 | Construction of covered taxi/bus shelters for scholars and hikers | No budget was allocated. Will be addressed in future budgets. |
| 2 | Ablution facilities in Sarel Cilliers street, Napier | No budget was allocated. Will be addressed in future budgets. |
| 3 | Paving of sidewalks in Napier and Elim | No budget was allocated. Will be addressed in future budgets. |
| 4 | Construction of a new soccer field | R120 000 budget for 2017/18 financial year to do a basic assessment |

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

TABLE 83 CAPITAL PROJECTS OF WARD 2

| PROJECT NAME AND DETAIL | START DATE | END DATE | TOTAL VALUE (R) |
|--------------------------------|-------------------|-----------------|------------------------|
| Upgrading of Thusong Centre | July 2016 | December 2016 | 800 611.51 |

TABLE 84 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 2

| NO. | PRIORITY NAME AND DETAIL | PROGRESS DURING 2016/17 |
|------------|---|---|
| 1 | Construction of 2 bridges in Ou Meule/Long streets and Ou Meule/Fabrieksweg | To be addressed in future budgets. |
| 2 | Construction of speed humps in Acasia Ave, Fabrieksweg, Rivier Golf (2), Recreation- and Buitenkant streets | Speed humps constructed in Golf- and Rivier streets. |
| 3 | Construction of a modern play park in Golf Street area | No budget was allocated. Will be addressed in future budgets. |
| 4 | Upgrading of sidewalks in Bergsig and Bo-Dorp | Sidewalks in Bergsig were re-gravelled. |

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

TABLE 85 CAPITAL PROJECTS OF WARD 3

| PROJECT NAME AND DETAIL | START DATE | END DATE | TOTAL VALUE (R) |
|--|------------|-----------|-----------------|
| Additional cloakrooms to be built at the Nelson Mandela Hall | June 2017 | June 2017 | 311 942.50 |

TABLE 86 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 3

| NO. | PRIORITY NAME AND DETAIL | PROGRESS DURING 2016/17 |
|-----|---|---|
| 1 | Additional cloakrooms to be built at the Nelson Mandela Hall | Completed |
| 2 | Construction of speed humps and mini circle in Fabrieksweg and Ou Meule streets | No budget was allocated. To be addressed in future budgets. |
| 3 | Upgrading of roads and sidewalks (tarring and permanent surface for sidewalks) | No budget was allocated. To be addressed in future budgets. |
| 4 | Recreation area for youth, eg. Skateboard ring, etc. | No budget was allocated. To be addressed in future budgets. |

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

TABLE 87 CAPITAL PROJECTS OF WARD 4

| PROJECT NAME AND DETAIL | START DATE | END DATE | TOTAL VALUE (R) |
|---|------------|----------|-----------------|
| No specific projects in this ward, although there were municipal wide projects, which the ward benefited from | | | |

TABLE 88 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 4

| NO. | PRIORITY NAME AND DETAIL | PROGRESS DURING 2016/17 |
|-----|---|---|
| 1 | Extension to "Ons Huis" for extra rooms | 2017/18 budget |
| 2 | Construction of a fence or wall between the houses and railway in Simunye | No budget was allocated. To be addressed in future budgets. |
| 3 | Upgrading of sidewalks (block around Suideroord) | No budget was allocated. To be addressed in future budgets. |
| 4 | Upgrading of storm water in Fabrieksweg and Patterson street | No budget was allocated. To be addressed in future budgets. |

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

TABLE 89 CAPITAL PROJECTS OF WARD 5

| PROJECT NAME AND DETAIL | START DATE | END DATE | TOTAL VALUE (R) |
|-------------------------------------|-------------------|-----------------|------------------------|
| Upgrading of Duiker street ablution | July 2016 | June 2017 | 71 245.49 |
| Transformer: Struisbaai | May 2017 | June 2017 | 610 736.57 |

TABLE 90 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 5

| NO. | PRIORITY NAME AND DETAIL | PROGRESS DURING 2016/17 |
|------------|---|--|
| 1 | Developing of the Struisbaai Square, ablution facilities and traders area | Completed December 2016. |
| 2 | Upgrading of ablution facilities at Duiker Street parking area (to obtain blue flag status) | Completed. |
| 3 | *Improving of street lights to improve safety in Kassiesbaai, Arniston | Will be done from 01 October 2017 as per Eskom authorization letter. |
| 4 | *Upgrading of sport field in Arniston | Registered with MIG and budgeted for in the 2017/18 financial year |

* These projects now fall in ward 6, which comprises Arniston, Part of Bredasdorp – Bergsig, Selfbou and surrounding farms.

3.7 COMPONENT A: BASIC SERVICES

Basic services are a package of services necessary for human well-being and typically include water, sanitation, electricity and refuse removal. An overview will also be provided of human settlement (housing) which differs from the aforementioned services in that it is a concurrent National and Provincial competence. It is included as there is a direct correlation between the provision of basic services and housing.

3.7.1 WATER

The Municipality's primary water sources are ground water from various boreholes in the area. Bredasdorp has, in addition, the Uitvlucht spring and the Sanddrift Dam. Water sources are, however, limited and additional sources need to be investigated in the near future. Two new boreholes have been drilled in Napier and one in Suiderstrand. The peak water demand during the summer holiday season in coastal towns remains a challenge. A pipeline between L'Agulhas and Struisbaai has been constructed to supply additional water to Struisbaai in peak demand periods.

a) Service statistics

Unaccounted for water (Losses)

Non-revenue or unaccounted for water is declining steadily and reduced from 19.02% in 2015/16 to 17.48% in 2016/17. This is largely attributable to the implementation of a multi-year water meter replacement programme, whereby \pm 1000 water meters are being replaced.

TABLE 91 UNACCOUNTED FOR WATER

| YEAR | UNITS PURCHASED (KL) | LOSSES (KL) | % | RAND VALUE (APPROXIMATE) |
|---------|-------------------------|----------------|-------|-----------------------------|
| 2015/16 | 2 099 039 | 399 170 | 19.02 | R 958 008.00 |
| 2016/17 | 2 586 927 | 452 288 | 17.48 | R922 668.00 |

Water usage by sectors

TABLE 92 TOTAL USE OF WATER BY SECTOR (CUBIC METERS)

| YEAR | AGRICULTURE | FORESTRY | INDUSTRIAL, BUSINESS AND DOMESTIC |
|---------|-------------|----------|--------------------------------------|
| 2015/16 | 0 | 0 | 2 099 039 cubic meters |
| 2016/17 | 0 | 0 | 2 586 927 cubic meters |

Household access to water

All households in the Municipal Area have access to minimum water standards. Access to minimum water standards is defined as access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute. Access to piped water is defined as 6,000 litres of potable water supplied per formal connection per month. National policy also requires that poor households should receive 6 kl of free basic water per month.

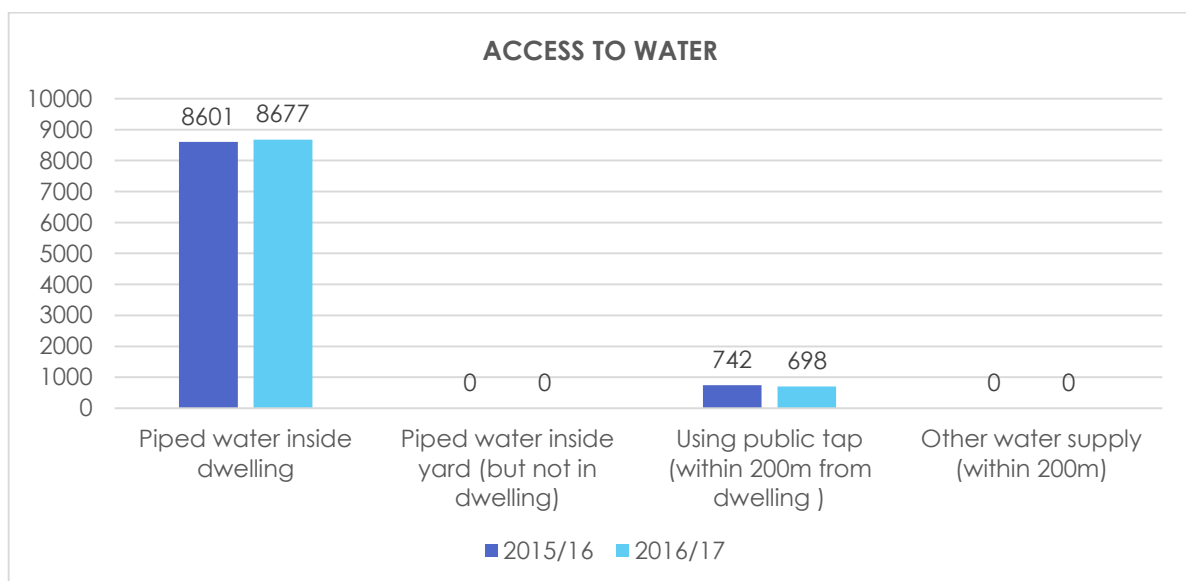
TABLE 93 ACCESS TO WATER

| FINANCIAL YEAR | PROPORTION OF HOUSEHOLDS WITH ACCESS TO WATER POINTS* | PROPORTION OF HOUSEHOLDS WITH ACCESS TO PIPED WATER | PROPORTION OF HOUSEHOLDS RECEIVING 6 KL FREE |
|----------------|---|---|--|
| 2015/16 | 8% | 92% | 100% |
| 2016/17 | 8% | 92% | 100% |

TABLE 94 WATER SERVICE DELIVERY LEVELS: HOUSEHOLDS

| DESCRIPTION | HOUSEHOLDS | |
|---|-------------|-------------|
| | 2015/16 | 2016/17 |
| | ACTUAL NO | ACTUAL NO |
| Water: (above min level) | | |
| Piped water inside dwelling | 8601 | 8677 |
| Piped water inside yard (but not in dwelling) | 0 | 0 |
| Using public tap (within 200m from dwelling) | 742 | 698 |
| Other water supply (within 200m) | 0 | 0 |
| Minimum Service Level and Above sub-total | 9343 | 9375 |
| Minimum Service Level and Above Percentage | 100% | 100% |
| Water: (below min level) | | |
| Using public tap (more than 200m from dwelling) | 0 | 0 |
| Other water supply (more than 200m from dwelling) | 0 | 0 |
| No water supply | 0 | 0 |
| Below Minimum Service Level sub-total | 0 | 0 |
| Below Minimum Service Level Percentage | 0 | 0 |
| Total number of households* | 9343 | 9375 |
| *Includes informal settlements | | |

FIGURE 6 WATER SERVICE DELIVERY LEVELS



b) Human resources

TABLE 95 EMPLOYEES WATER SERVICES

| Job Level | POSTS | EMPLOYEES | VACANCIES | VACANCIES (%) |
|--------------|-----------|-----------|-----------|---------------|
| 01 - 03 | 22 | 17 | 5 | 22,73% |
| 04 - 08 | 14 | 14 | 0 | 0,00% |
| 09 - 13 | 7 | 7 | 0 | 0,00% |
| 14 - 18 | 1 | 1 | 0 | 0,00% |
| 18 - 20 | 0 | 0 | 0 | 0,00% |
| TOTAL | 44 | 39 | 5 | 11.36% |

c) Financial performance: Capital expenditure

TABLE 96 CAPITAL EXPENDITURE: WATER SERVICES

| PROJECT | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | ORIGINAL BUDGET VARIANCE (%) | ADJUSTMENT BUDGET VARIANCE (%) |
|---|---------------------|---------------------|---------------------|------------------------------|--------------------------------|
| Borehole Suiderstrand | 500 000,00 | 500 000,00 | 375 737,21 | -24,85% | -24,85% |
| Borehole Napier | 1 000 000,00 | 1 000 000,00 | 612 717,15 | -38,73% | -38,73% |
| Agulhas Water disinfection | 150 000,00 | 150 000,00 | 73 840,92 | -50,77% | -50,77% |
| Install cover plate | - | 6 780,00 | 6 771,40 | 0,00% | -0,13% |
| Spanjaardskloof Settling tank upgrading | 84 000,00 | - | - | -100,00% | - |
| Upgrading of sand filters Napier | 300 000,00 | 300 000,00 | 299 998,00 | 0,00% | 0,00% |
| Upgrade of membranes - Spandjaardkloof | 85 000,00 | 127 000,00 | 126 360,00 | 48,66% | -0,50% |
| Replace water meters | 300 000,00 | 300 000,00 | - | 0,00% | 0,00% |
| Replace water meters | - | 200 000,00 | - | 0,00% | -100,00% |
| Replacement of water pipeline | 360 000,00 | - | 1 378,50 | -99,62% | 0,00% |
| Security boreholes | - | 200 000,00 | - | 0,00% | -100,00% |
| Agulhas new storage reservoir | 877 192,00 | 727 192,00 | 763 884,40 | -12,92% | 5,05% |
| Maintenance network | | | 42 536,34 | 0,00% | 0,00% |
| TOTAL | 3 656 192,00 | 3 510 972,00 | 2 303 223,92 | -37,00% | -34,40% |

3.7.2 SANITATION (WASTE WATER)

Bredasdorp has a full waterborne sewerage system in place. The lower income areas in Napier, Arniston and Struisbaai also have a full waterborne sewerage system, but the higher income areas are serviced with septic tanks. A sewer tanker is available for the rural areas. Various Waste Water Treatment Works (WWTW) are operational throughout the Municipal Area. An ongoing challenge has been the waste water quality at the Bredasdorp WWTW, but this has

been partially addressed through the replacement of the aerators at the Bredasdorp, which is the first phase of the upgrading of the plant.

a) Service statistics

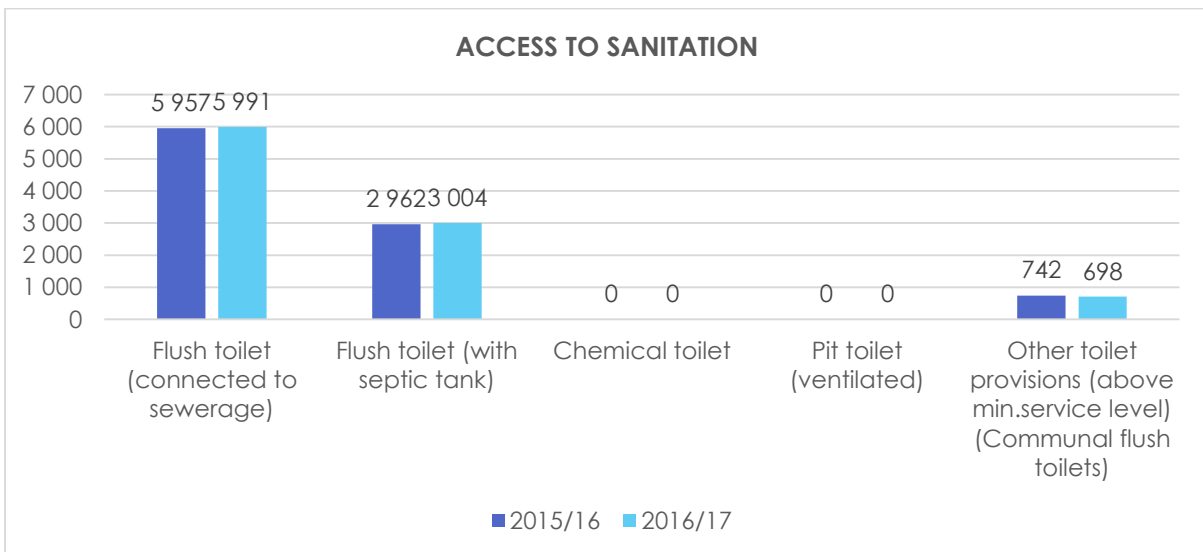
Household access to sanitation

Access to minimum sanitation services is defined as a ventilated pit latrine (VIP). All urban households within the Municipality’s area of jurisdiction have access to minimum sanitation levels.

TABLE 97 SANITATION SERVICE DELIVERY LEVELS

| DESCRIPTION | HOUSEHOLDS | |
|--|-------------|-------------|
| | 2015/16 | 2016/17 |
| | ACTUAL NO | ACTUAL NO |
| Sanitation/sewerage: (above minimum level) | | |
| Flush toilet (connected to sewerage) | 5 957 | 5 991 |
| Flush toilet (with septic tank) | 2 962 | 3 004 |
| Chemical toilet | 0 | 0 |
| Pit toilet (ventilated) | 0 | 0 |
| Other toilet provisions (above min.service level) (Communal flush toilets) | 742 | 698 |
| Minimum Service Level and Above sub-total | 9 661 | 9693 |
| Minimum Service Level and Above Percentage | 100% | 100% |
| Sanitation/sewerage: (below minimum level) | | |
| Bucket toilet | 0 | 0 |
| Other toilet provisions (below min.service level) | 0 | 0 |
| No toilet provisions | 0 | 0 |
| Below Minimum Service Level sub-total | 0 | 0 |
| Below Minimum Service Level Percentage | 0 | 0 |
| Total number of households* | 9661 | 9693 |
| *Includes informal settlements | | |

FIGURE 7 SANITATION SERVICE DELIVERY LEVELS



b) Human resources

TABLE 98 EMPLOYEES SANITATION SERVICES

| JOB LEVEL | POSTS | EMPLOYEES | VACANCIES | VACANCIES (%) |
|--------------|-----------|-----------|-----------|---------------|
| 01 - 03 | 13 | 13 | 0 | 0,00% |
| 04 - 08 | 6 | 6 | 0 | 0,00% |
| 09 - 13 | 2 | 2 | 0 | 0,00% |
| 14 - 18 | 0 | 0 | 0 | 0,00% |
| 18 - 20 | 0 | 0 | 0 | 0,00% |
| TOTAL | 21 | 21 | 0 | 0,00% |

c) Financial performance: Capital expenditure

TABLE 99 CAPITAL EXPENDITURE: SANITATION SERVICES

| PROJECT | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | ORIGINAL BUDGET VARIANCE (%) | ADJUSTMENT BUDGET VARIANCE (%) |
|-------------------|-------------------|---------------------|---------------------|------------------------------|--------------------------------|
| Rehabilitate WWTW | 877 192,00 | 1 579 510,00 | 1 579 164,50 | 80,02% | -0,02% |
| TOTAL | 877 192,00 | 1 579 510,00 | 1 579 164,50 | 80,02% | -0,02% |

3.7.3 ELECTRICITY

There are two distributors of electricity within the Municipal Area, namely the Cape Agulhas Municipality and Eskom. The following table shows the distribution areas of each.

TABLE 100 ELECTRICITY DISTRIBUTION AREAS

| CAPE AGULHAS | ESKOM |
|--|--|
| <ul style="list-style-type: none"> o Bredasdorp o Napier o Struisbaai o L'Agulhas o Waenhuiskrans o Suiderstrand | <ul style="list-style-type: none"> o Klipdale o Proteem o Struisbaai North o Kassiesbaai o Elim o Agricultural areas |

Service delivery highlights and challenges

TABLE 101 SERVICE DELIVERY HIGHLIGHTS AND CHALLENGES

| DESCRIPTION | |
|-------------------|---|
| Highlights | <ul style="list-style-type: none"> o The limiting of electrical losses, technical and non-technical, to a total of 6.50%. o Completion of a MIG funded public lighting program in the self-build, sub-economic, and informal areas in the following locations: <ul style="list-style-type: none"> - Napier; - Bredasdorp. o Completion of a partially MIG funded public lighting program in Main Road Struisbaai. |

| | |
|--------------------------|--|
| | <ul style="list-style-type: none"> o The extensive upgrading of all street lighting within the Municipality's area of supply. o Upgrading of two ground mount transformers with mini subs in Struisbaai to increase installed capacity and switching options. o Refurbishment of various MV and LV overhead lines within the Municipal supply area, greatly improving internal capacity and supply quality. o Installation of new ring feeds and switching points to improve the level of service delivery throughout the Municipal Area. o Electrification of informal dwellings in Bredasdorp and Napier. o Installation of new Mini sub for the new Napier Clinic funded by the Department of Health. o Installation of LED Street lights in Factory Street Struisbaai. o Eskom granted us permission to maintain their street light infrastructure in Struisbaai North, which has enabled us to render services there and improve street lighting levels in Struisbaai North. o Conformance to NRS 048 standards regarding quality of electrical supply. o A grant was received from Provincial Government for the updating of the Electricity Master Plan. o All electrical designs were completed for Area "F" in Bredasdorp. o With the exception of the Electrical Master Plan, all construction and maintenance work was performed in house with our own staff and equipment. |
| <p>Challenges</p> | <ul style="list-style-type: none"> o The greatest challenge that the Municipality faces is the capacity restraints that Eskom is experiencing in the area, this can be a severe limiting factor to development in the area as the main factor influencing the capacity restraints is the line supplying the area from Swellendam, which affects all towns within the area as they are all supplied via the same substation in Bredasdorp. Demand side management is top priority for the Municipality at the moment and is crucial for development in the region. o An emerging challenge is the retention of suitably qualified MV Electricians to perform maintenance and switching on the MV network. o Copper theft is also starting to become a problem in the Municipal Area as well as graffiti on infrastructure. o Ageing overhead infrastructure will always remain a challenge but the risk has been managed by the progressive replacement of infrastructure where needed and is indicated by the low electrical losses. |

a) Service statistics

Small Scale Embedded Generation (SSEG)

At the moment the installation of SSEG projects is minimal within the Cape Agulhas Municipal supply area and has a negligible effect on electrical sales, but this trend will increase with the ever increasing tariff increases granted to Eskom and will inevitably erode the Municipality's income from electrical sales.

At the moment the cost of solar panels, inverters and batteries is restrictive to average households, but the costs are decreasing rapidly as the demand rises and will reach a level where the SSEG will be more cost effective than purchasing electricity from the Municipality. What must be borne in mind is that the Municipality must still maintain infrastructure to cater for the maximum demand possible if all SSEG fails.

Unaccounted for electricity (Losses)

The Municipality's electricity losses decreased from 7.20% in 2015/16 to 6.50% in 2016/17 and remain well below the norm.

TABLE 102 ELECTRICITY LOSSES

| YEAR | UNITS PURCHASED (kWh) | LOSSES (kWh) | % | RAND VALUE (APPROXIMATE) |
|---------|-----------------------|--------------|-------|--------------------------|
| 2015/16 | 74 127 122 | 5 337 657 | 7.20% | R 3 416 100.00 |
| 2016/17 | 74 511 070 | 4 840 087 | 6.50% | R 3 339 660.00 |

Electricity distribution per tariff class

The following table shows the dispersion of units across the various tariff classes.

TABLE 103 ELECTRICITY DISTRIBUTION PER TARIFF CLASS

| TARIFF CLASS | ANNUAL 2016/2017 (Kwh) | PERCENTAGE SALES (%) |
|--------------------------|------------------------|----------------------|
| A1 bulk | 14455412 | 20.75 |
| A2 bulk | 7911337 | 11.36 |
| Departmental | 386251 | 0.55 |
| Schools | 165178 | 0.24 |
| Commercial single phase | 1834409 | 2.63 |
| Commercial 3 phase | 6111186 | 8.77 |
| Schools single phase | 7640 | 0.01 |
| Schools 3 phase | 446230 | 0.64 |
| Welfare single phase | 218622 | 0.31 |
| Welfare 3 phase | 301243 | 0.43 |
| Domestic conventional | 18921862 | 27.16 |
| Domestic prepaid | 13959897 | 20.04 |
| Municipal usage | 2368465 | 3.40 |
| Streetlights | 1250801 | 1.80 |
| Sport clubs | 103256 | 0.15 |
| Agriculture single phase | 15304 | 0.02 |
| Agriculture 3 phase | 25402 | 0.04 |
| Masakhane free units | 1074500 | 1.54 |
| Journals | 112503 | 0.16 |
| Free Units on New Meters | 1485 | 0.00 |
| TOTAL | 69670983 | 100 |

Household access to electricity

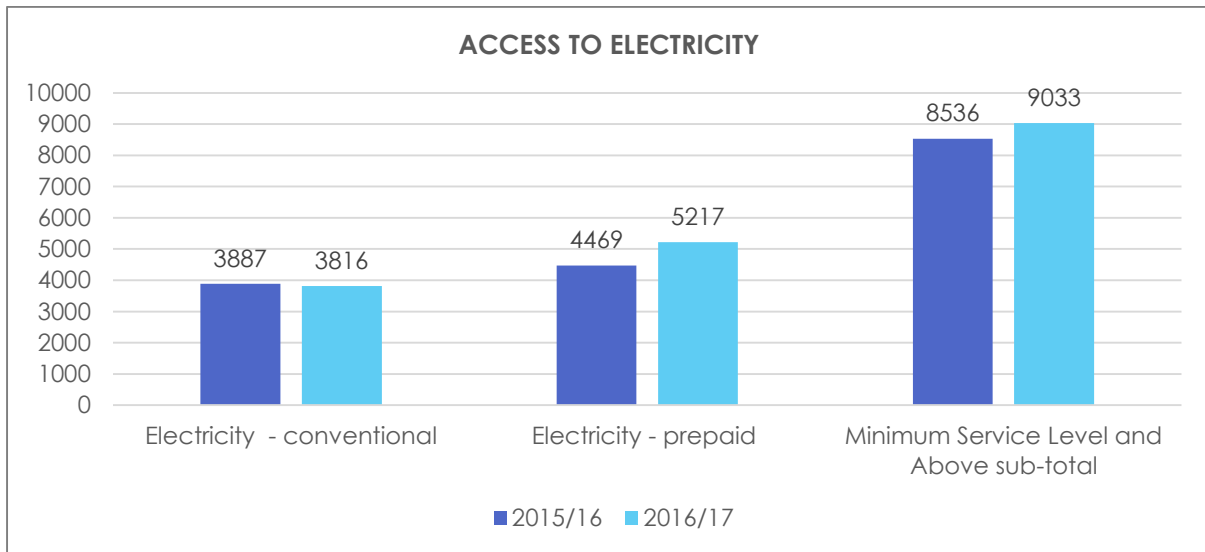
Access to minimum electricity standards is defined as an electricity connection at the dwelling. National policy also requires that poor households should receive 50kWh of free basic electricity per month. All formal households as well as households in informal settlements have access to electricity in the Cape Agulhas area of supply.

TABLE 104 ELECTRICITY SERVICE DELIVERY LEVELS

| DESCRIPTION | HOUSEHOLDS | |
|--|-------------|-------------|
| | 2015/16 | 2016/17 |
| | ACTUAL NO | ACTUAL NO |
| Energy: (above minimum level) | | |
| Electricity - conventional | 3887 | 3816 |
| Electricity - prepaid | 4469 | 5217 |
| Minimum Service Level and Above sub-total | 8536 | 9033 |
| Minimum Service Level and Above Percentage | 100% | 100% |
| Energy: (below minimum level) | | |
| Electricity (< min.service level) | 0 | 0 |
| Electricity - prepaid (< min. service level) | 0 | 0 |
| Other energy sources | 0 | 0 |
| Below Minimum Service Level sub-total | 0 | 0 |
| Below Minimum Service Level Percentage | 0 | 0 |
| Total number of households | 8536 | 9033 |

The table above indicates the level and tariff spread for domestic electricity supply and excludes the commercial and industrial tariff classes.

FIGURE 8 ELECTRICITY SERVICE DELIVERY LEVELS



b) Human resources

TABLE 105 EMPLOYEES: ELECTRICITY SERVICES

| JOB LEVEL | POSTS | EMPLOYEES | VACANCIES | VACANCIES (%) |
|--------------|-----------|-----------|-----------|---------------|
| 01 - 03 | 6 | 5 | 1 | 16,67% |
| 04 - 08 | 5 | 5 | 0 | 0,00% |
| 09 - 13 | 9 | 7 | 2 | 22,22% |
| 14 - 18 | 1 | 1 | 0 | 0,00% |
| 18 - 20 | 0 | 0 | 0 | 0,00% |
| TOTAL | 21 | 18 | 3 | 14,28% |

c) Financial performance: Capital expenditure

TABLE 106 CAPITAL EXPENDITURE: ELECTRICITY SERVICES

| PROJECT | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | ORIGINAL BUDGET VARIANCE (%) | ADJUSTMENT BUDGET VARIANCE (%) |
|--|---------------------|---------------------|---------------------|------------------------------|--------------------------------|
| Tools | 20 000,00 | 20 000,00 | 14 873,96 | -25,63% | -25,63% |
| Cable locator | - | 47 600,00 | 47 578,87 | 0,00% | -0,04% |
| Office furniture | - | 1 666,00 | 1 665,79 | 0,00% | -0,01% |
| Fire extinguishers | - | 6 608,00 | 6 608,00 | 0,00% | 0,00% |
| Dora project | 1 000 000,00 | 1 000 000,00 | 1 000 288,75 | 0,03% | 0,03% |
| Keurtjielaan | - | 48 400,00 | 48 364,25 | 0,00% | -0,07% |
| Marine drive | - | 64 900,00 | 64 817,77 | 0,00% | -0,13% |
| P&B Limeworks | - | 61 000,00 | 60 983,75 | 0,00% | -0,03% |
| Change Transformers Mini subs | 350 000,00 | 333 700,00 | 333 698,09 | -4,66% | 0,00% |
| Replace Med/Low volt overhead lines | 750 000,00 | 750 000,00 | 742 126,34 | -1,05% | -1,05% |
| Transformer 8 Struisbaai | 640 000,00 | 610 800,00 | 610 736,57 | -4,57% | -0,01% |
| Nuwerus - upgrade street lighting | 245 203,00 | 245 203,00 | 241 800,18 | -1,39% | -1,39% |
| Struisbaai main road - upgrade street lights | 116 462,00 | 116 462,00 | 113 325,00 | -2,69% | -2,69% |
| Bredasdorp - upgrade street lighting | 318 764,00 | 250 000,00 | 251 044,25 | -21,24% | 0,42% |
| Install double door kiosk | - | 99 680,00 | - | 0,00% | -100,00% |
| Maintenance network | | | 78 241,20 | 0,00% | 0,00% |
| Napier clinic - mini-sub | | 533 890,00 | 533 882,00 | 0,00% | 0,00% |
| TOTAL | 3 640 429,00 | 4 389 909,00 | 4 347 479,93 | 19,42% | -0,97% |

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

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

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

campaigns on recycling were held at business, shopping malls, schools and door to door campaigns.

Coastal Clean-up operations were done with the Overberg District Municipality and recycling bins were distributed to various schools to promote the project.

The Municipality has a licensed landfill site in Bredasdorp and three Drop-Off areas (Napier, Waenhuiskrans and Struisbaai). There is also a licensed landfill site in Elim which is operated by the Elim "Opsieners Raad". The waste from the Drop-Off's is collected and transported to the Bredasdorp landfill site. Garden waste from Waenhuiskrans is transported to the Bredasdorp landfill. The data from the landfill and Drop-Off's are reported on the IPWIS system of the Department of Environmental Affairs. Internal – and External audits were completed as stated in the permit conditions. Reporting to DEADP on matters at landfills was done.

The EPWP projects has been implemented and aims to create awareness on recycling and illegal dumping. Illegal dumping is a major challenge for the municipality and door to door awareness by EPWP projects were part of an education programme.

Street cleaning takes place on a continuous basis throughout the year and done as part of the Municipalities EPWP programme which creates jobs. EPWP projects include the clean-up of illegal dumping.

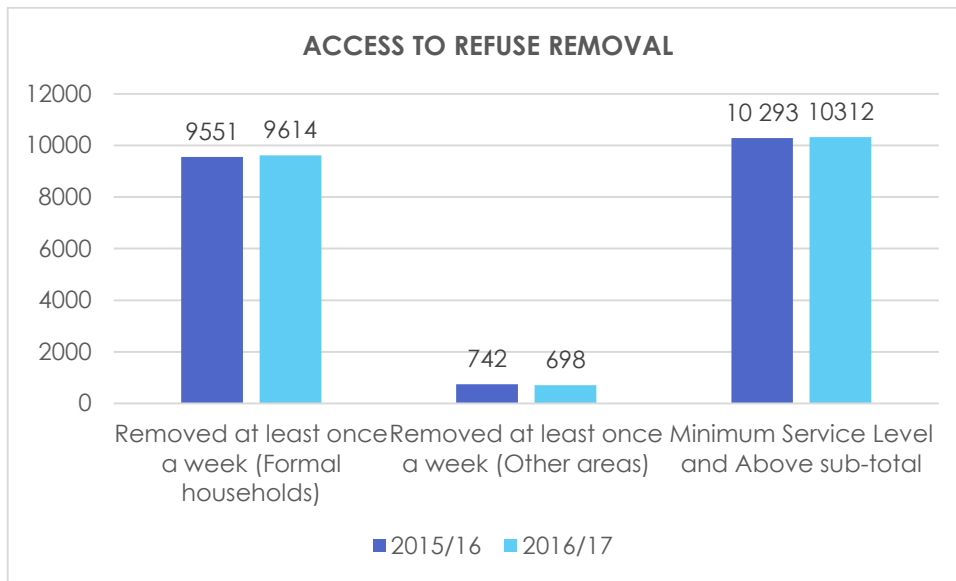
a) Service statistics

Basic level services for refuse removal are defined as free weekly refuse removal. All households in urban areas have access to weekly refuse removal services.

TABLE 107 WASTE MANAGEMENT SERVICE DELIVERY LEVELS

| DESCRIPTION | HOUSEHOLDS | |
|--|---------------|--------------|
| | 2015/16 | 2016/17 |
| | ACTUAL NO | ACTUAL NO |
| Solid waste removal (Minimum level) | | |
| Removed at least once a week (Formal households) | 9551 | 9614 |
| Removed at least once a week (Other areas) | 742 | 698 |
| Minimum Service Level and Above sub-total | 10 293 | 10312 |
| Minimum Service Level and Above percentage | 100 | 100 |
| Solid waste removal (Below minimum level) | | |
| Removed less frequently than once a week | 0 | 0 |
| Using communal refuse dump | 0 | 0 |
| Using own refuse dump | 0 | 0 |
| Other rubbish disposal | 0 | 0 |
| No rubbish disposal | 0 | 0 |
| Below Minimum Service Level sub-total | 0 | 0 |
| Below Minimum Service Level percentage | 0 | 0 |
| Total number of households | 10 293 | 10312 |

FIGURE 9 WASTE MANAGEMENT SERVICE DELIVERY LEVELS



b) Human resources

TABLE 108 EMPLOYEES: WASTE MANAGEMENT

| JOB LEVEL | POSTS | EMPLOYEES | VACANCIES | VACANCIES (%) |
|--------------|-----------|-----------|-----------|---------------|
| 01 - 03 | 23 | 20 | 3 | 13,04% |
| 04 - 08 | 7 | 6 | 1 | 14,29% |
| 09 - 13 | 5 | 4 | 1 | 20,00% |
| 14 - 18 | 1 | 1 | 0 | 0,00% |
| 18 - 20 | 0 | 0 | 0 | 0,00% |
| TOTAL | 36 | 31 | 5 | 13,89% |

c) Financial performance: Capital expenditure

TABLE 109 CAPITAL EXPENDITURE: WASTE MANAGEMENT SERVICES

| PROJECT | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | ORIGINAL BUDGET VARIANCE (%) | ADJUSTMENT BUDGET VARIANCE (%) |
|---------------------------------|-----------------|-------------------|--------------------|------------------------------|--------------------------------|
| Surveillance cameras stores | - | 15 600,00 | 15 491,00 | 0,00% | -0,70% |
| Capitalised rehabilitation Cost | - | 48 800,00 | 48 733,57 | 0,00% | -0,14% |
| TOTAL | - | 64 400,00 | 64 224,57 | 0,00% | -0,27% |

3.7.5 HOUSING

Housing is a concurrent National and Provincial competency in terms of Part A of Schedule 4, of the Constitution. Section 10 of the Housing Act, Act 107 of 1997, sets out the responsibilities of municipalities in relation to the provision of housing. There is a direct correlation between

the provision of basic services and housing, which makes it a complex function that relies on high levels of cooperation between the Municipality and the Provincial and National Departments responsible for Housing.

Shelter is a basic need and housing will provide shelter, but this alone is not enough. Settlements are a key element of the urban environment and they should function as a singular workable system of integrated networks and interconnecting nodes. The Municipality supports this sentiment, and strives to ensure that liveable habitats are created to contribute to the improvement of the living conditions of the poor.

The Municipality is on track with its housing roll out programme. In line with the Strategic Objective of the Western Cape Department of Human Settlements to eradicate informal settlements, all our housing projects are also planned to decrease the number of informal settlements as well as improve the living conditions and level of basic services in informal settlements while also addressing the housing backlog in general.

The Government's primary objective is to undertake housing development, which Section 1 of the Housing Act, No. 107 defines as being: *"the establishment and maintenance of habitable, stable and sustainable public and private residential environments. This is to ensure viable households and communities in areas allowing convenient access to economic opportunities, and to health, educational and social amenities in which all citizens and permanent residents of the Republic will, on a progressive basis, have access to housing. This includes permanent residential structures with secure tenure, ensuring internal and external privacy, and providing adequate protection against the elements, potable water, adequate sanitary facilities and domestic energy supply."*

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

The housing development process entails the following:

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

The Municipality has adopted a Human Settlement Plan which focuses on the implementation of the housing programme in accordance with the IDP of Council. This plan is used to facilitate and assist the Municipality to fulfil the role assigned to it in terms of the National Housing Code. The Housing Plan addresses the following:

- Inclusion of housing planning as part of the integrated development planning process.

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

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

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

The following progress was made in the 2016/17 financial year:

- Planning is underway for a new mixed housing project in Bredasdorp and Struisbaai for possible implementation in 2018. These projects will also address the issue of informal settlements like the relocation of Oukamp in Struisbaai. The Municipality is also targeting the affordable market beneficiaries. The planning processes are very lengthy due to public participation processes and outcomes such as objections from adjacent communities where projects are planned to be implemented.

Projects in Implementation stages:

- Commencement of the installation of services for 683 sites in Site F Bredasdorp which will be a fully-fledged mixed development with affordable houses, low costs houses, serviced plots for informal settlements relocation and institutional sites. Completion date for the installation of services is February 2018

- IRDP in Struisbaai of 441 houses (Final Basic Assessment Report has been submitted to Department of Environmental Affairs and Planning)
- Finance Linked Individual Subsidy Programme Projects (GAP) for 365 units in Bredasdorp, 16 units in Arniston and 33 units in Struisbaai for Middle Income earners, currently busy with consumer education as the project is ready for implementation
- Completed installation of services in the IRDP in Bredasdorp which will comprise affordable housing and Low cost houses, the total number of houses is 158
- Building of 109 top structures in Bredasdorp with an estimated commencement date in October 2017
- Completed the Rapid Appraisal of all informal settlements and prioritisation of the informal settlements
- Transferred 26 title deeds on the Title Deeds Restoration Programme for old housing stock
- Commenced with planning for Napier 150 houses IRDP

Funding has been approved for all of the above projects except for the 109 Bredasdorp top structures.

The biggest priority for Cape Agulhas Municipality is to reduce the number of households in the various informal settlements and also create better living conditions for back yard dwellers. Council also has a plan to start addressing the housing needs for the affordable market and to make available serviced plots for beneficiaries earning R3501-R7000.

The Human Settlement Plan of Cape Agulhas Municipality illustrates this intention quite clearly. A major focus is now being placed on those who do not qualify for houses and are in the "GAP" market.

a) Service statistics

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

TABLE 110 PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING

| TOTAL HOUSEHOLDS (INCLUDING IN FORMAL AND INFORMAL SETTLEMENTS) | HOUSEHOLDS IN FORMAL SETTLEMENTS | PERCENTAGE OF HHS IN FORMAL SETTLEMENTS | HOUSEHOLDS IN INFORMAL SETTLEMENTS |
|---|----------------------------------|---|------------------------------------|
| 10 161 | 9 562 | 6.8% | 698 |

Source: Statistics SA – Census 2011

There are currently 3594 applicants or potential beneficiaries on the waiting list for Cape Agulhas Municipality. This is an increase from the previous year when the number of people on the waiting list was 3505.

TABLE 111 HOUSING WAITING LIST

| FINANCIAL YEAR | HOUSING APPLICANTS | % HOUSING WAITING LIST (INCREASE/DECREASE) |
|----------------|--------------------|--|
| 2013/14 | 3319 | (21.4) |

| | | |
|---------|-------|------|
| 2014/15 | 3 411 | 2.77 |
| 2015/16 | 3 505 | 2.76 |
| 2016/17 | 3 594 | 2.53 |

A total amount of R 18 100 000.00 was allocated by the Western Cape Provincial Government for the building of houses during the financial year under review. The amount of R3 540 036.33 and an amount of R9 137 468.00 was due end June 2017 but was only paid in July 2017. A total amount of R11 953 350.00 was paid and/or provided as a creditor by end June 2017. No houses were built, but the following was completed:

- Planning for Site G 351 houses in Bredasdorp
- Planning for site F 683 houses in Bredasdorp
- Additional funding Arniston top structures
- Planning for Site A 443 houses Struisbaai
- Installation of 158 services in Site H Bredasdorp

TABLE 112 HOUSES BUILT / STANDS SERVICED IN 2016/17

| FINANCIAL YEAR | ALLOCATION R'000 | AMOUNT SPENT R'000 | % SPENT | NUMBER OF HOUSES BUILT | NUMBER OF SITES SERVICED |
|----------------|------------------|--------------------|---------|------------------------|--------------------------|
| 2014/15 | 24 436 | 16 083 | 100 | 179 | 0 |
| 2015/16 | 6 668 | 6 668 | 100 | 0 | 0 |
| 2016/17 | 119 53 | 11 953 | 100 | 0 | 158 |

b) Human resources

TABLE 113 EMPLOYEES: HOUSING SERVICES

| JOB LEVEL | POSTS | EMPLOYEES | VACANCIES | VACANCIES (%) |
|--------------|----------|-----------|-----------|---------------|
| 01 - 03 | 0 | 0 | 0 | 0,00% |
| 04 - 08 | 2 | 2 | 0 | 0,00% |
| 09 - 13 | 1 | 1 | 0 | 0,00% |
| 14 - 18 | 1 | 1 | 0 | 0,00% |
| 18 - 20 | 0 | 0 | 0 | 0,00% |
| TOTAL | 4 | 4 | 0 | 0,00% |

c) Financial performance: Capital expenditure

None

3.7.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

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

- Water supply;
- Sanitation;
- Refuse;
- Basic energy.

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

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

In accordance with the approved Indigent Policy of the Municipality, all households earning less than R3 040 per month will receive the free basic services as prescribed by National Policy.

The table below indicates the total number of indigent households and other households that received free basic services in the past two financial years:

TABLE 114 FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS

| YEAR | TOTAL HH'S | HOUSEHOLDS EARNING LESS THAN R2 860 PER MONTH | | | | | | | |
|----------|------------|---|-------|-----------------------|-------|------------------------|-------|-------------------|-------|
| | | FREE BASIC WATER | | FREE BASIC SANITATION | | FREE BASIC ELECTRICITY | | FREE BASIC REFUSE | |
| | | ACCESS | % | ACCESS | % | ACCESS | % | ACCESS | % |
| 2015/16 | 8 919 | 3419 | 38.33 | 3419 | 38.33 | 3419 | 38.33 | 3419 | 38.33 |
| 2016/17* | 8 995 | 2558* | 28.43 | 2558* | 28.43 | 2558* | 28.43 | 2558* | 28.43 |

(* Figure excludes informal settlements and Elim)

TABLE 115 COST TO THE MUNICIPALITY OF FREE BASIC SERVICES DELIVERED

| SERVICES DELIVERED | 2015/16 | 2016/17 | | | |
|--------------------------------|--------------|--------------|-------------------|--------------|--------------------|
| | ACTUAL | BUDGET | ADJUSTMENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Water | 2 513 | 2 755 | 2 506 | 2 755 | 0 |
| Waste Water (Sanitation) | 2 161 | 2 449 | 2 155 | 2 449 | 0 |
| Electricity | 356 | 490 | 332 | 479 | 11 |
| Waste Management (Solid Waste) | 3 191 | 3 607 | 3 185 | 3 607 | 0 |
| TOTAL | 8 221 | 9 301 | 8 178 | 9 290 | 11 |

Cape Agulhas Municipality supports the indigents with the following services:

- o 6kl free water;
- o 50kWh free electricity;
- o Rebate 40% or 80% for water depending on household income;
- o Rebate 40% or 80% for refuse removal depending on household income;
- o Rebate 40% or 80% for sanitation depending on household income;

The building of low cost houses in Bredasdorp in 2014/15 resulted in the increase of the indigents in the Municipality thereby placing increased pressure on the Municipal Budget to deliver free basic services to all its inhabitants.

The table above excludes 152 indigents from Elim who were subsidised to the amount of R300 000 for the financial year. Elim provides their own services but, since they reside in the Cape Agulhas Municipal Area the Council decided that all the residents must be treated equitably.

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

3.8 COMPONENT B: ROAD TRANSPORT

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

3.8.1 INTRODUCTION TO ROAD TRANSPORT

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

3.8.2 ROADS

The strategy of the Roads and Storm Water Department is to build a minimum of 1.5 km new roads annually in the Municipal Area. These projects aim to address the backlog and alleviate poverty through labour intensive construction methods which enable us to employ local unemployed people through EPWP.

The Roads and Storm Water Department again established an outstanding EPWP record that complies with legislation and which resulted in the Municipality building 4.45 km of EPWP labour intensive roads. Kassiesbaai roads again acquired a R5m project for precast concrete pavers from the Department of Rural Development due to the excellent completion of the first phase.

In Bredasdorp, new engineering technology was used for the upgrading of gravel roads to labour based asphalt roads. This technology was a pilot project for labour based asphaltting. This resulted in additional MIG funds being allocated to the Municipality and the International Labour Organisation were so impressed that they compiled a documentary on the Bredasdorp Roads Project as well as the Napier Project. This documentary is available on request.

a) Service statistics

TABLE 116 GRAVEL ROAD INFRASTRUCTURE

| YEAR | TOTAL GRAVEL ROADS KM | NEW GRAVEL ROADS CONSTRUCTED KM | GRAVEL ROADS UPGRADED TO TAR KM | GRAVEL ROADS GRADED/MAINTAINED KM |
|---------|-----------------------|---------------------------------|---------------------------------|-----------------------------------|
| 2015/16 | 30.33 | 0 | 2.6 | 30.33 |
| 2016/17 | 30.33 | 0 | 3.37 | 26.96 |

TABLE 117 TARRED ROAD INFRASTRUCTURE

| YEAR | TOTAL TARRED ROADS KM | NEW TAR ROADS KM | EXISTING TAR ROADS RE-TARRED KM | EXISTING TAR ROADS RE-SHEETED KM | TAR ROADS MAINTAINED KM |
|---------|-----------------------|------------------|---------------------------------|----------------------------------|-------------------------|
| 2015/16 | 177.22 | 2.6 | 0.6 | 6.575 | 177.22 |
| 2016/17 | 181.67 | 4.45 | 0 | 6.94 | 181.67 |

TABLE 118 COST OF CONSTRUCTION/MAINTENANCE

| YEAR | GRAVEL | | | TAR | | |
|---------|--------------|-----------------------|---------------------|--------------|--------------------|---------------------|
| | NEW (R' 000) | GRAVEL – TAR (R' 000) | MAINTAINED (R' 000) | NEW (R' 000) | RE-WORKED (R' 000) | MAINTAINED (R' 000) |
| 2015/16 | 3 400 | 2 000 | 580 | 4 600 | 940 | 1 100 |
| 2016/17 | 3 550 | 2 200 | 650 | 4 750 | 1 010 | 1 200 |

b) Human resources

TABLE 119 EMPLOYEES: ROADS AND STORMWATER

| JOB LEVEL | POSTS | EMPLOYEES | VACANCIES | VACANCIES (%) |
|--------------|-----------|-----------|-----------|---------------|
| 01 - 03 | 17 | 16 | 1 | 5,88% |
| 04 - 08 | 17 | 16 | 1 | 5,88% |
| 09 - 13 | 8 | 8 | 0 | 0,00% |
| 14 - 18 | 1 | 0 | 1 | 100,00% |
| 18 - 20 | 0 | 0 | 0 | 0,00% |
| Total | 43 | 40 | 3 | 6,98% |

c) Financial performance: Capital expenditure

TABLE 120 CAPITAL EXPENDITURE ROADS (INCLUDES STORMWATER)

| PROJECT | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | ORIGINAL BUDGET VARIANCE (%) | ADJUSTMENT BUDGET VARIANCE (%) |
|-------------------------------------|-----------------|-------------------|--------------------|------------------------------|--------------------------------|
| Rolling Broom | - | 218 200,00 | 220 035,25 | 0,00% | 0,84% |
| Upgrade Suiderstrand Road | 1 000 000,00 | 1 000 000,00 | 854 370,00 | -14,56% | -14,56% |
| Reseal Of Roads CAM | 750 000,00 | 750 000,00 | 683 169,14 | -8,91% | -8,91% |
| Roads (Napier Clinic) | - | 200 000,00 | 141 158,99 | 0,00% | -29,42% |
| Bredasdorp RDP - Upgrade Roads | 3 818 342,00 | 3 818 342,00 | 3 635 718,17 | -4,78% | -4,78% |
| Arniston RDP - Upgrade Roads | 1 166 666,00 | 1 166 666,00 | 1 186 366,00 | 1,69% | 1,69% |
| Stormwater - Master Plan -Napier | 100 000,00 | 100 000,00 | 79 900,06 | -20,10% | -20,10% |
| Stormwater Master Plan - Struisbaai | 200 000,00 | 200 000,00 | 143 884,43 | -28,06% | -28,06% |
| Stormwater Master Plan - Bredasdorp | 200 000,00 | 200 000,00 | 246 080,96 | 23,04% | 23,04% |

| | | | | | |
|-----------------------------------|---------------------|---------------------|---------------------|---------------|---------------|
| Stormwater Master Plan - Agulhas | 200 000,00 | 200 000,00 | 63 623,72 | -68,19% | -68,19% |
| Pavement Management System PMS | 200 000,00 | 200 000,00 | - | -100,00% | -100,00% |
| Sidewalks Struisbaai / L' Agulhas | - | 400 000,00 | 338 774,74 | 0,00% | -15,31% |
| CAM Stormwater Master Plan | 400 000,00 | - | - | 0,00% | 0,00% |
| Maintenance Network | - | - | 36 684,50 | 0,00% | 0,00% |
| TOTAL | 8 035 008,00 | 8 453 208,00 | 7 629 765,96 | -5,04% | -9,74% |

3.8.3 WASTE WATER (STORMWATER DRAINAGE)

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

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

In the 2016/17 financial year several storm water projects were undertaken to address backlogs, as well as alleviate poverty by job creation through utilisation of labour constructive methods as part of the EPWP.

a) Service statistics

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

TABLE 121 STORMWATER INFRASTRUCTURE

| YEAR KM | TOTAL STORM WATER MEASURES KM | NEW STORM WATER MEASURES KM | STORM WATER MEASURES UPGRADED KM | STORM WATER MEASURES MAINTAINED KM |
|------------|-------------------------------------|-----------------------------------|---|---|
| 2015/16 | 76.9 | 0.9 | 0.6 | 77.80 |
| 2016/17 | 77.8 | 1.5 | 0.9 | 79.3 |

TABLE 122 STORM WATER INFRASTRUCTURE COST

| YEAR | STORM WATER MEASURES | | |
|---------|----------------------|---------------------|-----------------------|
| | NEW (R'000) | UPGRADED (R'000) | MAINTAINED (R'000) |
| 2015/16 | 1 400 | 690 | 650 |
| 2016/17 | 1 560 | 820 | 710 |

Storm water upgrading and maintenance are essential for any municipality due to the fact that an "Act of God" (flash flood) can happen at any given time. Municipalities therefore have to ensure that the management of run-off of storm water is effective.

b) Human resources

A single team is used for both the roads and storm water functions.

c) Financial performance: Capital expenditure

Capital expenditure for roads includes storm water.

3.9 COMPONENT C: PLANNING AND ECONOMIC DEVELOPMENT

This component includes integrated development planning, spatial planning, building control and local economic development.

3.9.1 INTEGRATED DEVELOPMENT PLANNING

Integrated development planning is a process through which municipalities prepare their strategic plan which is known as an Integrated Development Plan (IDP) which covers a five-year period. The IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes in a municipality.

a) Integrated Development Plan Review 2016/17

Section 34(a) of the Local Government Municipal Systems Act requires that: *“a municipal Council must review its integrated development plan annually in accordance with an assessment with its performance measurements and to the extent that changing circumstances so demand...”*

The 2016/17 review of the 2012 – 2016 Integrated Development Plan was compiled in compliance with Section 34(a) of the Municipal Systems Act as well as the Process Plan that was approved in terms of Section 29 of the same Act and the annual Time Schedule that was compiled in accordance with Sections 21(1) (b) and 53(1) (b) of the Local Government Municipal Finance Management Act (Act 56 of 2003) (MFMA).

The Council adopted its annual Time Schedule for the 2016/17, fourth and final review of the IDP on 28 July 2015 (Resolution 178/2015). The Time Schedule ensured an inclusive process that all residents had an opportunity to participate in. The 2016/17 IDP review was adopted by Council on 30 May 2017 (Resolution 99/2017). This Annual report is a retrospective document and looks at the Municipalities performance for the 2016/17 financial year, as measured against the goals and objectives of this IDP Review.

b) New five-year Integrated Development Plan 2017/18 – 2012/22

Section 25 of the Municipal Systems Act requires that *“each Municipal Council to adopt a single, inclusive and strategic plan for the development of the Municipality within a prescribed period after the start of its elected term”*.

Section 28 requires that *“each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan”*.

Municipal elections took place on 3 August 2016. The implication of this is that the development of the new IDP took place during the 2016/17 financial year. A new Process Plan was approved by the new Council on 30 August 2016 (Resolution 176/2016), and the new five year IDP (2017/18 – 2012/22) was approved on 31 May 2016 (Resolution 105/2016).

3.9.2 SPATIAL PLANNING

Overview

Spatial planning is the responsibility of the Town and Regional Planning section which is mandated to manage the spatial planning of various land uses i.e. industrial, institutional, residential and various business. The section is a sub-directorate within the Directorate Corporate Services, and has three main sub-sections namely: Town Planning, GIS and Environmental Management.

The Town Planning Section oversees:

- Town Planning services i.e. provision of zoning information and processing of various land use applications i.e. rezoning applications.
- Development Enforcement: Enforcement of town planning scheme rules – prosecution of illegal land uses.
- Effective service delivery and networking with the public;
- Issuing zoning certificates, information, business licences;
- Site inspections;
- Dealing with complaints;
- Application considerations;
- Town planning and environmental workshops;

Spatial Planning is central to the development and promotion of an integrated Municipal Area. The Municipality is committed to addressing spatial injustices and ensuring development of vibrant, resilient and sustainable urban and rural areas.

Implementation of SPLUMA

The Municipality is currently implementing the Spatial Planning and Land Use Management Act (SPLUMA), Act No. 16 of 2013. Section 156(2) of the Constitution, gives municipalities the right to make by-laws for the matters which they have the right to administer, in this case "municipal planning" as set out in Schedule 4 B of the Constitution, read together with section 11(3)(e) and (m) of the MSA. A Land Use Planning By-Law was gazetted in terms of SPLUMA which was implemented from the date of promulgation. This by-law is regarded as compliant with the Constitution, SPLUMA, LUPA, Municipal Systems Act and other legislation.

The Municipality has appointed an Authorised Official and successfully constituted its Municipal Planning Tribunal (MPT) and Municipal Appeal Tribunal (MAT) which deals with land use applications and application appeals respectively. This includes applications for rezoning, removal/suspension of restrictive conditions, township establishments, etc. The turnaround time for processing of land use applications has been expedited through this process.

Spatial Development Framework (SDF)

Section 26 of the Municipal Systems Act as well as Section 20 of the Spatial Planning and Land Use Management Act require each municipality to have a Spatial Development Framework.

A new Spatial Development Framework was compiled for the next five years which complies with SPLUMA as well as the principles of the National Development Plan (NDP). The SDF was approved on 30 May 2017 (Resolution 103/2017), and will guide the future spatial development of the Municipal Area.

The SDF is one of the core components of the Municipal IDP and gives spatial effect to the vision, goals and objectives of the new 2017/18 – 2012/22 IDP. It indicates spatially the long-term growth and development of the Municipality and co-ordinates the spatial implications of all strategic sector plans (engineering, transport, economic, housing, community services, etc.).

Service delivery highlights and challenges

TABLE 123 SPATIAL PLANNING HIGHLIGHTS AND CHALLENGES

| DESCRIPTION | |
|--------------------|---|
| Highlights | <ul style="list-style-type: none"> o Training <ul style="list-style-type: none"> - Training takes place on a daily basis. Students assisting with the administration of the Department are trained on an ongoing basis. - New planning legislation requires training on a continual basis which is provided by the Department of Environmental Affairs and Development Planning. - Tribunal members are trained and officials are being provided with new legislation. - The Minimum Municipal Competency course was completed by two officials in the Town Planning Department. - Skills development for staff members is an on-going practice aimed at enhancing skills for the workforce. o Electronic plan system – Filing of plans is done electronically. o The GIS function is being dealt with by one of the Town Planning officials. o LUPA, SPLUMA and the Cape Agulhas Municipal Land Use By-Law were successfully implemented. o House shop policy - The House Shop Policy was reviewed to make it compatible with current trends and future local economic development. |
| Challenges | <ul style="list-style-type: none"> o Zoning scheme by-law: The conversion of the integrated zoning scheme into a By-Law in terms of SPLUMA. o Liquor Trading by-law: The Liquor Trading Hours By-Law needs to be amended in order to make provision for the consideration of selling liquor on Sundays and Public holidays by tourist facilities. o Upgrading of GIS System: Available data like electronic CAD drawings of services and buildings within current and new development projects must be linked with the GIS system. o Updated Biodiversity, Estuary and Coastal Management Plans to be made available to upgrade GIS. o Knowledge and skills development: Knowledge and skills amongst new employees is limited and costly. Provision for funding has to be made available in order to equip officials with legislative changes and law enforcement policies o Budgetary constraints for filling of a critical vacant position hinder effectiveness of the environmental section. o Illegal land use: Illegal activities require peace and law enforcement offices to ensure quicker response time o Land invasions, particularly on areas earmarked for non-township establishments remain a challenge. |

a) Service statistics

TABLE 124 APPLICATIONS FOR LAND USE DEVELOPMENT

| DESCRIPTION | FORMALIZATION OF TOWNSHIPS | | REZONING | | AUTHORISED OFFICIAL | | PLANNING APPEAL COMMITTEE: MAYOR | |
|--|----------------------------|---------|----------|---------|---------------------|---------|----------------------------------|---------|
| | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 |
| Planning applications received | 1 | 0 | 11 | 20 | 38 | 88 | 4 | 6 |
| Determinations made in year of receipt | 1 | 0 | 15 | 16 | 0 | 71 | 2 | 6 |
| Determinations made in following year | 0 | 0 | 15 | 0 | 0 | 0 | 0 | 0 |
| Applications withdrawn | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Applications outstanding at year end | 0 | 0 | 1 | 4 | 10 | 25 | 2 | 0 |

b) Human resources

TABLE 125 EMPLOYEES SPATIAL PLANNING

| JOB LEVEL | POSTS | EMPLOYEES | VACANCIES | VACANCIES (%) |
|--------------|----------|-----------|-----------|---------------|
| 01 - 03 | 1 | 0 | 1 | 100,00% |
| 04 - 08 | 0 | 0 | 0 | 0,00% |
| 09 - 13 | 1 | 1 | 0 | 0,00% |
| 14 - 18 | 3 | 3 | 0 | 0,00% |
| 18 - 20 | 0 | 0 | 0 | 0,00% |
| TOTAL | 5 | 4 | 1 | 20,00% |

c) Financial performance: Capital expenditure

| PROJECT | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | ORIGINAL BUDGET VARIANCE (%) | ADJUSTMENT BUDGET VARIANCE (%) |
|-------------------------|-----------------|-------------------|--------------------|------------------------------|--------------------------------|
| 2 X Steel Cabinets | 4 000,00 | 4 200,00 | 4 134,21 | 3,36% | -1,57% |
| Filing Cabinets/Shelves | 4 000,00 | 4 200,00 | 4 134,22 | 3,36% | -1,57% |
| Magnetic Whiteboard | 1 300,00 | - | | -100,00% | #DIV/0! |
| TOTAL | 9 300,00 | 8 400,00 | 8 268,43 | -11,09% | -1,57% |

3.9.3 BUILDING CONTROL

Building Control is rendered by the Building Control Department which resorts within the Corporate Services Directorate. It is integral to the growth and development of the Municipal Area and ensures that the NBR and standards Act. 103 is complied with, which ensures safe

and environmental friendly living/working conditions for individuals and animals. Functions include:

- o Effective service delivery and networking with the public;
- o Receiving, consideration and approval of building plans. Every building plan passes through a clearly structured sequence of well-defined milestones from the receipt of the application right through to the decision.
- o Address illegal building work and signage.
- o Issuing the necessary legal notices for the institution of legal proceedings;
- o Building inspections;
- o Dealing with complaints;
- o Providing information to and responding to enquiries from the public;
- o Issuing of occupancy certificates;
- o Air quality control;
- o Noise control;
- o Climate Change.

Service delivery highlights and challenges

TABLE 126 BUILDING CONTROL HIGHLIGHTS AND CHALLENGES

| DESCRIPTION | |
|--------------------|--|
| Highlights | <ul style="list-style-type: none"> o Systems work well for the approval of building plans; o Staff are knowledgeable; o Tasks are completed within the prescribed time framework; o Complaints are dealt with immediately; o Legal requirements and processes are adhered to; o Energy efficiency is implemented in new buildings; o Compliance to the Air Quality Management plan for CAM; o Noise Control is implemented; o Assisting the public with building plans where they cannot afford architects; o Assisting with completion of building plan application forms; o Doing site visits and giving advice in terms of building work; o Annual bathroom projects – provide bathrooms for very sick and old people; o Low cost housing projects; o Thusong Phase 2 project completed; o Participation in the following forums: <ul style="list-style-type: none"> - Member of the LGSETA (QCTO) working group developing Occupational Qualification for Building Inspectors; - Member of the National Steering Committee for Building Control SA; - Regional Tourism Liaison Committee (RTLCL) meetings; - Overberg Planning Forum; - Overberg Air Quality Control Forum; - Noise Control Forum; - Legislative Task Team Forum; - Climate Control Forum; - Provincial Air Quality and Noise Management Forum; - Member of the National Association for clean Air. (NACA) |
| Challenges | <p>Illegal building work enforcement - Illegal activities require peace and law enforcement officers to ensure quicker response time</p> |

Service statistics

TABLE 127 BUILDING PLANS APPROVED

| YEAR | TOTAL VALUS | RESIDENTIAL | BUSINESS / INDUSTRIAL | PLANS APPROVED |
|-----------|--------------|-------------|-----------------------|----------------|
| 2007/2008 | R230 585 000 | 456 | 14 | 470 |
| 2008/2009 | R251 164 845 | 384 | 16 | 400 |
| 2009/2010 | R165 729 000 | 575 | 11 | 586 |
| 2010/2011 | R134 658 000 | 386 | 15 | 401 |
| 2011/2012 | R124 133 000 | 387 | 16 | 403 |
| 2012/2013 | R124 259 000 | 347 | 7 | 354 |
| 2013/2014 | R111 617 000 | 308 | 10 | 318 |
| 2014/2015 | R258 951 700 | 457 | 11 | 468 |
| 2015/2016 | R284 428 000 | 352 | 12 | 364 |
| 2016/2017 | R353 503 000 | 432 | 14 | 446 |

a) Human resources

TABLE 128 EMPLOYEES BUILDING CONTROL

| JOB LEVEL | POSTS | EMPLOYEES | VACANCIES | VACANCIES (%) |
|--------------|----------|-----------|-----------|---------------|
| 01 - 03 | 1 | 0 | 1 | 100,00% |
| 04 - 08 | 0 | 0 | 0 | 0,00% |
| 09 - 13 | 4 | 4 | 0 | 0,00% |
| 14 - 18 | 1 | 1 | 0 | 0,00% |
| 18 - 20 | 0 | 0 | 0 | 0,00% |
| TOTAL | 6 | 5 | 1 | 16,67% |

b) Financial performance: Capital expenditure

None.

3.9.4 LOCAL ECONOMIC DEVELOPMENT

a) Introduction to local economic development

The LED Unit falls within the Department of Strategic Services which is located in the Municipal Managers Office.

The purpose of LED is to improve the vibrancy and sustainability of local economies, which will ultimately lead to better living conditions for the majority of the population. LED is not about direct projects with the poor, but more about recognising the scale of this impact by business on poverty levels, and making this even greater. Working directly with the poor is also important but is called social development, not to be confused with economic development.

The role of the Municipality is to facilitate economic development by creating a conducive environment for business development and unlock opportunities to increase participation amongst all sectors of society in the mainstream economy. Government can obviously not

plan or implement LED effectively if the private sector, who is the key driver of a local economy, is not included in such development processes.

b) LED Strategy

The Municipal Council approved a revised LED Strategy on 27 June 2017. This strategy focuses on initiatives that can be achieved within the short to medium term and is in essence a consolidation of the 2013 revision with updated with other internal and external strategic processes, initiatives and programmes relating to economic development.

c) LED initiatives and job creation

The primary role of local government is to create a climate that is conducive to local economic development. The Municipality does however seek to create work opportunities wherever it can and there are three ways in which the Municipality does this namely:

- o The Expanded Public Works Programme (EPWP) and Community Works Programme
 - o This is a government programme aimed at the alleviation of poverty and unemployment. The programme aims to increase economic growth by improving skills levels through education and training. It also aims to provide an enabling environment for industry to flourish.
- o Entrepreneurship development
 - o SMME's /Co-operatives. enterprise support and development which is done in partnership with other stakeholders e.g. SEFA, SEDA, DOA, Casidra and DRD&LR

d) Job creation through EPWP projects and community works programme

TABLE 129 JOBS CREATED THROUGH EPWP PROJECTS

| YEAR | EPWP PROJECTS NO | JOBS CREATED THROUGH EPWP PROJECTS NO | JOBS CREATED THROUGH FTE'S NO |
|---------|---------------------|---|-------------------------------------|
| 2014/15 | 62 | 447 | 65 |
| 2015/16 | 38 | 216 | 44 |
| 2016/17 | 20 | 371 | 52 |

The Cape Agulhas Municipality was allocated a grant of R1 210 000 which was fully spent. The Province issued a district performance report in which the Municipality was awarded Golden Star Performance which is 100% and over.

A total of 582 applications were submitted through the CWP Programme.

e) Entrepreneurship Development

The following registrations were done during 2016/17

| REGISTRATIONS | 2016/17 |
|--------------------------|---------|
| Co-operatives registered | 9 |
| Companies registered | 26 |
| SARS related matters | 170 |
| CIDB | 8 |

| | |
|-----------------------------------|-----|
| COIDA | 9 |
| UIF | 16 |
| Supplier data bases | 120 |
| National Credit Regulator | 1 |
| Access to finance through CASIDRA | 2 |

f) Workshops and training sessions

| DATE AND TRAINING PROVIDER | ATTENDANCE | PURPOSE |
|--|------------|--|
| 8-9 September 2016 Productivity SA | 25 | <ul style="list-style-type: none"> o Improved profitability, growth and employment creation within the SMME sector through: <ul style="list-style-type: none"> - Reduction in waste (looking at wasteful practices) - Increased sales (looking at quality and marketing) - Reduced operational costs through speed and quality improvement - Maximised profits - An early warning system (EWS) to detect distress prior to its arrival. |
| 14 March 2017 SEDA and Department of Small Business Development | 34 | <ul style="list-style-type: none"> o Basic business Principle training. The course content covered the following but not limited to: <ul style="list-style-type: none"> - What is Entrepreneurship, - Reasons why people start a business, - What is a Business, - The 3 Kinds of business, - Why Small enterprises fail, - Characteristics of Entrepreneur, - Ideas generation, - Feasibility Study, - Naming your business, - Preparing a business Plan, - Business Overview, - Marketing Plan, - Operations Plan, - Staffing Plan, - Financial Plan, - Making a profit, - Start-up Capital, - Customer relations, - Supplier relations |
| 5- 6 April 2017 14 June 2017 CASIDRA | 58 | <ul style="list-style-type: none"> o Co-operative governance workshop |
| 15 June 2017 | 35 | <ul style="list-style-type: none"> o Supplier Development Workshop with SARS, SEDA, Department Economic Development and Tourism (DEDAT) and Provincial Treasury |

Tourism

Cape Agulhas Tourism (CAT) manages the tourism function on behalf of the Cape Agulhas Municipality. The Municipality provided them with a grant to the amount of R858 000.00 to cover their operational costs during the 2016/17 financial year. The grant was fully spent.

3.10 COMPONENT D: COMMUNITY AND SOCIAL SERVICES

This component includes libraries, cemeteries and human development.

3.10.1 LIBRARIES

The Municipal Library Service consists of nine libraries. Internet is available in seven of the libraries. The usage of internet facilities is free and costs are covered by the Provincial Library Services. The two libraries that do not have internet, namely Elim and Struisbaai have access to the Cape Access Programme.

TABLE 130 MUNICIPAL LIBRARIES

| TOWN | NO | LIBRARIES |
|--------------------------|----|--------------------------------------|
| Bredasdorp | 2 | Main and Welverdiend Libraries |
| Napier | 2 | Napier Library and Nuwerus Libraries |
| Struisbaai | 1 | Struisbaai Library |
| Arniston / Waenhuiskrans | 1 | Arniston / Waenhuiskrans Librry |
| Protem | 1 | Protem Library |
| Klipdake | 1 | Klipdale Library |
| Elim | 1 | Elim Library |

Libraries are a very important community service because there are limited recreational facilities in our towns. Libraries therefore form an essential part of people's daily or weekly schedule. The library is also used extensively by school learners. We also provide services to old age homes and service centres for the elderly, as well as assisting school libraries with their limited collections through the outreach to Education Connection.

Highlights and challenges

TABLE 131 LIBRARIES HIGHLIGHTS AND CHALLENGES

| DESCRIPTION | |
|-------------------|--|
| Highlights | <ul style="list-style-type: none"> o Building expansion: The Bredasdorp Library was expanded, and the expansion included the building of ablution facilities for people with disabilities. This has created a safer work environment that better caters to the needs of our clients. o Critical staff appointments were made to improve service delivery |
| Challenges | <ul style="list-style-type: none"> o Library buildings: Many of our buildings are either very old or were badly built, which results in high maintenance costs. Older buildings are also often prone to health and safety hazards. |

a) Service statistics

TABLE 132 SERVICE STATISTICS FOR LIBRARIES

| TYPE OF SERVICE | 2015/16 | 2016/17 |
|------------------|---------|---------|
| Library members | 10896 | 11315 |
| Books circulated | 190572 | 182274 |
| Exhibitions held | 211 | 198 |

| | | |
|---|-----------------|--|
| Internet users | 9420 | 8786 |
| Children programmes | 110 | 97 |
| Visits by school groups | 80 group visits | 11 (seperated school groups from book education school groups) |
| Book group meetings for adults | 23 | 16 |
| Primary and Secondary book education sessions | 18 | 29 |

a) Human resources

TABLE 133 EMPLOYEES: LIBRARIES

| JOB LEVEL | POSTS | EMPLOYEES | VACANCIES | VACANCIES (%) |
|--------------|-----------|-----------|-----------|---------------|
| 01 - 03 | 1 | 0 | 1 | 100,00% |
| 04 - 08 | 9 | 9 | 0 | 0,00% |
| 09 - 13 | 3 | 3 | 0 | 0,00% |
| 14 - 18 | 0 | 0 | 0 | 0,00% |
| 18 - 20 | 0 | 0 | 0 | 0,00% |
| TOTAL | 13 | 12 | 1 | 7,69% |

c) Financial performance: Capital expenditure

TABLE 134 CAPITAL EXPENDITURE: LIBRARIES

| PROJECT | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | ORIGINAL BUDGET VARIANCE (%) | ADJUSTMENT BUDGET VARIANCE (%) |
|-------------------------------|-------------------|-------------------|--------------------|------------------------------|--------------------------------|
| Book detection system x 3 | 170 000,00 | 113 000,00 | 112 711,28 | -33,70% | -0,26% |
| Safety gate Proteem | - | 3 860,00 | 3 860,00 | 0,00% | 0,00% |
| Vacuum cleaners (2) | - | 2 400,00 | 2 385,97 | 0,00% | -0,58% |
| Blinds - Welverdiend | 7 000,00 | 6 800,00 | 6 710,00 | -4,14% | -1,32% |
| Blinds - Struisbay | 8 000,00 | 2 000,00 | 1 952,46 | -75,59% | -2,38% |
| Blinds - Arniston | 7 000,00 | 1 500,00 | 1 291,24 | -81,55% | -13,92% |
| Building - Bredasdorp extend. | 352 450,00 | 305 000,00 | 301 150,49 | -14,56% | -1,26% |
| ICT Equipment | - | 197 970,00 | 186 183,88 | 0,00% | -5,95% |
| TOTAL | 544 450,00 | 632 530,00 | 616 245,32 | 13,19% | -2,57% |

3.10.2 CEMETERIES

The Municipality has 7 cemeteries within its Municipal Area. The following table sets out the highlights and challenges of the cemetery service during the financial year.

Highlights and challenges

TABLE 135 CEMETERIES: HIGHLIGHTS AND CHALLENGES

| DESCRIPTION | |
|-------------|--|
| Highlights | o Ongoing maintenance of cemeteries. |
| Challenges | o Vandalism and Theft, especially copper pipes and fittings. There was however less vandalism than in the previous year. |

a) Service statistics

TABLE 136 SERVICE STATISTICS FOR CEMETERIES

| TYPE OF SERVICE | 2015/16 NO | 2016/17 |
|--|---------------|---------|
| Pauper burials | 19 | 5 |
| A total of 108 burials took place in 2016/17 | | |

b) Human resources

There are no specific positions assigned to the cemeteries. Cemetery maintenance is done by a singular team of workers who are responsible for community parks and sport and recreation facilities.

c) Financial performance: Capital expenditure

None

3.10.3 HUMAN DEVELOPMENT

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

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

Highlights and challenges

TABLE 137 HUMAN DEVELOPMENT HIGHLIGHTS AND CHALLENGES

| DESCRIPTION | |
|-------------------|--|
| Highlights | Youth Employment <ul style="list-style-type: none"> · Appointed 4 youth to implement youth development programmes on EPWP for the 2016/2017 financial year |

| | |
|-------------------|---|
| | <p>Facilitation of sport development opportunities</p> <ul style="list-style-type: none"> The Department facilitated opportunities for the sporting community to compete at Provincial and National level. Three community members were elected to participate in the National Indigenous games team. One athlete was awarded a silver medal for stick fighting at National level. |
| | <p>Established 7 soup kitchens</p> <ul style="list-style-type: none"> Facilitated the implementation and monitoring of the 7 soup kitchens in the Municipal Area during the winter season |
| | <p>Women Empowerment projects</p> <ul style="list-style-type: none"> A women symposium was held last year where women from different spheres of Cape Agulhas participated in. Two women empowerment camps were conducted with positive outcome. |
| | <p>Promoting Arts/Drama and Culture</p> <ul style="list-style-type: none"> The cultural movement is still functional and 2 members of the structure are presenters of a youth programme on the local radio station. The department co-hosted the drama festival in partnership with DCAS last year. |
| | <p>Youth development Programmes</p> <ul style="list-style-type: none"> Established a functional Junior Town Council Implemented the annual youth camp with grade 7 learners from the rural areas. Leadership programmes were implemented to enhance the confidence levels amongst the youth Personal development program for peer educators at SANPARKS. |
| | <p>Bursary opportunities</p> <ul style="list-style-type: none"> Facilitated the process for bursaries for tertiary studies for youth in the Municipal Area. |
| | <p>School holiday program</p> <ul style="list-style-type: none"> Implemented school holiday programmes in partnership with other stakeholders |
| Challenges | <p>A lack of volunteers to facilitate programs in all wards</p> <ul style="list-style-type: none"> We need additional human capacity to assist with after school sport and recreation programmes in all the wards to ensure acceleration and sustainability of the programmes as well as active participation of youth and children in programmes which can impact lives positively. |
| | <p>Resources to enhance the implementation of human development activities</p> <ul style="list-style-type: none"> The Department has to partner with stakeholders with similar objectives to implement sustainable programmes. Public open spaces need to be environmentally safe so that they can be utilized for sport and recreation activities Sport facilities need to be accessible and affordable for sport and recreation activities Budget for human development to increase Infrastructure at community halls to be user friendly for indoor sport activities Bigger office space needed for youth coordinators |

a) Service Statistics

TABLE 138 SERVICE STATISTICS FOR HUMAN DEVELOPMENT PROGRAMMES

| ACTIVITY | 2015/16 | 2016/2017 |
|--|---|--|
| Soup kitchens established or supported | 7 | 7 |
| Youngsters educated and empowered | <ul style="list-style-type: none"> Establishment of the Youth Cultural Movement Leadership Workshop for Youth | <ul style="list-style-type: none"> Established a functional Junior Town Council Distribution of information for employment and study |

| | | |
|---|--|--|
| | <ul style="list-style-type: none"> Implementation of the 50/50 Youth Leadership Project Information for employment and study opportunities distributed amongst the youth | <p>opportunities distributed amongst the youth</p> <p>Conducted two Youth Leadership camps</p> <p>Facilitated the process for six sports clubs to be enrolled on a 3year club development process</p> |
| Initiatives to increase awareness on disability | <ul style="list-style-type: none"> Supported events for the disabled community | Supported two events for the disabled community |
| Initiatives to increase awareness on women | <ul style="list-style-type: none"> Establishment of the Safe House for domestic violence victims Conducted two women empowerment camps 16 days of activism | <p>Conducted two women empowerment camps with positive impact</p> <p>Participated in the 16 days of activism programme against no violence against women and children</p> <p>Participated in the Women Symposium which was held for women from all spheres within the Cape Agulhas area.</p> |
| Initiatives to increase awareness on HIV/AIDS | <ul style="list-style-type: none"> 1 World Aids Day event | 1 World Aids Day event |
| Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes | <ul style="list-style-type: none"> Drug awareness campaign with stakeholders | <ul style="list-style-type: none"> Drug awareness campaign with stakeholders during June |
| Special events hosted | <ul style="list-style-type: none"> National Day for the Aged Youth Day World AIDS Day 16 days of activism against women | <p>National Day for the Aged</p> <ul style="list-style-type: none"> Youth Day World AIDS Day 16 days of activism against women |

b) Human resources

TABLE 139 EMPLOYEES: HUMAN DEVELOPMENT

| JOB LEVEL | POSTS | EMPLOYEES | VACANCIES | VACANCIES (%) |
|--------------|----------|-----------|-----------|---------------|
| 01 - 03 | 0 | 0 | 0 | 0,00% |
| 04 - 08 | 0 | 0 | 0 | 0,00% |
| 09 - 13 | 0 | 3 | 0 | 0,00% |
| 14 - 18 | 0 | 1 | 0 | 0,00% |
| 18 - 20 | 0 | 0 | 0 | 0,00% |
| TOTAL | 4 | 4 | 0 | 0,00% |

c) Financial performance: Capital expenditure

TABLE 140 CAPITAL EXPENDITURE: HUMAN DEVELOPMENT

| PROJECT | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | ORIGINAL BUDGET VARIANCE (%) | ADJUSTMENT BUDGET VARIANCE (%) |
|---|-------------------|-------------------|--------------------|------------------------------|--------------------------------|
| 2m X 3m Galvanised Structure for refuse | 20 000,00 | 5 890,00 | 5 890,00 | -70,55% | 0,00% |
| Table for boardroom | 15 000,00 | 14 000,00 | 14 000,00 | -6,67% | 0,00% |
| Install cupboards in boardroom | 8 000,00 | 3 690,00 | 3 684,22 | -53,95% | -0,16% |
| Wooden blinds for boardroom | 4 000,00 | 4 000,00 | 4 000,00 | 0,00% | 0,00% |
| Steel balustrade for entrance | 20 000,00 | 6 500,00 | 6 416,00 | -67,92% | -1,29% |
| Install bullet proof glass | 30 000,00 | 12 000,00 | 11 956,15 | -60,15% | -0,37% |
| Sound system | 25 000,00 | 17 110,00 | 17 105,29 | -31,58% | -0,03% |
| Plastic chairs new hall | 72 000,00 | 24 000,00 | 24 000,00 | -66,67% | 0,00% |
| Plastic tables new hall | 17 000,00 | 12 000,00 | 12 000,00 | -29,41% | 0,00% |
| Plastic tables new hall | 8 000,00 | | | -100,00% | #DIV/0! |
| Flight cases (2) | - | 5 100,00 | 5 087,72 | 0,00% | -0,24% |
| Mobile trolleys (2) | - | 1 800,00 | 1 719,30 | 0,00% | -4,48% |
| TOTAL | 219 000,00 | 106 090,00 | 105 858,68 | -51,66% | -0,22% |

3.11 COMPONENT E: ENVIRONMENTAL PROTECTION

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

3.11.1 AIR QUALITY CONTROL

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

- Designate a Municipal Air Quality Officer;
- Develop an Air Quality Management Plan (AQMP) for inclusion in the Municipality's IDP; and
- Prepare an annual and progress report regarding the implementation of the AQMP and compliance with the plan.
- To ensure the effective and consistent implementation of sustainable Air Quality management practices by all spheres of government, relevant stake holders and the civil society to progressively and efficiently maintain clean and healthy air in CAM.
- Make sure that all tasks are performed in accordance with the relevant laws.
- Attend all local and provincial forums and meetings, give feedback reports and on community meetings in this regard.
- Building Control are responsible for Air Quality and Noise Control in CAM and the BCO are the appointed Officer in this regard. AQ is linked to the IDP.
- Better awareness on Air Quality in CAM.

The Municipality has appointed an Air Quality Officer, as well as an assistant. An Air Quality Management Plan and by-law has been developed and approved by Council. The Air Quality Officer attends the Provincial and District Air Quality Forums as required and we provide information and inputs to the Western Cape State of Air Report.

3.11.2 NOISE CONTROL

The Environment Conservation Act, 1989 Western Cape Noise Regulations was promulgated in 2013. Municipalities had to ensure compliance with the Noise Regulations for the Western Cape in accordance with the relevant laws.

Building Control are responsible for Noise Control in CAM and work with the ODM. They also attend meetings and handle complaints and enforcement.

3.11.3 BIO-DIVERSITY AND LANDSCAPE

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

The Department of Environmental Affairs and Tourism prepared the National Biodiversity Strategy and Action Plan (NBSAP) "...to develop a plan of action for the conservation and sustainable use of the country biological diversity". During the NBSAP preparation the National

Biodiversity Implementation Plan identified objectives, outcomes, and activities required for the NBSAP to achieve its goals.

The Critical Biodiversity Areas (CBA) of the Overberg District Municipality report was prepared in April 2010, and indicates the CBA's for the district. These include protected areas, critical biodiversity areas and ecological support areas. The report indicated that the southern part of the Municipal Area contains an important mosaic of CBA's, and the northern part, the Runes Agricultural Area, contains some Renosterveld remnants identified as CBA's. There is a need to have these critical biodiversity areas mapped and appropriate guidelines developed to guide conservation thereof.

3.11.4 COASTAL PROTECTION

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

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

Consultants were appointed in 2012/13 to draft the Coastal Management Programme for the Overberg District Municipality over a three-year period.

The scope of the Overberg CMP includes:

- Inception Report
- Situation Analysis
- Coastal Management Programme
- Public participation
- Draft Coastal Management By Laws

The Coastal Management Programme was concluded in May 2016 with the inclusion of inputs from interested and affected parties.

The consultants were instructed to draw up an overarching Coastal Management Programme for the Overberg District Municipality as well as specific Coastal Management Programmes focusing on implementation for each of the three Local Municipalities of Cape Agulhas, Swellendam and Overstrand.

The Coastal Management Programme with the specific Coastal Management Programmes was made available during the final public commenting period from 1 December 2015 until 05 February 2016. Prior to releasing the documents to the public for comments each coastal municipality was given the opportunity to submit comments on their specific Coastal Management Programme.

- a) An interim funding mechanism that is currently being used to assist with implementation is the Working for the Coast Programme. Unfortunately, this funding is allocated to an implementer and not the ODM, which will leave the municipality with little control over the channeling of funding and the addressing of priorities.
- b) The ODM awaits the outcome of the Legal Protocol that is being prepared "*Defining the role of Local Government in Environmental Management and establishing the cost of performing environmental management functions*" (prepared on behalf of DEA and SALGA) will give much needed clarity on Environmental Management and its scope of work together with the cost to provide this cross cutting function, which includes coastal management.

3.11.5 CLIMATE CHANGE

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

Climate Change response and Air Quality are closely linked. The problem itself is not new, but the complexity has compound and has become much more intense and that can be seen in CAM and the Overberg.

At this stage the Exact Magnitude of Climate Change is largely unknown, but it is reasonably foreseeable that the following changes may and are already occurring in Cape Agulhas:

- o Longer dry periods between rainfall events.
- o Shifts in seasonality.
- o Change of weather patterns.
- o Rise in sea levels that can be seen at Struisbaai. The Agulhas coast have several large bays of which 43% are sandy beaches, 39% rocky and 18% wave cut rocky platform. A few of these beaches have been identified as susceptible to sea level rise due to climate change.

All this puts food security in danger. Wheat and grain production in the Overberg is likely to be less effected by global climate change than other production areas. Variable impact on crops due to increased temperature and declining rainfall that's worse for cereal crops.

Cape Agulhas Municipality is working together with all relevant Provincial and National departments, to develop a Climate Change Response strategy/framework for the Overberg. This will help improve planning for climate change adoption and work together to a more sustainable future for Cape Agulhas in the Overberg. Awareness raising, outreach and education programmes on Climate Change must be put in place in the Overberg.

3.12 COMPONENT F: SAFETY AND SECURITY

This component includes: traffic and law enforcement (including vehicle licencing), fire, and disaster management services.

3.12.1 INTRODUCTION TO SAFETY AND SECURITY

Safety and security is the responsibility of the Protection Services Department of the Management Services Directorate. The Department is committed to provide a high quality community-oriented service to meet the safety and security needs of a diverse community. The Division strives to constantly improve its standing within the community it serves and the profession itself.

The Departments strategic focus is to promote the safety and security of the Cape Agulhas Community by:

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

3.12.2 TRAFFIC SERVICES AND LAW ENFORCEMENT

The purpose of the Traffic and Law Enforcement Service is to ensure the safety and security of everyone in the Cape Agulhas Municipal Area through the provision of efficient service infrastructure and resources to provide licensing, testing, traffic and municipal by-law enforcement services. By promoting safer roads, vehicles and road users who uphold the law the Department will contribute to creating a safer environment.

The objectives of the Department are:

- To reduce critical offence rates that lead to crashes;
- To reduce crashes, fatalities and serious injuries;
- To inculcate safe road user behaviour and encourage voluntary compliance;
- To create heightened awareness of road traffic safety issues;
- To increase detection and prosecution of critical road traffic offences;
- To harmonize and co-ordinate common operations of a high standard in the municipal area;
- To maximize communications and public exposure on law enforcement issues;
- To improve the image of the law enforcement fraternity.

The functions of the Department are:

- Traffic Control:
 - Escorting of abnormal loads, funerals, VIP's and other dignitaries;
 - Visible traffic policing;
 - Ensure road safety during events in area;

- Attending accidents and traffic complaints;
- Daily point duties at crossings and scholar patrol points;
- Traffic safety education;
- Fine processing.
- o Law Enforcement
 - Attend to complaints regarding animals, hawkers, overgrown erven and other by-law offences;
 - Educate the community about the safe keeping and caring for animals;
 - Protection of the Municipalities councillor's, employees and properties;
 - Ensure crime prevention by detecting and combating crime generators;
 - Community announcements;
 - Promote law and order in municipal area.
- o Licensing
 - Drivers testing and licensing;
 - Vehicle fitness;
 - Motor vehicle registration/licensing;

Vehicle licensing is a function of the Department of Transport and Public Works, but the Municipality renders this service as an agency of the Department.

Highlights and Challenges

TABLE 141 TRAFFIC AND LAW ENFORCEMENT HIGHLIGHTS AND CHALLENGES

| DESCRIPTION | |
|--------------------|---|
| Highlights | <ul style="list-style-type: none"> o Appointment of EPWP Law Enforcement Officers: <ul style="list-style-type: none"> - 12 Unemployed youth with matric were appointed as temporary Law Enforcement Wardens for a period of 24 months, under the auspices of the expanded public works program, (EPWP). <ul style="list-style-type: none"> - Their responsibilities are: <ul style="list-style-type: none"> · Enforcing of by-laws. · Enforcing certain sections of the National Road Traffic Act. · Enforcing the National Building Regulations and Building Standards Act. · Enforcing the Land Use Planning Scheme. · Enforcing the Criminal Act when doing crime prevention. · Visible Policing – “Bobby on the beat” mostly during the day. · Vehicle patrolling - during the night. The following equipment was received as a donation towards the project: <ul style="list-style-type: none"> - Ten bicycles with the value of R14 000 - One Safety Kiosk (mobile office) with the value of R49 000 o Appointment of additional traffic officers <ul style="list-style-type: none"> - Two more traffic officers were appointed to the permanent staff which increases the number of operational traffic officers outside to thirteen (13). o Appointment of an external Traffic Management Technician Service provider. <ul style="list-style-type: none"> - A three year contract was concluded for Traffic Management Technician Services to render speed control and fine management services including the provision of traffic law enforcement equipment, back office systems and related services. o Training and skills development <ul style="list-style-type: none"> - Two administration clerks completed the Examiner of Driver's License Grade A diploma's at Gene Louw Traffic College. |
| Challenges | <ul style="list-style-type: none"> o Uniforms and health and safety equipment |

| | |
|--|--|
| | <ul style="list-style-type: none"> - Uniforms and health and safety equipment are essential to ensure the visibility as well as safety of traffic and Law Enforcement Officers. The cost of this is extremely high and more resources are needed to address this need. |
| | <ul style="list-style-type: none"> o Staff Shortage <ul style="list-style-type: none"> - The appointment of more Traffic Officers and Law Enforcement Officers will ensure a safer environment. |
| | <ul style="list-style-type: none"> o Outdated skills and knowledge of top fleet law enforcement <ul style="list-style-type: none"> - Ongoing training is needed to ensure consistency in application of applicable legislation. |
| | <ul style="list-style-type: none"> o Slow accident and incident assistance times. <ul style="list-style-type: none"> - Limited vehicles sometimes lead to slow response times to complaints and accidents. |
| | <ul style="list-style-type: none"> o Weak radio communication <ul style="list-style-type: none"> - Improved vehicle mounted radio communication is need to ensure coverage throughout the Municipal Area. |

a) Service statistics

TABLE 142 TRAFFIC SERVICES AND LAW ENFORCEMENT AVAILABILITY

| DETAIL | 2015/16 | 2016/17 |
|---|---------|---------|
| Number of Traffic and Law Enforcement Officers in the field on an average day | 13 | 13 |
| Number of Traffic and Law Enforcement Officers on duty on an average day | 13 | 13 |
| Number of EPWP Law Enforcement Officers in the field on an average day | 14 | 12 |
| Number of K53 Examiners of Drivers Licenses and Examiners of Vehicles on duty on an average day | 4 | 4 |

TABLE 143 TRAFFIC SERVICES AND LAW ENFORCEMENT SERVICE STATISTICS

| SERVICE | DESCRIPTION | 2015/16 | 2016/17 |
|-----------------|---|--------------|-----------|
| Traffic | Number of road traffic accidents during the year | 345 | 387 |
| | Fines issued for traffic offenses | 25778 | 21289 |
| | R-value of fines | R 7 307 749* | 6 418 487 |
| | Roadblocks held | 110 | 140 |
| | Special Functions – Escorts | 61 | 105 |
| Law enforcement | Awareness initiatives on public safety | 10 | 12 |
| | Number of by-law infringements attended to | 750 | 977 |
| | Animals impounded | 150 | 497 |
| | Number of Animals handled | 1704 | 1888 |
| Licensing | Motor vehicle licenses processed and registration | 33361 | 86113 |
| | Learner driver licenses processed and issued | 2491 | 17323 |
| | Driver licenses processed | 6575 | 7483 |
| | Driver licenses issued | 2317 | 2742 |

* Previous actual corrected

b) Human resources**TABLE 144 EMPLOYEES: TRAFFIC AND LAW ENFORCEMENT**

| JOB LEVEL | POSTS | EMPLOYEES | VACANCIES | VACANCIES (%) |
|--------------|-----------|-----------|-----------|---------------|
| 01 - 03 | 1 | 1 | 0 | 0,00% |
| 04 - 08 | 3 | 3 | 0 | 0,00% |
| 09 - 13 | 13 | 12 | 1 | 7,69% |
| 14 - 18 | 1 | 1 | 0 | 0,00% |
| 18 - 20 | 0 | 0 | 0 | 0,00% |
| TOTAL | 18 | 17 | 1 | 5,55% |

c) Financial performance: Capital expenditure**TABLE 145 CAPITAL EXPENDITURE: TRAFFIC AND LAW ENFORCEMENT**

| PROJECT | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | ORIGINAL BUDGET VARIANCE (%) | ADJUSTMENT BUDGET VARIANCE (%) |
|-------------------------------|-------------------|-------------------|--------------------|------------------------------|--------------------------------|
| PROTECTION SERVICES | | | | | |
| Zippels | 140 000,00 | 90 710,00 | 90 623,00 | -35,27% | -0,10% |
| Office chair - Back Support | 3 500,00 | 2 600,00 | 2 600,00 | -25,71% | 0,00% |
| 18 chairs - reception area | 10 000,00 | 9 600,00 | 9 600,00 | -4,00% | 0,00% |
| Air conditioners | 30 000,00 | - | - | 0,00% | 0,00% |
| Total | 183 500,00 | 102 910,00 | 102 823,00 | -43,97% | -0,08% |
| LAW ENFORCEMENT | | | | | |
| Camera - law enforcement | 3 000,00 | 2 650,00 | 2 628,90 | -12,37% | -0,80% |
| Alcohol breathalyser | 26 000,00 | - | - | -100,00% | 0,00% |
| Total | 29 000,00 | 2 650,00 | 2 628,90 | -90,93% | -0,80% |
| LICENSING | | | | | |
| Motor vehicle k53 equipment | - | 24 400,00 | 24 385,96 | 0,00% | -0,06% |
| Upgrade of pit test equipment | - | 198 250,00 | 198 250,00 | 0,00% | 0,00% |
| TOTAL | - | 222 650,00 | 222 635,96 | #DIV/0! | -0,01% |

3.12.3 DISASTER MANAGEMENT

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

Disaster Management is co-ordinated by the Protection Services Department which is linked to the Overberg Disaster Management Centre which is used during major incidents to guide, assess, prevent and reduce the risk of disasters.

The Municipality revised its Disaster Management Plan on 27 June 2017, Resolution 154/2017. The Disaster Management Plan confirms the arrangements for managing disaster risk and for preparing for- and responding to disasters within the Cape Agulhas Municipality. It also provides officials, and other role players, with an effective guide as to what their roles and responsibilities are in the event of a disaster and also focuses on prevention of disasters and minimising the impact of hazards which cannot be avoided.

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

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

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

a) Service statistics

TABLE 146 SOCIAL ASSISTANCE PROVISION STATISTICS

| SOCIAL ASSISTANCE DESCRIPTION | 2015/16 | 2016/17 |
|---|----------------|----------------|
| Total number of families assisted during disasters / incidents | 262 | 306 |
| Number of people receiving social assistance | 11 | 12 |
| Number of people receiving assistance with accommodation | 1 | 0 |
| Number people receiving assistance with structure material after fires | 11 | 12 |
| Number people receiving assistance with plastic sheeting to mitigate leaking structures | 251 | 285 |

3.12.4 FIRE SERVICES

Cape Agulhas Municipality renders the Fire Service through a shared service agreement with the Overberg District Municipality (ODM) which obligates them to:

- Prevent the outbreak or spread of a fire;
- Fight and extinguish fires;
- Protect life or property against a fire or other threatening danger;
- Rescue life or property from a fire or other danger.

ODM's objectives in terms of fire services are to:

- Respond promptly to incidents and disasters;
- Ensure that fire fighters comply with the Occupational Health and Safety Act on the provision of personnel protective equipment at all times.
- Do public participation programmes by means of Safety Road Shows, Radio talk shows, development of a website etc;

- Ensure the establishment of a community fire safety forum;
- Ensure that the community is trained and informed regarding fire safety;
- Make fire safety information available to public.

A high priority is placed on community awareness and training to minimise call outs.

3.13 COMPONENT G: SPORT AND RECREATION

This component deals with sport and recreation which also includes community parks, sports facilities, community halls and resorts which are collectively managed by the Public Services Department of the Community Services Directorate. The Municipal Area currently has 17 parks with playground equipment, as well as a community park in every ward. There are also sports grounds / fields and community halls in every ward as well as camp sites / resorts in Bredasdorp, Arniston, Struisbaai and L'Agulhas. Provision for maintenance and upgrading are budgeted for annually in terms of the maintenance plan but is limited to available funds.

Highlights and challenges

TABLE 147 SPORT AND RECREATION HIGHLIGHTS AND CHALLENGES

| | DESCRIPTION |
|-------------------|---|
| Highlights | <ul style="list-style-type: none"> o Nelson Mandela Hall: Construction / Building of Cloakrooms o Development of a Sports Academy at the Bredasdorp Sport Complex |
| Challenges | <ul style="list-style-type: none"> o Shortage of Sport Grounds/Fields to accommodate all sport codes o Vandalism & not enough funds for repairs |

a) Service statistics

TABLE 148 SPORT AND RECREATION SERVICE STATISTICS

| Type of service | 2015/16 | 2016/17 |
|---|--------------|------------|
| Community parks | | |
| Number of parks with play park equipment | 18 | 17 |
| Number of wards with community parks | 6 | 6 |
| Camp sites/Resorts | | |
| Number of visitors per annum | 95 000 | 98 000 |
| R-value collected from visitation and/or accommodation fees | 5 456 369.82 | R6,181,585 |
| Sport Grounds / Fields | | |
| Number of wards with sport fields | 6 | 6 |
| Number of sport associations utilizing sport fields | 11 | 13 |
| Community halls | | |
| Number of wards with community halls | 6 | 6 |
| Number of sport associations utilizing community halls | 11 | 11 |
| R-value collected from rental of sport halls | 221 602.48 | R12,644 |

b) Human resources

TABLE 149 EMPLOYEES: SPORT AND RECREATION

| JOB LEVEL | POSTS | EMPLOYEES | VACANCIES | VACANCIES (%) |
|-----------|-------|-----------|-----------|---------------|
| 01 - 03 | 16 | 16 | 0 | 0,00% |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| | | | | |
|--------------|-----------|-----------|----------|--------------|
| 04 - 08 | 31 | 30 | 1 | 3,23% |
| 09 - 13 | 11 | 11 | 0 | 0,00% |
| 14 - 18 | 1 | 1 | 0 | 0,00% |
| 18 - 20 | 0 | 0 | 0 | 0,00% |
| TOTAL | 59 | 58 | 1 | 1,69% |

c) Financial performance: Capital expenditure

TABLE 150 CAPITAL EXPENDITURE: SPORT AND RECREATION

| PROJECT | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | ORIGINAL BUDGET VARIANCE (%) | ADJUSTMENT BUDGET VARIANCE (%) |
|--|---------------------|---------------------|---------------------|------------------------------|--------------------------------|
| BEACHES | | | | | |
| Furniture - Duiker Street | 10 000,00 | 6 350,00 | 6 329,84 | -36,70% | -0,32% |
| Porta Potties - Resorts | 60 000,00 | 60 000,00 | 17 881,05 | -70,20% | -70,20% |
| Ablution facility Struisbaai | 950 000,00 | 907 720,00 | 907 716,37 | -4,45% | 0,00% |
| Upgrading of ablution facilities – Duiker Street | 80 000,00 | 72 270,00 | 71 245,49 | -10,94% | -1,42% |
| Furniture at Resorts | 100 000,00 | 100 000,00 | 69 483,46 | -30,52% | -30,52% |
| TOTAL | 1 200 000,00 | 1 146 340,00 | 1 072 656,21 | -10,61% | -6,43% |
| PUBLIC WORKS | | | | | |
| Tables | - | 6 800,00 | 6 760,20 | 0,00% | -0,59% |
| | - | 6 800,00 | 6 760,20 | #DIV/0! | -0,59% |
| COMMUNITY PARKS | | | | | |
| 3 x FS450 Brushcutter | 35 000,00 | 23 290,00 | 23 281,50 | -33,48% | -0,04% |
| 1 x BG86 Blower | 6 200,00 | 4 740,00 | 4 735,74 | -23,62% | -0,09% |
| Upgrading of Sport Facilities | 700 000,00 | 700 000,00 | - | -100,00% | -100,00% |
| TOTAL | 741 200,00 | 728 030,00 | 28 017,24 | -96,22% | -96,15% |
| BUILDING & COMMONAGE | | | | | |
| CARPET EXTRACTION UNIT | 6 000,00 | 4 390,00 | 4 385,96 | -26,90% | -0,09% |
| Cloakroom at Nelson Mand Hall | 500 000,00 | 500 000,00 | 311 942,50 | -37,61% | -37,61% |
| TOTAL | 506 000,00 | 504 390,00 | 316 328,46 | -37,48% | -37,28% |

3.14 COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: Executive and Council, Financial Services, Human Resource Services, ICT services and Property Services.

3.14.1 EXECUTIVE AND COUNCIL

The Executive and Council comprises the Municipal Council support staff as well as the Office of the Municipal Manager which includes the Strategic Services Department and Internal Audit Unit. The activities of this section are detailed under Governance (Chapter 2).

a) Highlights and challenges

The following table sets out the highlights and challenges of the Executive and Council during the financial year

TABLE 151 EXECUTIVE AND COUNCIL HIGHLIGHTS AND CHALLENGES

| Description | |
|--------------------|---|
| Highlights | <ul style="list-style-type: none"> o Behaviour <ul style="list-style-type: none"> - Councillors maintain a high standard of ethics and no disciplinary procedures were instituted against any councillor during the financial year. |
| | <ul style="list-style-type: none"> o Governance <ul style="list-style-type: none"> - All reports required in terms of legislation were submitted timeously. |
| | <ul style="list-style-type: none"> o Service delivery <ul style="list-style-type: none"> - The stability of Council ensures effective and productive service delivery. The hands-on approach of councillors in terms of their oversight responsibility makes it easy for managers to understand and fulfil their responsibility. |
| | <ul style="list-style-type: none"> o Public participation <ul style="list-style-type: none"> - Ward Councillors held quarterly feedback meetings and convened monthly meetings of their ward committees. |
| | <ul style="list-style-type: none"> o Ward Committees <ul style="list-style-type: none"> - New ward committees were established for each ward following the Municipal Election |
| Challenges | <ul style="list-style-type: none"> o Ward Committees <ul style="list-style-type: none"> - New ward committee members had to be inducted and trained. |
| | <ul style="list-style-type: none"> o IDP and Budget process <ul style="list-style-type: none"> - The development of a new IDP had to be undertaken within very tight timeframes following the Municipal Election. The IDP also had to comply with MSCOA which was a new and challenging process. |
| | <ul style="list-style-type: none"> o Municipal election <ul style="list-style-type: none"> - The changes associated with municipal elections. |
| | <ul style="list-style-type: none"> o Financial conduct <ul style="list-style-type: none"> - Action was instituted against a senior official in terms of the Financial Misconduct Regulations during the financial year. The disciplinary hearing was in process at the end of the financial year. |

b) Human resources

TABLE 152 EMPLOYEES: EXECUTIVE AND COUNCIL

| JOB LEVEL | POSTS | EMPLOYEES | VACANCIES | VACANCIES (%) |
|--------------|-----------|-----------|-----------|---------------|
| 01 - 03 | 0 | 0 | 0 | 0,00% |
| 04 - 08 | 0 | 0 | 0 | 0,00% |
| 09 - 13 | 11 | 9 | 2 | 18,18% |
| 14 - 18 | 2 | 2 | 0 | 0,00% |
| 18 - 20 | 0 | 0 | 0 | 0,00% |
| Total | 13 | 11 | 2 | 15,38% |

c) Financial performance: Capital expenditure

TABLE 153 CAPITAL EXPENDITURE: EXECUTIVE AND COUNCIL

| PROJECT | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | ORIGINAL BUDGET VARIANCE (%) | ADJUSTMENT BUDGET VARIANCE (%) |
|-------------------------|-----------------|-------------------|--------------------|------------------------------|--------------------------------|
| Council | | | | | |
| Cabinet/cupboard | 4 000,00 | 2 400,00 | 2 400,00 | -40,00% | 0,00% |
| Desktop filling cabinet | 850,00 | 850,00 | | -100,00% | -100,00% |
| Camera | - | 4 100,00 | 4 030,70 | 0,00% | -1,69% |
| Chairs (3) | - | 6 340,00 | 6 333,85 | 0,00% | -0,10% |
| PA sound system | - | 15 100,00 | 15 100,00 | 0,00% | 0,00% |
| TOTAL | 2 425,00 | 14 395,00 | 13 932,28 | 474,53% | -3,21% |

3.14.2 FINANCIAL SERVICES

The Cape Agulhas Municipality remains committed to fulfil its Constitutional Mandate by providing basic services to all the people in its community within the municipality's financial and administrative capacity in a sustainable manner.

Despite the economic downturn and the overall impact on the municipality ability to remain financially sound, the municipality could still manage to survive through this tough times by collecting outstanding debt at an acceptable level, applying cost containment measures and continue to meet its creditor payments within the legislative prescribe period of 30 Days

a) Highlights and challenges

TABLE 154 FINANCE HIGHLIGHTS AND CHALLENGES

| DESCRIPTION | |
|-------------------|---|
| Highlights | <ul style="list-style-type: none"> o Debt collection <ul style="list-style-type: none"> - The Municipality maintained a good debt collection rate of 99,07% o Liquidity ratio <ul style="list-style-type: none"> - The Municipality's liquidity ratio regressed slightly from 1.71:1 (Restated Figure)in the previous financial year to 1.25:1 in the 2016/17 financial |

| | |
|-------------------|--|
| | <p>year to still maintain a sound financial position although less than the National Treasury minimum norm at 1.50:1</p> <ul style="list-style-type: none"> o Creditor payments <ul style="list-style-type: none"> - Creditors are being paid within the 30 day limit o Long term financial viability <ul style="list-style-type: none"> - Council revised and approved the Long Term Financial Plan Strategy (LTFP) during October 2016, based on the 2015/16 financial year outcome figures together with any amended recommendation targets for implementation. o Establishment of a Budget & Treasury Office <ul style="list-style-type: none"> - The Budget & Treasury Office is fully functional and all vacant positions within the unit have been filled during the 2016/17 financial year. however it is imperative to build capacity within the unit to ensure optimal performance in order to add value to the Municipality in terms of its legislative responsibility. |
| Challenges | <ul style="list-style-type: none"> o Manage the Increase in employee related costs <ul style="list-style-type: none"> - Employee related costs are slightly above the norm of between 30 -40% and are an indicator of productivity and / or efficiency within local municipalities. The LTFP proposes a target of 30% for the Municipality to remain financially viable in the long term. The Municipality has started a process to perform a productivity study which will be completed in the 2017/18 financial year and also approved a new macro organogram whereby the number of directorates have been reduced from four to three effective form 1st July 2017 in support of the Municipality's strategy to reduce employee related cost. Aligned with the LTFP recommendations the municipality only considers the filling of legislative required and / or service delivery orientated positions. - The actual employee costs for the year reflected slightly less compared to the previous financial year at 40.32% inclusive of temporary workers funded from the Expanded Public Works Programme Grant, Financial Management Grant, Municipal Infrastructure Grant and internal funded job creation programmes over the festive season which not form part of the permanent employee structure. o Increase in reserves <ul style="list-style-type: none"> - By applying a mix of other sources for capital funding aligned with the Municipality's LTFP recommendations, the Municipality embarked on a process to introduce external borrowing as an additional source of funding for infrastructure related capital projects. The Municipality manages to improve its cash position from the previous financial year and as a result could increase the capital replacement reserve to R20 million for the financial year under review o Ensure financial viability <ul style="list-style-type: none"> - Maintain a debtors collection rate of above 95% and apply cost reduction measures to be more efficient aligned with the LTFP strategy. o Implementation of the Long Term Financial Plan <ul style="list-style-type: none"> - The Municipality reviewed its Long Term Financial Plan Strategy on an annual basis to stay abreast with any new developments to ensure financial sustainability as one of its most critical performance indicators. o Increasing costs of bulk purchases of electricity from ESKOM coupled with an inability of the Municipality to escalate these cost increases to consumers as a result of NERSA regulations and benchmark guidelines <ul style="list-style-type: none"> - Ongoing review and update of the current tariff structure aligned with NERSA's tariff benchmark guideline for electricity and other services continues in in order to be more transparent, fair and equitable. |

b) Human resources**TABLE 155 EMPLOYEES: FINANCE**

| JOB LEVEL | POSTS | EMPLOYEES | VACANCIES | VACANCIES (%) |
|--------------|-----------|-----------|-----------|---------------|
| 01 - 03 | 2 | 2 | 0 | 0,00% |
| 04 - 08 | 10 | 10 | 0 | 0,00% |
| 09 - 13 | 22 | 22 | 0 | 0,00% |
| 14 - 18 | 4 | 4 | 0 | 0,00% |
| 18 - 20 | 0 | 0 | 0 | 0,00% |
| TOTAL | 38 | 38 | 0 | 0,00% |

c) Financial performance: Capital expenditure**TABLE 156 CAPITAL EXPENDITURE: FINANCE**

| PROJECT | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | ORIGINAL BUDGET VARIANCE (%) | ADJUSTMENT BUDGET VARIANCE (%) |
|--------------------------------|-------------------|---------------------|---------------------|------------------------------|--------------------------------|
| FINANCE DIRECTORATE | | | | | |
| Vesta Financial System | - | 2 376 920,00 | 2 019 167,17 | 0,00% | -15,05% |
| | - | 2 376 920,00 | 2 019 167,17 | 0,00% | -15,05% |
| REVENUE | | | | | |
| Meter reading equipment | 312 000,00 | 240 860,00 | 240 860,00 | -22,80% | 0,00% |
| Desk calculator | - | 1 800,00 | 1 798,24 | 0,00% | -0,10% |
| Safeguarding of cashier office | 100 000,00 | 114 000,00 | 120 000,00 | 20,00% | 5,26% |
| | 412 000,00 | 356 660,00 | 362 658,24 | -11,98% | 1,68% |
| SUPPLY CHAIN MANAGEMENT | | | | | |
| Hinged door system cupboard | 3 200,00 | 2 400,00 | 2 400,00 | -25,00% | 0,00% |
| 2 in 1 Folding Nose trolley225 | 1 900,00 | 1 050,00 | 1 045,00 | -45,00% | -0,48% |
| Fridge | 2 000,00 | 1 930,00 | 1 928,95 | -3,55% | -0,05% |
| TOTAL | 419 100,00 | 2 738 960,00 | 2 387 199,36 | 0 | 12,85% |

3.14.3 HUMAN RESOURCE SERVICES

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

a) Highlights and challenges

TABLE 157 HUMAN RESOURCE HIGHLIGHTS AND CHALLENGES

| DESCRIPTION | |
|-------------------|---|
| Highlights | <ul style="list-style-type: none"> o Skills development <ul style="list-style-type: none"> - The completion and official opening of the Anene Booysen Skills Centre, a partnership between the Construction SETA, Boland College and the Municipality on 23 July 2016 by the Minister of Department of Higher Education and Training, Minister Dr Blade Nzimande, was a success. This is the first DHET Centre in the area. The centre is already operational and currently managed by Boland College and will service the Cape Agulhas Municipal Area as well as the Overberg region. |
| | <ul style="list-style-type: none"> o Human Resource Strategy <ul style="list-style-type: none"> - The Western Cape Department of Local Government funded the development of a Human Resource Strategy which was adopted by Council. |
| | <ul style="list-style-type: none"> o Organisational Structure <ul style="list-style-type: none"> - A new five year IDP was compiled in consultation key primary and secondary stakeholders of Cape Agulhas Municipality. The Political Executive and Senior Management then held a strategic session to plan and strategically deliver on the priorities emanating from the new IDP. An Organizational Structure re-design process was carried out to align it to the strategic direction and core focus areas of the new IDP. This new Structure was approved in June 2017. |
| | <ul style="list-style-type: none"> o Reduction in vacancy rates <ul style="list-style-type: none"> - The vacancy rate decreased from 4.40% in 2015/16 to 3.31 % in 2016/17. |
| Challenges | <ul style="list-style-type: none"> o Implementation of the Employment Equity Plan <ul style="list-style-type: none"> - A concerted effort was made to implement the Municipality's Employment Equity Plan and achieve the goals and targets contained therein. |

b) Human resources

TABLE 158 EMPLOYEES: HUMAN RESOURCES

| JOB LEVEL | POSTS | EMPLOYEES | VACANCIES | VACANCIES (%) |
|--------------|-----------|-----------|-----------|---------------|
| 01 - 03 | 0 | 0 | 0 | 0,00% |
| 04 - 08 | 0 | 0 | 0 | 0,00% |
| 09 - 13 | 9 | 9 | 0 | 0,00% |
| 14 - 18 | 1 | 1 | 0 | 0,00% |
| 18 - 20 | 0 | 0 | 0 | 0,00% |
| TOTAL | 10 | 10 | 0 | 0,00% |

c) Financial performance: Capital expenditure

TABLE 159 CAPITAL EXPENDITURE: HUMAN RESOURCES

| PROJECT | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | ORIGINAL BUDGET VARIANCE (%) | ADJUSTMENT BUDGET VARIANCE (%) |
|---------------------|-------------------|-------------------|--------------------|------------------------------|--------------------------------|
| Chair | 3 000,00 | 1 500,00 | 1 500,00 | -50,00% | 0,00% |
| Software (overtime) | 140 000,00 | - | - | 0,00% | 0,00% |
| TOTAL | 143 000,00 | 1 500,00 | 1 500,00 | -98,95% | 0,00% |

3.14.4 INFORMATION COMMUNICATION TECHNOLOGY

Challenges relating to ICT will exist forever in any environment and also in our Municipal ICT environment. With the focus over the past few years, ranging from ICT infrastructure, service availability and the impacts that external factors and stakeholders have thereon, we moved our focus to implementation of governance structures and security enhancements.

This year the world saw a lot of network and system attacks from various sources and the biggest challenge for us was to find ways, not only to protect ourselves from existing threats, but to set goals and in so, find ways of securing our environment for possible new external and internal threats.

To achieve these goals, it was imperative to look at the implementation of security products and systems, but also the control and management of these products and systems.

In order to pave the way towards ensuring the environment we have becomes even more secure, we started with various projects to achieve this, such as the managing of the environment and the officials utilizing and accessing this environment.

Availability of / and access to systems is key to the Municipality in order to have management Information on hand and by protecting this environment, we move towards ensuring not only the integrity of data, but also the access thereto.

a) Service statistics

This past financial year we have not seen much growth in terms of users, but once again, the need for additional functionality relating to various systems was required. Another factor that played a big role in the ICT environment, which went hand in hand with other new system requirements, was the implementation of a new mSCOA compliant system.

Focusing on securing of data and information, the new mSCOA system, came with its own challenges. From having resources available, the live environment, DR capabilities and ensuring the transferring of data, securely to and from the system. It became apparent that implementation no longer only affects only the ICT Department, but now has an impact on the whole Municipality.

Due to the change from one financial system to another additional resource were required, as such the system is no longer only reliant on itself, but also on the integration and the capabilities of other systems.

Service growth

Over the past year the growth and need for ICT and ICT services both inside and outside the Municipality, which includes management and information tools as well as systems to service ratepayers and clients, increased dramatically.

TABLE 160 ICT GROWTH IN SERVICES

| TYPE | % GROWTH | DESCRIPTION |
|-----------------------|----------|--|
| Users has increased | 1% | 175 users to 177 users |
| Hardware and software | 34% | Hosted server environment 3 to 4 Virtual servers 15 to 20 A disaster recovery site currently host the 20 Virtual Servers |

Threats

Ransomware was the biggest threat to the Municipality this year. The Municipality was fortunate not to be affected by this in the past year. We did find that the existing controls might be redundant as new forms of this threat appear on a regular basis. Council already approved additional security measures in order to mitigate this risk further.

The implementation of a hardware firewall had a positive impact on network availability in the Municipality and from the statistics below one can clearly understand the advantage that implementation of such a device had enabling us to monitor risks monthly.

TABLE 161 THREATS

| TYPE | AVERAGE MONTHLY | DESCRIPTION |
|----------------------|-----------------|---|
| Network attacks | 1 300 000 | These attacks include a combination of network attacks blocked from external sources and Viruses found within the network parameter |
| Spam e-mails blocked | 53 500 | This is spam mailed blocked by the spam filters implemented by the Municipality |

Highlights and challenges

TABLE 159 ICT HIGHLIGHTS AND CHALLENGES

| DESCRIPTION | |
|-------------------|---|
| Highlights | <ul style="list-style-type: none"> o Hardware Firewall <ul style="list-style-type: none"> - The implementation of a firewall added security value to the Municipality |
| | <ul style="list-style-type: none"> o Time and attendance system <ul style="list-style-type: none"> - Attendance of all permanent employees of the Municipality is now monitored and managed electronically |
| | <ul style="list-style-type: none"> o Data Centre Generator <ul style="list-style-type: none"> - The lack of electricity at any given time may negatively affect the Municipalities means to deliver service to the community and ensuring the safekeeping of municipal information systems and data. |
| Challenges | <ul style="list-style-type: none"> o New systems and module in existing systems <ul style="list-style-type: none"> - An increase of 33% of system has put a strain on the ICT infrastructure and services |
| | <ul style="list-style-type: none"> o Municipal Corporate Governance of Information and Communication Technology Policy <ul style="list-style-type: none"> - Although most of these policies has been approved the biggest challenge will be in effectively ensuring implementation and compliance |
| | <ul style="list-style-type: none"> o mSCOA <ul style="list-style-type: none"> - Planning and meeting with the relevant stakeholders to ensure that the change process can be done in a manageable manner relating to ICT infrastructure and services |
| | <ul style="list-style-type: none"> o ICT Threat / attacks |

| | |
|--|--|
| | - Ensuring a safe and secure ICT environment is becoming more and more challenging as new threats are found on a regular basis |
|--|--|

b) Human resources

TABLE 162 EMPLOYEES: ICT

| JOB LEVEL | POSTS | EMPLOYEES | VACANCIES | VACANCIES (%) |
|--------------|----------|-----------|-----------|---------------|
| 01 - 03 | 0 | 0 | 0 | 0,00% |
| 04 - 08 | 0 | 0 | 0 | 0,00% |
| 09 - 13 | 2 | 1 | 1 | 50,00% |
| 14 - 18 | 1 | 1 | 0 | 0,00% |
| 18 - 20 | 0 | 0 | 0 | 0,00% |
| TOTAL | 3 | 2 | 1 | 33.33% |

c) Financial performance: Capital expenditure

TABLE 163 CAPITAL EXPENDITURE: ICT

| PROJECT | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | ORIGINAL BUDGET VARIANCE (%) | ADJUSTMENT BUDGET VARIANCE (%) |
|------------------------------------|---------------------|---------------------|---------------------|------------------------------|--------------------------------|
| Coral draw software | 8 000,00 | 6 600,00 | 6 595,00 | -17,56% | -0,08% |
| Backup device | - | 67 500,00 | 67 451,00 | 0,00% | -0,07% |
| New PC's | 45 000,00 | 44 350,00 | 44 342,10 | -1,46% | -0,02% |
| Laminating machine | 1 300,00 | 890,00 | 890,35 | -31,51% | 0,04% |
| New laptops | 79 200,00 | 81 300,00 | 79 908,75 | 0,89% | -1,71% |
| UPS small (Offices) | 7 000,00 | 6 480,00 | 6 479,00 | -7,44% | -0,02% |
| Projector | 12 000,00 | 6 230,00 | 6 228,07 | -48,10% | -0,03% |
| External HDD | 4 000,00 | 3 440,00 | 3 435,00 | -14,13% | -0,15% |
| Switch POE | 25 000,00 | 23 350,00 | 23 346,81 | -6,61% | -0,01% |
| Server cabinet | 13 000,00 | 11 550,00 | 11 550,00 | -11,15% | 0,00% |
| Two way radios | 58 800,00 | 120 210,00 | 119 007,20 | 102,39% | -1,00% |
| Generator main building | 220 000,00 | 214 500,00 | 214 392,50 | -2,55% | -0,05% |
| Time & attendance (access control) | 500 000,00 | 475 240,00 | 475 233,02 | -4,95% | 0,00% |
| Desk | - | 3 550,00 | 3 532,18 | - | -0,50% |
| Cabinet | - | 2 460,00 | 2 455,21 | - | -0,19% |
| Backup device & HDD | 55 000,00 | 53 580,00 | 53 375,61 | -2,95% | -0,38% |
| Server DR site | 185 000,00 | 154 480,00 | 154 479,27 | -16,50% | 0,00% |
| Time & attendance(access control) | 500 000,00 | 500 000,00 | 500 000,00 | 0,00% | 0,00% |
| Replacement PC's | 89 000,00 | 88 690,00 | 88 684,21 | -0,35% | -0,01% |
| Screens replace | 6 600,00 | 8 950,00 | 8 943,95 | 35,51% | -0,07% |
| Projector replacement | 12 000,00 | 9 420,00 | 9 412,28 | -21,56% | -0,08% |
| TOTAL | 1 820 900,00 | 1 882 770,00 | 1 879 741,51 | 3,23% | -0,16% |

3.15 COMPONENT I: DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2017/18

3.15.1 STRATEGIC GOAL 1: TO CREATE A SAFE AND HEALTHY ENVIRONMENT FOR ALL CITIZENS AND VISITORS TO THE CAPE AGULHAS MUNICIPALITY

TABLE 164 TO CREATE A SAFE AND HEALTHY ENVIRONMENT FOR ALL CITIZENS AND VISITORS TO THE CAPE AGULHAS MUNICIPALITY

| REF | KPI | UNIT OF MEASUREMENT | WARDS | ANNUAL TARGET |
|------|---|---|-------|---------------|
| TL35 | Obtain full Blue Flag status for Duiker Street Beach Struisbaai by 30 November 2017 | Full Blue flag status received for Duiker Street Beach Struisbaai | 5 | 1 |
| TL36 | Spend 95% of the approved capital budget for the Management Services Directorate by 30 June 2018 {(Actual expenditure divided by the total approved budget) x 100} | % of budget spent | All | 95% |
| TL37 | Conduct a feasibility study to improve the safety and security (CCTV and other measures) within Cape Agulhus Municipality and submit to Council for consideration by 31 December 2017 | Feasibility study conducted and submitted to Council for consideration | All | 1 |
| TL38 | Review the Youth Development Strategy and submit to Council for approval by 30 June 2018 | Youth Development Strategy reviewed and submitted to Council for approval | All | 1 |
| TL39 | Submit an Annual Events Calendar for social development to Council for approval by 31 July 2017 | Events calendar submitted to Council for approval | All | 1 |

3.15.2 STRATEGIC GOAL 2: TO ENSURE ACCESS TO EQUITABLE AFFORDABLE AND SUSTAINABLE MUNICIPAL SERVICES FOR ALL CITIZENS

TABLE 165 TO ENSURE ACCESS TO EQUITABLE AFFORDABLE AND SUSTAINABLE MUNICIPAL SERVICES FOR ALL CITIZENS

| REF | KPI | UNIT OF MEASUREMENT | WARDS | ANNUAL TARGET |
|-----|---|---|-------|---------------|
| TL1 | Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2018 | Number of residential properties which are billed for water or have pre paid meters | All | 8,601 |
| TL2 | Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding | Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) | All | 8,536 |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| REF | KPI | UNIT OF MEASUREMENT | WARDS | ANNUAL TARGET |
|-------------|--|---|-------|---------------|
| | Eskom areas) and billed for the service as at 30 June 2018 | | | |
| TL3 | Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service (inclusive of septic tanks), irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2018 | Number of residential properties which are billed for sewerage | All | 8,800 |
| TL4 | Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2018 | Number of residential properties which are billed for refuse removal | All | 9,551 |
| TL5 | Provide 6kl free basic water per month to all households during the 2017/18 financial year | Number of HH receiving free basic water | All | 8,601 |
| TL6 | Provide 50kwh free basic electricity per month per indigent household in terms of the equitable share requirements during the 2017/18 financial year | Number of indigent HH receiving free basic electricity | All | 3,419 |
| TL7 | Provide free basic sanitation and refuse to indigent households in terms of the equitable share requirements during the 2017/18 financial year | Number of indigent HH receiving free basic sanitation and refuse in terms of Councils indigent policy | All | 3,419 |
| TL14 | Provide electricity to 200 RDP houses by 30 June 2018 | Number of houses electrified | 2 | 200 |
| TL15 | 95% of the roads and storm water capital budget spent by 30 June 2018 {(Actual expenditure divided by the total approved roads and stormwater capital budget) x 100} | % of roads and storm water capital budget spent | All | 95% |
| TL16 | Upgrade 3.5 kilometers of road in Bredasdorp (RDP) by 30 June 2018 | Kilometers of road upgraded | 3 | 3.50 |
| TL17 | Upgrade 800 square meter paving in Bredasdorp by 31 December 2017 | Square meter paving upgraded | 3 | 800 |
| TL18 | Upgrade 0.8 km of gravel road (Industrial Road) to tar Struisbaai by 30 December 2017 | Kilometers of road upgraded | 3 | 0.80 |
| TL19 | 95% of the approved refuse removal capital budget spent by 30 June 2018 {(Actual expenditure divided by the total approved refuse removal capital budget) x 100} | % of refuse removal capital budget spent | All | 95% |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| REF | KPI | UNIT OF MEASUREMENT | WARDS | ANNUAL TARGET |
|------|---|--|------------|---------------|
| TL20 | Compile an implementation plan for the roll-out of the Wheelie Bin System and submit to Council for approval by 31 December 2017 | Implementation plan compiled and submitted to Council for approval | All | 1 |
| TL21 | 95% of the approved water capital budget spent by 30 June 2018 {(Actual expenditure divided by the total approved water capital budget) x 100} | % of water capital budget spent | All | 95% |
| TL22 | Limit unaccounted for water to less than 18% by 30 June 2018 {(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold (incl free basic water) / Number of Kiloliters Water Purchased or Purified x 100} | % unaccounted water | All | 18% |
| TL23 | 95% average water quality level obtained as per SANS 241 on micro parameters for all water supply areas during the 2017/18 financial year | % water quality level obtained | All | 95% |
| TL24 | Update the Water Services Development Plan and submit to Council by 31 May 2018 | Updated Water Services Development Plan submitted to Council | All | 1 |
| TL25 | 60% waste water discharge quality obtained for Bredasdorp WWTW | % quality of waste water discharge obtained | All | 60% |
| TL26 | Complete the design and contract documentation for the rehabilitation of the Waste Water Treatment Works in Bredasdorp by 31 March 2018 | Design and contract documentation phase completed | 2; 3; 4; 6 | 1 |
| TL27 | Limit unaccounted for electricity to less than 8% by 30 June 2018 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) x 100} | % unaccounted electricity | All | 8% |
| TL28 | 95% of the electricity capital budget spent by 30 June 2018 {(Actual expenditure divided by the total approved capital budget) x 100} as per individual project plans | % of electricity capital budget spent | All | 95% |
| TL29 | 95% of the INEP funds received spent by 30 June 2017 for the electrification of 69 IRDP houses {(Actual expenditure divided by the total received INEP allocation) x 100} | % of the INEP funds received spent | 2 | 95% |

| REF | KPI | UNIT OF MEASUREMENT | WARDS | ANNUAL TARGET |
|------|---|--|-------|---------------|
| TL30 | Investigate the feasibility of alternative energy sources to manage the demand for electricity and submit a report to Council for consideration by 31 December 2017 | Feasibility investigated and report submitted to Council for consideration | All | 1 |
| TL31 | Develop a Human Settlement Plan and submit to Council by 31 March 2018 | Human Settlement Plan developed and submitted to Council for approval | All | 1 |
| TL32 | Provide 537 serviced sites in Area F, Bredasdorp by 30 June 2018 | Number of serviced sites provided | 2 | 537 |
| TL33 | Provide 107 serviced sites in Struisbaai by 30 June 2018 | Number of serviced sites provided | 5 | 107 |
| TL34 | Provide 200 top structures in Area F, Bredasdorp by 30 June 2018 | Number of top structures provided | 2 | 200 |
| TL46 | Investigate the feasibility of establishing a Regional Landfill Site and submit a report to Council for consideration by 31 March 2018 | Report submitted to Council for consideration | All | 1 |
| TL47 | Develop an infrastructure maintenance and development plan by 30 June 2018 | Number of infrastructure development and maintenance plans developed | All | 1 |

3.15.3 STRATEGIC GOAL 3: TO ENSURE GOOD GOVERNANCE AND INSTITUTIONAL SUSTAINABILITY

TABLE 166 TO ENSURE GOOD GOVERNANCE AND INSTITUTIONAL SUSTAINABILITY

| REF | KPI | UNIT OF MEASUREMENT | WARDS | ANNUAL TARGET |
|------|--|---|-------|---------------|
| TL45 | Compile a Process Plan for the completion of the land audit of the municipality and submit to Council for approval by 30 September 2017 | Process plan compiled and submitted to Council for approval | All | 1 |
| TL48 | Review the micro structure in line with the revised socio economic macro structure by 30 September 2017 | Number of approved micro structures | All | 1 |
| TL49 | Implement the RBAP for 2017/18 by 30 June 2018 {(Number of audits and tasks completed for the period/ Number of audits and tasks identified in the RBAP)x100} | % of audits and tasks completed in terms of the RBAP | All | 85% |

3.15.4 STRATEGIC GOAL 4: TO ENSURE INSTITUTIONAL SUSTAINABILITY TO ENSURE INSTITUTIONAL SUSTAINABILITY

TABLE 167 TO ENSURE INSTITUTIONAL SUSTAINABILITY

| REF | KPI | UNIT OF MEASUREMENT | WARDS | ANNUAL TARGET |
|------|--|--|-------|---------------|
| TL41 | Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan | Number of people from employment equity target groups employed in vacancies that arise in the three highest levels of management | All | 1 |
| TL42 | The percentage of the municipality's personnel budget actually spent on implementing its Workplace Skills Plan by 30 June 2018 in terms of the WSDL Act. $\{(Actual\ amount\ spent\ on\ training / total\ personnel\ budget) \times 100\}$ | % of the personnel budget spent on training | All | 1% |
| TL43 | Compile a new Five Year Employment Equity Plan and submit to Council for approval by 30 September 2017 | Employment Equity Plan compiled and submitted to Council for approval | All | 1 |

3.15.5 STRATEGIC GOAL 5: TO IMPROVE THE FINANCIAL VIABILITY OF THE MUNICIPALITY AND ENSURE ITS LONG TERM FINANCIAL SUSTAINABILITY

TABLE 168 TO IMPROVE THE FINANCIAL VIABILITY OF THE MUNICIPALITY AND ENSURE ITS LONG TERM FINANCIAL SUSTAINABILITY

| REF | KPI | UNIT OF MEASUREMENT | WARDS | ANNUAL TARGET |
|------|---|--|-------|---------------|
| TL8 | Develop an implementation plan for the Revenue Enhancement Strategy and submit to Council for approval by 30 September 2017 | Revenue Enhancement Strategy implementation plan developed and submitted to Council for approval | All | 1 |
| TL9 | The percentage of the municipality's capital budget actually spent on capital projects by 30 June 2018 $\{(Actual\ amount\ spent\ on\ projects / Total\ amount\ budgeted\ for\ capital\ projects) \times 100\}$ | % of the municipal capital budget spent | All | 95% |
| TL10 | Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2018 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant) | % Debt to Revenue | All | 25% |

| REF | KPI | UNIT OF MEASUREMENT | WARDS | ANNUAL TARGET |
|------|--|----------------------------------|-------|---------------|
| TL11 | Financial viability measured in terms of the outstanding service debtors as at 30 June 2018 (Total outstanding service debtors/ revenue received for services) | % Service debtors to revenue | All | 10% |
| TL12 | Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2018 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)) | Cost coverage | All | 1 |
| TL13 | Achieve a debtors payment percentage of at least 98% by 30 June 2018{(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100} | % debtors payment ratio achieved | All | 96% |

3.15.6 STRATEGIC GOAL 6: TO PROMOTE LOCAL ECONOMIC DEVELOPMENT IN THE CAPE AGULHAS MUNICIPAL AREA

TABLE 169 TO PROMOTE LOCAL ECONOMIC DEVELOPMENT IN THE CAPE AGULHAS MUNICIPAL AREA

| REF | KPI | UNIT OF MEASUREMENT | WARDS | ANNUAL TARGET |
|------|---|----------------------------------|-------|---------------|
| TL40 | Create FTE's through government expenditure with the EPWP by 30 June 2018 | Number of FTE's created | All | 30 |
| TL44 | Appoint a service provider to conduct a basic assessment for the New Bredasdorp Industrial Development by 30 September 2017 | Service provider appointed | All | 1 |
| TL50 | Develop a Local Tourism Strategy and submit to Council for consideration by 30 December 2017 | Local Tourism Strategy developed | All | 1 |

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

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

TABLE 170 NATIONAL KEY PERFORMANCE INDICATORS: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

| NATIONAL KEY PERFORMANCE INDICATOR | MUNICIPAL ACHIEVEMENT | |
|--|-----------------------|---------|
| | 2015/16 | 2016/17 |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan | 0.42% | 0.43% |

The Municipality was able to implement its 2016/17 Workplace Skills Plan (WSP). Funding was received from the Local Government SETA and the Construction SETA, which was utilised for most of the technical and administrative training provided for in the 2016/17 Workplace skills plan. The Local Government SETA also funded bursaries for Municipal Employees to pursue local government related academic studies at all levels.

4.1.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS AND CHALLENGES

TABLE 171 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

| HIGHLIGHT | DESCRIPTION |
|--|---|
| Long term appointments of contract workers | In this financial year we appointed library personnel who were previously on short term contracts, with funding from the Provincial Library Grant. Long term appointments create a more stable work environment. Cape Agulhas Municipality now has only one Non-Permanent employee. |
| Skills development | The completion and official opening of the Anene Booysen Skills Centre, a partnership between the Construction SETA, Boland College and the Municipality on 23 July 2016 by the Minister of Department of Higher Education and Training, Minister Dr Blade Nzimande, was a success. This is the first DHET Centre in the area. The centre is already operational and currently managed by Boland College and will service the Cape Agulhas Municipal Area as well as the Overberg region. |
| Human Resource Strategy | The Western Cape Department of Local Government funded the development of a Human Resource Strategy which was adopted by Council. It included a survey to establish what is expected of a Human Resources Department and identified areas of improvements to strengthen the Human Resources Department and human resource management within the Municipality. An action plan was compiled to monitor progress. |
| Reduction in vacancy rates | The vacancy rate decreased from 4.40% in 2015/16 to 3.31 % in 2016/17. |

| | |
|-----------------------------------|---|
| Occupational Health & Safety Risk | Management of Occupational Health and Safety Risks has been prioritised. More emphasis has been placed on investigations and corrective measures. The quality of protective clothing is being investigated and is discussed at Labour Forums and monthly departmental safety meetings to mitigate the problems emanating from poor quality or lack thereof. |
| Organisational Structure | A new five year IDP was compiled in consultation key primary and secondary stakeholders of Cape Agulhas Municipality. The Political Executive and Senior Management then held a strategic session to plan and strategically deliver on the priorities emanating from the new IDP. An Organizational Structure re-design process was carried out to align it to the strategic direction and core focus areas of the new IDP. This new Structure was approved in June 2017. |

TABLE 172 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

| CHALLENGE | ACTION TO ADDRESS |
|--|--|
| Implementation of the Employment Equity Plan | <p>A concerted effort was made to implement the Municipality's Employment Equity Plan and achieve the goals and targets contained therein.</p> <ul style="list-style-type: none"> o The completion of the Job Evaluation process enabled the Municipality to place their workforce, using an independent scientific process of determining remuneration at all levels. Cape Agulhas Municipality implemented its Tuned Assessment of Skills and Knowledge (TASK) in December 2015, and the process is ongoing. o Through training and development initiatives we have created a pool of qualified local internal employees, mostly females, for possible opportunities when there are vacancies. During 2016/7 we trained and developed from within the organisation, as per our training and development target groups, gender sensitive, examples being Local Government MFMA Minimum Competencies (MMC) and Business Management & Public Management courses at various Colleges & Universities to create a pool of prospective candidates from designated groups. |

4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Cape Agulhas Municipality currently employs 350 people (excluding non-permanent employees), who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of the Human Resource Department is to render an innovative human resource service that addresses both human resource development and human resource administration.

Cape Agulhas Municipality embarked on a job creation exercise through the Expanded Public Works Programme (EPWP). The Municipality's targets in terms of job opportunities was 187 and FTE's was 40. We achieved 371 job opportunities and 52 FTE's which translates to an achievement rate of 198% and 130% respectively.

The Municipality embarked on an extensive training and skills development drive to ensure that there is a pool of skilled and semi-skilled workers internally and externally. This was done

through funding received from various Sector Education and Training Authorities (SETA's) namely the Local Government SETA, Energy and Water SETA and the Construction SETA. The construction and opening of the Anene Booysen Skills Centre opened opportunities for technical and administrative training to our officials in various disciplines in terms of both academic and skills training.

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 suitably 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".

Cape Agulhas Municipality developed an Employment Equity Plan for the period 2012 – 2017, with specific racial and gender specified targets and goals, for this period, to ensure that within the municipality. In 2012, an assessment was conducted and compliance to the about mentioned legislation is adhered to through implementation of the Cape Agulhas Employment Equity Plan.

a) Employment Equity targets

The Organizational Structure did not make provision for the occupational level of African male in the Senior Management Category due to financial constraints, and no vacancies occurred. The 1 African male target could therefore not be achieved. In the year 2017/18 provision has been made at the third level of Management.

TABLE 173 2016/17 EMPLOYMENT EQUITY TARGETS/ACTUAL BY RACIAL CLASSIFICATION FOR TOP THREE LEVELS OF MANAGEMENT

| AFRICAN | | | COLOURED | | | INDIAN | | | WHITE | | |
|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|
| TARGET JUNE | ACTUAL JUNE | TARGET REACHED | TARGET JUNE | ACTUAL JUNE | TARGET REACHED | TARGET JUNE | ACTUAL JUNE | TARGET REACHED | TARGET JUNE | ACTUAL JUNE | TARGET REACHED |
| 3 | 2 | 66% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

b) Employment Equity as measured against the population

We attracted one disabled male on a temporary basis. (Finance Intern). Provision will be made in 2017/18 for the appointment of a disabled person to be appointed through the recruitment and selection process.

The target of an NQF 9 African male was achieved in the Skilled Technical Level because the Organisational Structure made provision for this in the 2015/16 financial Year. The organizational structure didn't allow for the appointment of an African male on the occupational level of Senior Management during 2016/17, and no vacancies occurred which rendered the Municipality unable to reach its target. A new macro structure was approved on

30 June 2017, with a vacant and funded position in the occupational level of Senior Management, African Male. The position will be advertised and headhunting can also be done internally and externally to achieve the goal for the current plan which expires on 30 September 2017.

The Employment Equity (EE) Plan reporting cycle for numerical goals (1 October 2012 -30 September 2017) and the Municipal annual reporting cycle differ (July 2016-June 2017) making it difficult to record achieved targets or goals made in the EE Plan period for a particular financial year.

TABLE 174 2016/17 EMPLOYMENT EQUITY TARGETS/ACTUAL BY GENDER CLASSIFICATION

| MALE | | | FEMALE | | | DISABLED | | |
|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|
| TARGET JUNE | ACTUAL JUNE | TARGET REACHED | TARGET JUNE | ACTUAL JUNE | TARGET REACHED | TARGET JUNE | ACTUAL JUNE | TARGET REACHED |
| 1 | 0 | 0% | 2 | 2 | 100% | 5 | 2 | 40% |

c) Occupational levels by race

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

TABLE 175 EE POPULATION 2016/17

| DESCRIPTION | AFRICAN | COLOURED | INDIAN | WHITE | TOTAL |
|-------------------------------|-------------|-------------|-----------|-------------|-------------|
| Population numbers | 1 912 547 | 2 840 404 | 60 761 | 915 053 | 5 728 765 |
| % Population | 33.70 | 49.60 | 1.06 | 15.97 | 100 |
| Number for positions filled | 5 | 7 | 0 | 2 | 14 |
| Total workforce | 57 | 254 | 0 | 39 | 350 |
| % for Positions filled | 8.8% | 2.8% | 0% | 5.1% | 4.0% |

d) Occupational levels and departments by race

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

TABLE 176 OCCUPATIONAL LEVELS (INCLUDES COUNCILLORS)

| OCCUPATIONAL Levels | MALE | | | | FEMALE | | | | TOTAL |
|---|------|----|---|----|--------|----|---|----|-------|
| | A | C | I | W | A | C | I | W | |
| Top Management | 2 | 6 | 0 | 4 | 1 | 3 | 0 | 0 | 16 |
| Senior management | | 2 | 0 | 1 | 1 | | 0 | 1 | 5 |
| Professionally qualified and experienced specialists and mid-management | 1 | 8 | 0 | 10 | 3 | 3 | 0 | 1 | 26 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 5 | 40 | 0 | 6 | 6 | 37 | 0 | 14 | 108 |
| Semi-skilled and discretionary decision making | 12 | 64 | 0 | 4 | 3 | 25 | 0 | 1 | 109 |

| | | | | | | | | | |
|---------------------------------------|-----------|------------|----------|-----------|-----------|-----------|----------|-----------|------------|
| Unskilled and defined decision making | 19 | 52 | 0 | 0 | 5 | 21 | 0 | 0 | 97 |
| Total permanent | 39 | 172 | 0 | 25 | 19 | 89 | 0 | 17 | 361 |

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

TABLE 177 DEPARTMENT – RACE (EXCLUDES COUNCILLORS)

| DEPARTMENT | MALE | | | | FEMALE | | | | TOTAL |
|---------------------------------|-----------|------------|----------|-----------|-----------|-----------|----------|-----------|------------|
| | A | C | I | W | A | C | I | W | |
| Office of the Municipal Manager | 1 | 4 | 0 | 1 | 1 | 1 | 0 | 2 | 10 |
| Corporate Services | 3 | 9 | 0 | 5 | 5 | 19 | 0 | 3 | 44 |
| Financial Services | 1 | 14 | 0 | 3 | 3 | 10 | 0 | 7 | 38 |
| Community Services | 8 | 41 | 0 | 6 | 8 | 42 | 0 | 4 | 109 |
| Infrastructure Services | 26 | 100 | 0 | 7 | 1 | 14 | 0 | 1 | 149 |
| TOTAL | 39 | 168 | 0 | 22 | 18 | 86 | 0 | 17 | 350 |

4.2.2 VACANCY RATE

The approved organogram for the Municipality has 393 posts for the 2016/17 financial year of which 362 are funded. In 2013, at the start of the implementation of the Employment Equity Plan. The vacancy rate was 43%. The vacancy rate has declined steadily and at the end of the 2016/17 financial year it was 3.31% (excluding unfunded posts). This was a 1.11% decline from the 2015/16 figure of 4.40%. The vacancy rate per post level and functional level are indicated below:

TABLE 178 ANNUAL VACANCY RATE

| PER POST LEVEL | | |
|---|------------|-----------|
| POST LEVEL | FILLED | VACANT |
| MM & MSA section 57 & 56 (Top Management) | 5 | 0 |
| Senior Management | 5 | 1 |
| Professionally qualified and experienced specialists and middle management | 26 | 0 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 111 | 6 |
| Semi-skilled and discretionary decision making | 107 | 2 |
| Unskilled and defined decision making | 96 | 3 |
| TOTAL | 350 | 12 |

| PER FUNCTIONAL LEVEL | | |
|---------------------------------|------------|-----------|
| FUNCTIONAL AREA | FILLED | VACANT |
| Office of the Municipal Manager | 10 | 1 |
| Corporate Services | 44 | 1 |
| Financial Services | 38 | 0 |
| Community Services | 109 | 2 |
| Infrastructure Services | 149 | 8 |
| TOTAL | 350 | 12 |
| *Excluding CDW posts | | |

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

TABLE 179 VACANCY RATE PER MONTH

| MONTH | TOTAL FUNDED POSTS | FILLED POSTS | VACANCIES | % VACANCY RATE |
|----------------|--------------------|--------------|-----------|----------------|
| July 2016 | 362 | 346 | 16 | 4.42 |
| August 2016 | 362 | 346 | 16 | 4.42 |
| September 2016 | 362 | 348 | 14 | 3.87 |
| October 2016 | 362 | 347 | 15 | 4.14 |
| November 2016 | 362 | 349 | 13 | 3.39 |
| December 2016 | 362 | 347 | 15 | 4.14 |
| January 2017 | 362 | 347 | 15 | 4.14 |
| February 2017 | 362 | 347 | 15 | 4.14 |
| March 2017 | 362 | 348 | 14 | 3.39 |
| April 2017 | 362 | 349 | 13 | 3.59 |
| May 2017 | 362 | 351 | 11 | 3.04 |
| June 2017 | 362 | 350 | 12 | 3.31 |

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

TABLE 180 VACANCY RATE HIGHEST LEVELS OF MANAGEMENT

| SALARY LEVEL | NUMBER OF CURRENT CRITICAL VACANCIES | NUMBER TOTAL POSTS AS PER ORGANOGRAM | VACANCY JOB TITLE | % VACANCIES (AS A PROPORTION OF TOTAL POSTS PER CATEGORY) |
|---|--------------------------------------|--------------------------------------|-------------------|---|
| Municipal Manager | 0 | 1 | n/a | n/a |
| Chief Financial Officer | 0 | 1 | n/a | n/a |
| Other Section 57 Managers | 0 | 3 | n/a | n/a |
| Senior management | 0 | 5 | n/a | n/a |
| Professionally qualified and mid management | 0 | 26 | n/a | n/a |
| TOTAL | 0 | 36 | | 0% |

4.2.3 STAFF TURNOVER RATE

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. A low turnover rate is indicative of a stable employment environment.

The staff turnover rate showed a decrease from 6.94% in 2015/16 to 2,86% in 2016/17. Turnover is primarily due incapacity cases, resignations due to better prospects and a few retirements. The table below indicates the staff turnover rate over the last two years:

TABLE 181: TURNOVER RATE

| FINANCIAL YEAR | TOTAL NUMBER OF APPOINTMENTS AT THE END OF EACH FINANCIAL YEAR | NEW APPOINTMENTS | NUMBER OF TERMINATIONS DURING THE YEAR | STAFF TURNOVER RATE |
|----------------|--|------------------|--|---------------------|
| 2015/16 | 346 | 54 | 24 | 6.94% |
| 2016/17 | 350 | 14 | 10 | 2.86% |

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. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows a decrease of 30.33% for 2016/17 as compared to 2015/16. This means that 13.14% of our workforce was injured on duty during 2016/17 financial year.

The two departments with the highest number of injuries are Community Services and Infrastructure Services, but there is a decrease in occupational injuries in both departments.

This is due to more emphasis being placed on safe work procedures and safety awareness and training. Random safety inspections are also conducted by the OHS officer and the Safety Representatives of departments. Protective clothing awareness is a standing item on the Local Labour Forum Monthly meetings, where issues pertaining to quality PPE and budgets are raised and addressed.

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

TABLE 182 INJURIES

| DIRECTORATES | 2015/16 | 2016/17 |
|---------------------------------|---------|---------|
| Office of the Municipal Manager | 0 | 0 |
| Corporate Services | 2 | 2 |

| | | |
|-------------------------|-----------|-----------|
| Financial Services | 2 | 2 |
| Community Services | 22 | 16 |
| Infrastructure Services | 40 | 26 |
| TOTAL | 66 | 46 |

4.3.2 SICK LEAVE

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

The total number of sick leave days taken during the **2016/17** financial year shows an overall increase of 23.7%. There is substantial increase in the sick leave of the Infrastructure and Community Services Departments that can be attributed to various reasons outside the control of the work environment

The implementation of an electronic leave management system has assisted in ensuring good management of sick leave, as leave is accounted for in areas where it was previously difficult to obtain supporting documentation for leave reconciliations. This has enabled us to identify trends and improve leave management as a whole.

TABLE 183 SICK LEAVE

| DEPARTMENT | 2015/16 | 2016/17 |
|---------------------------------|-------------|-------------|
| Office of the Municipal Manager | 9 | 32.50 |
| Corporate Services | 400 | 580 |
| Financial Services | 405 | 294 |
| Community Services | 815 | 1035 |
| Infrastructure Services | 851 | 1128.50 |
| TOTAL | 2480 | 3070 |

4.3.3 HUMAN RESOURCE POLICIES AND PLANS

Human Resources policies and procedures are important as they provide structure, control, consistency, fairness in any company. They also ensure compliance with employment legislation and inform employees of their responsibilities and the employer's expectations.

TABLE 184 HR POLICIES AND PLANS

| POLICY | DATE APPROVED | WILL BE REVISED |
|-------------------------------------|----------------|-----------------|
| Private Work | May 2015 | May 2018 |
| Probation Leave | May 2015 | May 2018 |
| Leave | May 2015 | May 2018 |
| Reward & Recognition | May 2015 | On revision |
| Recruitment and Selection Guideline | September 2006 | On revision |
| Uniform/ Protective Clothing Policy | September 2014 | On revision |

The following new policies will be developed in 2017:

- o Anti-Fraud and Corruption Policy

- o Code of Ethics
- o Asbestos Management Policy
- o Remuneration Policy

These policies will be developed due to management issues, and a bid to close gaps within the organisation. This will instil discipline, proactive measures on discipline, order and awareness.

The workplace skills plan was completed and submitted to the Local Government SETA after an extensive skills gap analysis was conducted with the employees.

4.3.4 EMPLOYEE PERFORMANCE REWARDS

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

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

The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance. Section 57 managers are those individuals that are appointed by the municipality on a contract basis and who reports directly to the Municipal Manager of the municipality. The table below shows the total number of S57 managers that received performance rewards during the financial year in respect of the previous year performance after all performance evaluations were dealt with:

TABLE 185 TABLE 1. PERFORMANCE REWARDS

| RACE | GENDER | NUMBER OF BENEFICIARIES | TOTAL NUMBER OF EMPLOYEES RECEIVED PERFORMANCE REWARDS | % EMPLOYEES RECEIVED PERFORMANCE REWARDS |
|--------------|---------------|--------------------------------|---|---|
| African | Female | 0 | 0 | 0 |
| | Male | 2 | 2 | 40 |
| Asian | Female | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 |
| Coloured | Female | 0 | 0 | 0 |
| | Male | 2 | 2 | 40 |
| White | Female | 0 | 0 | 0 |
| | Male | 1 | 1 | 20 |
| Disability | Female | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 |
| TOTAL | | 5 | 5 | 100 |

4.4 CAPACITATING THE MUNICIPAL WORKFORCE

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

4.4.1 SKILLS MATRIX

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

TABLE 186 SKILLS MATRIX

| Management level | Gender | Number of employees identified for training at start of the year | Number of Employees that received training |
|--|---------------|--|--|
| Legislators | Female | 0 | 4 |
| | Male | 0 | 7 |
| MM and S57, snr Managers | Female | 2 | 4 |
| | Male | 5 | 10 |
| Professionals | Female | 7 | 7 |
| | Male | 4 | 7 |
| Technicians and Associate Professionals | Female | 0 | 4 |
| | Male | 10 | 11 |
| Clerical Support Workers | Female | 0 | 27 |
| | Male | 0 | 7 |
| Service and Sales Workers | Female | 39 | 6 |
| | Male | 9 | 6 |
| Skilled Agricultural, forestry, Fishery, Craft and related Trade workers | Female | 5 | 0 |
| | Male | 4 | 0 |
| Plant and Machine Operators and Assemblers | Female | 0 | 0 |
| | Male | 0 | 3 |
| Elementary Occupations | Female | 23 | 2 |
| | Male | 90 | 18 |
| Sub total | Female | 76 | 54 |
| | Male | 122 | 69 |
| Total | | 198 | 123 |

Gender Mainstreaming in terms of skills development

The above tables illustrate how many employees have been given training opportunities, by gender. 38.38% of the employees identified for training in 2016/17 financial year were females and 61.61% were males. 71.05% of the females identified and 56.56 % of the males identified attended training.

The above statistics show that more male employees than female employees were identified for training opportunities. Of the 122 males that were identified for training, a total of 69 received training whereas of the 76 females identified for training 54 received training.

To have a Gender Sensitive Training Budget we need to ensure that there is a balance in gender when planning for development of females and males. CAM will in the future need to focus on Gender Sensitive Training Budget.

4.4.2 SKILLS DEVELOPMENT – TRAINING

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

The table below shows the occupational categories in terms of targeted and actual numbers of employees who received training.

TABLE 187 SKILLS DEVELOPMENT

| OCCUPATIONAL CATEGORY | GENDER | EMPLOYEE COUNT | LEARNERSHIP | | | SKILLS | | | OTHER | | | TOTAL TARGET | TOTAL ACTUAL |
|--|--------|----------------|-----------------|----------|----------------|-----------------|------------|----------------|-----------------|----------|----------------|--------------|--------------|
| | | | ACTUAL PREVIOUS | TARGET | ACTUAL CURRENT | ACTUAL PREVIOUS | TARGET | ACTUAL CURRENT | ACTUAL PREVIOUS | TARGET | ACTUAL CURRENT | | |
| Legislators | Female | 4 | 0 | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 4 |
| | Male | 7 | 0 | 0 | 0 | 0 | 0 | 7 | 0 | 0 | 0 | 0 | 7 |
| MM and S57, Snr Managers | Female | 6 | 0 | 0 | 0 | 6 | 2 | 4 | 0 | 0 | 0 | 2 | 4 |
| | Male | 17 | 0 | 0 | 0 | 4 | 5 | 10 | 0 | 0 | 0 | 5 | 10 |
| Professionals | Female | 14 | 0 | 0 | 0 | 4 | 7 | 7 | 0 | 0 | 0 | 7 | 7 |
| | Male | 11 | 0 | 0 | 0 | 6 | 4 | 7 | 0 | 0 | 0 | 4 | 7 |
| Technicians and Associate Professionals | Female | 1 | 0 | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 4 |
| | Male | 23 | 0 | 0 | 0 | 0 | 10 | 11 | 0 | 0 | 0 | 10 | 11 |
| Clerical Support and Workers | Female | 59 | 0 | 0 | 0 | 8 | 0 | 27 | 0 | 0 | 0 | 0 | 27 |
| | Male | 19 | 0 | 0 | 0 | 5 | 0 | 7 | 0 | 0 | 0 | 0 | 7 |
| Services and Sales | Female | 0 | 0 | 0 | 0 | 2 | 39 | 6 | 0 | 0 | 0 | 39 | 6 |
| | Male | 0 | 0 | 0 | 0 | 0 | 9 | 6 | 0 | 0 | 0 | 9 | 6 |
| Skilled Agricultural, forestry, Fishery, Craft and related Trade workers | Female | 14 | 0 | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 5 | 0 |
| | Male | 12 | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 4 | 0 |
| Plant and Machine Operators and Assemblers | Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 34 | 0 | 0 | 0 | 5 | 0 | 3 | 0 | 0 | 0 | 0 | 3 |
| Elementary | Female | 33 | 0 | 0 | 0 | 5 | 23 | 2 | 0 | 0 | 0 | 23 | 2 |
| | Male | 112 | 0 | 0 | 0 | 47 | 90 | 18 | 0 | 0 | 0 | 90 | 18 |
| TOTAL | | 366 | 0 | 0 | 0 | 92 | 198 | 123 | 0 | 0 | 0 | 198 | 123 |

4.4.3 SKILLS DEVELOPMENT – BUDGET ALLOCATION

An amount of R1 222 683.00 of the allocated budget of 1 450 000.00 was spent on training. Funding was also received from the Sector Education and Training Authority (SETA). All planned skills training was done and we utilised the funding received from the SETA to provide technical and administrative training.

TABLE 188 BUDGET ALLOCATED AND SPENT FOR SKILLS DEVELOPMENT

| YEAR | TOTAL OPERATIONAL BUDGET | TOTAL ALLOCATED FOR TRAINING | TOTAL SPENT | % SPEND |
|---------|--------------------------|------------------------------|---------------|---------|
| 2015/16 | R 257 854 210.00 | 1 438 000.00 | R1 088 848.00 | 0.42% |
| 2016/17 | R279 470 030.00 | 1 450 000.00 | R1 222 683.00 | 0.43% |

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 to 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 at the national norm of between 35 to 40%:

TABLE 189 TOTAL PERSONNEL EXPENDITURE

| FINANCIAL YEAR | TOTAL EXPENDITURE SALARY AND ALLOWANCES R'000 | TOTAL OPERATING EXPENDITURE R'000 | PERCENTAGE % |
|----------------|---|-----------------------------------|--------------|
| *2015/16 | 988 255 | 2 419 44 2 | 40.85 |
| 2016/17 | 112 675 | 2 677 040 | 40.32 |

*Figures restated

Below is a summary of Councillor and staff benefits for the year under review. The increase in salary expenditure year-on-year is due to the filling of critical service delivery positions.

TABLE 190 DETAIL OF PERSONNEL EXPENDITURE

| FINANCIAL YEAR | 2015/16 | 2016/2017 | | |
|----------------|--------------|-----------------------|-----------------------|--------------|
| DESCRIPTION | ACTUAL R'000 | ORIGINAL BUDGET R'000 | ADJUSTED BUDGET R'000 | ACTUAL R'000 |

| Councillors (Political Office Bearers plus Other) | | | | |
|--|---------------|----------------|----------------|----------------|
| Salary | 2 218 | 3,228 | 3,228 | 2,820 |
| Pension contributions | 353 | 366 | 366 | 541 |
| Medical aid contributions | 0 | | | |
| Motor vehicle allowance | 854 | 926 | 926 | 1,112 |
| Cell phone allowance | 199 | 255 | 255 | 270 |
| Other allowance | | 12 | 12 | |
| Sub Total | 3 624 | 4,786 | 4,786 | 4,743 |
| % increase/ (decrease) | 4.98 | | | 23.59% |
| Key Personnel | | | | |
| Basic salaries and wages | 4 167 | 4,385 | 4,385 | 4434 |
| Pension and medical aid and UIF contributions | 959 | 935 | 1012 | 1079 |
| Motor vehicle allowance | 328 | 386 | 386 | 399 |
| Cell phone allowance | 42 | 14 | 31 | 40 |
| Housing allowance | 0 | | | |
| Performance bonus | 785 | 667 | 667 | 627 |
| Other benefits or allowances | 68 | 86 | 87 | 187 |
| Sub Total | 6 349 | 6,474 | 6,567 | 6767 |
| % increase/ (decrease) | 20.2 | | | 6.18% |
| Other Staff | | | | |
| Basic salaries and wages | 52306 | 64,052 | 63,520 | 68 838 |
| Pension and UIF contributions | 7770 | 11,220 | 11,220 | 10 828 |
| Medical aid contributions | 2543 | 3,362 | 3,412 | 3 706 |
| Motor vehicle allowance | 4006 | 4,705 | 4,818 | 5 023 |
| Cell phone allowance | 208 | 378 | 432 | 376 |
| Housing allowance | 428 | 1,187 | 1,099 | 1 014 |
| Overtime | 3093 | 3,087 | 3,241 | 3 398 |
| Performance bonus | 0 | | | 0 |
| Other benefits or allowances | 5472 | 7381 | 7,513 | 7402 |
| Sub Total | 75 826 | 95,372 | 95,255 | 100 586 |
| Total Municipality | 85 138 | 101,847 | 101,822 | 112 096 |
| Total managers and staff | 81 686 | 106,633 | 106,608 | 107 353 |

4.6 MFMA COMPETENCIES

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

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcome-based NQF Level 6 qualification in Municipal Finance Management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 in terms of Government Notice 179 of 14 March 2014), employ a person as a financial

official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

The plan of action dated 29 August 2012 sent to Treasury (special merit cases), has been achieved over and above the requirement. Our first group of 26 completed their training in January 2013 and the second group of 21 completed their training in July 2014. A third group started in September 2014 and a fourth group in April 2015 that are not part of special merit cases, and mainly comprise newly appointed officials, interns and non-financial officers. This financial year three only staff members are completing the finance minimum competency. No new management appointments were made within this financial year.

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

TABLE 191 FINANCIAL COMPETENCY DEVELOPMENT PROGRESS REPORT

| DESCRIPTION | A. TOTAL NUMBER OF OFFICIALS EMPLOYED BY MUNICIPALITY (REGULATION 14(4)(A) AND (C)) | B. TOTAL NUMBER OF OFFICIALS EMPLOYED BY MUNICIPAL ENTITIES (REGULATION 14(4)(A) AND (C)) | CONSOLIDATED: TOTAL OF A AND B | CONSOLIDATED: COMPETENCY ASSESSMENTS COMPLETED FOR A AND B (REGULATION 14(4)(B) AND (D)) | CONSOLIDATED: TOTAL NUMBER OF OFFICIALS WHOSE PERFORMANCE AGREEMENTS COMPLY WITH REGULATION 16 (REGULATION 14(4)(F)) | CONSOLIDATED: TOTAL NUMBER OF OFFICIALS THAT MEET PRESCRIBED COMPETENCY LEVELS (REGULATION 14(4)(E)) |
|--|---|---|--------------------------------------|---|---|--|
| Financial Officials | | | | | | |
| Accounting officer | 1 | 0 | 1 | 1 | 1 | 1 |
| Chief financial officer | 1 | 0 | 1 | 1 | 1 | 1 |
| Senior managers | 3 | 0 | 3 | 3 | 3 | 3 |
| Any other financial officials | 34 | 0 | 34 | 30 | na | 30 |
| Supply Chain Management Officials | | | | | | |
| Heads of supply chain management units | 1 | 0 | 1 | 1 | na | 1 |
| Supply chain management senior managers | 0 | 0 | 0 | 0 | na | 0 |
| TOTAL | 40 | 0 | 40 | 36 | 5 | 36 |

CHAPTER 5 FINANCIAL PERFORMANCE

5.1 OVERVIEW BY THE CHIEF FINANCIAL OFFICER

a) Introduction

The Cape Agulhas Municipality remains focused and committed through good governance to maintain sound financial management in an effort to provide affordable, quality and sustainable services within its legislative mandate.

The 2017 Budget Review emphasised that, while the global economic growth outlook has improved, it is clouded by prevailing policy uncertainty due to the increasing pressure within the world trading system. These factors may jeopardise South Africa's prudent macroeconomic and fiscal policies, which include inflation targeting, a flexible exchange rate, the local economy's ability to adjust to global volatility and the stable investment platform. The estimated GDP growth rate is forecasted to increase by 1.3 per cent in 2017 and to improve moderately over the medium term with to 2 per cent and 2.2 per cent in 2018 and 2019 respectively.

The continued depreciation of the Rand, the current draught gripping many parts of the country and the persistent high unemployment rate remains one of South Africa's most pressing challenges with the risk of a higher inflation outlook. Despite the global economic challenges and the ripple effect it might have on local government to deliver in terms of its mandate, the Municipality is under severe pressure to do more with less resources and supplementary funding from the National fiscus in an effort to protect the poor from the worst impacts of the economic downturn. The Municipality through its Long Term Financial Plan Strategy made an effort to reprioritise its expenditure with the focus on service delivery needs and started with the implementation of stringent cost containment measures aligned with National Treasury directives. Although the economic challenges will continue to pressurise municipal revenue generation and collection levels, the municipality continues to maintain a high debt collection rate and demonstrates the ability to spend according to the service delivery and budget implementation plan on key service delivery areas identified. The implementation of infrastructure and other related projects in the current financial year reflects slightly less than the anticipated target of 95%.

The Municipality's financial position is very finely balanced and as a result the revenues need to be correctly priced / collected whilst expenditure needs to be carefully managed within the Municipality's financial capacity. Cash and investments drastically decreased over the past financial years and the Municipality is in process of building up the liquidity profile of the Municipality by maintaining a credit score of A through managing credit risk factors such as collection levels, liquidity levels and operational management. The main focus therefore remains strong curtailment of operational expenditure; liquidity needs to be built up and the specific building of a cash backed capital replacement reserve (CRR) to cater for future asset replacement expenses and new developments.

Following and overview of the Municipality's financial performance for the year under review, and despite the many challenges and obstacles, the Municipality has managed to improve

its financial position through efficiency and sound financial practices to deliver on its constitutional and developmental mandate.

The Community Wealth (CRR and Unappropriated Surplus) has increased from approximately R307,33 million to R310,05 million for the financial year under review, mainly as a result to increased cash and the Capital Replacement Reserve (CRR) accordingly.

b) Operating results

Council has achieved an operating surplus to the amount of R2,72 million. The positive results are mainly due to the disposal of identified properties not budgeted for and savings realized in respect of bulk purchases – electricity, consultancy and other expenditure. The operating results for the year ended 30 June 2017 are as follows:

TABLE 192 FINANCIAL OVERVIEW 2016/17

| DETAILS | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL |
|---------------------------|--------------------|--------------------|--------------------|
| Income | | | |
| Grants - Operational | 60,024,936 | 52,916,249 | 33,735,113 |
| Grants - Capital | 11,931,064 | 11,899,441 | 11,735,546 |
| Taxes, Levies and tariffs | 193,394,671 | 191,970,939 | 193,318,294 |
| Other | 25,179,449 | 32,089,376 | 31,038,507 |
| Sub Total | 290,530,120 | 288,876,005 | 270,427,460 |
| <u>Less:</u> Expenditure | 297,384,962 | 286,994,079 | 267,704,084 |
| Net Total* | (6,854,842) | (1,881,926) | 2,723,376 |

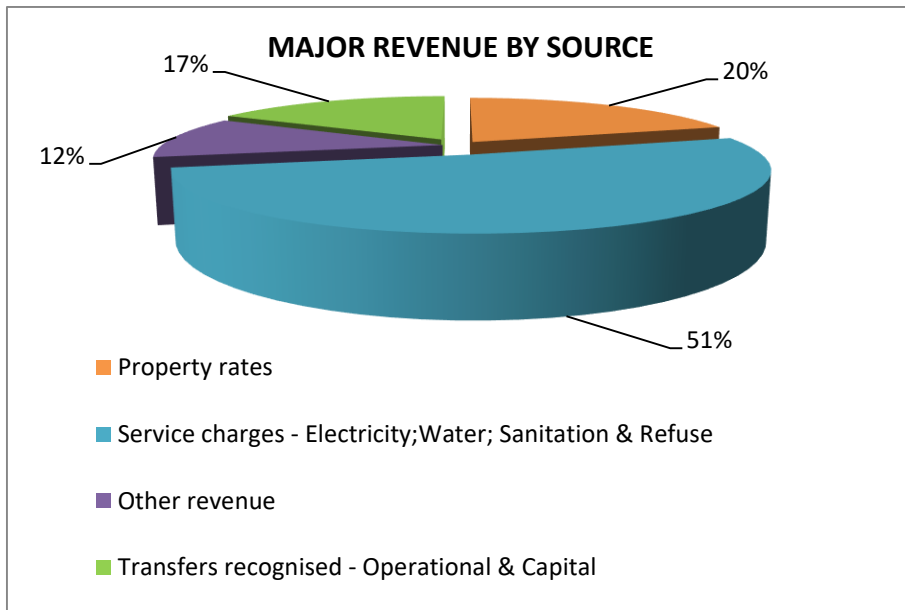
Council's performance, when compared to the budget, must be seen in the context of conservative budgeting practices and the application of strict expenditure control measures aligned with the Municipality's Budget and Virement Policy.

c) Operating revenue

The major revenue streams that supported the programmes and activities of the Municipality were:

- o Property Rates
- o Service Charges – Electricity, Water, Sanitation and Refuse
- o Grants and Subsidies – Operating & Capital
- o Other Revenue: - Rental of Facilities, Interest earned, Agency Services, Fines & other income

FIGURE 10 REVENUE BY SOURCE

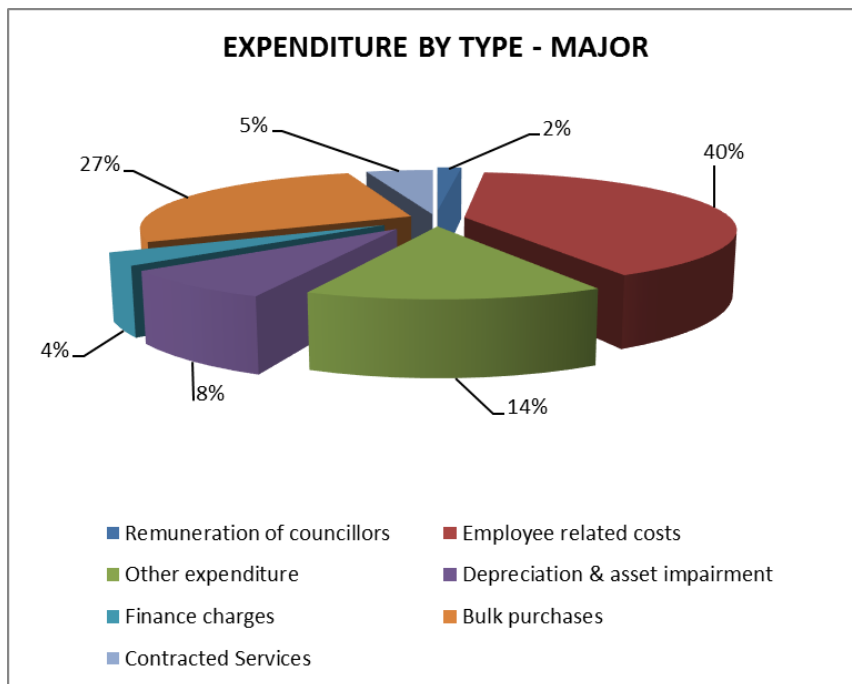


The main sources of revenue (71%) are received by way of Property Rates and Service Charges (Own Funding) whilst 17% is received from grants & subsidies in terms of the Division of Revenue Act (DoRA). Conditional grant allocations from Government and other sources are only recognized as revenue to the extent that there has been compliance with the conditions associated with such amounts received.

d) Operating expenditure

The following graph indicates the main categories of expenditure for the year under review:

FIGURE 11 EXPENDITURE BY TYPE



e) Operating Ratios

TABLE 193 OPERATING RATIOS

| RATIO | % |
|---|----------|
| Employee Cost (Excl. Councillor Remuneration) | 40.32% |
| Bulk Purchases | 27.30% |
| Contracted Services | 4.87% |
| Finance Charges | 3.48% |
| Depreciation & debt Impairment | 8.07% |

The Municipality's employee cost ratio of 40.32% (Excl. Councillors Remuneration) is the biggest cost driver and considered high compared to the municipal norm of 25%-40% set by National Treasury. In terms of the approved Long Term Financial Plan it has been identified as one of the key challenges which the Municipality is in process of addressing to ensure future financial sustainability.

Finance charges increased by R1.67 million compared to the previous financial year due to an increase in the provision for the rehabilitation of landfill sites and post-retirement medical benefits applied in terms of the general recognized accounting practices. The depreciation / debt Impairment increased by R2.66 million compared to the previous financial year mainly due to the increase in debt impairment for traffic fines.

General maintenance costs (not disclosed as a single line item on the face of the statements of performance anymore but according to the nature of the transaction) reflects at 8.86% which is slightly more than the expected guideline norm from National Treasury at 8%. The amount spent on repairs and maintenance mainly covers asset infrastructure maintenance, support contracts for systems, equipment maintenance and other related services.

f) Appropriations (Accumulated Surplus / Deficit)

Appropriations for the year amount to a net inflow of R3,376 million which can mainly be attributed to:

- o Net Surplus for the year R 2,723,376
- o Transfer to Capital Replacement Reserve (R16,459,334)
- o Property, Plant and Equipment purchased R 9,223,376

g) Capital expenditure

TABLE 194 CAPITAL EXPENDITURE 2016/17

| DETAILS | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL |
|------------------------|------------------------|--------------------------|---------------|
| Capital Expenditure | 24,631,925 | 28,164,615 | 24,279,633 |
| Funding Source: | | | |
| Grants & Subsidies | 11,931,060 | 11,899,441 | 10,815,689 |
| Public Contributions | - | 906,160 | 884,575 |
| Borrowing | 3,750,000 | 3,824,170 | 2,620,035 |

| | | | |
|---------------------------------|-----------|------------|-----------|
| Internally Funding - CRR | 8,950,865 | 11,534,844 | 9,959,334 |
|---------------------------------|-----------|------------|-----------|

Actual expenditure incurred on fixed assets represents an efficiency rate of 86,21% mainly due to savings realized versus the budgeted amounts. Projects not implemented amounted to R1,45m or 5,16% of the total capital budget and an amount of R1,50 m has been rolled over for implementation in the 2017/18 budget year in respect of the informal trading area, replacement of water meters and improvements to the Glaskasteel (Sport Academy).

h) Conditional government grants

Except for the Department of Cultural Affairs & Sport, Finance Management Support Grant and the Skills Development Grant (SETA) all other conditional grants has been managed in compliance with DoRA with a 100% expenditure rate for the financial year under review. The three unspent conditional grants to the amount of R1,5m have been rolled over to the new financial year. Unspent grants reflected at financial year end are fully cash backed as defined in the Municipality's accounting policy.

i) External borrowings

The Municipality reflects external loans to a total amount of R2,35 million from ABSA Bank as well as finance lease liability for the rental of printers / photocopier machines to the value of R345k. An amount of R2,70 million reflects outstanding as at 30 June 2017 in terms of the external loan and finance leased liability agreements.

| Ratio relevant to external borrowing | 2015/16 | 2016/17 |
|---|----------------|----------------|
| Interest Bearing Debt to Own Revenue (Excluding Grants) | 1.37% | 1.14% |

Although the ratio for external gearing remained low at 1,14% compared to the National Treasury norm of 45%, the potential for Cape Agulhas to borrow remains limited to the order of 20% due to the current cash position of the Municipality. However, the Municipality is in a strong position to provide assurance that sufficient revenue will be generated to repay its liabilities and has put measures in place in terms of the Long Term Financial Plan Strategy to address the declining cash position of the Municipality over the recent years.

j) Cash and investments

The Municipality's cash and investments to the amount of R24,36 million reflect an increase of R9,97 million compared to the previous financial year. The Municipality currently does not have adequate cash available to cover its operating requirements with a cash coverage of at least three months of the average operational expenditure as per National Treasury best practice guidelines. At the moment the ratio reflects at less than one month at 1,18 which has been identified as risk for improvement in terms of the Long Term Financial Plan Strategy with specific measures on how to improve the municipality's cash position.

k) Outstanding receivables

The total outstanding receivables increased by R7,93 million compared to the previous financial year mainly due to DoRA – Housing Grant to the value of R8,57 million not received at year end. The reported debtor payment ratio reflects above the National Treasury norm of

95% at 99,07% for the financial year under review and the Municipality will in terms of the Long Term Financial Plan Strategy target have to maintain a debt collection rate above 97% to remain financially viable.

l) Outstanding payables

An increase of outstanding payables to the amount of R21,47 million can mainly be attributed to creditor payments in respect of the housing grant to ASLA as well as the ESKOM account only payable in July 2017 within the thirty day period. Unspent government grants reflect an increase to the amount of R1,29 million compared to the previous financial year.

| Creditors Management ratio | 2015/16 | 2016/17 |
|-----------------------------------|----------------|----------------|
| Creditors system efficiency | 100% | 100% |

A trademark of the Municipality is its commitment and ability to fully settle its creditors' accounts within the required terms of 30 days or as per applicable legislative requirement. This statement is supported by the constant 100% payment levels to creditors.

j) Ratio Analysis / Benchmarks

Financial viability and sustainability is one of the key performance areas of the Municipality as determined in the IDP. In order to ensure that the Municipality maintains a healthy financial position, appropriate financial ratios / benchmarks are used to assist the Municipality in assessing its financial wealth.

| Liquidity ratio | 2015/16 | 2016/17 |
|---------------------------|----------------|----------------|
| Liquidity - current ratio | 1.64: 1 | 1,25: 1 |

The Liquidity ratio decreased from 1.65:1 in 2015/16 to 1.25:1 for the financial year under review which is mainly due to consumer debtors written off and the increase of payables compared to the previous financial year. The Municipality performed above the National Treasury norm of 1.5:1 and slightly under the Long Term Financial Plan Strategy ratio target of 2,00:1.

k) Conclusion

According to the key financial indicators the Municipality could still manage to sustain its healthy financial position and in some instances even improve compare to the previous financial year's ratio indicators. The constant decrease in the debtor's collection rate as well as the increase in employee related expenditure as the biggest cost driver remains a concern for immediate action to ensure the long term financial sustainability of the Municipality.

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.

5.2 FINANCIAL SUMMARY

The table below provides a summary of the financial performance of the Municipality for the 2016/17 financial year:

TABLE 195 SUMMARY OF FINANCIAL PERFORMANCE

| DESCRIPTION | 2015/16 | | 2016/2017 | | 2016/17 VARIANCE | |
|--|--------------------------------|--------------------|--------------------|----------------|--------------------|----------------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUSTED BUDGET | ACTUAL | ORIGINAL BUDGET | ADJUST- MENTS BUDGET |
| | R'000 | | | | | % |
| Financial Performance | | | | | | |
| Property rates | 49 931 | 54 761 | 54 429 | 54 802 | 0,07 | 0,68 |
| Service charges | 125 268 | 138 723 | 137 542 | 139 117 | 0,28 | 1,13 |
| Investment revenue | 1 907 | 1 900 | 2 050 | 2 131 | 10,86 | 3,82 |
| Transfers recognised - operational | 30 086 | 60 025 | 52 916 | 33 735 | -77,93 | -56,86 |
| Other own revenue | 25 964 | 23 190 | 29 134 | 29 827 | 22,25 | 2,33 |
| Total Revenue (excluding capital transfers and contributions) | 233 156 | 278 599 | 276 070 | 259 612 | -7,31 | -6,34 |
| Employee costs | 98 826 | 101 847 | 101 881 | 107 932 | 5,64 | 5,61 |
| Remuneration of councillors | 3 625 | 4 786 | 4 786 | 4 743 | -0,89 | -0,89 |
| Depreciation & asset impairment | 10 724 | 10 888 | 10 888 | 11 020 | 1,20 | 1,20 |
| Finance charges | 7 636 | 8 527 | 9 457 | 9 307 | 8,38 | -1,62 |
| Materials and bulk purchases | 66 953 | 75 101 | 73 221 | 73 082 | -2,76 | -0,19 |
| Transfers and grants | 1 491 | 1 783 | 1 808 | 1 465 | -21,72 | -23,42 |
| Other expenditure | 52 690 | 94 454 | 84 953 | 60 155 | -57,02 | -41,22 |
| Total Expenditure | 241 944 | 297 385 | 286 994 | 267 704 | -11,09 | -7,21 |
| Surplus/(Deficit) | (8 789) | (18 786) | (10 924) | (8 092) | -132,15 | -34,99 |
| Transfers recognised - capital | 12 899 | 11 931 | 11 899 | 10 816 | -10,31 | -10,02 |
| Contributions recognised - capital & contributed assets | - | - | 906,151 | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 4 110 | (6 855) | 1 882 | 2 723 | 351,70 | 30,90 |
| Capital expenditure & funds sources | | | | | | |
| Capital expenditure | | | | | | |
| Transfers recognised - capital | 13 197 | 11 931 | 11 899 | 10 816 | -10,31 | -10,02 |
| Public contributions & donations | 799 | - | 906 | 885 | 100,00 | -2,44 |
| Borrowing | 2 573 | 3 750 | 3 824 | 2 620 | -43,13 | -45,96 |
| Internally generated funds | 4 696 | 8 951 | 11 535 | 9 959 | 10,13 | -15,82 |
| Total sources of capital funds | 21 265 | 24 632 | 28 165 | 24 280 | -1,45 | -16,00 |
| Financial position | | | | | | |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| | | | | | | |
|--|----------------|----------------|---------------|---------------|---------------|--------------|
| Total current assets | 44 524 | 40 910 | 52 179 | 62 317 | 34,35 | 16,27 |
| Total non-current assets | 403 367 | 420 592 | 419 974 | 415 891 | -1,13 | -0,98 |
| Total current liabilities | 26 207 | 32 755 | 41 963 | 48 899 | 33,01 | 14,18 |
| Total non-current liabilities | 114 349 | 121 002 | 117 413 | 119 252 | -1,47 | 1,54 |
| Community wealth/Equity | 307 335 | 307 746 | 312 777 | 310 058 | 0,75 | -0,88 |
| Cash flows | | | | | | |
| Net cash from (used) operating | 9 624 | 12 058 | 35 869 | 33 836 | 64,36 | -6,01 |
| Net cash from (used) investing | (16 104) | (24 627) | (28 137) | (23 464) | -4,96 | -19,92 |
| Net cash from (used) financing | 2 030 | 3 376 | 2 565 | (394) | 956,31 | 750,52 |
| Cash/cash equivalents at the year end | (4 450) | (9 193) | 10 297 | 9 978 | 192,13 | -3,20 |
| Cash backing/surplus reconciliation | | | | | | |
| Cash and investments available | 14 384 | 10 098 | 24 680 | 24 361 | 58,55 | -1,31 |
| Application of cash and investments | | | | | - | - |
| Balance - surplus (shortfall) | 14 384 | 10 098 | 24 680 | 24 361 | 58,55 | -1,31 |
| Asset management | | | | | | |
| Asset register summary (WDV) | 312 686 | 332 166 | 330 368 | 323 665 | -2,63 | -2,07 |
| Depreciation & asset impairment | 10 742 | 10 888 | 10 888 | 11 020 | 1,20 | 1,20 |
| Renewal of Existing Assets | 8 501 | 14 322 | 14 565 | 12 876 | -11,23 | -13,12 |
| Repairs and Maintenance | 11 294 | - | - | - | - | - |
| Free services | | | | | | |
| Cost of Free Basic Services provided | 8 008 | | | | - | - |
| Revenue cost of free services provided | - | 8 036 | 9 300 | 9 289 | 13,49 | -0,12 |
| Households below minimum service level | | | | | | |
| Water: | - | - | - | - | - | - |
| Sanitation/sewerage: | - | - | - | - | - | - |
| Energy: | - | - | - | - | - | - |
| Refuse: | - | - | - | - | - | - |
| <i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i> | | | | | | |

The table below shows a summary of performance against budgets for the 2016/17 financial year:

TABLE 196 PERFORMANCE AGAINST BUDGETS

| FINANCIAL YEAR | REVENUE (R'000) | | | | OPERATING EXPENDITURE (R'000) | | | |
|----------------|-----------------|---------|----------|----|-------------------------------|---------|--------|---|
| | BUDGET | ACTUAL | DIFF. | % | BUDGET | ACTUAL | DIFF. | % |
| 2015/16 | 249 261 | 246 054 | (3 207) | -1 | 257 854 | 241 944 | 15 910 | 6 |
| 2016/17 | 286 944 | 270 427 | (16 517) | -6 | 276 070 | 267 704 | 8 366 | 3 |

5.2.1 REVENUE COLLECTION BY VOTE

The table below indicates the revenue collection performance by vote for the 2016/17 financial year:

TABLE 197 REVENUE BY VOTE

| VOTE DESCRIPTION | 2015/16 | 2016/17 | | | 2016/17 VARIANCE | |
|---|--------------------------------|--------------------|--------------------|----------------|--------------------|----------------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUSTED BUDGET | ACTUAL | ORIGINAL BUDGET | ADJUST- MENTS BUDGET |
| | R'000 | | | | % | |
| Vote 1 - Executive & Council | 13 252 | 15 373 | 14 175 | 14 205 | -8,22 | 0,22 |
| Vote 2 - Budget & Treasury | 60 456 | 59 673 | 65 712 | 66 814 | 10,69 | 1,65 |
| Vote 3 - Corporate Services | 1 322 | 2 477 | 3 406 | 2 126 | -16,53 | -60,23 |
| Vote 4 - Community & Public Safety | 27 333 | 51 738 | 41 980 | 21 919 | -136,04 | -91,52 |
| Vote 5 - Civil Engineering Services | 48 212 | 51 828 | 51 828 | 53 817 | 3,70 | 3,70 |
| Vote 6 - Electro-technical Services | 89 128 | 97 118 | 99 631 | 99 573 | 2,47 | -0,06 |
| Vote 7 - Other | 6 351 | 12 324 | 12 144 | 11 974 | -2,92 | -1,42 |
| Total Revenue by Vote | 246 054 | 290 530 | 288 876 | 270 427 | -7,43 | -6,82 |
| <i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i> | | | | | | |

5.2.2 REVENUE COLLECTION BY SOURCE

The table below indicates the revenue collection performance by source for the 2016/17 financial year:

TABLE 198 REVENUE BY SOURCE

| DESCRIPTION | 2015/16 | | 2016/17 | | 2016/17 VARIANCE | |
|---|--------------------------------|--------------------|--------------------|----------------|--------------------|----------------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUSTED BUDGET | ACTUAL | ORIGINAL BUDGET | ADJUST- MENTS BUDGET |
| | R'000 | | | % | | |
| Property rates | 49 931 | 54 671 | 54 429 | 54 802 | 0,24 | 0,68 |
| Property rates - penalties & collection charges | - | - | - | - | | |
| Service Charges - electricity revenue | 85 551 | 95 198 | 95 205 | 95 090 | -0,11 | -0,12 |
| Service Charges - water revenue | 19 424 | 22 393 | 20 938 | 21 719 | -3,10 | 3,59 |
| Service Charges - sanitation revenue | 12 142 | 7 528 | 7 899 | 8 959 | 15,97 | 11,83 |
| Service Charges - refuse revenue | 8 152 | 13 604 | 13 499 | 13 349 | -1,91 | -1,13 |
| Service Charges - other | - | - | - | - | - | - |
| Rentals of facilities and equipment | 6 441 | 7 664 | 7 712 | 7 787 | 1,57 | 0,97 |
| Interest earned - external investments | 1 907 | 1 900 | 2 050 | 2 131 | 10,86 | 3,82 |
| Interest earned - outstanding debtors | 1 169 | 876 | 1 553 | 1 564 | 43,97 | 0,67 |
| Dividends received | - | - | - | - | - | - |
| Fines | 7 308 | 8 538 | 8 540 | 6 418 | -33,02 | -33,05 |
| Licences and permits | 1 019 | 347 | 925 | 1 109 | 68,71 | 16,64 |
| Agency services | 1 520 | 1 374 | 1 374 | 1 615 | 14,93 | 14,93 |
| Transfers recognised - operational | 30 086 | 60 025 | 52 916 | 33 735 | -77,93 | -56,86 |
| Other revenue | 17 296 | 4 481 | 9 031 | 10 433 | 57,05 | 13,44 |
| Gains on disposal of PPE | | - | - | 12 | 100,00 | 100,00 |
| Total Revenue (excluding capital transfers and contributions) | 241 944 | 278 599 | 276 070 | 258 722 | -7,68 | -6,71 |
| <i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i> | | | | | | |

5.2.3 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the operational services performance for the 2016/17 financial year:

TABLE 199 OPERATIONAL SERVICES PERFORMANCE

| DESCRIPTION | 2015/16 | | 2016/17 | | 2016/17 VARIANCE | |
|---|--------------------------------|--------------------|--------------------|-----------------|--------------------|----------------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUSTED BUDGET | ACTUAL | ORIGINAL BUDGET | ADJUST- MENTS BUDGET |
| | R'000 | | | % | | |
| Operating Cost | | | | | | |
| Water | 7 505 | 8 723 | 8 519 | 10 457 | 16,59 | 18,53 |
| Waste Water (Sanitation) | 1 610 | 928 | 869 | 2 676 | 65,35 | 67,53 |
| Electricity | 12803 | 10 610 | 15 047 | 15 337 | 30,82 | 1,89 |
| Waste Management | 420 | 938 | 869 | 2 676 | 64,97 | 67,53 |
| Housing | (1 225) | (1 475) | (1 482) | (1 544) | 4,52 | 4,04 |
| Component A: sub- total | 21 114 | 19 723 | 23 823 | 29 602 | 33,37 | 19,52 |
| Roads and Stormwater | (11 622) | (14 536) | (13 777) | (11 358) | -27,98 | -21,30 |
| Transport | | | | | | |
| Component B: sub- total | (11 622) | (14 536) | (13 777) | (11 358) | -27,98 | -21,30 |
| Planning | (4 205) | (5 260) | (1 121) | (4 848) | -8,50 | 76,87 |
| Local Economic Development | | | | | | |
| Component C: sub- total | (4 205) | (5 260) | (1 121) | (4 848) | -8,50 | 76,87 |
| Libraries | 172 | 506 | 625 | 848 | 40,28 | 26,25 |
| Social services & community development | (1 277) | (1 351) | (1 332) | (1 242) | -8,77 | -7,29 |
| Component D: sub- total | (1 105) | (844) | (707) | (394) | -114,28 | -79,44 |
| Environmental Protection (pollution control, bio-diversity, landscape, open spaces, parks, and coastal protection) | (622) | (651) | (649) | (529) | -22,97 | -22,58 |
| Component E: sub- total | (622) | (651) | (649) | (529) | -22,97 | -22,58 |
| Traffic & licensing | (431) | (566) | (540) | (2 809) | 79,85 | 80,77 |
| Fire Serices and Disaster Management | | | | | | |
| Component F: sub-total | (431) | (566) | (540) | (2 809) | 79,85 | 80,77 |
| Holiday Resorts and Campsites | 114 | (3 922) | (3 406) | (3 279) | -19,62 | -3,88 |
| Swimming Pools, Stadiums and Sport Ground | - | - | - | - | - | - |
| Community halls, facilities, Thusong centres | (1 277) | (1 735) | (1 664) | (1 751) | 0,92 | 4,93 |
| Component G: sub- total | (1 163) | (5 656) | (5 070) | (5 029) | -12,47 | -0,81 |
| Financial Services | 22 212 | 26 646 | 31 872 | 31 253 | 14,74 | -1,98 |
| Office of the MM | (2 372) | (3 120) | (3 276) | (3 139) | 0,61 | -4,36 |
| Administration | (1 722) | (3 289) | (3 284) | (3 509) | 6,28 | 6,40 |
| HR | (5 049) | (5 367) | (5 282) | (5 469) | 1,86 | 3,41 |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| | | | | | | |
|---|---------------|---------------|---------------|---------------|--------------|--------------|
| Component H: sub-total | 13 068 | 14 871 | 20 030 | 19 136 | 22,29 | -4,67 |
| Total Expenditure | 16 426 | 7 081 | 21 988 | 23 771 | 70,21 | 7,50 |
| <p>In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</p> | | | | | | |

5.3 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

5.3.1 WATER SERVICES

TABLE 200 FINANCIAL PERFORMANCE: WATER SERVICES

| DESCRIPTION | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|---------------|--------------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | 22 384 | 23 929 | 23 929 | 25 162 | 4,90 |
| Expenditure: | | | | | |
| Employees | 7 944 | 8 323 | 8 532 | 8 755 | 4,93 |
| Repairs and Maintenance | 2 011 | 2 244 | 1 296 | 1 573 | -42,61 |
| Other | 4 924 | 4 640 | 5 581 | 5 917 | 21,59 |
| Total Operational Expenditure | 14 879 | 15 207 | 15 410 | 16 245 | 6,39 |
| Net Operational (Service) | 7 505 | 8 723 | 8 519 | 8 917 | 2,18 |

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

5.3.2 WASTE WATER (SANITATION)

TABLE 201 FINANCIAL PERFORMANCE: WASTE WATER (SANITATION) SERVICES

| DESCRIPTION | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|---------------|--------------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | 10 459 | 10 477 | 10 487 | 11 672 | 10,24 |
| Expenditure: | | | | | |
| Employees | 4 451 | 4 844 | 4 897 | 5 091 | 4,86 |
| Repairs and Maintenance | 798 | 1 087 | 1 217 | 1 079 | -0,72 |
| Other | 3 600 | 3 618 | 3 503 | 3 899 | 7,21 |
| Total Operational Expenditure | 8 849 | 9 549 | 9 618 | 10 070 | 5,17 |
| Net Operational (Service) | 1 610 | 928 | 869 | 1 602 | 42,09 |

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

5.3.3 ELECTRICITY

TABLE 202 FINANCIAL PERFORMANCE: ELECTRICITY

| DESCRIPTION | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|---------------|--------------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | 89 128 | 96 619 | 99 631 | 97 763 | 1,17 |
| Expenditure: | | | | | |
| Employees | 6 001 | 6 937 | 6 742 | 5 886 | -17,84 |
| Repairs and Maintenance | 1 027 | 1 208 | 1 185 | 1 050 | -15,05 |
| Other | 69 296 | 77 864 | 76 656 | 76 979 | -1,15 |
| Total Operational Expenditure | 76 324 | 86 009 | 84 584 | 83 915 | -2,50 |
| Net Operational (Service) | 12 803 | 10 610 | 15 047 | 15 657 | 32,24 |

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

5.3.4 WASTE MANAGEMENT

TABLE 203 FINANCIAL PERFORMANCE: WASTE MANAGEMENT

| DESCRIPTION | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|---------------|-----------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | 15 369 | 10 487 | 10 487 | 11 672 | 10,15 |
| Expenditure: | | | | | |
| Employees | 5 195 | 4 844 | 4 897 | 5 723 | 15,35 |
| Repairs and Maintenance | 1 516 | 1 087 | 1 217 | 2 122 | 48,78 |
| Other | 8 239 | 3 618 | 3 503 | 9 198 | 60,66 |
| Total Operational Expenditure | 14 949 | 9 549 | 9 618 | 17 043 | 43,97 |
| Net Operational (Service) | 420 | 7 863 | 7 794 | (60) | - |

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.3.5 ROADS AND STORMWATER

TABLE 204 FINANCIAL PERFORMANCE: ROADS AND STORMWATER

| DESCRIPTION | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|-----------------|-----------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | | | | | |
| Expenditure: | | | | | |
| Employees | 6 779 | 8 051 | 7 823 | 7 777 | -3,52 |
| Repairs and Maintenance | 1 764 | 3 163 | 3 003 | 2 489 | -27,04 |
| Other | 3 079 | 3 322 | 2 951 | 3 666 | 9,39 |
| Total Operational Expenditure | 11 622 | 14 536 | 13 777 | 13 933 | -4,33 |
| Net Operational (Service) | (11 622) | (14 536) | (13 777) | (13 933) | -4,33 |

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.3.6 LIBRARIES

TABLE 205 FINANCIAL PERFORMANCE: LIBRARIES

| DESCRIPTION | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|--------------|-----------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | 4 347 | 5 417 | 5 617 | 5 616 | 3,54 |
| Expenditure: | | | | | |
| Employees | 3 762 | 2 987 | 2 992 | 2 854 | -4,65 |
| Repairs and Maintenance | 15 | 36 | 67 | 62 | 42,78 |
| Other | 398 | 1 888 | 1 933 | 1 715 | -10,09 |
| Total Operational Expenditure | 4 175 | 4 911 | 4 992 | 4 632 | -6,02 |
| Net Operational (Service) | 172 | 506 | 625 | 984 | 48,55 |

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.3.7 ENVIRONMENTAL PROTECTION

TABLE 206 FINANCIAL PERFORMANCE: ENVIRONMENTAL PROTECTION

| DESCRIPTION | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|--------------|-----------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | - | - | - | - | |
| Expenditure: | | | | | |
| Employees | 506 | 535 | 457 | 352 | -52,28 |
| Repairs and Maintenance | 10 | 21 | 19 | 16 | -33,42 |
| Other | 107 | 94 | 173 | 173 | 45,36 |
| Total Operational Expenditure | 622 | 651 | 649 | 540 | -20,49 |
| Net Operational (Service) | (622) | (651) | (649) | (540) | -20,49 |

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

5.3.8 SOCIAL SERVICES AND COMMUNITY DEVELOPMENT

TABLE 207 FINANCIAL PERFORMANCE: SOCIAL SERVICES AND COMMUNITY DEVELOPMENT

| DESCRIPTION | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|----------------|-----------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | 482 | 479 | 509 | 546 | 12,29 |
| Expenditure: | | | | | |
| Employees | 1 521 | 1 345 | 1 348 | 1 473 | 8,68 |
| Repairs and Maintenance | 2 | 7 | 8 | 7 | 0,83 |
| Other | 236 | 477 | 485 | 307 | -55,21 |
| Total Operational Expenditure | 1 760 | 1 830 | 1 841 | 1 788 | -2,34 |
| Net Operational (Service) | (1 277) | (1 351) | (1 332) | (1 242) | -8,77 |

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

5.3.9 TRAFFIC AND LAW ENFORCEMENT

TABLE 208 PERFORMANCE: TRAFFIC AND LAW ENFORCEMENT

| DESCRIPTION | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|----------------|-----------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | 9 878 | 10 889 | 10 889 | 9 194 | -18,43 |
| Expenditure: | | | | | |
| Employees | 5 956 | 6 408 | 6 327 | 6 287 | -1,94 |
| Repairs and Maintenance | 53 | 186 | 182 | 127 | -45,73 |
| Other | 4 301 | 4 861 | 4 919 | 5 578 | 12,85 |
| Total Operational Expenditure | 10 310 | 11 455 | 11 429 | 11 992 | 4,48 |
| Net Operational (Service) | (431) | (566) | (540) | (2 798) | 79,77 |

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

5.3.10 HOLIDAY RESORTS AND CAMPSITES

TABLE 209 FINANCIAL PERFORMANCE: HOLIDAY RESORTS AND CAMPSITES

| DESCRIPTION | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|--------------|-----------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | 4 993 | 5 711 | 5 711 | 6 203 | 7,93 |
| Expenditure: | | | | | |
| Employees | 2 656 | 3 376 | 3 475 | 4 322 | 21,88 |
| Repairs and Maintenance | 552 | 693 | 681 | 670 | -3,46 |
| Other | 1 032 | 1 769 | 1 823 | 950 | -86,18 |
| Total Operational Expenditure | 4 239 | 5 838 | 5 979 | 5 942 | 1,75 |
| Net Operational (Service) | 753 | (127) | (268) | 261 | 148,46 |

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

5.3.11 SWIMMING POOLS AND SPORT GROUNDS

TABLE 210 FINANCIAL PERFORMANCE: SWIMMING POOLS AND SPORT GROUNDS

| DESCRIPTION | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|----------------|-----------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | 17 | 190 | 902 | 95 | -100,31 |
| Expenditure: | | | | | |
| Employees | 2 656 | 3 376 | 3 475 | 3 175 | -6,32 |
| Repairs and Maintenance | 552 | 693 | 681 | 467 | -48,27 |
| Other | 1 032 | 1 769 | 1 823 | 372 | -375,53 |
| Total Operational Expenditure | 4 239 | 5 838 | 5 979 | 4 015 | -45,41 |
| Net Operational (Service) | 753 | (127) | (268) | (3 820) | 96,69 |

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

5.3.12 COMMUNITY FACILITIES AND THUSONG CENTRES

TABLE 211 FINANCIAL PERFORMANCE: COMMUNITY FACILITIES AND THUSONG CENTRES

| DESCRIPTION | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|----------------|-----------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | 482 | 391 | 387 | 482 | 18,95 |
| Expenditure: | | | | | |
| Employees | 1 521 | 722 | 2 621 | 2 824 | 74,43 |
| Repairs and Maintenance | 2 | 823 | 782 | 745 | -10,43 |
| Other | 236 | 399 | (1 528) | 291 | -37,02 |
| Total Operational Expenditure | 1 760 | 1 944 | 1 874 | 3 860 | 49,65 |
| Net Operational (Service) | (1 277) | (1 735) | (1 664) | (3 759) | 53,86 |

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

5.3.13 OFFICE OF THE MUNICIPAL MANAGER

TABLE 212 FINANCIAL PERFORMANCE: OFFICE OF THE MUNICIPAL MANAGER

| DESCRIPTION | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|----------------|-----------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | | - | - | - | - |
| Expenditure: | | | | | |
| Employees | 2 016 | 2 634 | 2 645 | 2 634 | -0,03 |
| Repairs and Maintenance | - | - | | | - |
| Other | 357 | 486 | 631 | 506 | 3,94 |
| Total Operational Expenditure | 2 372 | 3 120 | 3 276 | 3 139 | 0,61 |
| Net Operational (Service) | (2 372) | (3 120) | (3 276) | (3 139) | 0,61 |

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.3.14 ADMINISTRATION

TABLE 213 FINANCIAL PERFORMANCE: ADMINISTRATION

| DESCRIPTION | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|----------------|-----------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | | 1 631 | 1 648 | 1 277 | -27,74 |
| Expenditure: | | | | | |
| Employees | 1 477 | 3 359 | 3 359 | 4 018 | 16,40 |
| Repairs and Maintenance | - | 535 | 524 | 57 | -836,98 |
| Other | 245 | 1 026 | 1 050 | 575 | -78,33 |
| Total Operational Expenditure | 1 722 | 4 920 | 4 932 | 4 650 | -5,79 |
| Net Operational (Service) | (1 722) | (3 289) | (3 284) | (3 374) | 2,52 |

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.3.15 HUMAN RESOURCES

TABLE 214 FINANCIAL PERFORMANCE: HUMAN RESOURCES

| DESCRIPTION | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|----------------|-----------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | 428 | 846 | 1 758 | 849 | 0,33 |
| Expenditure: | | | | | |
| Employees | 3 896 | 3 864 | 3 861 | 4 219 | 8,41 |
| Repairs and Maintenance | - | 10 | 10 | 0 | -12887,01 |
| Other | 1 581 | 2 339 | 3 169 | 2 098 | -11,44 |
| Total Operational Expenditure | 5 477 | 6 213 | 7 040 | 6 318 | 1,66 |
| Net Operational (Service) | (5 049) | (5 367) | (5 282) | (5 469) | 1,87 |

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.3.16 FINANCIAL SERVICES

TABLE 215 FINANCIAL PERFORMANCE: FINANCIAL SERVICES

| DESCRIPTION | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|---------------|-----------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | 60 456 | 59 673 | 65 712 | 61 263 | 2,60 |
| Expenditure: | | | | | |
| Employees | 16 888 | 17 568 | 17 952 | 18 771 | 6,41 |
| Repairs and Maintenance | 940 | 1 059 | 1 034 | 729 | -45,19 |
| Other | 20 416 | 14 400 | 14 854 | 20 970 | 31,33 |
| Total Operational Expenditure | 38 244 | 33 027 | 33 840 | 40 470 | 18,39 |
| Net Operational (Service) | 22 212 | 26 646 | 31 872 | 26 343 | -1,15 |

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.3.16 HOUSING

TABLE 216 FINANCIAL PERFORMANCE: HOUSING

| Description | 2015/16 | 2016/17 | | | |
|--------------------------------------|--------------------------------|--------------------|---------------------------|-----------------|-----------------------|
| | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUST- MENT BUDGET | ACTUAL | VARIANCE TO BUDGET |
| | R'000 | | | | % |
| Total Operational Revenue | 6 669 | 28 100 | 18 100 | - | |
| Expenditure: | | | | | |
| Employees | 6 779 | 8 051 | 7 823 | 7 777 | -3,52 |
| Repairs and Maintenance | 1 764 | 3 163 | 3 003 | 2 489 | -27,04 |
| Other | 3 079 | 3 322 | 2 951 | 3 666 | 9,39 |
| Total Operational Expenditure | 11 622 | 14 536 | 13 777 | 13 933 | -4,33 |
| Net Operational (Service) | (11 622) | (14 536) | (13 777) | (13 933) | -4,33 |

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.4 GRANTS

5.4.1 GRANT PERFORMANCE

The Municipality receives grants from the National and Provincial Governments during the 2016/17 financial year for infrastructure development and other projects.

TABLE 217 GRANT PERFORMANCE

| DESCRIPTION | 2015/16 | | 2016/17 | | 2016/17 VARIANCE | |
|---|--------------------------------|---------------|----------------------------|---------------|--------------------|----------------------------|
| | ACTUAL (AUDITED OUTCOME) | BUDGET | ADJUST- MENTS BUDGET | ACTUAL | ORIGINAL BUDGET | ADJUST- MENTS BUDGET |
| | R'000 | | | % | | |
| Operating Transfers and Grants | | | | | | |
| National Government: | 37 343 | 37 261 | 37 261 | 37 462 | 0,54 | 0,54 |
| Equitable Share | 20 679 | 23 075 | 23 075 | 23 075 | 0,00 | 0,00 |
| Financial Management Grant | 1 450 | 1 475 | 1 475 | 1 475 | 0,00 | 0,00 |
| Municipal Systems Improvement Grant | 930 | - | - | - | - | - |
| Municipal Infrastructure Grant | 10 787 | 10 501 | 10 501 | 10 501 | 0,00 | 0,00 |
| Expanded Public Works Program | 1 000 | 1 210 | 1 210 | 1 210 | 0,00 | 0,00 |
| Integrated National Electricity program | 2 000 | 1 000 | 1 000 | 1 000 | 0,00 | 0,00 |
| Seta Claims (Training) | 497 | - | - | 201 | 100,00 | 100,00 |
| Provincial Government: | 12 417 | 34 780 | 26 228 | 8 107 | -329,01 | -223,52 |
| Library Grant | 4 270 | 5 350 | 5 350 | 5 350 | 0,00 | 0,00 |
| Thusong Centre | 211 | 211 | 211 | 211 | 0,00 | 0,00 |
| Housing | 6 669 | 28 100 | 18 100 | - | - | - |
| Subsidy PAWK | 57 | 73 | 73 | 52 | -40,32 | -40,32 |
| CDW Grant | 54 | 56 | 56 | 56 | 0,00 | 0,00 |
| FMG Provincial | 857 | 120 | 368 | 368 | 67,39 | 0,00 |
| Municipal Infrastructure Support grant | 300 | 870 | 870 | 870 | 0,00 | 0,00 |
| Department of sport arts and culture | - | - | 700 | 700 | 100,00 | 0,00 |
| Department of Energy | | | 500 | 500 | 100,00 | 0,00 |
| Prov Contribution acceleration of housing | | | | | | |
| RDP Housing - Electricity | | | | | - | - |
| Proclaimed Roads | | | | | | |
| Other grant providers: | - | - | - | - | - | - |
| Total Operating Transfers and Grants | 49 760 | 72 041 | 63 489 | 45 569 | -58,09 | -39,32 |
| <i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i> | | | | | | |

5.4.2 CONDITIONAL GRANTS

The performance in the spending of conditional grants is summarised as follows:

TABLE 218 CONDITIONAL GRANT

| DETAILS | 2015/16 | 2016/17 | | | 2016/17 VARIANCE | |
|---|--------------------------------|---------------|----------------------------|---------------|------------------|----------------------------|
| | ACTUAL | BUDGET | ADJUST- MENTS BUDGET | ACTUAL | VARIANCE | |
| | ACTUAL (AUDITED OUTCOME) | | | | BUDGET | ADJUST- MENTS BUDGET |
| | R'000 | | | | % | |
| Equitable Share | 20 679 | 23 075 | 23 075 | 23 075 | 0,00 | 0,00 |
| Financial Management Grant | 1 450 | 1 475 | 1 475 | 1 475 | 0,00 | 0,00 |
| Municipal Systems Improvement Grant | 930 | - | - | - | - | - |
| Municipal Infrastructure Grant | 10 787 | 10 501 | 10 501 | 10 501 | 0,00 | 0,00 |
| Expanded Public Works Program | 1 000 | 1 210 | 1 210 | 1 210 | 0,00 | 0,00 |
| Integrated National Electricity program | 2 000 | 1 000 | 1 000 | 1 000 | 0,00 | 0,00 |
| Seta Claims (Training) | 497 | - | - | 201 | 100,00 | 100,00 |
| Library Grant | 4 270 | 5 350 | 5 350 | 5 350 | 0,00 | 0,00 |
| Thusong Centre | 211 | 211 | 211 | 211 | 0,00 | 0,00 |
| Housing | 6 669 | 28 100 | 18 100 | - | - | - |
| Subsidy PAWK | 57 | 73 | 73 | 52 | -40,32 | -40,32 |
| CDW Grant | 54 | 56 | 56 | 56 | 0,00 | 0,00 |
| FMG Provincial | 857 | 120 | 368 | 368 | 67,39 | 0,00 |
| Municipal Infrastructure Support grant | 300 | 870 | 870 | 870 | 0,00 | 0,00 |
| Department of sport arts and culture | - | - | 700 | 700 | 100,00 | 0,00 |
| Department of Energy | - | - | 500 | 500 | 100,00 | 0,00 |
| TOTAL | 49 760 | 72 041 | 63 489 | 45 569 | -58,09 | -39,32 |

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

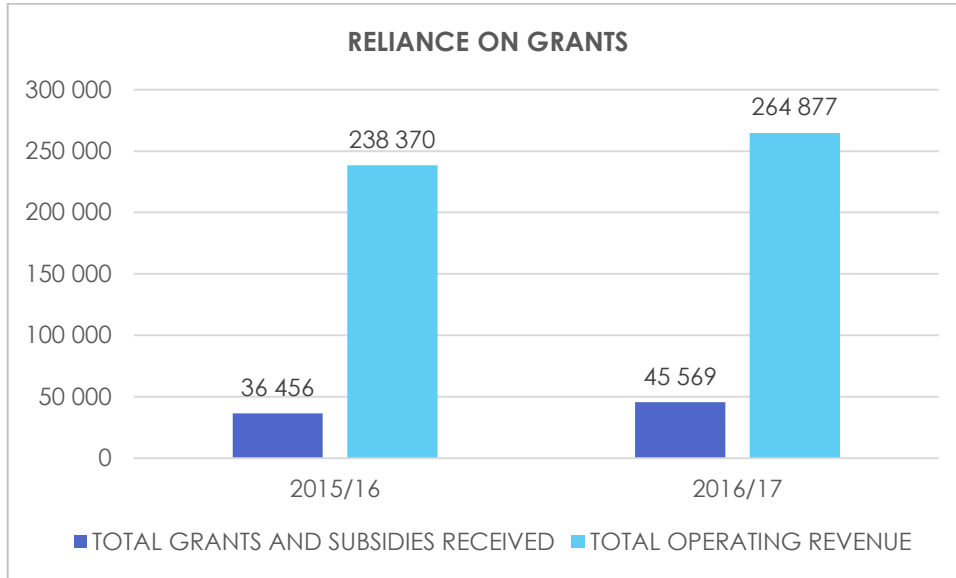
5.4.3 LEVEL OF RELIANCE ON GRANTS & SUBSIDIES

TABLE 219 RELIANCE ON GRANTS

| FINANCIAL YEAR | TOTAL GRANTS AND SUBSIDIES RECEIVED | TOTAL OPERATING REVENUE | PERCENTAGE |
|-------------------|--|----------------------------|------------|
| | R'000 | | % |
| 2015/16 | 36 456 | 238 370 | 15,29 |
| 2016/17 | 45 569 | 264 877 | 17,20 |

The following graph indicates the Municipality's grants and subsidies received compared to operating revenue for the last two financial years.

TABLE 220 GRANTS AND SUBSIDIES RECEIVED COMPARED TO THE TOTAL OPERATING REVENUE



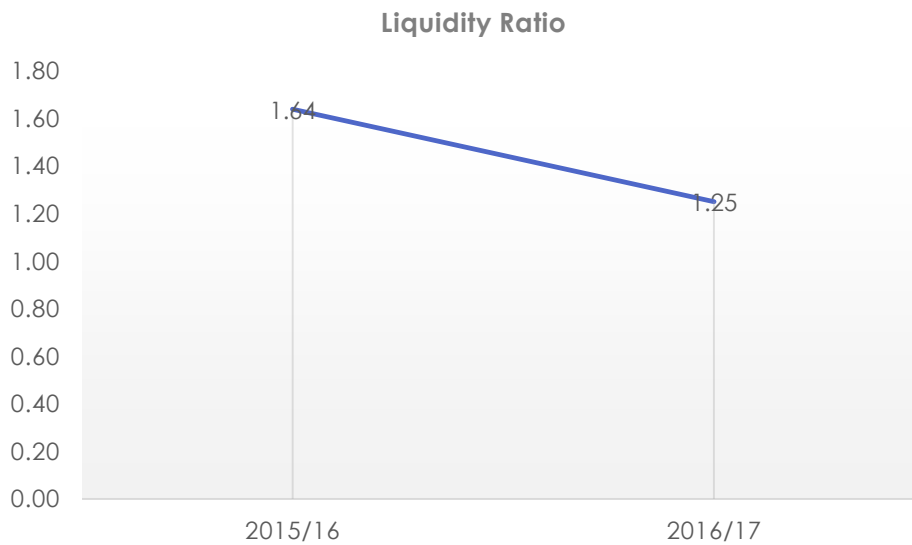
5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 LIQUIDITY RATIO

TABLE 221 LIQUIDITY FINANCIAL RATIO

| DESCRIPTION | BASIS OF CALCULATION | 2015/16 | 2016/17 |
|---|---|-----------------|-------------------|
| | | AUDITED OUTCOME | PRE-AUDIT OUTCOME |
| Current Ratio | Current assets/current liabilities | 1,699 | 1,274 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 1,388 | 1,090 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 1,64:1 | 1,25:1 |

FIGURE 12 LIQUIDITY RATIO



5.5.2 NATIONAL FINANCIAL VIABILITY INDICATORS

TABLE 222 NATIONAL FINANCIAL VIABILITY KPI's

| DESCRIPTION | BASIS OF CALCULATION | 2015/16 | 2016/17 |
|--|---|-----------------|-------------------|
| | | AUDITED OUTCOME | PRE-AUDIT OUTCOME |
| Cost Coverage | (Available cash + Investments)/monthly fixed operational expenditure | 0,78 | 1,19 |
| Total Outstanding Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 0,209 | 0,176 |
| Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 232,10 | 324,72 |

FIGURE 13 COST COVERAGE

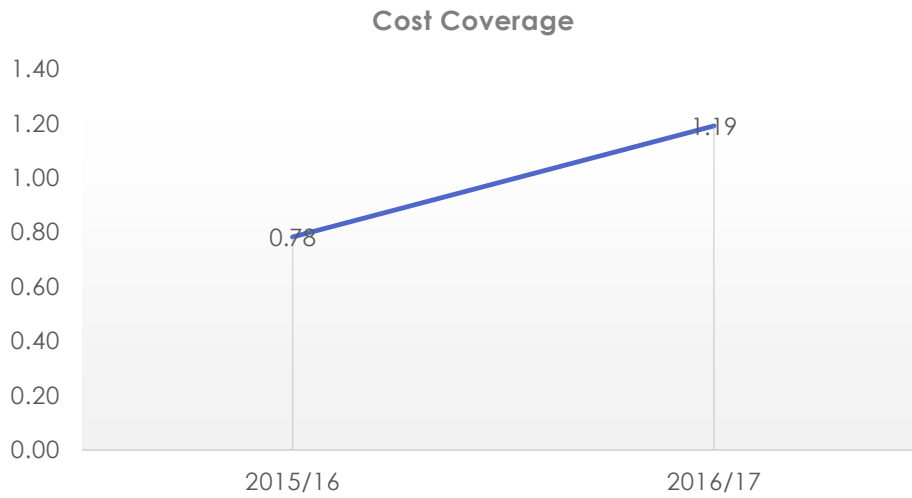


FIGURE 14 OUTSTANDING SERVICE DEBTORS

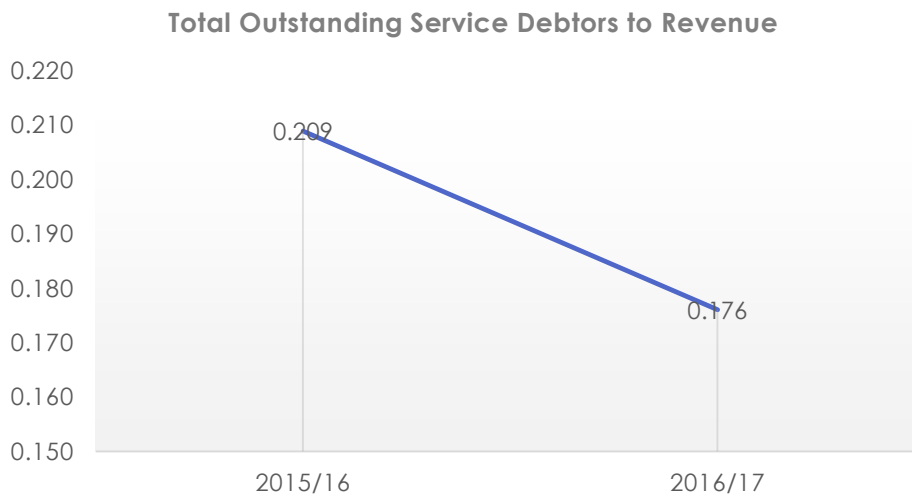
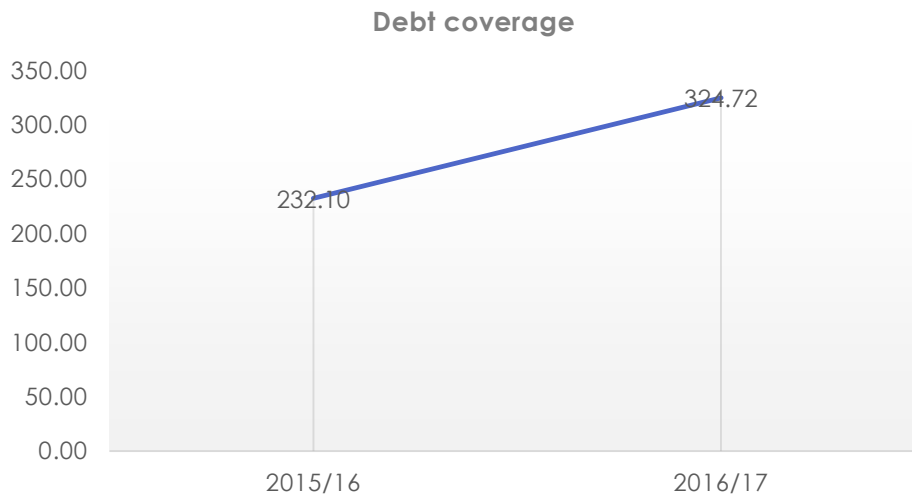


FIGURE 15 DEBT COVERAGE

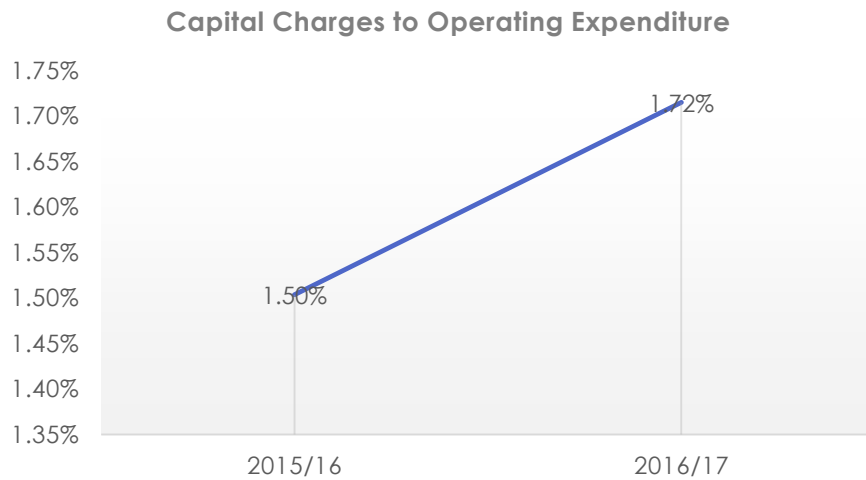


5.5.3 BORROWING MANAGEMENT

TABLE 223 BORROWING MANAGEMENT

| DESCRIPTION | BASIS OF CALCULATION | 2015/16 | 2016/17 |
|--|--|-----------------|-------------------|
| | | AUDITED OUTCOME | PRE-AUDIT OUTCOME |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 1,50% | 1,72% |

FIGURE 16 BORROWING MANAGEMENT

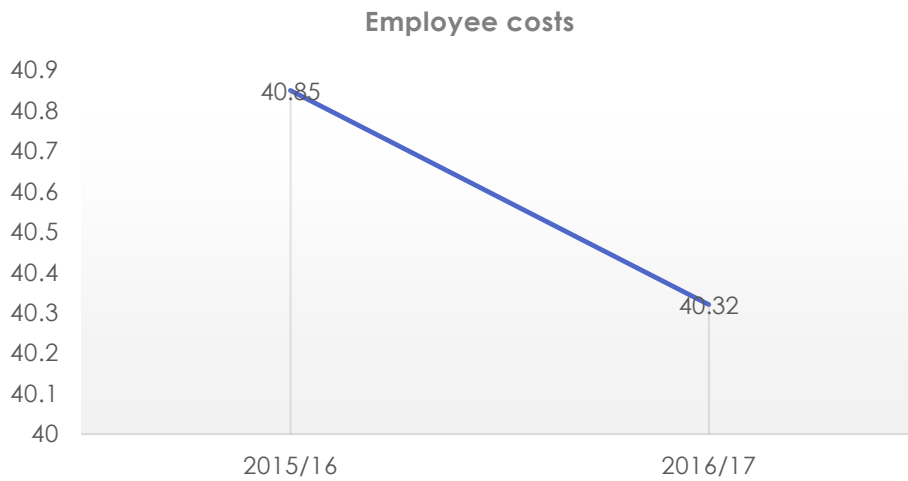


5.5.4 EMPLOYEE COSTS

TABLE 224 EMPLOYEE COSTS

| DESCRIPTION | BASIS OF CALCULATION | 2015/16 | 2016/17 |
|--|--|-----------------|-------------------|
| | | AUDITED OUTCOME | PRE-AUDIT OUTCOME |
| Employee costs (Including Councillors) | Employee costs/(Total Revenue - capital revenue) | 40,85% | 40,32% |

FIGURE 17 EMPLOYEE COSTS



5.5.5 REPAIRS AND MAINTENANCE

TABLE 225 REPAIRS AND MAINTENANCE

| DESCRIPTION | ACTUAL (AUDITED OUTCOME) | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL | BUDGET VARIANCE |
|-------------------------------------|--------------------------------|--------------------|----------------------|--------|--------------------|
| | | | | | R' 000 |
| Repairs and Maintenance Expenditure | 11 194 | 27 268 | 26 139 | 13 101 | -49,88 |

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 CAPITAL EXPENDITURE BY NEW ASSET PROGRAM

TABLE 226 CAPITAL EXPENDITURE BY NEW ASSET PROGRAM

| DESCRIPTION | 2015/16 | 2016/17 | | | PLANNED CAPITAL EXPENDITURE | | |
|---|-----------------|-----------------|-------------------|--------------------|-----------------------------|---------------|----------|
| | AUDITED OUTCOME | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | 2017/18 | 2018/19 | 2019/20 |
| R'000 | | | | | | | |
| Capital expenditure by Asset Class | | | | | | | |
| Infrastructure - Total | 5 822 | 16 189 | 17 690 | 15 569 | 21 990 | 11 805 | - |
| Infrastructure: Road transport - Total | 2 659 | 8 035 | 8 235 | 7 410 | 8 800 | 6 105 | - |
| Roads, Pavements & Bridges | 2 659 | 8 035 | 8 235 | 7 410 | 8 800 | 6 105 | |
| Storm water | | | | | | | |
| Infrastructure: Electricity - Total | 2 924 | 3 620 | 4 315 | 4 277 | 3 200 | 3 200 | - |
| Generation | | | | | | | |
| Transmission & Reticulation | 2 924 | 2 840 | 3 603 | 3 572 | 3 200 | 3 200 | |
| Street Lighting | | 780 | 712 | 705 | | | |
| Infrastructure: Water - Total | 40 | 3 656 | 3 511 | 2 303 | 3 900 | 500 | - |
| Dams & Reservoirs | 40 | 3 656 | 727 | 764 | 3 900 | 500 | |
| Water purification | | | 577 | 500 | | | |
| Reticulation | | | 2 207 | 1 039 | | | |
| Infrastructure: Sanitation - Total | - | 877 | 1 580 | 1 579 | 1 090 | 2 000 | - |
| Reticulation | | | | | 1 090 | 2 000 | |
| Sewerage purification | | 877 | 1 580 | 1 579 | | | |
| Infrastructure: Other - Total | 198 | - | 49 | - | 5 000 | - | - |
| Waste Management | 198 | | | | 5 000 | - | |
| Other | | | 49 | | | | |
| Community - Total | 4 401 | 3 546 | 3 027 | 2 092 | 2 950 | 1 500 | - |
| Parks & gardens | 10 | | | | | | |
| Sports fields& stadia | 1 611 | 2 016 | 1 547 | 801 | 1 700 | 1 500 | |
| Swimming pools | | | | | | | |
| Community halls | 2 754 | 500 | 500 | 312 | | | |
| Libraries | | | | | | | |
| Recreational facilities | 26 | 1 030 | 980 | 979 | 500 | | |
| Capital expenditure by Asset Class | 2 541 | 4 897 | 7 449 | 7 003 | 3 935 | 5 993 | - |
| Other assets | 2 491 | 4 749 | 5 065 | 4 529 | 3 935 | 5 993 | - |
| General vehicles | 330 | 150 | 179 | 178 | 250 | 180 | |
| Plant & equipment | 591 | 885 | 1 267 | 1 122 | 962 | 4 155 | |
| Computers - hardware/equipment | | | 1 732 | 1 512 | | | |
| Furniture and other office equipment | 338 | 779 | 570 | 766 | 262 | 854 | |
| Civic Land and Buildings | 908 | 1 402 | 1 317 | 809 | 800 | | |
| Other Buildings | | | | | 748 | 200 | |

| | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|----------|
| Surplus Assets - (Investment or Inventory) | | | | | | | |
| Other | 324 | 1 533 | | 142 | 913 | 605 | |
| Agricultural assets | - | - | - | - | - | - | - |
| List sub-class | | | | | | | |
| Biological assets | - | - | - | - | - | - | - |
| List sub-class | | | | | | | |
| Intangibles | 50 | 148 | 2 384 | 2 474 | - | - | - |
| Computers - software & programming | 50 | 148 | 2 384 | 2 474 | | | |
| Total Capital Expenditure on new assets | 12 764 | 24 632 | 28 166 | 24 663 | 28 875 | 19 298 | - |

5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2016/17 financial year:

TABLE 227 CAPITAL EXPENDITURE BY FUNDING SOURCE

| DETAILS | 2015/16 | 2016/17 | | | | |
|------------------------------------|-----------------|----------------------|-------------------|---------------|---------------------------|-----------------------|
| | AUDITED OUTCOME | ORIGINAL BUDGET (OB) | ADJUSTMENT BUDGET | ACTUAL | ADJUSTMENT TO OB VARIANCE | ACTUAL TO OB VARIANCE |
| SOURCE OF FINANCE | | | | | | |
| DESCRIPTION | R'000 | | | | % | |
| External loans | 2 573 | 3 750 | 3 824 | 2 620 | 1,98 | -32,11 |
| Public contributions and donations | 799 | - | 906 | 885 | - | - |
| Grants and subsidies | 13 197 | 11 931 | 11 899 | 1 016 | -0,27 | -91,22 |
| Own funding | 4 696 | 8 951 | 11 535 | 9 959 | 28,87 | -17,60 |
| Total | 21 265 | 24 632 | 28 165 | 14 480 | 14,34 | -55,56 |
| Percentage of finance | | | | | | |
| External loans | 12 | 15 | 14 | 18 | -10,81 | 29,67 |
| Public contributions and donations | 4 | 0 | 3 | 6 | - | - |
| Grants and subsidies | 62 | 48 | 42 | 7 | -12,77 | -72,74 |
| Own funding | 22 | 36 | 41 | 69 | 12,70 | 76,58 |
| Capital expenditure | | | | | | |
| Description | R'000 | | | | % | |
| Water and sanitation | 3 597 | 3 656 | 3 511 | 2 303 | -3,97 | -33,03 |
| Electricity | 4 020 | 3 620 | 4 314 | 4 277 | 19,16 | -1,03 |
| Housing | 155 | | | | | |
| Roads and storm water | 4 243 | 8 035 | 8 235 | 15 569 | 2,49 | 91,27 |
| Other | 9 250 | 9 320 | 12 106 | 2 514 | 29,89 | -102,91 |
| Total | 21 265 | 24 632 | 28 166 | 24 663 | 14,35 | -14,22 |
| Percentage of expenditure | | | | | | |
| Water and sanitation | 17 | 15 | 12 | 9 | -16,02 | -21,06 |
| Electricity | 19 | 15 | 15 | 17 | 4,21 | 13,77 |

CAPE AGULHAS MUNICIPALITY: ANNUAL REPORT 2016/17

| | | | | | | |
|-----------------------|----|----|----|----|--------|--------|
| Housing | 1 | 0 | 0 | 0 | - | - |
| Roads and storm water | 20 | 33 | 29 | 63 | -10,37 | 103,89 |
| Other | 43 | 38 | 43 | 10 | 13,59 | -86,65 |

5.8 TREATMENT OF THE THREE LARGEST ASSETS

TABLE 228 TREATMENT OF THE THREE LARGEST ASSETS

| ASSET 1 | | |
|-----------------------------------|--|-------------------|
| Name | Roads and Stormwater | |
| Description | Roads network | |
| Asset Type | Infrastructure | |
| Key Staff Involved | Manager: Roads | |
| Staff Responsibilities | Management of road infrastructure | |
| Asset Value as at 30 June 2017 | 2015/16 R million | 2016/17 R million |
| Capital Implications | None | |
| Future Purpose of Asset | Basic service delivery | |
| Describe Key Issues | RDP housing projects - Infrastructure requirements | |
| Policies in Place to Manage Asset | Asset management policy / Infrastructure plan | |
| | | |
| ASSET 2 | | |
| Name | Sewerage Network | |
| Description | Sewerage Network | |
| Asset Type | infrastructure | |
| Key Staff Involved | Manager: Water and Sanitation | |
| Staff Responsibilities | Management of water and sanitation | |
| Asset Value as at 30 June 2017 | 2015/16 R million | 2016/17 R million |
| Capital Implications | None | |
| Future Purpose of Asset | Basic service delivery | |
| Describe Key Issues | Expanding the capacity of sewerage network | |
| Policies in Place to Manage Asset | Asset management policy / Infrastructure plan | |
| | | |
| ASSET 3 | | |
| Name | Finance and Administration | |
| Description | Vesta Financial system | |
| Asset Type | Computers - software and programming | |
| Key Staff Involved | Chief Financial Officer | |
| Staff Responsibilities | Financial management administration | |
| Asset Value as at 30 June 2017 | 2015/16 R million | 2016/17 R million |
| Capital Implications | | |
| Future Purpose of Asset | Financial system administration and record keeping | |
| Describe Key Issues | mSCOA implementation | |
| Policies in Place to Manage Asset | Financial regulations and MFMA | |

5.9 CAPITAL SPENDING ON THE LARGEST PROJECTS

The tables below show the Municipality's capital spending on its five largest projects.

TABLE 229 CAPITAL SPENDING ON LARGEST PROJECTS

| | NAME OF PROJECT | 2016/17 | | | | |
|---|--|-----------------|--------------------|--------------------|-------------------|----------------------|
| | | ORIGINAL BUDGET | ADJUSTME NT BUDGET | ACTUAL EXPENDITURE | ORIGINAL VARIANCE | ADJUSTME NT VARIANCE |
| | | R'000 | | | | % |
| A | Bredasdorp: Rehabilitation Waste water treatment works | 877 | 1 580 | 1 579 | 0 | (0) |
| B | Bredasdorp: RDP Upgrade roads | 3 818 | 3 818 | 3 636 | (0) | (0) |
| C | Arniston RDP: Upgrade Roads | 1 167 | 1 167 | 1 186 | 0 | (0) |
| D | Electricity project - DORA funded | 1 000 | 1 000 | 1 000 | - | (0) |
| E | Vesta Financial system (mSCOA) | - | 2 377 | 2 468 | #DIV/0! | #DIV/0! |

| | |
|-------------------------------------|--|
| Name of Project - A | Bredasdorp: Rehabilitation Waste water treatment works |
| Objective of Project | Basic service delivery |
| Delays | 0 |
| Future Challenges | None |
| Anticipated citizen benefits | Basic service delivery |

| | |
|-------------------------------------|-------------------------------|
| Name of Project - B | Bredasdorp: RDP Upgrade roads |
| Objective of Project | Basic service delivery |
| Delays | 0 |
| Future Challenges | None |
| Anticipated citizen benefits | Basic service delivery |

| | |
|-------------------------------------|-----------------------------|
| Name of Project - C | Arniston RDP: Upgrade Roads |
| Objective of Project | Basic service delivery |
| Delays | 0 |
| Future Challenges | None |
| Anticipated citizen benefits | Basic service delivery |

| | |
|-------------------------------------|-----------------------------------|
| Name of Project - D | Electricity project - DORA funded |
| Objective of Project | Basic service delivery |
| Delays | 0 |
| Future Challenges | None |
| Anticipated citizen benefits | Basic service delivery |

| | |
|-------------------------------------|--------------------------------|
| Name of Project - E | Vesta Financial system (mSCOA) |
| Objective of Project | Financial sustainability |
| Delays | 0 |
| Future Challenges | None |
| Anticipated citizen benefits | Financial system improvements |

5.10 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Although there are currently no serious backlogs in the municipal area, the continuous influx of people in our area to the informal settlements are putting a burden on the service delivery of the Municipality which might be regarded as a risk due a possible increase in future backlogs.

5.10.1 MUNICIPAL INFRASTRUCTURE GRANT (MIG)**TABLE 230 MUNICIPAL INFRASTRUCTURE GRANT (MIG)**

| DETAILS | BUDGET | ADJUST-MENTS BUDGET | ACTUAL | VARIANCE | |
|---------------------------------|------------------|------------------------|------------------|-------------|------------------------|
| | | | | BUDGET | ADJUST-MENTS BUDGET |
| | | | | % | % |
| | R'000 | | | % | % |
| Infrastructure - Roads | 2 028 600 | 2 028 600 | 2 070 042 | 2,00 | 2,00 |
| Roads | 2 028 600 | 2 028 600 | 2 070 042 | 2,00 | 2,00 |
| Water purification | | | | - | - |
| Infrastructure - Sanitation | 3 101 098 | 3 101 098 | 3 060 524 | -1,33 | -1,33 |
| Reticulation | | | | - | - |
| Sewerage purification | 3 101 098 | 3 101 098 | 3 060 524 | -1,33 | -1,33 |
| Infrastructure - Refuse removal | | | | - | - |
| Infrastructure - Electricity | 100 000 | 100 000 | 99 377 | -0,63 | -0,63 |
| Street Lighting | 100 000 | 100 000 | 99 377 | -0,63 | -0,63 |
| Other Specify: | 4 263 446 | 4 263 446 | 4 263 446 | 0,00 | 0,00 |
| Outdoor Sport facilities | 1 509 656 | 1 509 656 | 1 509 656 | 0,00 | 0,00 |
| Community facilities | 2 753 790 | 2 753 790 | 2 753 790 | | |
| Total | 9 493 144 | 9 493 144 | 9 493 389 | 0,00 | 0,00 |

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.11 CASH FLOW

The following table shows the Municipality's Cash flow from operating activities for the 2016/17 financial year.

TABLE 231 CASH FLOW

| DESCRIPTION | 2015/16 | 2016/17 | | |
|---|--------------------|--------------------|--------------------|-----------------|
| | AUDITED OUTCOME | ORIGINAL BUDGET | ADJUSTED BUDGET | ACTUAL |
| R'000 | | | | |
| Cash flow from operating activities | | | | |
| Receipts | | | | |
| Ratepayers and other | 178 311 | 203 784 | 216 101 | 198 063 |
| Government - operating | 36 735 | 60 025 | 52 637 | 33 905 |
| Government - capital | 13 025 | 11 931 | 11 899 | 11 516 |
| Interest | 3 076 | 2 750 | 3 575 | 3 695 |
| Dividends | | - | - | - |
| Payments | | | | |
| Suppliers and employees | (219 592) | (264 145) | (246 387) | (211 524) |
| Finance charges | (141) | (504) | (504) | (353) |
| Transfers and Grants | (1 491) | (1 783) | (1 453) | (1 465) |
| Net cash from/(used) operating activities | 9 922 | 12 058 | 35 869 | 33 836 |
| Cash flows from investing activities | | | | |
| Receipts | | | | |
| Proceeds on disposal of PPE | 4 623 | - | - | 20 |
| Decrease (Increase) in non-current debtors | | | | |
| Decrease (increase) other non-current receivables | 29 | | | |
| Decrease (increase) in non-current investments | | 4 | 27 | 27 |
| Payments | | | | |
| Capital assets | (21 055) | (24 632) | (28 165) | (23 511) |
| Net cash from/(used) investing activities | (16 402) | (24 627) | (28 137) | (23 464) |
| Cash flows from financing activities | | | | |
| Receipts | | | | |
| Short term loans | - | | | |
| Borrowing long term/refinancing | - | 3 750 | 3 824 | 220 |
| Payments | | | | |
| Repayment of borrowing | | (623) | (1 439) | (897) |
| Increase in Consumer Deposits | | 249 | 180 | 283 |
| Net cash from/(used) financing activities | - | 3 376 | 2 565 | (394) |
| Net increase/ (decrease) in cash held | (6 480) | (9 193) | 10 297 | 9 978 |
| Cash/cash equivalents at the year begin: | 21 407 | 19 291 | 14 384 | 14 384 |
| Cash/cash equivalents at the year-end: | 14 927 | 10 098 | 24 680 | 24 361 |

5.12 GROSS OUTSTANDING DEBTORS PER SERVICE

TABLE 232 GROSS OUTSTANDING DEBTORS PER SERVICE

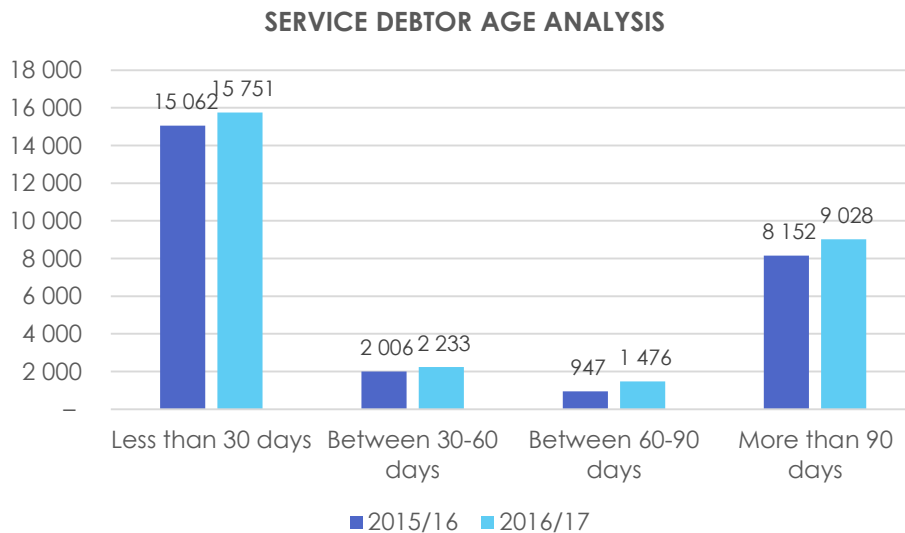
| FINANCIAL YEAR | RATES (R'000) | TRADING SERVICES | ECONOMIC SERVICES | HOUSING RENTALS (R'000) | OTHER (R'000) | TOTAL (R'000) |
|-----------------------|---------------|---------------------------------|---------------------------------|-------------------------|---------------|---------------|
| | | (ELECTRICITY AND WATER) (R'000) | (SANITATION AND REFUSE) (R'000) | | | |
| 2015/16 | 6 168 | 16 697 | 4 446 | – | 5 025 | 32 335 |
| 2016/17 | 7 972 | 6 836 | 5 341 | – | 5 370 | 25 520 |
| Difference | 1 805 | (9 860) | 896 | – | 345 | (6 815) |
| % growth year on year | 29 | -59 | 20 | | 7 | (0) |

5.13 TOTAL DEBTORS AGE ANALYSIS

TABLE 233 SERVICE DEBTOR AGE ANALYSIS

| FINANCIAL YEAR | LESS THAN 30 DAYS | BETWEEN 30-60 DAYS | BETWEEN 60-90 DAYS | MORE THAN 90 DAYS | TOTAL |
|-----------------------|-------------------|--------------------|--------------------|-------------------|----------|
| | (R'000) | | | | |
| 2015/16 | 15 062 | 2 006 | 947 | 8 152 | 26 167 |
| 2016/17 | 15 751 | 2 233 | 1 476 | 9 028 | 28 489 |
| Difference | 689 | 227 | 529 | 877 | 2 322 |
| % growth year on year | 5 | 11 | 56 | 11 | 9 |

FIGURE 18 SERVICE DEBTORS AGE ANALYSIS



5.14 BORROWING AND INVESTMENTS

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

5.14.1 ACTUAL BORROWINGS

TABLE 234 ACTUAL BORROWINGS

| INSTRUMENT | 2015/16 | 2016/17 |
|--|---------|---------|
| | R'000 | |
| Long-Term Loans (annuity/reducing balance) | 2 504 | 2 351 |
| TOTAL | 2 504 | 2 351 |

5.14.2 INVESTMENTS

The Municipality had no investments for the financial year.

COMPONENT D: OTHER FINANCIAL MATTERS

5.15 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was revised and adopted by Council in June 2015 to fully comply with the SCM Regulations. The policy was reviewed on 31 March 2017 to address various elements of the SCM regulations and recommendations made during the 2015/16 financial year audit. This was done as part of the annual budget policy review,

No Councillors are members of any committee handling the supply chain processes. The supply chain officials received ongoing training and have completed the prescribed MFMA Competency Regulations. Provincial Treasury quarterly working forum meetings are attended regularly in order to promote the professional development of SCM practitioners within the municipalities in the Western Cape and create a culture of cohesion between municipalities and the Directorate: Local Government Supply Chain Management.

5.16 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance ensures that municipal accounts are comparable and more informative for the municipality. It also ensures that the municipality is more accountable to its citizens and other stakeholders. GRAP was fully implemented in the Municipality in the 2010/11 financial year and the financial statements of 2016/17 are fully GRAP compliant.

5.17 SOUTHERNMOST DEVELOPMENT AGENCY (PTY) LTD

It must be noted that, during 2012, the Council took a decision to establish a Local Development Agency (Southernmost Development Agency (Pty) Ltd) to assist the Municipality in the establishment and implementation of local economic development projects. This entity was duly established and the Board of Directors appointed from October 2012. However, during the process of establishment and the development phase, it was found that the establishment and running of the entity will create additional expenses for the Municipality which cannot be afforded due to its very strict budget. After various meetings with all role-players and considering all possible options, the Council resolved on 28 May 2013 to liquidate and disestablish the agency. We are in process of de-registering the agency.

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION 2014/15

6.1 AUDITOR-GENERAL REPORT 2015/16

TABLE 235 AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE 2015/16

| Auditor-General Report on Financial Performance 2015/16 | |
|--|---|
| Audit Report Status: | Unqualified with no other matters |
| Non-Compliance Issues | Remedial Action Taken |
| There were some non-reportable items highlighted during the audit which required non-material changes to the annual financial statements. There were also other findings that were not material and not included in the audit report | <ul style="list-style-type: none"> o The items were corrected during the audit and the necessary changes made and submitted to the Auditor General during the audit o The findings will also be taken up in an action plan to address the root cause of the corrections. The progress on the implementation of the corrective measures will be reported to Council on a monthly basis |

TABLE 236 AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE 2015/16

| Auditor-General Report on Service Delivery Performance: 2015/16 | |
|--|--|
| Audit Report Status: | Unqualified with no other matters |
| Non-Compliance Issues | Remedial Action Taken |
| There were some findings regarding the accuracy of the reported information found during the audit which required changes to the performance report (which forms part of the Municipality's annual report) | <ul style="list-style-type: none"> o The corrections were made during the audit and submitted to the auditors o A further workshop was held with all role-players to analyse the findings and determine the root cause of the errors for the development of appropriate corrective measures. The progress with the implementation of the plan will be tabled in council on a monthly basis |

COMPONENT B: AUDITOR-GENERAL OPINION 2016/17

6.2 AUDITOR-GENERAL REPORT 2016/17

TABLE 237 AUDITOR-GENERAL ON FINANCIAL PERFORMANCE 2016/17

| Auditor-General Report on Financial Performance 2016/17 | |
|--|---|
| Audit Report Status: | Unqualified with no other matters |
| Non-Compliance Issues | Remedial Action Taken |
| There were some findings during the audit which required non-material changes to the annual financial statements | <ul style="list-style-type: none"> o The items were corrected during the audit and the necessary changes made and submitted to the auditors during the audit |

| | |
|--|---|
| | <ul style="list-style-type: none"> o The findings will also be taken up in an action plan to address the root cause of the corrections. The progress on the implementation of the corrective measures will be reported to Council on a monthly basis |
|--|---|

TABLE 238 AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE 2016/17

| Auditor-General Report on Service Delivery Performance: 2015/16 | |
|---|---|
| Audit Report Status: | Unqualified with no other matters |
| Non-Compliance Issues | Remedial Action Taken |
| <p>There were some findings regarding the accuracy of the reported achievement found during the audit which required changes to the performance report (which forms part of the Municipality's annual report). One material change was made on the actual achievement relating to indigent households</p> | <ul style="list-style-type: none"> o The corrections were made during the audit and submitted to the auditors o A coaching and mentoring program has since been launched with all the Directorates regarding the requirements and quality of evidence substantiating the actual performance. o The findings will also be taken up in an action plan to address the root cause of the corrections. The progress on the implementation of the corrective measures will be reported to Council on a monthly basis |

TABLES

| | |
|--|----|
| TABLE 1 WARD DELIMITATION 2011 | 17 |
| TABLE 2 WARD DELIMITATION 2016..... | 17 |
| TABLE 3 POPULATION DISTRIBUTION PER TOWN..... | 19 |
| TABLE 4 TOTAL NUMBER OF HOUSEHOLDS | 19 |
| TABLE 5 GENDER DISTRIBUTION PER WARD..... | 20 |
| TABLE 6 POPULATION BY AGE..... | 21 |
| TABLE 7 POPULATION BY AGE AND GENDER..... | 22 |
| TABLE 8 POPULATION BY RACE..... | 22 |
| TABLE 9 POPULATION BY RACE..... | 22 |
| TABLE 10 KEY ECONOMIC ACTIVITIES | 23 |
| TABLE 11 SOCIO ECONOMIC GROWTH INDICATORS | 24 |
| TABLE 12 ENDANGERED ECOSYSTEMS | 26 |
| TABLE 13 BASIC SERVICE DELIVERY HIGHLIGHTS | 27 |
| TABLE 14 BASIC SERVICE DELIVERY CHALLENGES | 28 |
| TABLE 15 PROPORTION OF HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES | 29 |
| TABLE 16 FINANCIAL VIABILITY HIGHLIGHTS..... | 30 |
| TABLE 17 FINANCIAL VIABILITY CHALLENGES | 30 |
| TABLE 18 NATIONAL KPI'S FOR FINANCIAL VIABILITY AND MANAGEMENT..... | 31 |
| TABLE 19 FINANCIAL OVERVIEW 2016/17 | 31 |
| TABLE 20 OPERATING RATIOS..... | 31 |
| TABLE 21 TOTAL CAPITAL EXPENDITURE..... | 32 |
| TABLE 22 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS | 33 |
| TABLE 23 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES | 33 |
| | 33 |
| TABLE 24 2015/16 EMPLOYMENT EQUITY TARGETS/ACTUAL BY RACIAL CLASSIFICATION | 34 |
| TABLE 25 2016/17 EMPLOYMENT EQUITY TARGETS/ACTUAL BY GENDER CLASSIFICATION..... | 34 |
| TABLE 26 BUDGET ALLOCATED AND SPENT FOR SKILLS DEVELOPMENT | 34 |
| TABLE 27 AUDIT OUTCOMES..... | 35 |
| TABLE 28 NATIONAL KPI GOOD GOVERNANCE AND PUBLIC PARTICIPATION | 36 |
| TABLE 29 GOOD GOVERNANCE AND PUBLIC PARTICIPATION PERFORMANCE HIGHLIGHTS..... | 36 |
| TABLE 30 GOOD GOVERNANCE AND PUBLIC PARTICIPATION CHALLENGES | 37 |
| TABLE 31 COUNCIL MEETINGS | 37 |
| TABLE 32 COUNCILLOR REPRESENTATION AND MEETING ATTENDANCE: PRE ELECTION (JULY 2016) | 38 |
| TABLE 33: COUNCILLOR REPRESENTATION AND MEETING ATTENDANCE: POST ELECTION (AUGUST 2016 –JUNE 2017) | 38 |
| TABLE 34 EXECUTIVE MAYORAL COMMITTEE: PRE ELECTION (JULY 2016) | 39 |
| TABLE 35 EXECUTIVE MAYORAL COMMITTEE: POST ELECTION (AUGUST 2016 –JUNE 2017) | 39 |
| TABLE 36 PORTFOLIO COMMITTEES: PRE ELECTION (JULY 2016) | 40 |
| TABLE 37 PORTFOLIO COMMITTEES: PRE ELECTION (AUGUST 2016 –JUNE 2017) | 40 |
| TABLE 38: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE | 41 |
| TABLE 39 ADMINISTRATIVE GOVERNANCE STRUCTURE: SENIOR MANAGEMENT..... | 42 |
| TABLE 40 ADMINISTRATIVE GOVERNANCE STRUCTURE: THIRD TIER | 42 |
| TABLE 41 INTERGOVERNMENTAL STRUCTURES AND FORUMS..... | 44 |
| TABLE 42 JOINT PROJECTS | 45 |
| TABLE 43 WARD BASED PUBLIC MEETINGS..... | 46 |
| TABLE 44 HOUSING PUBLIC MEETINGS..... | 48 |
| TABLE 45 FUNCTIONALITY OF WARD COMMITTEES | 49 |
| TABLE 46 WARD COMMITTEE MEMBERSHIP : PRE ELECTION (JULY 2016)..... | 50 |
| TABLE 47 WARD COMMITTEE MEMBERSHIP AND FUNCTIONALITY : POST ELECTION (SEPTEMBER 2016) | 52 |
| TABLE 48 WARD COMMITTEE TRAINING INITIATIVES | 54 |
| TABLE 49 LOCAL LABOUR FORUM..... | 54 |

| | |
|--|-----|
| TABLE 50 CAPE AGULHAS MUNICIPAL ADVISORY FORUM | 55 |
| TABLE 51 FRAUD AND RISK MANAGEMENT COMMITTEE (FARMCO) | 58 |
| TABLE 52 STRATEGIC RISK REGISTER 2016/17 | 58 |
| TABLE 53 RISK POLICIES AND STRATEGIES | 59 |
| TABLE 54 ANTI CORRUPTION AND FRAUD STRATEGIES | 59 |
| TABLE 55 IMPLEMENTATION STRATEGIES..... | 60 |
| TABLE 56 MEMBERS OF THE AUDIT COMMITTEE..... | 61 |
| TABLE 57 MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS | 62 |
| TABLE 58 MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE | 64 |
| TABLE 59 INTERNAL AUDIT FUNCTIONS | 64 |
| TABLE 60 POLICIES DEVELOPED AND REVIEWED | 65 |
| TABLE 61 BY-LAWS DEVELOPED AND REVIEWED | 65 |
| TABLE 62 COMMUNICATED RELATED POLICIES AND STRATEGIES | 66 |
| TABLE 63 NEWSLETTER DISTRIBUTION | 67 |
| TABLE 64 ADDITIONAL COMMUNICATION CHANNELS | 67 |
| TABLE 65 WEBSITE CHECKLIST | 67 |
| TABLE 66 CLIENT SERVICE ACTIVITIES | 68 |
| TABLE 67 BID COMMITTEE MEETINGS | 69 |
| TABLE 68 TABLE 1.: ATTENDANCE OF MEMBERS OF BID SPECIFICATION COMMITTEE..... | 69 |
| TABLE 69 ATTENDANCE OF MEMBERS OF BID EVALUATION COMMITTEE..... | 70 |
| TABLE 70 ATTENDANCE OF MEMBERS OF BID ADJUDICATION COMMITTEE..... | 70 |
| TABLE 71 SUMMARY OF AWARDS MADE BY BAC..... | 70 |
| TABLE 72 SUMMARY OF TEN HIGHEST BIDS..... | 71 |
| TABLE 73 SUMMARY OF BBEE SPENDING ON BIDS | 71 |
| TABLE 74 SUMMARY OF DEVIATIONS FOR 2016/17 FINANCIAL YEAR | 72 |
| TABLE 75 BREAKDOWN OF DEVIATIONS 2016/17 | 72 |
| TABLE 76 STOCK VALUE AT MUNICIPAL STORES..... | 73 |
| TABLE 77 ALIGNMENT OF KEY PERFORMANCE AREAS TO STRATEGIC OBJECTIVES | 79 |
| TABLE 78 SDBIP MEASUREMENT CATEGORIES | 82 |
| TABLE 79 MUNICIPAL FUNCTIONS..... | 107 |
| TABLE 80 BASIC SERVICE PROVISION PER TOWN..... | 108 |
| TABLE 81 CAPITAL PROJECTS OF WARD 1 | 109 |
| TABLE 82 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 1 | 109 |
| TABLE 83 CAPITAL PROJECTS OF WARD 2 | 109 |
| TABLE 84 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 2 | 109 |
| TABLE 85 CAPITAL PROJECTS OF WARD 3 | 110 |
| TABLE 86 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 3 | 110 |
| TABLE 87 CAPITAL PROJECTS OF WARD 4 | 110 |
| TABLE 88 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 4 | 110 |
| TABLE 89 CAPITAL PROJECTS OF WARD 5 | 111 |
| TABLE 90 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 5 | 111 |
| TABLE 91 UNACCOUNTED FOR WATER | 112 |
| TABLE 92 TOTAL USE OF WATER BY SECTOR (CUBIC METERS) | 112 |
| TABLE 93 ACCESS TO WATER | 113 |
| TABLE 94 WATER SERVICE DELIVERY LEVELS: HOUSEHOLDS..... | 113 |
| TABLE 95 EMPLOYEES WATER SERVICES | 114 |
| TABLE 96 CAPITAL EXPENDITURE: WATER SERVICES..... | 114 |
| TABLE 97 SANITATION SERVICE DELIVERY LEVELS | 115 |
| TABLE 98 EMPLOYEES SANITATION SERVICES | 116 |
| TABLE 99 CAPITAL EXPENDITURE: SANITATION SERVICES..... | 116 |
| TABLE 100 ELECTRICITY DISTRIBUTION AREAS..... | 116 |
| TABLE 101 SERVICE DELIVERY HIGHLIGHTS AND CHALLENGES | 116 |
| TABLE 102 ELECTRICITY LOSSES | 118 |
| TABLE 103 ELECTRICITY DISTRIBUTION PER TARIFF CLASS | 118 |
| TABLE 104 ELECTRICITY SERVICE DELIVERY LEVELS | 119 |
| TABLE 105 EMPLOYEES: ELECTRICITY SERVICES | 119 |

| | |
|---|-----|
| TABLE 106 CAPITAL EXPENDITURE: ELECTRICITY SERVICES | 120 |
| TABLE 107 WASTE MANAGEMENT SERVICE DELIVERY LEVELS..... | 121 |
| TABLE 108 EMPLOYEES: WASTE MANAGEMENT | 122 |
| TABLE 109 CAPITAL EXPENDITURE: WASTE MANAGEMENT SERVICES..... | 122 |
| TABLE 110 PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING | 125 |
| TABLE 111 HOUSING WAITING LIST | 125 |
| TABLE 112 HOUSES BUILT / STANDS SERVICED IN 2016/17 | 126 |
| TABLE 113 EMPLOYEES: HOUSING SERVICES | 126 |
| TABLE 114 FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS..... | 127 |
| TABLE 115 COST TO THE MUNICIPALITY OF FREE BASIC SERVICES DELIVERED | 127 |
| TABLE 116 GRAVEL ROAD INFRASTRUCTURE | 129 |
| TABLE 117 TARRED ROAD INFRASTRUCTURE | 130 |
| TABLE 118 COST OF CONSTRUCTION/MAINTENANCE..... | 130 |
| TABLE 119 EMPLOYEES: ROADS AND STORMWATER | 130 |
| TABLE 120 CAPITAL EXPENDITURE ROADS (INCLUDES STORMWATER) | 130 |
| TABLE 121 STORMWATER INFRASTRUCTURE | 131 |
| TABLE 122 STORM WATER INFRASTRUCTURE COST | 131 |
| TABLE 123 SPATIAL PLANNING HIGHLIGHTS AND CHALLENGES | 135 |
| TABLE 124 APPLICATIONS FOR LAND USE DEVELOPMENT | 136 |
| TABLE 125 EMPLOYEES SPATIAL PLANNING | 136 |
| TABLE 126 BUILDING CONTROL HIGHLIGHTS AND CHALLENGES | 137 |
| TABLE 127 BUILDING PLANS APPROVED | 138 |
| TABLE 128 EMPLOYEES BUILDING CONTROL | 138 |
| TABLE 129 JOBS CREATED THROUGH EPWP PROJECTS..... | 139 |
| TABLE 130 MUNICIPAL LIBRARIES | 141 |
| TABLE 131 LIBRARIES HIGHLIGHTS AND CHALLENGES..... | 141 |
| TABLE 132 SERVICE STATISTICS FOR LIBRARIES | 141 |
| TABLE 133 EMPLOYEES: LIBRARIES | 142 |
| TABLE 134 CAPITAL EXPENDITURE: LIBRARIES..... | 142 |
| TABLE 135 CEMETERIES: HIGHLIGHTS AND CHALLENGES | 143 |
| TABLE 136 SERVICE STATISTICS FOR CEMETERIES..... | 143 |
| TABLE 137 HUMAN DEVELOPMENT HIGHLIGHTS AND CHALLENGES..... | 143 |
| TABLE 138 SERVICE STATISTICS FOR HUMAN DEVELOPMENT PROGRAMMES..... | 144 |
| TABLE 139 EMPLOYEES: HUMAN DEVELOPMENT | 145 |
| TABLE 140 CAPITAL EXPENDITURE: HUMAN DEVELOPMENT..... | 146 |
| TABLE 141 TRAFFIC AND LAW ENFORCEMENT HIGHLIGHTS AND CHALLENGES | 151 |
| TABLE 142 TRAFFIC SERVICES AND LAW ENFORCEMENT AVAILABILITY | 152 |
| TABLE 143 TRAFFIC SERVICES AND LAW ENFORCEMENT SERVICE STATISTICS | 152 |
| TABLE 144 EMPLOYEES: TRAFFIC AND LAW ENFORCEMENT | 153 |
| TABLE 145 CAPITAL EXPENDITURE: TRAFFIC AND LAW ENFORCEMENT | 153 |
| TABLE 146 SOCIAL ASSISTANCE PROVISION STATISTICS..... | 154 |
| TABLE 147 SPORT AND RECREATION HIGHLIGHTS AND CHALLENGES..... | 156 |
| TABLE 148 SPORT AND RECREATION SERVICE STATISTICS | 156 |
| TABLE 149 EMPLOYEES: SPORT AND RECREATION | 156 |
| TABLE 150 CAPITAL EXPENDITURE: SPORT AND RECREATION..... | 157 |
| TABLE 151 EXECUTIVE AND COUNCIL HIGHLIGHTS AND CHALLENGES..... | 158 |
| TABLE 152 EMPLOYEES: EXECUTIVE AND COUNCIL | 159 |
| TABLE 153 CAPITAL EXPENDITURE: EXECUTIVE AND COUNCIL..... | 159 |
| TABLE 154 FINANCE HIGHLIGHTS AND CHALLENGES | 159 |
| TABLE 155 EMPLOYEES: FINANCE | 161 |
| TABLE 156 CAPITAL EXPENDITURE: FINANCE | 161 |
| TABLE 157 HUMAN RESOURCE HIGHLIGHTS AND CHALLENGES | 162 |
| TABLE 158 EMPLOYEES: HUMAN RESOURCES..... | 162 |
| TABLE 159 CAPITAL EXPENDITURE: HUMAN RESOURCES | 162 |
| TABLE 160 ICT GROWTH IN SERVICES..... | 164 |
| TABLE 161 THREATS..... | 164 |

| | |
|--|-----|
| TABLE 162 EMPLOYEES: ICT | 165 |
| TABLE 163 CAPITAL EXPENDITURE: ICT | 165 |
| TABLE 164 TO CREATE A SAFE AND HEALTHY ENVIRONMENT FOR ALL CITIZENS AND VISITORS TO THE CAPE AGULHAS MUNICIPALITY | 166 |
| TABLE 165 TO ENSURE ACCESS TO EQUITABLE AFFORDABLE AND SUSTAINABLE MUNICIPAL SERVICES FOR ALL CITIZENS | 166 |
| TABLE 166 TO ENSURE GOOD GOVERNANCE AND INSTITUTIONAL SUSTAINABILITY | 169 |
| TABLE 167 TO ENSURE INSTITUTIONAL SUSTAINABILITY | 170 |
| TABLE 168 TO IMPROVE THE FINANCIAL VIABILITY OF THE MUNICIPALITY AND ENSURE ITS LONG TERM FINANCIAL SUSTAINABILITY | 170 |
| TABLE 169 TO PROMOTE LOCAL ECONOMIC DEVELOPMENT IN THE CAPE AGULHAS MUNICIPAL AREA | 171 |
| TABLE 170 NATIONAL KEY PERFORMANCE INDICATORS: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT | 172 |
| TABLE 171 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS | 172 |
| TABLE 172 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES | 173 |
| TABLE 173 2016/17 EMPLOYMENT EQUITY TARGETS/ACTUAL BY RACIAL CLASSIFICATION FOR TOP THREE LEVELS OF MANAGEMENT | 174 |
| TABLE 174 2016/17 EMPLOYMENT EQUITY TARGETS/ACTUAL BY GENDER CLASSIFICATION..... | 175 |
| TABLE 175 EE POPULATION 2016/17 | 175 |
| TABLE 176 OCCUPATIONAL LEVELS (INCLUDES COUNCILLORS) | 175 |
| TABLE 177 DEPARTMENT – RACE (EXCLUDES COUNCILLORS) | 176 |
| TABLE 178 ANNUAL VACANCY RATE | 176 |
| TABLE 179 VACANCY RATE PER MONTH | 177 |
| TABLE 180 VACANCY RATE HIGHEST LEVELS OF MANAGEMENT | 177 |
| TABLE 181: TURNOVER RATE | 178 |
| TABLE 182 INJURIES | 178 |
| TABLE 183 SICK LEAVE | 179 |
| TABLE 184 HR POLICIES AND PLANS..... | 179 |
| TABLE 185 TABLE 1. PERFORMANCE REWARDS | 180 |
| TABLE 186 SKILLS MATRIX | 181 |
| TABLE 187 SKILLS DEVELOPMENT | 183 |
| TABLE 188 BUDGET ALLOCATED AND SPENT FOR SKILLS DEVELOPMENT | 184 |
| TABLE 189 TOTAL PERSONNEL EXPENDITURE..... | 184 |
| TABLE 190 DETAIL OF PERSONNEL EXPENDITURE | 184 |
| TABLE 191 FINANCIAL COMPETENCY DEVELOPMENT PROGRESS REPORT | 186 |
| TABLE 192 FINANCIAL OVERVIEW 2016/17 | 188 |
| TABLE 193 OPERATING RATIOS | 190 |
| TABLE 194 CAPITAL EXPENDITURE 2016/17 | 190 |
| TABLE 195 SUMMARY OF FINANCIAL PERFORMANCE..... | 193 |
| TABLE 196 PERFORMANCE AGAINST BUDGETS | 194 |
| TABLE 197 REVENUE BY VOTE | 195 |
| TABLE 198 REVENUE BY SOURCE..... | 195 |
| TABLE 199 OPERATIONAL SERVICES PERFORMANCE..... | 196 |
| TABLE 200 FINANCIAL PERFORMANCE: WATER SERVICES | 198 |
| TABLE 201 FINANCIAL PERFORMANCE: WASTE WATER (SANITATION) SERVICES | 198 |
| TABLE 202 FINANCIAL PERFORMANCE: ELECTRICITY | 198 |
| TABLE 203 FINANCIAL PERFORMANCE: WASTE MANAGEMENT | 199 |
| TABLE 204 FINANCIAL PERFORMANCE: ROADS AND STORMWATER | 199 |
| TABLE 205 FINANCIAL PERFORMANCE: LIBRARIES..... | 199 |
| TABLE 206 FINANCIAL PERFORMANCE: ENVIRONMENTAL PROTECTION | 200 |
| TABLE 207 FINANCIAL PERFORMANCE: SOCIAL SERVICES AND COMMUNITY DEVELOPMENT | 200 |
| TABLE 208 PERFORMANCE: TRAFFIC AND LAW ENFORCEMENT | 200 |
| TABLE 209 FINANCIAL PERFORMANCE: HOLIDAY RESORTS AND CAMPSITES | 201 |

| | |
|---|-----|
| TABLE 210 FINANCIAL PERFORMANCE: SWIMMING POOLS AND SPORT GROUNDS | 201 |
| TABLE 211 FINANCIAL PERFORMANCE: COMMUNITY FACILITIES AND THUSONG CENTRES | 201 |
| TABLE 212 FINANCIAL PERFORMANCE: OFFICE OF THE MUNICIPAL MANAGER | 202 |
| TABLE 213 FINANCIAL PERFORMANCE: ADMINISTRATION | 202 |
| TABLE 214 FINANCIAL PERFORMANCE: HUMAN RESOURCES | 202 |
| TABLE 215 FINANCIAL PERFORMANCE: FINANCIAL SERVICES | 203 |
| TABLE 216 FINANCIAL PERFORMANCE: HOUSING | 203 |
| TABLE 217 GRANT PERFORMANCE | 204 |
| TABLE 218 CONDITIONAL GRANT..... | 205 |
| TABLE 219 RELIANCE ON GRANTS..... | 205 |
| TABLE 220 GRANTS AND SUBSIDIES RECEIVED COMPARED TO THE TOTAL OPERATING REVENUE | 206 |
| TABLE 221 LIQUIDITY FINANCIAL RATIO | 207 |
| TABLE 222 NATIONAL FINANCIAL VIABILITY KPI's | 207 |
| TABLE 223 BORROWING MANAGEMENT | 209 |
| TABLE 224 EMPLOYEE COSTS..... | 209 |
| TABLE 225 REPAIRS AND MAINTENANCE | 210 |
| TABLE 226 CAPITAL EXPENDITURE BY NEW ASSET PROGRAM..... | 211 |
| TABLE 227 CAPITAL EXPENDITURE BY FUNDING SOURCE | 212 |
| TABLE 228 TREATMENT OF THE THREE LARGEST ASSETS | 214 |
| TABLE 229 CAPITAL SPENDING ON LARGEST PROJECTS | 214 |
| TABLE 230 MUNICIPAL INFRASTRUCTURE GRANT (MIG) | 216 |
| TABLE 231 CASH FLOW..... | 217 |
| TABLE 232 GROSS OUTSTANDING DEBTORS PER SERVICE..... | 218 |
| TABLE 233 SERVICE DEBTOR AGE ANALYSIS | 218 |
| TABLE 234 ACTUAL BORROWINGS | 219 |
| TABLE 235 AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE 2015/16..... | 221 |
| TABLE 236 AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE 2015/16..... | 221 |
| TABLE 237 AUDITOR-GENERAL ON FINANCIAL PERFORMANCE 2016/17..... | 221 |
| TABLE 238 AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE 2016/17..... | 222 |

FIGURES

| | |
|--|-----|
| FIGURE 1 MAP OF CAPE AGULHAS MUNICIPALITY AND WARD DELIMITATION..... | 14 |
| FIGURE 2 HOUSEHOLDS..... | 20 |
| FIGURE 3 POPULATION BY GENDER | 21 |
| FIGURE 4 COMPONENTS OF THE MUNICIPAL SCORECARD | 77 |
| FIGURE 5 OVERALL PERFORMANCE PER STRATEGIC OBJECTIVE..... | 80 |
| FIGURE 6 WATER SERVICE DELIVERY LEVELS | 113 |
| FIGURE 7 SANITATION SERVICE DELIVERY LEVELS | 115 |
| FIGURE 8 ELECTRICITY SERVICE DELIVERY LEVELS | 119 |
| FIGURE 9 WASTE MANAGEMENT SERVICE DELIVERY LEVELS | 122 |
| FIGURE 10 REVENUE BY SOURCE | 189 |
| FIGURE 11 EXPENDITURE BY TYPE | 189 |
| FIGURE 12 LIQUIDITY RATIO | 207 |
| FIGURE 13 COST COVERAGE..... | 208 |
| FIGURE 14 OUTSTANDING SERVICE DEBTORS..... | 208 |
| FIGURE 15 DEBT COVERAGE..... | 208 |
| FIGURE 16 BORROWING MANAGEMENT | 209 |
| FIGURE 17 EMPLOYEE COSTS | 210 |
| FIGURE 18 SERVICE DEBTORS AGE ANALYSIS..... | 218 |

ACCRONYMS AND ABBREVIATIONS

| | |
|----------|---|
| ANC | African National Congress |
| AQMP | Air Quality Management Plan |
| B2B | Back to Basics |
| BAC | Bid Adjudication Committee |
| BCO | Building Control Officer |
| BEC | Bid Evaluation Committee |
| BSC | Bid Specification Committee |
| CAM | Cape Agulhas Municipality |
| CAMAF | Cape Agulhas Municipal Advisory Forum |
| CAT | Cape Agulhas Tourism |
| CBA | Critical Biodiversity Area |
| CBO | Community Based Organisation |
| CETA | Construction Sector Education And Training Authority |
| CFO | Chief Financial Officer |
| CML | Coastal Management Lines |
| COGTA | Cooperative Governance And Traditional Affairs |
| COS | Council Of Stakeholders |
| COSO ERM | Committee Of Sponsoring Organizations: Enterprise Risk Management |
| CPF | Community Police Forum |
| CPI | Consumer Price Index |
| CRDP | Comprehensive Rural Development Programme |
| CRO | Chief Risk Officer |
| CSD | Web Based Central Supplier Database |
| DA | Democratic Alliance |
| DCF | District Coordinating Forum |
| DEADP | Department Of Environmental Affairs & Development Planning |
| DEDAT | Department Of Economic Development |
| DHA | Department Of Home Affairs |
| DHET | Department Of Higher Education And Training |
| DOA | Department Of Agriculture |
| DORA | Division Of Revenue Act |
| DPLG | Provincial Department Of Local Government |
| DRD&LR | Department Of Rural Development And Land Reform |
| DTPW | Department Of Transport And Public Works |
| EAP | Economically Active Population |
| EDP | Economic Development Partnership |
| EPWP | Expanded Public Works Programme |
| FARMCO | Fraud And Risk Management Committee |
| FET | Further Education And Training |
| FLISP | Finance Linked Individual Subsidy Programme |
| FPSU | Farmer Production Support Unit |
| FTE | Full Time Work Equivalent |
| GCIS | Government Communications Information Systems |
| GDP | Gross Domestic Product |

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| GDPR | Gross Domestic Product Region |
| HR | Human Resources |
| ICMP | Integrated Coastal Management Plan |
| IDP | Integrated Development Plan |
| IGP | Infrastructure Growth Plan |
| IRDP | Integrated Residential Development Programme |
| ITC | Information Technology Communication |
| IWMP | Integrated Waste Management Plan |
| JPI | Joint Planning Initiative |
| KAPCO | Kaap Agulhas People's Civic Organisation |
| KPA | Key Performance Areas |
| KPI | Key Performance Indicator |
| LAB | Local Action For Biodiversity |
| LAN | Local Area Network |
| LBPL | Lower-Bound Poverty Line |
| LED | Local Economic Development |
| LGSETA | Local Government Sector Education And Training |
| LTFP | Long Term Financial Plan |
| LUMS | Land Use Management System |
| LUPA | Land Use Planning Act |
| M&E | Monitoring And Evaluation |
| MFMA | Municipal Finance Management Act |
| MIG | Municipal Infrastructure Grant |
| MM | Municipal Manager |
| MOU | Memorandum Of Understanding |
| MPAC | Municipal Public Accounts Committee |
| MPT | Municipal Planning Tribunal |
| MSA | Municipal Systems Act |
| mSCOA | Municipal Standard Charter Of Accounts |
| MTSF | Medium Term Strategic Framework |
| NARYSEC | National Rural Youth Service Corps |
| NDP | National Development Plan |
| NEM: AQA | National Environmental Management: Air Quality Act |
| NEM: ICMA | National Environmental Management: Integrated Coastal Management Act |
| NEMA | National Environmental Management Act |
| NERSA | National Energy Regulator Of South Africa |
| NGO | Non-Governmental Organisation |
| NPO | Non-Profitable Organisation |
| ODM | Overberg District Municipality |
| OHS | Occupational Health And Safety |
| PACA | Participatory Appraisal Of Competitive Advantage |
| PCF | Premier's Coordinating Forum |
| PHP | People's Housing Programme |
| PMS | Performance Management System |
| PPP | Public Private Partnership |
| PR | Proportional Representation |
| PSDF | Provincial Spatial Development Framework |

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| PSO | Provincial Strategic Objective |
| PT | Provincial Treasury |
| RDP | Reconstruction And Development Programme |
| REID | Department Of Rural Enterprise And Infrastructure Development |
| RSA | Republic Of South Africa |
| SALGA | South African Local Government Association |
| SANBI | South African National Biodiversity Institute |
| SANPARKS | South African National Parks |
| SAPS | South African Police Services |
| SASSA | South African Social Security Agency |
| SCM | Supply Chain Management |
| SCMU | The Supply Chain Management Unit |
| SDBIP | Service Delivery Budget Implementation Plan |
| SDF | Spatial Development Framework |
| SEA | Strategic Environmental Assessment |
| SEDA | Small Enterprise Development Agency |
| SEDF | Spatial And Economic Development |
| SEFA | Small Enterprise Finance Agency |
| SMME | Small, Micro, Medium Enterprises |
| SOE | State Owned Enterprise |
| SPLUMA | Spatial Planning And Land Use Management Act |
| SSEG | Small Scale Embedded Generation |
| StatsSA | Statistics South Africa |
| STR | Small Town Regeneration |
| SWOT | Strengths, Weaknesses, Opportunities, Threats |
| TASK | Tuned Assessment Of Skills And Knowledge |
| UISP | Upgrading Of Informal Settlements Programme |
| VIP | Ventilated Pit Latrine |
| WAN | Wide Area Network |
| WCED | Western Cape Department Of Education |
| WSDP | Water Services Development Plan |
| WWTW's | Waste Water Treatment Works |