



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

DRAFT ANNUAL REPORT 2018/19

Resolution: 187/2019

10 December 2019

CONTENTS

FOREWORDS..... 7

 MAYORS FOREWORD 7

 MUNICIPAL MANAGERS FOREWORD..... 8

CHAPTER 1: EXECUTIVE SUMMARY9

 1.1 MUNICIPAL OVERVIEW 9

 1.2.1 VISION, MISSION AND VALUES 9

 1.2.2 GEOGRAPHIC AREA.....10

 1.2 DEMOGRAPHIC, SOCIO ECONOMIC AND ENVIRONMENTAL OVERVIEW13

 1.2.1 DEMOGRAPHIC OVERVIEW13

 1.2.2 HOUSEHOLDS17

 1.2.3 SOCIO ECONOMIC OVERVIEW.....17

 1.2.4 ENVIRONMENTAL OVERVIEW19

 1.3 BASIC SERVICE DELIVERY OVERVIEW25

 1.3.1 BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS25

 1.3.2 BASIC SERVICE DELIVERY CHALLENGES 26

 1.3.3 HOUSEHOLD ACCESS TO BASIC SERVICES 26

 1.4 FINANCIAL HEALTH OVERVIEW.....27

 1.4.1 FINANCIAL VIABILITY HIGHLIGHTS27

 1.4.2 FINANCIAL VIABILITY CHALLENGES27

 1.4.3 FINANCIAL VIABILITY (RATIO’S) 28

 1.4.4 FINANCIAL OVERVIEW 28

 1.4.5 OPERATING RATIO’S..... 28

 1.4.6 TOTAL CAPITAL EXPENDITURE 29

 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW..... 29

 1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS..... 29

 1.5.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES 29

 1.5.3 EMPLOYMENT EQUITY 30

 1.5.4 SKILLS DEVELOPMENT 30

 1.6 AUDITOR GENERAL REPORT31

 1.6.1 AUDIT OUTCOMES.....31

CHAPTER 2: GOVERNANCE 32

 2.1 COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE.....32

 2.1.1 GOVERNANCE STRUCTURE32

 2.2.2 JOINT PROJECTS AND FUNCTIONS WITH SECTOR DEPARTMENTS..... 36

 2.2 COMPONENT B: INTERGOVERNMENTAL RELATIONS 38

 2.2.1 INTERGOVERNMENTAL STRUCTURES 38

 2.3 COMPONENT C: PUBLIC ACCOUNTABILITY 40

2.3.1	WARD BASED PUBLIC MEETINGS	40
2.3.2	WARD COMMITTEES.....	43
2.4	COMPONENT D: CORPORATE GOVERNANCE.....	46
2.4.1	RISK MANAGEMENT	46
2.4.2	ANTI-CORRUPTION AND ANTI-FRAUD	50
2.4.3	AUDIT COMMITTEE.....	52
2.4.4	PERFORMANCE AUDIT COMMITTEE	54
2.4.5	INTERNAL AUDITING	55
2.4.6	BY-LAWS AND POLICIES	56
2.4.7	COMMUNICATION	57
2.4.8	THE MUNICIPAL WEBSITE	59
2.4.9	CLIENT SERVICES.....	60
2.4.10	SUPPLY CHAIN MANAGEMENT	61
CHAPTER 3: SERVICE DELIVERY PERFORMANCE		87
3.1	INTRODUCTION.....	87
3.2	LEGISLATIVE FRAMEWORK	87
3.3	OVERVIEW OF PERFORMANCE MANAGEMENT WITHIN THE MUNICIPALITY.....	88
3.3.1	ORGANISATIONAL PERFORMANCE MANAGEMENT	88
3.3.2	THE PERFORMANCE MANAGEMENT SYSTEM	89
3.3.3	INDIVIDUAL PERFORMANCE MANAGEMENT	89
3.3.4	SERVICE PROVIDER STRATEGIC PERFORMANCE	90
3.4	STRATEGIC PERFORMANCE 2018/19	91
3.4.1	OVERVIEW	91
3.4.2	DETAILED PERFORMANCE FOR 2018/19 PER NATIONAL KEY PERFORMANCE AREA.....	93
3.5	MUNICIPAL FUNCTIONS	116
3.6	OVERVIEW OF PERFORMANCE PER WARD / TOWN	117
3.6.1	BASIC SERVICE DELIVERY PER TOWN.....	117
3.6.2	BASIC SERVICE PRIORITIES AND DELIVERY PER WARD	117
3.7	COMPONENT A: BASIC SERVICES.....	121
3.7.1	WATER.....	121
3.7.2	SANITATION	124
3.7.3	ELECTRICITY.....	126
3.7.4	WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)	130
3.7.5	HOUSING	133
3.7.6	FREE BASIC SERVICES AND INDIGENT SUPPORT	137
3.8	COMPONENT B: ROAD TRANSPORT AND STORMWATER.....	139
3.8.1	ROADS	139
3.8.2	WASTE WATER (STORMWATER DRAINAGE)	141
3.9	COMPONENT C: PLANNING AND ECONOMIC DEVELOPMENT.....	143
3.9.1	INTEGRATED DEVELOPMENT PLANNING.....	143

3.9.2	SPATIAL PLANNING	144
3.9.3	BUILDING CONTROL	146
3.9.4	LOCAL ECONOMIC DEVELOPMENT AND TOURISM.....	149
3.10	COMPONENT D: COMMUNITY AND SOCIAL SERVICES.....	155
3.10.1	LIBRARIES	155
3.10.2	CEMETERIES.....	156
3.10.3	HUMAN DEVELOPMENT	157
3.11	COMPONENT E: ENVIRONMENTAL PROTECTION.....	160
3.11.1	AIR QUALITY CONTROL	160
3.11.2	NOISE CONTROL	161
3.11.3	BIO-DIVERSITY AND LANDSCAPE	161
3.11.4	COASTAL PROTECTION	162
3.11.5	CLIMATE CHANGE	163
3.12	COMPONENT F: SAFETY AND SECURITY.....	164
3.12.1	TRAFFIC SERVICES, LICENSING AND LAW ENFORCEMENT	164
3.12.2	DISASTER MANAGEMENT.....	167
3.12.3	FIRE SERVICES.....	168
3.13	COMPONENT G: SPORT AND RECREATION	169
3.14	COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES	171
3.14.1	EXECUTIVE AND COUNCIL.....	171
3.14.2	FINANCIAL SERVICES	174
3.14.3	INFORMATION COMMUNICATION TECHNOLOGY	175
3.15	COMPONENT I: DEVELOPMENT AND SERVICE DELIVERY PRIORITIES 2019/20	178
3.15.1	NATIONAL KPA 1: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	178
3.15.2	NATIONAL KPA 2: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	178
3.15.3	NATIONAL KPA 3: LOCAL ECONOMIC DEVELOPMENT.....	179
3.15.4	NATIONAL KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	180
3.15.5	NATIONAL KPA5: BASIC SERVICE DELIVERY	182
CHAPTER 4: ORGANISATIONAL PERFORMANCE		185
4.1	INTRODUCTION.....	185
4.2	THE MUNICIPAL WORKFORCE	185
4.2.1	EMPLOYMENT EQUITY	186
4.2.2	VACANCY RATE	190
4.2.3	STAFF TURNOVER RATE	191
4.2.4	EXPANDED PUBLIC WORKS PROGRAMME	192
4.3	MANAGING THE MUNICIPAL WORKFORCE.....	193
4.3.1	OCCUPATIONAL HEALTH AND SAFETY ACT 1993 OF 85 AND COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASE ACT 130 OF 1993.....	193
4.3.1.1	INJURIES	194
4.3.2	SICK LEAVE	195

4.3.3	LOCAL LABOUR FORUM.....	196
4.3.4	DISCIPLINARY CASES AND GREIVANCES	196
4.3.5	HUMAN RESOURCE POLICIES AND PLANS	197
4.3.6	EMPLOYEE PERFORMANCE REWARDS	198
4.4	CAPACITATING THE MUNICIPAL WORKFORCE	199
4.4.1	SKILLS MATRIX.....	200
4.4.2	SKILLS DEVELOPMENT – TRAINING.....	201
4.4.3	MFMA COMPETENCIES.....	204
4.4.4	SKILLS DEVELOPMENT – BUDGET ALLOCATION	205
4.5	MUNICIPAL WORKFORCE EXPENDITURE	205
CHAPTER 5: FINANCIAL PERFORMANCE.....		208
5.1	INTRODUCTION.....	208
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE		214
5.2	FINANCIAL SUMMARY	214
5.2.1	REVENUE COLLECTION BY VOTE	215
5.2.2	REVENUE COLLECTION BY SOURCE.....	216
5.2.3	OPERATIONAL SERVICES PERFORMANCE	217
5.3	FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION	218
5.3.1	WATER SERVICES.....	218
5.3.2	WASTE WATER (SANITATION).....	218
5.3.3	ELECTRICITY.....	218
5.3.4	WASTE MANAGEMENT	219
5.3.5	ROADS AND STORMWATER	219
5.3.6	LIBRARIES.....	219
5.3.7	ENVIRONMENTAL PROTECTION.....	220
5.3.8	SOCIAL SERVICES AND COMMUNITY DEVELOPMENT	220
5.3.9	TRAFFIC AND LAW ENFORCEMENT	220
5.3.10	HOLIDAY RESORTS AND CAMPSITES	221
5.3.11	SWIMMING POOLS AND SPORT GROUNDS.....	221
5.3.12	COMMUNITY FACILITIES AND THUSONG CENTRES	221
5.3.13	OFFICE OF THE MUNICIPAL MANAGER.....	222
5.3.14	ADMINISTRATION	222
5.3.15	HUMAN RESOURCES.....	222
5.3.16	FINANCIAL SERVICES.....	223
5.3.17	HOUSING.....	223
5.3.18	PLANNING.....	223
5.4	GRANTS.....	224
5.4.1	GRANT PERFORMANCE	224
5.4.2	CONDITIONAL GRANTS	225
5.4.3	LEVEL OF RELIANCE ON GRANTS & SUBSIDIES	225

5.5	FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	226
5.5.1	LIQUIDITY RATIO	226
5.5.2	NATIONAL FINANCIAL VIABILITY INDICATORS.....	227
5.5.3	BORROWING MANAGEMENT.....	228
5.5.4	EMPLOYEE COSTS	229
	COMPONENT B: SPENDING AGAINST CAPITAL BUDGET	230
5.6	TREATMENT OF THREE LARGEST ASSETS	230
5.7	SOURCES OF FINANCE	231
5.8	CAPITAL SPENDING ON THE LARGEST PROJECTS.....	231
5.9	BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW	233
5.9.1	MUNICIPAL INFRASTRUCTURE GRANT (MIG)	233
	COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS	234
5.10	CASH FLOW.....	234
5.11	GROSS OUTSTANDING DEBTORS PER SERVICE	234
5.12	TOTAL DEBTORS AGE ANALYSIS	235
5.13	BORROWING AND INVESTMENTS.....	235
5.13.1	ACTUAL BORROWINGS	235
5.13.2	INVESTMENTS.....	236
	COMPONENT D: OTHER FINANCIAL MATTERS	237
5.14	SUPPLY CHAIN MANAGEMENT	237
5.15	GRAP COMPLIANCE	237
5.16	SOUTHERNMOST DEVELOPMENT AGENCY (PTY) LTD	237
	CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS	238
6.1	AUDITOR-GENERAL REPORT 2017/18	238
6.2	AUDITOR-GENERAL REPORT 2018/19	238
	TABLES	240
	FIGURES.....	243

ANNEXURE A: ANNUAL FINANCIAL STATEMENTS 2018/19

ANNEXURE B: REPORT OF THE AUDITOR GENERAL 2018/19

ANNEXURE C: REPORT OF THE AUDIT COMMITTEE 2018/19

ANNEXURE D: REPORT OF THE PERFORMANCE AUDIT COMMITTEE 2018/19

FOREWORDS

MAYORS FOREWORD



As Executive Mayor of the Southernmost Municipality in Africa, it is my pleasure and privilege to present our Annual Report for the 2018/19 financial year.

The year was my Council's third year of office and is significant in that we are halfway through our term, and are in a position where we can reflect on the successes of our term as well as the challenges that we face in fully implementing the 2017/18-2021/22 Integrated Development Plan. Each goal, objective and key performance indicator in our Integrated Development Plan links to the strategic priorities of the Western Cape Provincial Strategic Plan: 2014 – 2019 as well as the National Development Plan 2030, and in so doing we ensure that we as a Municipality contribute to the achievement of Provincial and National goals.

Our Integrated Development Plan is reviewed annually to ensure that the needs of the community are continuously assessed in terms of relevance and changing circumstances. Our community play a key role by in this process through participation in our public participation structures and platforms, such as ward committees, IDP meetings quarterly feedback meetings and budget imbizo's. These contributions have enabled us to confirm where our key challenges lie and develop plans to address these challenges and work towards developing sustainable solutions, both internally and in partnership with other stakeholders.

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

Despite a small budget, 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. 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:

- Full blue flag status for Duiker Street Beach in Struisbaai for the third year in a row.
- The electrification of 149 plots in Bredasdorp in preparation for the planned low-cost housing development in Area F and H.
- The long awaited construction of houses commenced in Area F and H, and a total of 55 houses were constructed towards the end of the financial year. The remaining houses will be constructed in 2019/20.
- The Implementation and roll out of wheelie bins to improve our refuse collection service.
- A total of 2152 EEDSM Street lights were installed for the financial year.
- The upgrading of 2732 square metres of sidewalks were upgraded in Bredasdorp and Struisbaai / L'Agulhas.
- Three boreholes, two in Napier and one in Suiderstrand were equipped to mitigate the impact of the drought.

We also endeavoured to create employment through our capital development and maintenance programmes and we created 512 jobs (119 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 as well as every member of staff for their support during the year under review. Our achievements would not have been possible without you.

Cllr Paul Swart
Executive Mayor

MUNICIPAL MANAGERS FOREWORD

Cape Agulhas, the southern-most municipality in Africa, is committed to fulfilling its constitutional powers and functions, albeit with limited financial and human resources in a severely constricted macro-economic environment. Despite this, we are faring exceptionally well in terms of the delivery of quality and affordable basic services and adherence to the principles of good governance.

The Municipality is the sphere of government closest to the people, and as such, the community look to us for all their needs, irrespective of whether such needs fall within our mandate or that of Provincial or National Government. This necessitates the fostering of good relations and co-operative governance to ensure that all our community's needs are addressed. We would like to thank all Provincial and National Departments for their ongoing support.

The Municipality received an unqualified, with no matters, for 2018/19, our sixth consecutive clean audit. Following the 2017/18 audit, an audit action plan was developed to implement recommendations on the audit by the Auditor General. These recommendations assisted the Municipality to strengthen controls and enhance future audit processes. The audit scope remains the same each year, but the specific focus changes year on year and maintenance of our clean audit status becomes more challenging each year, and the year under review was particularly challenging.

The Municipality's debt impairment provision as a percentage of accounts receivable has increased to 57,9 % (2017/18: 52,0%) 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 increased slightly to 53,5 days from 44,4 days in 2017/18 and the debt collection period has decreased to 65,7 days from 70,4 days largely attributed to the implementation of improved credit control measures.

The year-end bank balance has increased to 75.30% compared to the previous year, which is indicative of adequate cash flow management. This is mainly attributed to investments that matured on 30 June 2019 as well as long term loans received and an increase in the capital replacement reserve, which resulted in a net increase in cash held of R35,9 million from the previous year with a total year-end bank balance of R 83,7 million.

Creditors as a percentage of cash and cash equivalents have decreased to 38,8% from the 40,3% of the previous year. Once again, this is a good indication of better cash management.

In terms of internal management changes on the senior and middle management level, the Director Management Services contract came to an end during the year under review. The post was advertised and an appointment made prior to the end of the financial year end. All senior managers possess the legislated qualifications and competencies. There were no occurrences of fraud and corruption that needed investigation for the year under review and the one case reported on in the 2016/17 financial year is still with SAPS

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

CHAPTER 1: EXECUTIVE SUMMARY

1.1 MUNICIPAL OVERVIEW

The 2018/19 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 2018 to 30 June 2019, 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 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.

Municipal elections took place on 3 August 2016. A new Municipal Council is required to adopt an IDP within one year after the municipal election, and this IDP remains in force for the elected term of office of the Council (Five years). The new IDP (2017/18-2021/22) was approved by Council on 30 May 2017 (Council Resolution 99/2017), and the first review thereof was approved by Council on 28 May 2018 (Council Resolution 59/2018). This annual report reflects on the performance of the Municipality in implementing the first review of the IDP.

1.2.1 VISION, MISSION AND VALUES

The vision, mission and values of the Cape Agulhas Municipality as contained in the 2017/18 – 2021/22 IDP are as follows:

VISION

“Together for excellence
Saam vir uitnemendheid
Sisonke siyagqwesa”

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”

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, Protem 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 town’s 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.

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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.

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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.

Cape Agulhas Municipality was demarcated into six wards for the 2016 Municipal election. This demarcation became applicable from 3 August 2016, and the ward composition is as follows:

TABLE 1 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
5	Suiderstrand, L'Agulhas, Struisbaai and Haasvlakte
6	Arniston and surrounding Farms, Overberg Test Range, Part of Bredasdorp (Selfbou and Bergsig area)

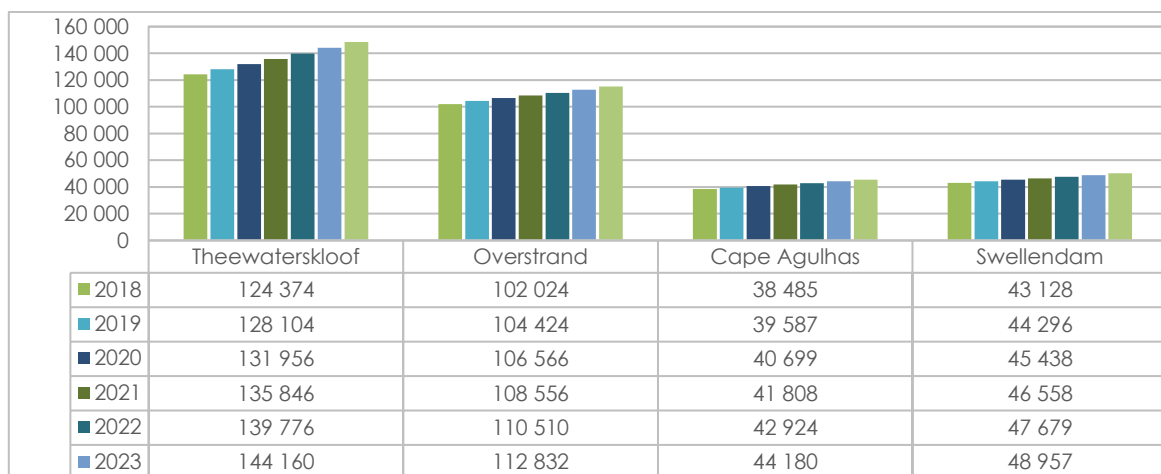
1.2 DEMOGRAPHIC, SOCIO ECONOMIC AND ENVIRONMENTAL OVERVIEW

1.2.1 DEMOGRAPHIC OVERVIEW

a) Population

The Cape Agulhas Municipality population was estimated at 33 038 people according to the 2011 Census. According to the Department of Social Development’s 2018 projections, Cape Agulhas currently has a population of 38 485, rendering it the smallest Municipal Area within the Overberg District. This total is estimated to increase to 45 403 by 2024 which equates to a 2.8 per cent growth rate by that date. The estimated population growth rate of Cape Agulhas is therefore slightly above the estimated population growth of the Overberg of 2.6 per cent.

FIGURE 2 POPULATION



Source: Socio-Economic Profile 2018

TABLE 2 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

The table below depicts the population composition of age cohorts:

TABLE 3 AGE COHORTS

YEAR	CHILDREN: 0 - 14 YEARS	WORKING AGE: 15 - 64 YEARS	AGED: 65 +	DEPENDENCY RATIO
2011	7 739	22 343	2 952	47.8
2019	9 059	25 948	4 580	52.6
2024	9 826	29 861	5 716	52.0

Source: Socio-Economic Profile 2018

The above table depicts Cape Agulhas’s population composition per age cohort. These groupings are also expressed as a dependency ratio which in turn indicates who is part of the workforce (Age 15 - 64) and who is dependent on them (children and seniors). A higher dependency ratio means a higher pressure on social systems and the delivery of basic services.

A comparison between the 2011 and 2019 estimates show a sharp increase in the number of people within the working age cohort. The substantial increase in the aged category is expected to raise the dependency ratio between 2011 and 2019. However, from 2019 and 2024, the working age category is expected to continue unabatedly whilst growth in the child and aged categories will taper off resulting in a slight decrease the dependency ratio in Cape Agulhas.

b) Population by gender and race

The Coloured racial group constitutes the largest proportion of the population in the Cape Agulhas Municipal Area as well as in the Overberg District and makes up 66.2% of the population. The remaining composition of the population is 21.8% White, 0.3% and 11.6% African.

TABLE 4 POPULATION BY GENDER AND RACE

GENDER	BLACK AFRICAN	COLOURED	INDIAN OR ASIAN	WHITE	OTHER	TOTAL
Male	2178	10377	54	3419	201	16229
Female	1630	11285	57	3730	107	16808
Total	3808	21662	111	7149	308	33038

Source: StatsSA census 2011 (2016 Boundaries)

c) Population by age and gender distribution

The population is fairly equally distributed in terms of gender, which is in line with South African, Western Cape and ODM trends. The following table shows the composition of the population in terms of gender and age.

TABLE 5 AGE AND GENDER COMPOSITION

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: StatsSA census 2011

The following table shows the gender composition per ward.

TABLE 6 GENDER COMPOSITION PER WARD

GENDER	WARD 1	WARD 2	WARD 3	WARD 4	WARD 5	WARD 6	TOTAL
Male	3164	3186	2684	2748	2604	1844	16229
Female	3391	3343	2588	2865	2764	1858	16808
Total	6555	6529	5272	5613	5368	3701	33038

Source: StatsSA census 2011 (2016 Boundaries)

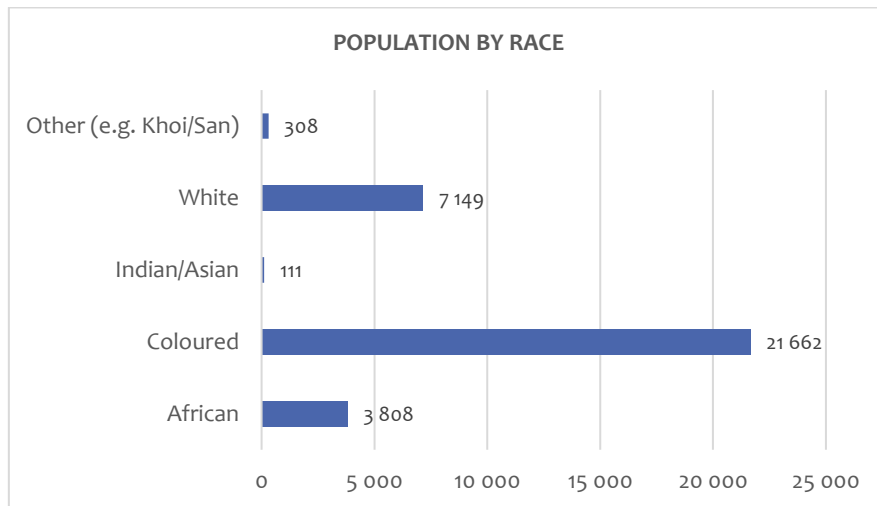
d) Population by race

TABLE 7 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

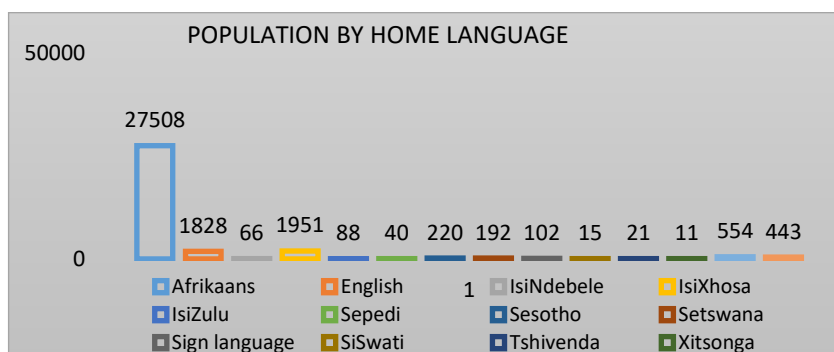
TABLE 8 POPULATION BY RACE



e) Population by language

The predominant language in the Municipal Area remains Afrikaans, which is spoken by the majority of the population, followed by isiXhosa and English.

FIGURE 3 POPULATION BY HOME LANGUAGE



Source: StatsSA census 2011

f) Farmworker demographics

The Western Cape Department of Agriculture conducted a survey to provide comprehensive data on the state of farmworkers within the Cape Winelands region of the Western Cape and took the analysis to local municipal level. Cape Agulhas was also included in this study. The total study covered 6086 households with 23202 individuals living in these households. The lowest number of households and individuals was within the Cape Agulhas Municipal Area with a sample of 526 and 142 households. The following table provides a demographic profile of the Cape Agulhas farmworkers.

TABLE 9 DEMOGRAPHIC PROFILE: FARM WORKERS

CATEGORY	INDICATOR	NO/%
Demographics	Number of Farms	27
	Number of Households	142
	Population	526
Healthcare Services	Impaired Vision	19.72%
	Difficulty with self-care	7.75%
	Employed	10%+
Type of dwellings	Mud house	2
	RDP house	1
	Brick house	79
	Informal dwelling	6
	Back room	1
	Caravan/Tent	2
	Other	6

The table below illustrates the age distribution on Cape Agulhas Farms:

TABLE 10 AGE DISTRIBUTION ON FARMS

AGE BANDS	TOTAL
0	15.18%
1-7	14.78%
8-14	9.11%
15-19	27.94%
20-35	21.26%
36-50	10.53%
51-65	1.21%

1.2.2 HOUSEHOLDS

In order to ensure basic service delivery to all, municipal budget allocations are informed by credible and accurate assumptions regarding the number of households within a municipal area. Access to formal housing and services in Cape Agulhas is measured against a total estimated number of households of 10 162 in 2011 and 10473 in 2018.

TABLE 11 HOUSEHOLDS

2011	2018	Average annual change 2011-2018	Average annual growth 2011-2018
10 162	10473	311	3.06%

Source: Socio-Economic Profile 2018

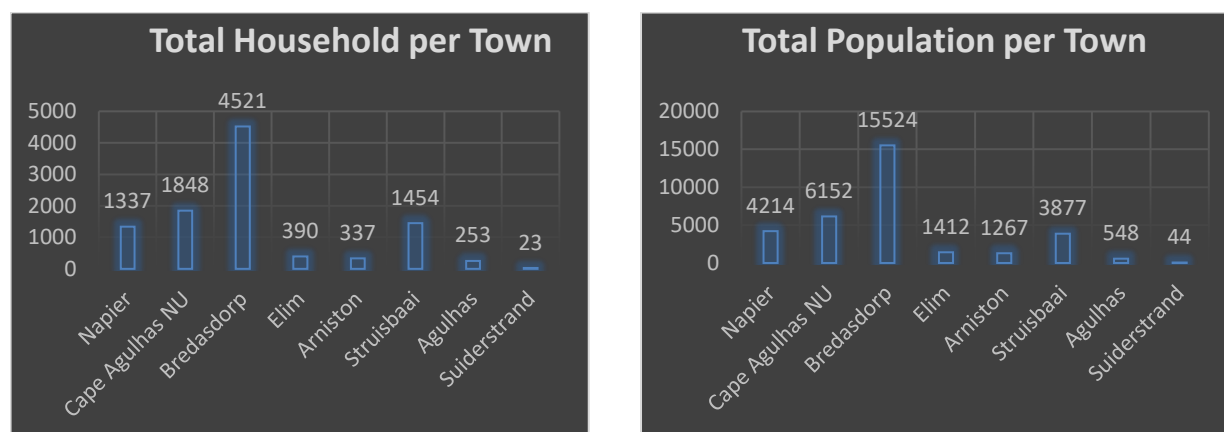
TABLE 12 INDIGENT HOUSEHOLDS

HOUSEHOLDS	2016/17	2017/18	2018/19
Number of indigent and poor households in municipal area	3559	3145	3001

Source: CAM Indigent Register

The following graphs provides an overview of the population and households per town.

FIGURE 4 TOTAL HOUSEHOLDS PER TOWN



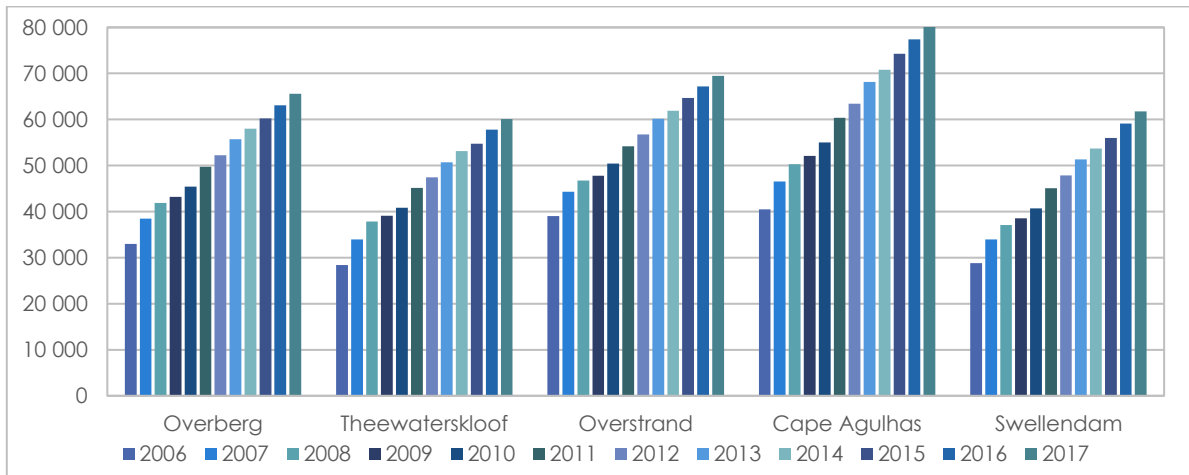
Source: StatsSA census 2011

1.2.3 SOCIO ECONOMIC OVERVIEW

a) Poverty and Income

An increase in real GDP per capita, i.e. GDP per person, is experienced only if the real economic growth rate exceeds the population growth rate. Even though real GDP per capita reflects changes in the overall well-being of the population, not everyone within an economy will earn the same amount of money as estimated by the real GDP per capita indicator.

FIGURE 5 CAPE AGULHAS GDPR PER CAPITA



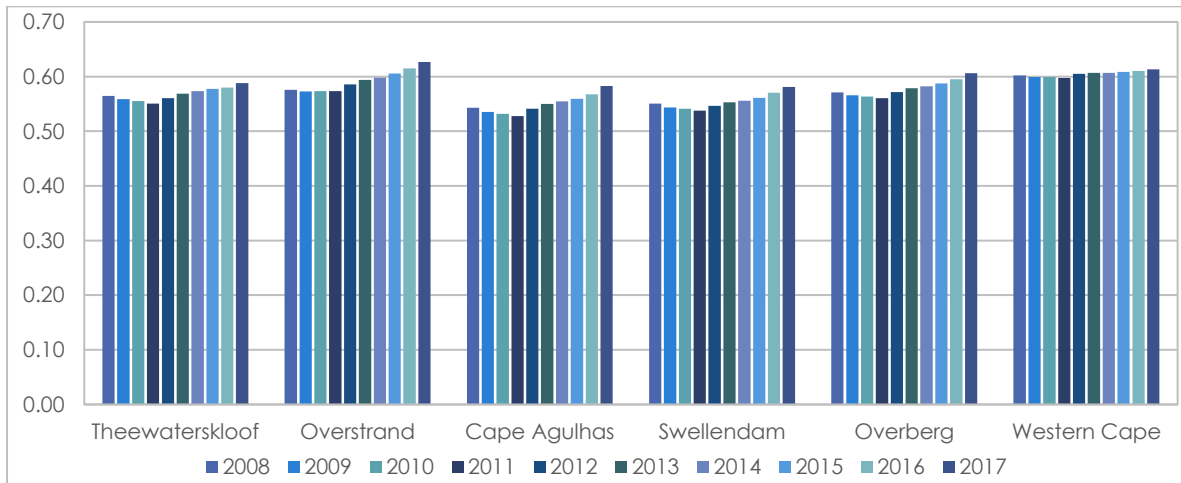
Source: Stats SA 2017, own calculations

At 80 765 in 2017, Cape Agulhas’s real GDPR per capita is above that of the Overberg District’s figure of R65 588 but below that of the Western Cape of 87 110.

b) Income Inequality

The National Development Plan has set a target of reducing income inequality in South Africa from a Gini coefficient of 0.7 in 2010 to 0.6 by 2030. Income inequality has increased in Cape Agulhas between 2010 and 2016 with the exception of 2011, when it dropped below 0.55.

FIGURE 6 INCOME INEQUALITY LEVELS



Source: Global

Insight, 2017

Income inequality levels were on the rise in Cape Agulhas between 2012 and 2017, reaching 0.58 in 2017, which is lower than the income equality levels in the Overberg District and the Western Cape. There is however a noticeable rise in income equality across the Overberg District.

c) Socio economic growth indicators

TABLE 13 SOCIO ECONOMIC GROWTH INDICATORS

FINANCIAL YEAR	HOUSING BACKLOG*	UNEMPLOYMENT RATE	HOUSEHOLDS WITH INCOME	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						
2017/18	3685	Statistics only available on provincial level and not on municipal level						
2018/19	3655	Statistics only available on provincial level and not on municipal level						

*Source: Municipal housing database

1.2.4 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 the Municipal Area 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 plays a key role in the agriculture industry. It is therefore imperative that our planning and decision-making support the principles of sustainable development.

a) Coastal management

The Overberg coastline is about 330km long and stretches over jurisdictional areas of three local municipalities. Approximately 178Km of this coastline is in the Cape Agulhas Municipality.

The Overberg District Municipality (ODM) plays a key role in coastal management, and have developed an integrated Coastal Management Plan (ICMP) for the District as a whole. The ICMP co-ordinates the roles of each of the local municipalities in coastal management. ODM is also in process of doing a pilot coastal access strategy.

The coast is a critical source of economic opportunity including:

- Tourism and eco-tourism activities: such as whale watching, bird watching, hiking, 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.

Blue flag beaches

Blue Flag Beaches are currently spread all along the South African coastline in 3 of the 4 coastal provinces. Blue Flag Beach certification ensures that the highest international standards are maintained on swimming beaches each season. . Cape Agulhas municipality received blue flag status for Duiker Street Beach in Struisbaai from 01 December 2017 to 31 January 2018. Blue Flag status can play a big role in tourists' holiday destination choices, and encourages more tourists to visit Cape Agulhas municipality; whilst ensuring their safety.

b) Climate change

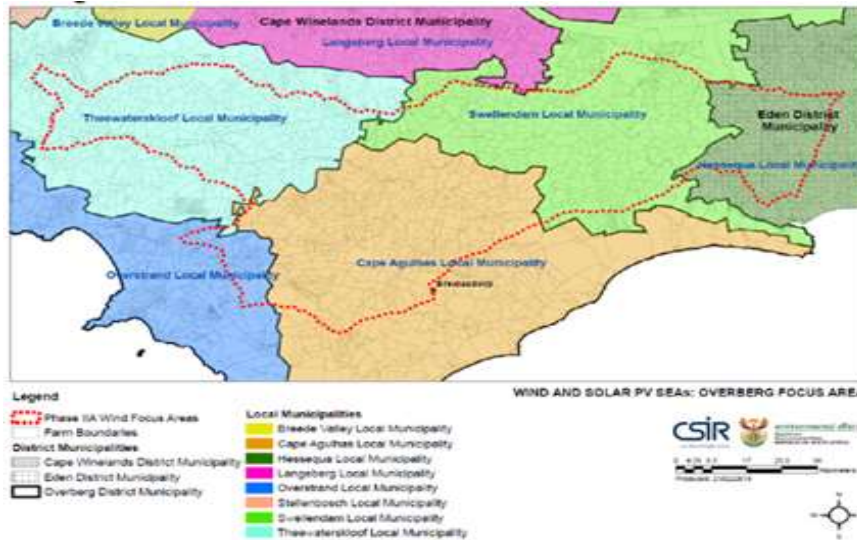
The impacts of climate change such as floods, droughts, changes in rainfall patterns and temperature will all have serious implications for local communities and local municipalities. Climate change cannot only be limited to natural disasters but it also has economic and social impacts that will need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

- Mainstreaming climate change into municipal planning and functions;
- 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.

FIGURE 7 OVERBERG FOCUS AREA



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

- Longer dry periods between rainfall events
- Shifts in seasonality
- Change of weather patterns
- Rise in sea levels can be seen in Struisbaai.

The Agulhas coast has several large bays of which 43% are sandy beaches, 39% rocky and 18% wave cut rocky platform. A few of these beaches have been identified as susceptible to sea level rise due to climate change.

Being a largely agricultural economy, it stands to reason that climatic changes can also affect food security.

The Overberg District Municipality and the Department of Environmental Affairs and Development Planning, together with various stakeholders, developed an Overberg Climate Change Response Framework to guide climate change mitigation and adaptation actions by both public and private sector.,

TABLE 14 PROJECTED CLIMATE CHANGE IMPACTS ON SERVICE DELIVERY

ASSETS/SERVICE DELIVERY	POTENTIAL CLIMATE CHANGE IMPACTS
- Infrastructure	
Roads	<ul style="list-style-type: none"> - Changes in rates of deterioration due to changes in precipitation and temperature; - Inundation of roads in coastal areas, resulting in deterioration or destruction; - Interruption of road traffic and disruption of emergency transport routes due to extreme climatic events; and - Disruption of emergency routes
Storm water systems	<ul style="list-style-type: none"> - Increased intensity of precipitation may cause intrusion into waste water networks; - Capacity of existing flood defences and drainage systems may be exceeded; - Reduction of drainage capacity due to sea level rise or storm surges; - Changes in mean and peak flow rates or rivers; and ☐ Reduced precipitation may impact on functioning of storm water systems
Buildings	<ul style="list-style-type: none"> - Altered heating and cooling cost; - Increased risk of damage from fires or extreme hydro-meteorological events; and - Higher rates of deterioration and increased maintenance costs.
Coastal infrastructure	<ul style="list-style-type: none"> - Increased coastal erosion and inundation;

	<ul style="list-style-type: none"> - Increased or permanent inundation of infrastructure and utilities; - Impacts on private and public harbours and boat ramps; and - Increased erosion or deterioration of coastal defences.
Recreational facilities / Community Assets	<ul style="list-style-type: none"> - Impacts in coastal recreational facilities; - Loss of public property due to inundation; - Impacts on tourism along the coast due to changes in biodiversity, water availability; - Increased operating cost and maintenance of public property due to extreme weather events; - Reduced water quality and quantity for irrigation; and - Potential for beach closures due to extreme weather and/ or pollution levels.
- Disaster risk management	
Public safety	<ul style="list-style-type: none"> - Changes in geographical range and seasonality of vector-borne diseases; - Increased incidence of food and water-borne diseases due to increased temperatures; - Health impacts related to extreme events; - Intrusion of contaminants and pollutants into water sources due to excessive rainfall; - Increased demands on emergency response and recovery operations; - Public dissatisfaction with the government's response could lead to conflict; and - Adverse impacts on public safety and tourism, could impact regional economic performance
- Planning and development	
Development planning	<ul style="list-style-type: none"> - Uncertainty over long-term land-use planning and infrastructure design; - Need and costs for retrofitting; - Loss/destruction of private property and community assets; - Increased insurance costs; - Increased pressure on disaster risk management and response resources; - Untimely decommissioning of infrastructure; - Adverse impacts on public safety and tourism, could impact regional economic performance; - Impacts on existing community structures and livelihoods - Required alteration to development plans, risk assessment procedures and zoning; and - Increased pressure on educational resources to facilitate adaptation
Economic development	<ul style="list-style-type: none"> - Impacts on local economy and food security due to impacts on agriculture; - Increased insurance costs; - Increase in food prices; - Loss to industries directly dependent on agricultural production (e.g. fertiliser manufacturers); - Reduced tax revenues because of reduced expenditures; - Increased maintenance cost for community and private assets; - Economic consequences of impacts on the Tourism Sector; - Business closure and potential for job losses due to interruptions resulting from inundation, flooding, blackouts, etc.; - Altered agricultural regimes and practices, such as crop diversification due to reduced water availability of heat stress; and - Climate change impacts may cause may alter traditional sources of rural revenue.
- Natural resource management	
Coastal management	<ul style="list-style-type: none"> - Increased erosion and inundation; - Loss of private property and community assets; - Loss of beach width; and - Changes to wetland and estuary ecosystems due to sea level rise, erosion and saline intrusion
Agriculture	<ul style="list-style-type: none"> - Increased desertification leads to inferior crop and poor veld conditions; - Reduction and degradation of animals habitats; - Lack of feed and drinking water; - Increase in disease outbreak and increased vulnerability to predation; - Increased risk to soil erosion; - Annual and perennial crop losses; - Damage to crop quality; - Disruption of breeding cycles; and

	<ul style="list-style-type: none"> - Loss from fishery production.
Biodiversity	<ul style="list-style-type: none"> - Changes in the distribution of invasive species and associated loss of biodiversity and altered veldfire intensity; - Changes in the geographical distribution of indigenous fauna and flora; - Increased risk of species extinction; - Reduced ecosystem resilience; - Increased stress on ecosystems and ecosystem services; and - Changes in coastal and estuary habitats due to saline intrusion
- Water and sewerage services	
Storm water and sewage	<ul style="list-style-type: none"> - Inundation of storm water and sewage systems; - Increased peak flow rates; - Changes in groundwater levels; - Shifting flood plains; and - Reduced dry weather flow rates.
Wastewater	<ul style="list-style-type: none"> - Increased intensity of precipitation may cause intrusion into waste water networks; and - Potential for blockages and overflows.
Water supply	<ul style="list-style-type: none"> - Changes in the mean and peak flow rates of rivers and streams; - Increased treatment due to poorer water quality (potential taste/odour/ dissolved iron and manganese problems); - Unreliable/insufficient water supply; - Increased risk of contamination; - Salination of water sources; and - Changes/shifting of groundwater used for irrigation.

c) Biodiversity management

Cape Agulhas is a member of ICLEI and a signatory to the internationally recognised Durban Commitment, which is a long term political commitment to the protection of biodiversity.

The Cape Agulhas Municipality’s Spatial Development Framework gives clear guidelines as to how the municipality aims to conserve threatened and endangered ecosystems.

TABLE 15 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		

Alien and invasive species is seen as one of the biggest threats to our rich fynbos heritage and other natural resources. The Alien and Invasive Species Regulations of 2014 as promulgated under the National Environmental Management: Biodiversity Act (NEM:BA) of 2004 (Act 10 of 2004) mandated all property owners to manage listed invasive species on their properties. 321. Ten hectares of alien invasive plants have been cleared per annum.

FIGURE 8 CRITICAL BIODIVERSITY AREAS IN CAPE AGULHAS



d) Air quality

Air Quality Control is a function of Cape Agulhas Municipality and responsibility for the function resorts in the Building Control section. This imposes a high level of responsibilities on the Municipality in terms of capacity to ensure monitoring and enforcement of air pollution regulation. Cape Agulhas Municipality works in collaboration with ODM and Province to deal with Air Quality Management, to ensure monitoring and enforcement of air pollution regulation.

This Constitutional obligation entails that municipalities ensure that air quality issues must be incorporated in the IDP process.

Among the activities that municipalities are responsible for in terms of air quality legislation are:

- Development and implementation of AQMP for particular areas.
- The setting up of source emission inventories.
- Setting up of ambient air monitoring networks.
- Setting up of community monitoring forums.
- Development of standards in line with national baseline standards.
- By-Laws.

There are few sources of air pollutants in Cape Agulhas and the ambient air quality is generally good. However, emissions from industrial boilers are likely to result in local areas of elevated concentrations of air pollutants. Ambient particulate concentrations are likely to be high in low income residential areas where wood is used as primary fuel source and activities such as refuse burning occur and Pesticide spraying of crops. Motor vehicle congestion in holiday towns and results in elevated ambient concentrations of particulates and NOx (Nitrogen Oxides) at times. Seasonable agricultural and Biomass burning also occur and had a low impact on air quality.

The Municipality also has an approved Air Quality Management Plan (AQMP) in place, which guides its activities as well as a Cape Agulhas Air Quality By-Law (2014) and a designated Air Quality Officer, do Air Quality awareness in CAM. Inputs and information are provided to the Western Cape State of Air Quality report yearly.

1.3 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 also 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 in respect of each service. Full detail on basic service delivery for 2018/19 is contained in Chapter 3.

1.3.1 BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS

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

TABLE 16 BASIC SERVICE DELIVERY HIGHLIGHTS

SERVICE	DESCRIPTION
Water provision	<ul style="list-style-type: none"> ▪ Ongoing reduction of water losses from 13.80% in 2017/18 to 12.13% in 2018/19 ▪ Good water quality, the average water quality (SANS 241) for the year is 96.75% ▪ Three boreholes were equipped to mitigate the impact of the drought. Two in Napier and one in Suiderstrand. ▪ Master planning was completed for the municipal water network
Waste water provision (Sanitation)	<ul style="list-style-type: none"> ▪ The design and development of contract documentation for the rehabilitation of the Waste Water Treatment Works in Bredasdorp was completed ▪ Master planning was completed for the municipal sewer network
Electricity provision	<ul style="list-style-type: none"> ▪ Ongoing reduction of unaccounted electricity from 6.93% in 2017/18 to 6.50% in 2018/19. ▪ The electrification of 149 plots in Bredasdorp in preparation for the planned low-cost housing development in Area F and H ▪ A total of 2152 EEDSM Street lights were installed for the financial year.
Waste management (Refuse removal)	<ul style="list-style-type: none"> ▪ Waste management is used as an opportunity to create jobs through the Municipality's EPWP Programme. ▪ The community identified a need for wheelie bins, and this was investigated as part of the regional landfill site investigation. As a result, the Council budgeted for the implementation of wheelie bins throughout the Municipal Area over the course of two financial years. 6600 wheelie bins were purchased in the 2018/19 financial year.
Roads and storm water	<ul style="list-style-type: none"> ▪ A storm water channel was constructed in Bredasdorp using labour intensive methods for the low-cost housing development in Area F. ▪ 1072 Square metres of paving was done in Bredasdorp ▪ 1660 Square metres of paving was done in Struisbaai / L'Agulhas ▪ Master planning was completed for the municipal roads network
Human settlement	<ul style="list-style-type: none"> ▪ 206 Title Deeds were restored from the old Housing Schemes ▪ 55 Low cost houses were built in Bredasdorp

1.3.2 BASIC SERVICE DELIVERY CHALLENGES

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

TABLE 17 BASIC SERVICE DELIVERY CHALLENGES

SERVICE	DESCRIPTION	ACTIONS
General infrastructure	<ul style="list-style-type: none"> Ageing infrastructure. 	<ul style="list-style-type: none"> A master plan for water, sewer and roads was completed during 2018/19 and implementation will commence in 2019/20
Water provision	<ul style="list-style-type: none"> Outdated Water Services Development Plan 	<ul style="list-style-type: none"> A consulting Engineer was appointed for the development of a new Water Services Development Plan, which will be rolled out in 2019/20
Waste water provision (Sanitation)	<ul style="list-style-type: none"> Waste water quality and compliance with green drop standards 	<ul style="list-style-type: none"> A consulting Engineer was appointed for the design and development of contract documentation for the rehabilitation of the Waste Water Treatment Works in Bredasdorp. Phase 1 of the project will commence in 2019/20
Electricity provision	<ul style="list-style-type: none"> Eskom Capacity 	<ul style="list-style-type: none"> A successful application was made to Eskom to move some of Bredasdorps load to Klipdale and in the process freeing capacity for Bredasdorp.
Waste management (Refuse removal)	<ul style="list-style-type: none"> Bredasdorp Landfill site capacity 	<ul style="list-style-type: none"> An Investigation was done on the feasibility of a shared landfill site. Considerable progress was made and the process will be continued in 2019/20
	<ul style="list-style-type: none"> 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.
Roads and storm water	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Living conditions of backyard dwellers and people living in informal settlements 	<ul style="list-style-type: none"> Council has a strategy to start addressing the housing needs for the affordable market and to make available serviced plots for beneficiaries earning R3501-R7000.

1.3.3 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 18 PROPORTION OF HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES

DESCRIPTION	2016/17	2017/18	2018/19
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%

1.4 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 2018/19 is contained in Chapter 5.

1.4.1 FINANCIAL VIABILITY HIGHLIGHTS

TABLE 19 FINANCIAL VIABILITY HIGHLIGHTS

HIGHLIGHT	DESCRIPTION
Clean audit	The Municipality achieved a clean audit in 2018/19 for the sixth consecutive year
Debt collection	The Municipality maintained a debt collection rate above 96,00% and did assessment measures on how to be more effective
Liquidity ratio	The Municipality's liquidity ratio improved from 1.80:1 (Restated Figure) in the previous financial year to 2.03:1 in the 2018/19 financial year This ratio reflects above the National Treasury minimum norm of 1.50:1 as well as the target ratio of 2,00:1 in terms of the Long Term Financial Plan.
Creditor payments	Creditors are being paid within the 30 day limit
Long term financial viability	Council approved a revised and updated Long Term Financial Plan Strategy (LTFP) during the financial under review based on the 2017/18 financial year outcome figures together with any amended recommendation targets for implementation as well as a Revenue Enhancement Strategy implementation plan for roll-out per set target date.
Implementation of mSCOA regulations	The Municipality is mSCOA compliant aligned with National Treasury's set targets. Ongoing challenges relating to implementation of annual mSCOA updates / releases which place huge pressure on financial system development to keep up with new requirements.

1.4.2 FINANCIAL VIABILITY CHALLENGES

TABLE 20 FINANCIAL VIABILITY CHALLENGES

CHALLENGE	ACTION TO ADDRESS
Employee related costs	Employee related costs at 39,91% reflect slightly less than National Treasury's norm of between 30 -40% and are an indicator of productivity and / or efficiency within local municipalities. It remains one of the biggest challenges for the municipality and the principle is to only consider the filling of legislative required and / or service delivery orientated vacant 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 and as a result could increase the capital replacement reserve to R35 million for the financial year under review
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1.4.3 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 21 NATIONAL KPI'S FOR FINANCIAL VIABILITY AND MANAGEMENT

KPA & INDICATOR	2016/17	2017/18	2018/19
Debt coverage ((Total operating revenue-operating grants received): debt service payments due within the year) (Higher is better)	324,72	72,93	49.68
Service debtors to revenue – (Total outstanding service debtors: revenue received for services) (Lower is better)	8.18	10.47%	10.27%
Cost coverage ((Available cash+ investments): Monthly fixed operating expenditure (Higher is better)	1,18	2,26	3.66

1.4.4 FINANCIAL OVERVIEW

TABLE 22 FINANCIAL OVERVIEW 2018/19

DETAILS	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
Income			
Grants - Operational	79,149,533	79,647,723	41,236,271
Grants - Capital	12,410,967	16,545,877	20,682,357
Taxes, Levies and tariffs	227,689,200	227,689,200	232,113,642
Other	34,392,000	34,931,700	64,084,635
Sub Total	353,641,700	358,814,500	358,116,905
Less: Expenditure	350,454,000	359,451,502	313,737,765
Net Total*	3,187,700	(637,002)	44,379,140

1.4.5 OPERATING RATIO'S

TABLE 23 OPERATING RATIOS

DETAIL	EXPECTED NORM	ACTUAL	VARIANCE
Employee Cost (Inclusive of temporary workers – GRAP 1 disclosure requirements according to the nature of function performed)	<35-40%	39.91%	4.91 above the minimum norm
Finance charges & depreciation	<10%	6.69	3.31 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.

1.4.6 TOTAL CAPITAL EXPENDITURE

TABLE 24 TOTAL CAPITAL EXPENDITURE

DETAIL	2016/17 R'000	2017/18 R'000	2018/19 R'000
Original Budget	24 631	27 665	30 946
Adjustment Budget	28 164	33 519	34 762
Actual	24 279	32 006	37 246
% Spent	85.98%	95.48%	107.14%

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

The Cape Agulhas Municipality currently employs 344 people (excluding the three top management, and non-permanent employees), who individually and collectively contribute to the achievement of the Municipality's objectives.

The following paragraphs provide an overview of organisational development highlights and challenges. Full detail on organisational development for 2018/19 is contained in Chapter 4.

1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

TABLE 25 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

HIGHLIGHT	DESCRIPTION
Productivity assessment	<ul style="list-style-type: none"> ▪ Finalisation of the Organisational Productivity Assessment: Employee Utilisation ▪ A transfer of Skills Workshop facilitated by Productivity South Africa was conducted for Managers and Senior Managers to impart skills and enable them to conduct productivity assessments internally. ▪ The scope of the productivity assessments was extended to include a workload and staff utilization assessment of Protection Services and Library Services.
Skills development	<ul style="list-style-type: none"> ▪ The training budget for 2018/2019 financial year was fully utilised ▪ Upskilling of Semiskilled & Unskilled Labour through the Recognition of Prior Learning (RPL) was the main focus in the 2018/19 financial year. ▪ A functioning Skills Centre with a Youth Skills Development unit was established
EPWP	<ul style="list-style-type: none"> ▪ We created 512 jobs (119 full time equivalents) during the financial year through the Expanded Public Works Programme. ▪ Between 2014 and 2019, we appointed 55 EPWP workers on a permanent basis through our recruitment and selection processes.
Human Resource Information System (HRIS)	<ul style="list-style-type: none"> ▪ Implementation of the Online Employee Support Service –ESS ▪ Piloting, Integration of Biometric time and attendance linked to the electronic payroll system –PAYDAY
Organisational Structure	<ul style="list-style-type: none"> ▪ Fully Functioning Top Management Structure through innovation, attraction of scarce & critical skills and employment strategies.

1.5.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

TABLE 26 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

CHALLENGE	ACTION TO ADDRESS
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. Through training and development initiatives, we have created a pool of qualified local internal employees, mostly females, for possible opportunities when there are vacancies. Achievement of Employment Equity targets is compromised due to scarcity of skills needed locally. We are actively sourcing disabled workers. We are also focussing on being gender sensitive to address inequality between male and female when appointing in higher occupational levels.
Individual performance management	<ul style="list-style-type: none"> Management of performance is continuously monitored. We have trained Management and they are now capacitated to improve performance.

1.5.3 EMPLOYMENT EQUITY

TABLE 27 2018/19 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
4	0	0%	2	0	0%	0	0	0%	1	0	0%

We did not achieve any targets in the three highest occupational levels due to lack of provision made for posts in the mid-management level within the organization structure.

TABLE 28 2018/19 EMPLOYMENT EQUITY TARGETS/ACTUAL BY RACIAL CLASSIFICATION (All employees)

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
16	5	31.25%	5	9	180.00%	1	0	0%	1	0	0%

The most suitable candidates were appointed in all vacant post whether it was the equity target or not.

TABLE 29 2018/19 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
10	9	90%	12	4	33.33%	1	1	100%

Most advertised posts were for general workers, which includes hard labour. Women often get injured on duty in these positions and therefore mostly males were shortlisted as they were more suited to the positions. Appointments of male candidates is an intervention to prevent injuries on duty.

1.5.4 SKILLS DEVELOPMENT

TABLE 30 BUDGET ALLOCATED AND SPENT FOR SKILLS DEVELOPMENT

YEAR	TOTAL OPERATIONAL BUDGET	TOTAL ALLOCATED FOR TRAINING	TOTAL SPENT	% SPEND
2017/18	R 115,542,164.00	1450 000.00	R1 398 351.05	1.19%
2018/19	R 123,137 175.00	1 525 400.00	R1 945 000.00	1.59%

1.6 AUDITOR GENERAL REPORT

The Municipality received a clean audit for 2018/19 and has maintained its record of unqualified audits with no matters (clean audit) for six successive years. This emphasizes the Municipality's commitment to clean administration and good governance.

An action plan (OPCAR) with corrective measures was drawn up to address the findings from the 2017/18 audit. This plan is monitored and progress 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 submitted to Council during their monthly meetings, as well as the Audit and Performance Audit Committee during their quarterly meetings.

1.6.1 AUDIT OUTCOMES

TABLE 31 AUDIT OUTCOMES

YEAR	2014/15	2015/16	2016/17	2017/18	2018/19
STATUS	Unqualified with no other matters	Unqualified with no other matters	Unqualified with no other matters	Unqualified with no other matters	Unqualified with no other matters

CHAPTER 2: GOVERNANCE

This Chapter provides an overview of the Municipality's performance in terms of the National Key Performance Area (KPA) of **good governance and public participation** as contained in the Local Government: Municipal Planning and Performance Management Regulations of 2001 read together with Section 43 of the MSA.

2.1 COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Good governance has eight 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.

2.1.1 GOVERNANCE STRUCTURE

2.1.1.1 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. A new system of delegations was approved on 18 April 2018 (Resolution 42/2018)

Section 79 of the Municipal Structures Act empowers the Municipal Council to establish committees that are necessary 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

The Municipal Council comprises eleven Councillors, six of whom are Ward Councillors and five 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. 13 Council Meetings took place during the year. There were 8 ordinary meetings and 5 special meetings.

TABLE 32 COUNCIL MEETINGS

DATE	SPECIAL / ORDINARY
13 July 2018	Ordinary
25 September 2018	Ordinary
22 October 2018	Special
30 October 2018	Ordinary
13 November 2018	Special
13 December 2018	Ordinary
31 January 2019	Special
26 February 2019	Ordinary
28 March 2019	Ordinary
30 April 2019	Ordinary

DATE	SPECIAL / ORDINARY
20 May 201	Special
28 May 2019	Ordinary
18 June 2019	Special

The table below provides a list of Councillors, their office and political affiliations. It also indicates whether they served as a ward or proportional Councillor for the 2018/19 financial year.

TABLE 33: COUNCILLOR REPRESENTATION AND MEETING ATTENDANCE

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 PR Councillor	DA	Proportional	100	0%
GD Burger	Member of Mayoral Committee/ PR Councillor	DA	Proportional	100	0%
J Nieuwoudt	Speaker / Ward Councillor	DA	Ward 4	100	0%
RJ Baker	Ward Councillor	ANC	Ward 3	100	0%
D Europa	Ward Councillor	ANC	Ward 6	92.3	7.7 % (1)
E Sauls	District Representative / Ward Councillor	DA	Ward 1	100	0%
CJ Jacobs	PR Councillor	KAPCO	Proportional	61.5	38.5 (5)
D Jantjies	PR Councillor	Dienslewerings-party	Proportional	100	0%
M October	Member of Mayoral Committee / Ward Councillor	DA	Ward 2	100	0%
EC Marthinus	PR Councillor / District Representative	ANC	Proportional	92.3	7.7 (1)

b) Executive Mayoral Committee

The executive is headed by the Executive Mayor who is assisted by the Mayoral Committee. Cllr P Swart was elected Executive Mayor following the 2016 municipal election. A total of 8 Mayoral Committee meetings were held in 2018/19

TABLE 34 EXECUTIVE MAYORAL COMMITTEE

NAME OF MEMBER	CAPACITY	MEETING ATTENDANCE	MEETING DATES
P Swart	Executive Mayor	100 %	23 July 2018
Z Tonisi	Deputy Mayor	100 %	20 September 2018
D Burger	Member of Mayoral Committee	100 %	29 October 2018
M October	Member of Mayoral Committee	100 %	4 December 2018
			19 February 2019
			28 February 2019
			16 April 2019
			18 June 2019

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.

TABLE 35 PORTFOLIO COMMITTEES

COMMITTEE	MEMBERS	MEETING DATES
Infrastructure Services	M October (Chairperson) D Burger RJ Baker CJ Jacobs D Jantjies	17 July 2018 17 September 2018 22 October 2018 20 November 2018 12 February 2019 11 April 2019 11 June 2019
Management Services	Z Tonisi (Chairperson) M October D Europa CJ Jacobs D Jantjies	17 July 2018 17 September 2018 22 October 2018 20 November 2018 12 February 2019 11 April 2019 11 June 2019
Finance and ICT	GD Burger (Chairperson) Z Tonisi E Marthinus CJ Jacobs D Jantjies	17 July 2018 17 September 2018 22 October 2018 20 November 2018 12 February 2019 11 April 2019 11 June 2019
Masakhane Committee	Z Tonisi (Chairperson) P Swart E Sauls J Nieuwoudt D Europa RJ Baker M October	17 July 2018 15 August 2018 17 September 2018 22 October 2018 20 November 2018 12 February 2019 12 March 2019 10 April 2019 15 May 2019 11 June 2019

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:

- 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;

- To assist with the conclusion of matters that may not be finalized relating to past recommendations made on the Annual Report. This also relates to current in-year reports, including the quarterly, mid-year and annual reports;
- 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;
- To promote good governance, transparency and accountability on the use of municipal resources;
- 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
- 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.

TABLE 36: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

NAME OF REPRESENTATIVE	CAPACITY	POLITICAL PARTY	MEETING DATES
C Jacobs	Chairperson	KAPCO	31 July 2018
E Marthinus	Member	ANC	29 August 2018
E Sauls	Member	DA	4 September 2018
D Jantjies	Member	Diensleweringparty	18 January 2019
			31 January 2019
			26 February 2019 – No Quorum
			28 March 2019 - No Quorum

2.1.1.2 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, and implementation took place with effect from 1 July 2017. The revised organisational structure reduced the previous four directorates to three. The administration consists of the office of the Municipal Manager and three directorates. Each directorate is headed by a Director, appointed in terms of Section 57 of the Municipal Systems Act. The Macro Structure was again revised in October 2018. The position of Director Management Services was vacant from 1 August 2019 until 30 June 2019.

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 37 ADMINISTRATIVE GOVERNANCE STRUCTURE: SENIOR MANAGEMENT

NAME OF OFFICIAL	DIRECTORATE	PERFORMANCE AGREEMENT SIGNED
Mr D O'Neill	Municipal Manager	Yes
Mr AA Jacobs	Director: Infrastructure Services	Yes
Mr H van Biljon	Director: Financial Services and Information Technology	Yes
Mr K Mrali	Director: Management Services (Left service of Municipality on 31 July 2018)	No

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

TABLE 38 ADMINISTRATIVE GOVERNANCE STRUCTURE: THIRD TIER

DIRECTORATE	DEPARTMENTS
Municipal Manager	<ul style="list-style-type: none"> ▪ Internal Audit (Reports to Audit Committee) ▪ Strategic Planning and Administration <ul style="list-style-type: none"> ○ Town and Regional Planning ○ Corporate Support ▪ Human Resource and Organisational Development Services ▪ Tourism and Economic Development
Infrastructure Services	<ul style="list-style-type: none"> ▪ Water and Sanitation ▪ Roads and Storm water ▪ Waste Management ▪ Electro Technical Services ▪ Building Control
Financial Services and Information Technology	<ul style="list-style-type: none"> ▪ Revenue ▪ Expenditure ▪ Budget and Treasury Office ▪ Supply Chain Management and fleet ▪ Information Technology
Management Services	<ul style="list-style-type: none"> ▪ Library Services ▪ Traffic and Law Enforcement ▪ Public Services ▪ Human Settlement ▪ Human Development

2.2.2 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 39 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
EGAP	Internet based tool to collect municipal financial and governance information that will allow the Provincial Government to improve the monitoring and	Provincial Treasury	Oversight and monitoring and support

	support of the municipalities in the Province		
Integrated performance and support system (IPSS)	Internet based tool to collect municipal service delivery and governance information that will allow the Provincial Government to improve the monitoring and support of the municipalities in the Province	Driven by the Department of Local Government but all sector departments participate	Oversight and monitoring and support

2.2 COMPONENT B: 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.

2.2.1 INTERGOVERNMENTAL STRUCTURES

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

TABLE 40 DISTRICT INTERGOVERNMENTAL STRUCTURES AND FORUMS

NAME OF STRUCTURE	PARTICIPANTS	PURPOSE
DWA Bi-Lateral Meetings	Overberg District Municipality and Overberg Water	Water & sanitation related topics
DCF (District Coordinating Forum)	Municipal Managers and Mayor	Inter-municipal co-operation, shared services
District IDP Rep/ PPSComm Forum	District Municipality, Overberg Local municipalities, Private Sector, Western Cape Government Sectors	Communication, IDP, Tourism topics
District LED/Tourism Forum	Overberg District Local Municipalities, LED and Tourism officials	LED and Tourism related topics
DCF Tech	Municipal Managers	Inter-municipal co-operation, shared services
District Skills Development Forum	Overberg District Municipality Local municipalities	Skills development related topics
District Expanded Public Works Programme Forum	Overberg District municipality Local municipalities	EPWP related topics
Overberg Air Quality Officers Forum	Overberg District municipality Local municipalities	Air Quality related issues
District CRO & CAE Forum	CRO Internal Auditors of Local Municipalities within the Overberg District	Risk and Audit related topics
Disaster Management Advisory Forum	Overberg District Municipalities Local Municipalities	Disaster related topics
Regional Waste Forum	Overberg District Municipality Local municipalities	Waste and Health related issues
Supply Chain Management District Forums	Supply Chain Managers Local Municipalities District Local Municipality	Municipal Supply Chain related topics
Overberg District ICT Managers Forum	Overberg District ICT Managers	ICT topics
Western Cape Planning Heads Forum	All Municipal Planning Heads, DEADP, Department of Land Affairs, Deeds Office, Surveyor General's Office	To discuss all town planning related matters in the Western Cape Province and also National Legislation
Municipal Coastal Committee (Overberg)	ODM, 4 B Municipalities, SANParks, CapeNature, Province and Estuary Forums	To discuss all Environmental related items in the Overberg
Heuningberg Estuary Forum	CapeNature, Provincial Departments and adjoining Farmers	To discuss the Management of the Heuningnes Estuary

NAME OF STRUCTURE	PARTICIPANTS	PURPOSE
SAPS Forum	SAPS, Municipal Officials (Town Planning, Building Control and Law Enforcement)	To discuss illegal activities in the Cape Agulhas Municipal area
Western Cape Spatial Information forum	All Western Cape GIS officials on Municipal, Provincial and National level	To discuss current GIS trends, challenges and case studies

TABLE 41 NATIONAL AND PROVINCIAL 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
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
Provincial IDP Managers Forum	Western Cape Municipalities, Directorate: Integrated Development Planning Department of Local Government, Provincial treasury	IDP related topics
Provincial LED Forum	Western Cape Local Government LED department, local municipalities LED officials	LED 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
Municipal Managers Forum	Municipal Managers HODs	Municipal related topics
Western Cape Spatial Information forum	Western Cape Local Municipalities DEADP	Spatial related topics

NAME OF STRUCTURE	PARTICIPANTS	PURPOSE
Southern African Revenue Protection Association (SARPA)	Provincial branches: Municipal Electrical Managers, WCPG, Eskom	Municipal Electrical Infrastructure, Metering, Billing, Revenue Protection
Association of Municipal Electricity Utilities (AMEU)	Provincial Branches: Municipal Electrical Departments, Infrastructure	Municipal Electrical Matters, Challenges
Municipal Infrastructure Forum	Municipal Infrastructure Directors Department of Local Government, Provincial treasury	Municipal Assets and Infrastructure/Projects related topics

2.3 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. Participation is required for the following processes:

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

2.3.1 WARD BASED PUBLIC MEETINGS

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

TABLE 42 WARD BASED PUBLIC MEETINGS

WARD 1

DATE	PURPOSE	TARGET AUDIENCE	COMMUNICATION
25 July 2018 – Napier 10 September 2018 – Napier 8 April 2019- Napier	Feedback Meeting Feedback meeting	All Ward residents	Pamphlets, sms, loud hailing and Facebook.
10 September 2018- Napier	IDP meeting	All Ward residents	Advert in local media, Pamphlets, sms, loud hailing, Facebook and Municipal Website
13 December 2018- Napier 13 December 2018- Elim	Year-end-Function	All Ward residents	Pamphlets, and Facebook
20 May 2019 - Napier	Budget Imbizo	All Ward residents	Advert in local media, sms, Facebook and Loud hailing

WARD 2

DATE	PURPOSE	TARGET AUDIENCE	COMMUNICATION
30 July 2018 - Bredasdorp 31 July 2018 - Klipdale	Feedback Meeting	All Ward residents	Pamphlets, sms and Facebook, Loud hailing

DATE	PURPOSE	TARGET AUDIENCE	COMMUNICATION
11 September 2018 - Bredasdorp 12 September 2018 - Klipdale			
9 April 2019 - Bredasdorp 11 April 2019 - Klipdale			
9 April 2019 – Bredasdorp 11 April 2019 - Klipdale	Budget Imbizo	All Ward residents	Advert in local media Pamphlets, sms, Facebook and loud haling
11 September 2018 - Bredasdorp 12 September 2018 - Klipdale	IDP meetings	All Ward residents	Advert in local media, Pamphlets, sms, loud haling, Facebook
17 December 2018-Bredasdorp 7 December 2018 - Klipdale	Ward year-end function	All Ward residents	Pamphlets, and Facebook

WARD 3

DATE	PURPOSE	TARGET AUDIENCE	COMMUNICATION
26 July 2018 13 September 2018	Feedback meeting to community	All Ward residents	Pamphlets, sms, loud haling and Facebook
10 April 2019 13 September 2018	IDP & Feedback meeting	All Ward residents	Advert in local media, sms, Facebook and Loud haling
20 February 2018	Feedback Meeting	All Ward residents	Pamphlets, sms, loud haling and Facebook
23 May 2019	Budget Imbizo	All Ward residents	Advert in local media Pamphlets, sms, Facebook and loud haling
20 December 2018-Bredasdorp	Ward year-end function	All Ward residents	Pamphlets, and Facebook

WARD 4

DATE	PURPOSE	TARGET AUDIENCE	COMMUNICATION
4 July 2018 - Proteem 3 July 2018 – Bredasdorp	Feedback Meetings	All Ward Residents	Pamphlets, sms, loud haling and Facebook
2 October 2018- Bredasdorp 3 October 2018 – Proteem			
3 April 2019 – Bredasdorp 4 April 2019 – Proteem			
2 October 2018- Bredasdorp 3 October 2018 - Proteem	IDP meetings	All Ward residents	Advert in local media, Pamphlets, sms, loud haling and Facebook
14 November 2017 – Bredasdorp 15 November 2017 - Proteem	Feedback meeting	All Ward residents	Pamphlets, sms, loud haling and Facebook
3 April 2019 - Bredasdorp 4 April 2019 - Proteem	Budget Imbizo's	All Ward residents	Advert in local media, Pamphlets, sms, loud haling and Facebook
5 December 2018-Bredasdorp 6 December 2018	Ward year-end function	All Ward residents	Pamphlets, and Facebook

WARD 5

DATE	PURPOSE	TARGET AUDIENCE	COMMUNICATION
31 July 2018 15:00 – Suiderlig Service Centre 19:00 – Community Hall	Ward Feedback Meetings	All Ward residents	Advert in local media, Pamphlets, sms, loud haling and Facebook
12 September 2018 15:00 – Suiderlig Service Centre 19:00 – Community Hall			
15 April 2019 – 15:00 – Suiderlig Service Centre 19:00 – Community Hall			
12 September 2018 15:00 – Suiderlig Service Centre 19:00 – Community Hall	IDP meetings	All Ward residents	Advert in local media, Pamphlets, sms, loud haling and Facebook
22 December 2018	Year-end-Function	All Children in the Ward	Pamphlets, sms, loud haling and Facebook
22 March 2018 15:00 – Suiderlig Service Centre 19:00 – Community Hall	Feedback Meeting	All Ward residents	Pamphlets, sms, loud haling and Facebook
15 April 2019 15:00 – Suiderlig Service Centre- 19:00 – Community Hall	Budget Imbizo	All Ward residents	Advert in local media, Pamphlets, sms, loud haling and Facebook

WARD 6

DATE	PURPOSE	TARGET AUDIENCE	COMMUNICATION
23 July 2018 - Bredasdorp 24 July 2018 – Arniston	Feedback Meetings	All Ward Residents	Pamphlets, sms, loud haling and Facebook
17 September 2018 - Bredasdorp 18 September 2018 – Arniston			
16 April 2019 – Bredasdorp 17 April 2019 - Arniston			
17 September 2018 - Bredasdorp 18 September 2018 - Arniston	IDP meetings	All Ward residents	Advert in local media, Pamphlets, sms, loud haling and Facebook
19 February 2018 - Bredasdorp 20 February 2018- Arniston	Feedback Meeting	All Ward residents	Pamphlets, sms, loud haling and Facebook
16 April 2019 - Bredasdorp 17 April 2019 - Arniston	Budget Imbizo	All Ward residents	Advert in local media, Pamphlets, sms, loud haling and Facebook
9 January 2019- Arniston 10 January 2019- Bredasdorp	Back to school function	All school children	Pamphlets, and Facebook

2.3.2 WARD COMMITTEES

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

TABLE 43 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	8	8	7
2	Yes	8	8	12
3	Yes	8	8	7
4	Yes	8	8	14
5	Yes	8	8	13
6	Yes	8	8	14

2.3.2.1 MEMBERSHIP AND FUNCTIONALITY OF WARD COMMITTEES

The following tables provides an overview of the composition and functionality of ward committees.

TABLE 44 WARD COMMITTEE MEMBERSHIP AND FUNCTIONALITY

a) WARD 1: NAPIER, ELIM, SPANJAARDSKLOOF AND SURROUNDING FARMS

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	MEETING DATES
E Sauls	Ward Councillor	17 July 2018
J Wessels	Huis Klippe Drift/ Secretary	15 August 2018
R Coetzer (until May 2019)	Napier Community Police Forum	14 September 2018
H Mallet (from June 2019)		24 October 2018
E Africa	Napier Health and Welfare Forum	22 November 2018
M Sauls	Agulhas School of Skills	12 February 2019
J De Kock	Overberg District Agricultural Association	9 April 2019
J Fillies	Napier Neighbourhood Watch	10 June 2019
P Richter	Elim Residents Forum	
Y Kerr	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	19 July 2018
F Koebergh	Otto Du Plessis Hospital Board	16 August 2018
K Dunston	AMSSS	18 September 2018
J Adams	De Heide Primary	22 October 2018
W Abrahams	Bredasdorp Residents Association	22 November 2018
E Wildschut	Young Peoples Rugby Club	14 February 2019
E Plaatjies	Cape Agulhas Ratepayers Association	11 April 2019
H Eksteen	Standards Rugby Club	13 June 2019
E Hendricks	Klipdale Residents	
M Meyer	Anglican Church	
E Moos	Anglican Church Men Society	

c) WARD 3: PART OF BREDASDORP (TUSSEN TREINE (SIMUNYE), KLEINBEGIN, ZWELITSHA AND KALKOONDE)

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	MEETING DATES
R Baker	Ward Councillor	18 July 2018
A van Der Byl	Bredasdorp Neighbourhood Watch	20 Augustus 2018
Representative of Polapark Residents Vacant	Polapark residents	17 September 2018
Z Casiwe	Soccer Association	23 October 2018
H Temmers	Soccer Association	20 November 2018
E Pietersen	Cape Agulhas Disability Forum	13 February 2019
K Grandfield	Compassion in Action	9 April 2019
A Klaasen	Religion	12 June 2019
A Rudolph	Sport	
B Gijana	Woman in Progress	
J Van Reenen	WILCO	
	Cape Agulhas Ratepayers Association	

d) WARD 4: PART OF BREDASDORP (CBD), PROTEM, VAN DER STELSKRAAL AND SURROUNDING FARMS

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	MEETING DATES
J Nieuwoudt	Ward Councillor	17 July 2018
D Gilomee	Otto du Plessis Hospital facility Council	14 August 2018
S van Dyk	ACVV Bredasdorp	18 September 2018
W Joubert	AGS Church	22 October 2018
M Geldenhuys	High School Bredasdorp	20 November 2018
J Bester	DR Church Bredasdorp	12 February 2019
M Hatting	WELFARE AND HEALTH	9 April 2019
L Marais	Lions Club	11 June 2019
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	19 July 2018
S Du Plessis	Struisbaai Fishermen Union	16 August 2018
E Krige	Cape Agulhas Business Forum	17 September 2018
K Gertse	Council of Stakeholders	23 October 2018
C Visser	DR Church	22 November 2018
A.L Fourie	Onse Hoop	12 February 2019
E Swart (until February 2019)	Suidpunt Conservation Association	11 April 2019
A Gerber (From March 2019)		13 June 2019
H Williams	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	17 July 2018
J Moos	Sport (Social Golf)	21 August 2018
M Meyer	Anglican Church (Women)	20 September 2018
G Hendricks	Early Childhood Development (Babbel and Krabbel)	25 October 2018
L Valentine	CARA	22 November 2018
N van Staden	Religion (Verenigde Pinkster)	14 February 2019

W Marthinus	Religion – Arniston (Siliom)	11 May 2019
G Gertse	Sea Hawks Rugby Club	11 June 2019
R Europa	Waenhuiskrans Fishermen Forum	
A Marthinus	Waenhuiskrans Ratepayers Association	
E R Adonis	Anglican Church (Youth)	

2.3.2.2 WARD COMMITTEE HIGHLIGHTS AND CHALLENGES

a) Ward Committee Highlights

- Ward Committee Operational Plans for all wards were submitted to the Provincial Public Participation Unit.
- Paul Valentine, the official responsible for public participation and ward committees is a member of the Overberg Task team who will advise the Provincial Public Participation Unit on changes in the current ward committee legislation.
- 2 Ward Committee Members of each ward are represented on the CWP Local Reference Committee of the Municipality
- 2 Members of Wards 2,3 and 6 are also represented on the RSEP committee of the Municipality

b) Ward committee challenges

- To improve the feedback from sector representatives on the ward committees.
- To improve co-operation with Provincial CDW's to assist in Public Participation Initiatives of the Municipality.

2.4 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.

2.4.1 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 has been 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, and there was a corresponding reduction on the need for external service providers for the establishment and maintenance of risk management structures and processes.

The Chief Risk Officer resigned on the 11th of January 2019. The future of the Risk Management Shared Service was discussed at the DCFTECH meeting on the 19th of June 2019. Four of the five municipalities in the District will continue with the shared service model. The CRO post is currently vacant but has been advertised. At local level, the Cape Agulhas Municipality has a local risk officer who provisionally coordinated the risk management function for the remainder of the financial year.

The initiatives and actions performed by the Risk Management Unit (RMU) during 2018/19 include:

- A comprehensive annual departmental risk assessment, involving the heads of department and line managers, which contributed to the compilation of a detailed risk register;
- Continuous emphasis on fraud and corruption risks and the related risk action plans;
- Developed a Fraud Prevention and Anti-Corruption Flow Chart;
- Anti – Corruption and Prevention Policy, Strategy, Plan and Code of ethics have been published on our municipal website.
- Continuous awareness and development of an ethical culture within the municipality;
- Distributed code of ethics posters and displayed them at all municipal buildings
- Code of Ethics featured in the external newsletter that has been distribution free of charge to the whole Cape Agulhas area
- The code of ethics featured in the internal newsletter consecutive times.
- The code of ethics featured more than once on our weekly radio slot called Municipal Matters on Radio Overberg 101.8fm
- Distributed our municipal values at all municipal buildings;
- Rolled out an ethics workshop for all staff on the 4th of June 2019;
- Monitoring of the risk management implementation plan;
- Introduced several Standard Operating Procedures to formalise and explain the risk management processes;
- Engaging and involving all levels of management with the risk management activities;
- Monthly updates on risk action plans by managers and monitoring by the Risk Management Unit.
- Quarterly compilation of the Combined Assurance Model based on the Combined Assurance Policy Framework adopted by Council;

- Comprehensive review of the Risk Management Strategy and Risk Management Policy to incorporate the new COSO framework *Enterprise Risk Management Integrating with Strategy and Performance* and document the established risk management processes of Cape Agulhas Municipality.
- Annual review of the Combined Assurance Policy Framework;
- Participation in the Overberg District Internal Audit and Risk Management Forum;
- Participation in the Provincial Risk Management Forum;
- Skills development of the Risk Officer in the area of enterprise risk management and combined assurance through attendance and successful completion of a short course.
- Improved co-operation between the RMU and Internal Audit, reducing duplication, increasing the sharing of risk information and improving assurance coverage, while respecting Internal Auditor’s independence;
- Fraud and Risk Management Committee performance evaluation through individual assessments by the members in the form of a questionnaire;
- Adding value of “best practice” developments to the Fraud and Risk Management Committee. Review of the risk register, incident and emerging risks and corrupt, fraudulent and unethical incidents are now standard agenda items for Fraud and Risk Management Committee meetings.
- Provided recommendations for improvement of the software being utilised (Ignite Risk Assist Module);
- Risk management is a standing agenda item for Audit and Performance Audit Committee meetings, where the Risk Officer provides feedback.

2.4.1.1 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 45 FRAUD AND RISK MANAGEMENT COMMITTEE (FARMCO)

NAME	CAPACITY	MEETINGS
Mr A Kok	External Chairperson	21 September 2018
Mr A Jacobs	Director: Infrastructure services	19 November 2018
Mr H Van Biljon	Director: Financial Services and ITC	27 February 2019
Vacant	Director: Management Services	12 April 2019
Mrs T Stone	Division Head: Strategic Planning and Administration	21 June 2019
Mrs N Mhlathi-Musewe	Division Head: Human Resources and Organizational Development	
Mr W van Zyl	Manager: ICT	
Mr S Cooper	Manager: Electrical Services	
Mrs M Saptou	Manager: Protection Services	
STANDING INVITEES		
Mr N Davids	Risk Management Officer of the Cape Agulhas Municipality (Secretariat).	
Mr B Swart	Chief Audit Executive of Cape Agulhas Municipality (Advisory and observation)	

2.4.1.2 RISK ASSESSMENTS

Risk assessments are systematic processes that quantify or qualify the level of risk associated with a specific event to enrich the risk intelligence available to the Municipality. The main purpose of risk assessments is to help the Municipality prioritise the most important risks since the Municipality is not expected to have the capacity to deal with all risks in an equal manner. Risk assessments should be re-performed for the key risks in response to changes, but at least once a year, to ascertain the shift in the magnitude of risk and the need for further management action as a result thereof.

The risk assessment process for 2018/19 commenced in February 2018. 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).

Risk Assessment Focus Areas

1. **Capacity / Org Structure** (Adequate Staff in relation to Daily Core Functions / Competencies (Skills shortages, unqualified, excessive training required etc.) / Performance – Meeting objectives with current staff structure / Reliance on Key Personnel / Frequency and Necessity Bound use of Consultants)
2. **Primary Duties and Responsibilities** (Delays in “Project” Completion / Challenges in Meeting KPI’s (SDBIP) / Time Management – Keeping up with Miscellaneous tasks while neglecting Core Functions / Staff Uncertainty in terms of Expectations / Overlapping or Duplication of Activities)
3. **Turnaround time** of processes / Adequacy of Administrative & Technical Processes (Support Functions as well as efficiency in technical work performed).
4. **Legal Compliance** Issues (Constitutional Mandatory Functions ... especially licensing and permit conditions, national prescripts? Contracts, agreements, Labour / HR activities, OHS.
5. **Possible Risk Fraudulent, Corrupt and Unethical activities** – Consider your work environment and assess your internal control environment. Such as abuse or misuse of Municipal time, - assets, - branding, - authority or any type of known / possible “exploitation”/ manual receipt books.
6. **Budgetary Issues** (Timeous submission/ needs analysis performed/prioritisation/ spiking? /required management skills/ MSCOA/ change management – new controls and new functionality.
7. **Record Management** Issues (Electronic Data/Filing Space/Storing and Retrieval/Flow of Correspondence/ Document Analysis and Interpretation etc.)
8. **Reporting lines** (Any issues relating to insubordination in terms of unlawful or unreasonable instructions or requests, Vague job descriptions – uncertainty i.t.o. expectations.
9. Current **control weaknesses**
10. **Inter-governmental / inter-departmental** relations
11. **ICT** related issues
12. **Asset Management & Contract Management** – Office space, Procurement i.t.o. enhancement/relation to core business? Property management? Service Provider’s Performance?
13. **Anomalies**
14. **Findings** - Internal Audit reports / Auditor General Reports / Other Audit, Assessments and Evaluations conducted by national or provincial departments and/or by other external stakeholders
15. **Inefficiencies of Committee Structures** / District, Provincial & National Forums / Value for money, prioritisation, direct link to service delivery enhancement? Any influence i.t.o. financial sustainability?
16. Democratic Election Process (**Political Impact and related considerations**) / Induction (Policies & Processes) / Strategic Planning / Ward Committees establishments
17. **POPI & PAIA, PAJA** (Protection of Personal Information Act, (Act 4 of 2013); Promotion of Access to Information Act, (Act 2 of 2000); Promotion of Administrative Justice Act, (Act 3 of 2000).
18. **Reputational Harm / Damage** – Internal or External friction, disgruntled employees, perceptions and expressions on social media, conflict of interest, public’s perception on service delivery performance etc.

The risk assessment results were submitted to the FARMCO on 19 March 2018. 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.

The following table contains the Municipalities top strategic risks for 2018/19

TABLE 46 STRATEGIC RISK REGISTER 2018/19

RISK DESCRIPTION	CURRENT CONTROLS	RESIDUAL RISK	RISK ACTIONS
Protest action / Civil unrest	<ul style="list-style-type: none"> - Local Economic Development and Social Development Departments in place to implement programmes to improve the socio economic conditions in Cape Agulhas - Traffic and Law Enforcement Units to respond to protest actions and civil unrest. - Collaboration with the SAPS to plan for and deal with protests and riots - Collaboration between councillors and municipal officials to engage with communities to find solutions to problems giving rise to protest actions. - Court interdicts - Business Continuity - Utilisation of an eviction contractor - Councillors and municipal officials to engage with communities to find solutions - Indigent Policy and related and related subsidies - Municipal Infrastructure Grants (MIG) 	High	<ul style="list-style-type: none"> - Report on the co-ordination and facilitation of the activities of law enforcement agencies and disaster management and other relevant role-players with the objective to include information, communication, early warning, rapid reaction in case of unrest, (Civil intolerance) and other policing incidents, threats and challenges and the facilitation of a district wide Joint Operation Centre as required over multiple municipal areas.
Illegal Erection of Informal Structures and Land invasions	<ul style="list-style-type: none"> - Weekly surveys done by housing department to prevent land invasions. - Incidents of illegal occupation reported to law-enforcement - Land invasion and squatter control policy. - Ongoing training. Inter-departmental SOP (Housing and Law enforcement) 	High	<ul style="list-style-type: none"> - Budget for Drone technology - Present a proposed action plan to Portfolio committee on dealing with possible future influxes of people 2. Present a proposed action plan to Portfolio committee on dealing with possible future influxes of people - Review Housing and Squatter control Policies
Financial viability of the municipality	<ul style="list-style-type: none"> - LTFP adopted - June 2015. - Strategies adopted - December 2015 - Revenue Enhancement Strategy 	High	<ul style="list-style-type: none"> - Execution of the revenue enhancement framework (execution of targets within planned periods) - Cleansing and updating of debtors/indigents/informal settlement - Explore the possible utilization of municipal assets (land and buildings)

RISK DESCRIPTION	CURRENT CONTROLS	RESIDUAL RISK	RISK ACTIONS
			<ul style="list-style-type: none"> - Monthly report to finance portfolio committee of long-term financial plan and revenue enhancement framework - Formulate KPI's for each manager involved with long term financial and revenue enhancement framework
MSCOA	<ul style="list-style-type: none"> - MSCOA Committee established. - Outdated implementation plan approved 	High	<ul style="list-style-type: none"> - Planned AG mid-year audit - Continuous monitoring of project implementation plan
Non-Adherence to Permit Conditions (Landfill Sites)	<ul style="list-style-type: none"> - Monitoring of the run-off water - Run-off Water Canal from adjacent land 	High	<ul style="list-style-type: none"> - Awaiting final report on regional landfill investigation
Inefficient and ineffective Mandated function - Tourism	<ul style="list-style-type: none"> - Positive engagements with interim committee elected by CAT - Division Head: Strategic Services responsible for function in interim - Client Services Officers duties expanded temporarily to manage transition 	High	<ul style="list-style-type: none"> - Development of Municipal Tourism Strategy
Eskom maximum demand capacity restraints in the Cape Agulhas Municipal area	<ul style="list-style-type: none"> - Innovative tariff structures and embedded generation to assist with the reduction in Notified Maximum Demand 	Medium	<ul style="list-style-type: none"> - Submission of Business plan to Department of Energy to secure funding for a new line and sub-station - EEDSM Initiatives and energy efficiency through embedded generation and smart installation. (Green energy initiative)
Provision of long-term bulk water supply - source	<ul style="list-style-type: none"> - Water demand management. - Monitoring of ground water levels. 	Medium	<ul style="list-style-type: none"> - Drafting of water services development plan. (Budgeting and Procurement) - Arrange and execute water workshop with Council and Management

2.4.1.3 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 19 March 2018. The charter, policy and strategy were later submitted to Council for approval on 25 September 2018 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	25 September 2018 (Council Resolution 124/2018)
Risk Management Policy	Yes	25 September 2018 (Council Resolution 124/2018)
Risk Management Strategy	Yes	25 September 2018 (Council Resolution 124/2018)

2.4.2 ANTI-CORRUPTION AND ANTI-FRAUD

Section 6(2)(c) of the Municipal Systems Act (MSA) states that the municipality must take measures to prevent corruption, section 83(1)(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1)(m)(i) obligates the municipality to institute supply chain measures to combat fraud and corruption, favouritism and unfair and irregular practices. The Prevention and Combating of Corrupt Activities Act defines corruption and specific corrupt activities and imposes a reporting obligation on the Accounting Officer.

The Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings regulates the reporting, investigation and disciplinary proceedings regarding allegations of financial misconduct, including fraud and corruption.

TABLE 47 ANTI CORRUPTION AND FRAUD STRATEGIES

Name of strategy	Developed Yes/No	Date Adopted
Fraud Prevention and Anti-Corruption Strategy	Yes	26 September 2017
Fraud Prevention and Anti-Corruption Policy	Yes	26 September 2017
Fraud Prevention and Anti-Corruption Plan	Yes	26 September 2017

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

TABLE 48 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.

2.4.3 AUDIT COMMITTEE

Section 166(2) of the MFMA states that an Audit Committee is an independent advisory body, which must –

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control;
- risk management;
- accounting policies;
- the adequacy, reliability and accuracy of financial reporting and information;
- performance management;
- effective governance;
- compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation;
- performance evaluation; and any other issues referred to it by municipality.

Cape Agulhas Municipality has separate Audit and Performance Audit Committees due to the very different mandates of the Committees. The Audit Committee members also serve as members of the Performance Audit Committee. Although it is two Committees, the meetings are held on the same day and there are no additional costs for the municipality.

2.4.3.1 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.

2.4.3.2 MEMBERS OF THE AUDIT COMMITTEE

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

TABLE 49 MEMBERS OF THE AUDIT COMMITTEE

NAME	CAPACITY	PERIOD SERVED	MEETING DATES
Mr. P. Strauss	Chairperson	1/7/2018 – 30/6/2019	2 July 2018
Mrs. B. Salo	Member	1/7/2018 – 8/4/2019	27 August 2018
Mr. R. Mitchell	Member	1/7/2017 – 30/6/2019	28 September 2018
Mrs. L Stevens	Member	25/8/2018 – 30/6/2019	26 November 2018
			14 January 2019
			18 April 2019

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 vacancy left by the resignation of Mrs. Salo, due to personal circumstances, has been filled from 1 August 2019.

2.4.3.3 MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

TABLE 50 MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

DATE OF COMMITTEE MEETING	COMMITTEE RECOMMENDATIONS DURING 2018/19	ACTIONS TAKEN ON RECOMMENDATIONS
2 July 2018	No recommendations made	-
27 August 2018	Various recommendation regarding the draft 2917/18 annual financial statements	Implemented during the finalisation of the statements
	That the low recovery of traffic fines be investigated and measures put in place to improve the recovery rate as this has a direct effect on the municipality's revenue	Implemented and the 2018/19 figures indicates an increase of 2 percentage points in fines recovered
28 September 2018	A presentation must be made to the Committee on the current fraud prevention processes in place in the municipality	Presentation made by the risk management section including all the role-players and their responsibilities
	The Job Description for the newly created Senior Internal Auditor position must be finalised and submitted for TASK review as a matter of urgency	Finalised and submitted and TASK grading completed
	The ICT risk description be discussed in more detail during the next Committee together with the CRO and the Manager: ICT	Discussed and specific further training will be arranged
	Detail of the financial ratios must be submitted to Audit Committee in future	Included in monthly financial reports and submitted to the Committee for review
26 November 2018	That future November AC meeting be shifted to January in order to deal with all quarterly items as and the review of the quarter in full	Meeting dates moved as requested
	Once the Auditor-General action plan has been finalised it must be sent out to all managers for comment and acceptance before it is tabled in Council for approval	Finalised and submitted to management for further comments and inputs.
	Risk descriptions to be reviewed for correct wording	Review has been done with the 2019/20 risk assessment and further training will be arranged
14 January 2019	The Divisional Head: Strategic Services and the risk officer to develop a fraud process flowchart which indicates the different role-players and their responsibilities	Process flow developed and presented to the Committee during their April 2019 meeting
	In view of the resignation of the CRO the managers need to get together to work out the 2019/20 risk assessment process to ensure a meaningful assessment	The risk management function for the municipality is being dealt with internally until the vacancy is filled and the 2019/20 risk

DATE OF COMMITTEE MEETING	COMMITTEE RECOMMENDATIONS DURING 2018/19	ACTIONS TAKEN ON RECOMMENDATIONS
		assessment was conducted by own experienced staff
	Business continuity must be included as a standing item in future agendas	Now included as a standing item
	Due to the generic nature of the amended draft IA charter, internal audit must relook the charter to include more detail specific to the CAM environment	Charter further reviewed and was submitted to the Committee during their April 2019 meeting
18 April 2019	That the top strategic risks be added as a standing item on the Council's agenda	In progress
	That the top operational risks be included as a standing item on risk management on the Municipal Manager's management meeting agenda	Included as a standing item on the agenda
	That the 2018/19 Risk based Audit Plan be amended as proposed to make provision for the current internal audit vacancy	Plan amended and implemented
	If any of the internal audit findings are rated as "critical" the item must be elevated to Council level as it is an indication of a breakdown of controls	Now implemented
	In the future all internal audit reports must be signed by the applicable Directors as proof that the report was discussed and accepted by them	Internal audit reports amended to include the required signatures and dates

2.4.4 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.

2.4.4.1 FUNCTIONS OF THE PERFORMANCE AUDIT COMMITTEE

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

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

2.4.4.2 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 51 MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE

NAME	CAPACITY	PERIOD SERVED	MEETING DATES
Mr. P. Strauss	Chairperson	1/7/2018 – 30/6/2019	2 July 2018
Mrs. B. Salo	Member	1/7/2018 – 8/4/2019	28 September 2018
Mr. R. Mitchell	Member	1/7/2017 – 30/6/2019	26 November 2018
Mrs. L Stevens	Member	25/8/2018 – 30/6/2019	14 January 2019
			18 April 2019

2.4.4.3 MUNICIPAL PERFORMANCE AUDIT COMMITTEE RECOMMENDATIONS

TABLE 52 MUNICIPAL PERFORMANCE AUDIT COMMITTEE RECOMMENDATIONS

DATE OF COMMITTEE MEETING	COMMITTEE RECOMMENDATIONS DURING 2016/17	ACTIONS TAKEN ON RECOMMENDATIONS
2 July 2018	No additional recommendations required	-
28 September 2018	No additional recommendations required	-
26 November 2018	That the Performance Audit Committee Charter be reviewed in view of the changes to the Audit Committee Charter to ensure alignment	Charter reviewed and approved by Council
14 January 2019	That the Performance Audit Committee Charter be reviewed to stipulate the process to be followed when a vacancy occurs	Charter reviewed and approved by Council
18 April 2019	No additional recommendations required	-

2.4.5 INTERNAL AUDITING

Section 165 of the MFMA requires that:

The internal audit unit of a municipality must –

- prepare a risk-based audit plan and an internal audit program for each financial year; and
- advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
 - internal audit matters
 - internal controls
 - accounting procedures and practices
 - risk and risk management
 - performance management
 - loss control
 - 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 53 INTERNAL AUDIT FUNCTIONS

FUNCTION	DATE/NUMBER
<ul style="list-style-type: none"> ▪ Execution of the Risk Based Audit Plan for 2018/19 	<ul style="list-style-type: none"> ▪ Ongoing during the financial year
<ul style="list-style-type: none"> ▪ Attendance of management, Mayco, Council and financial Portfolio Committee meetings where required to be knowledgeable in the municipal environment as well as challenges and risks facing the municipality 	<ul style="list-style-type: none"> ▪ Ongoing during the financial year
<ul style="list-style-type: none"> ▪ Driving the Municipal Governance Review and Oversight process as well as the gap analysis process and system 	<ul style="list-style-type: none"> ▪ Ongoing during the financial year
<ul style="list-style-type: none"> ▪ Monitoring the progress made with the implementation of the Auditor-General findings correction action plan 	<ul style="list-style-type: none"> ▪ Ongoing during the financial year
<ul style="list-style-type: none"> ▪ Assisting with the annual risk assessment process 	<ul style="list-style-type: none"> ▪ Ongoing during the financial year
<ul style="list-style-type: none"> ▪ Assisting the Manager: Strategic Services with the Service Delivery Budget Implementation Plan through the quarterly auditing of performance 	<ul style="list-style-type: none"> ▪ Ongoing during the financial year
<ul style="list-style-type: none"> ▪ Attending the Chief Audit Executive and Chief Risk Officers forums as well as local district internal audit forums where experiences and guidance are shared 	<ul style="list-style-type: none"> ▪ Ongoing during the financial year
<ul style="list-style-type: none"> ▪ Auditing of and issuing audit reports on: <ul style="list-style-type: none"> ○ The municipality's combined assurance model ○ Municipality's compliance with Laws and Regulations ○ All SCM deviations below R30 000 ○ Insurance of municipal assets (follow-up audit) ○ SCM tender evaluation process (follow-up audit) ○ Development and implementation of the municipality's set of values and code of ethics ○ Unauthorised, irregular and fruitless and wasteful expenditure for the 2017/18 financial year ○ Control over journals ○ Implementation of the municipal Standard Chart of Accounts ○ Performance measurements and achievement of the municipality's annual performance targets ○ Performance measurements and achievement of the Director's annual performance targets ○ The municipality's risk management process ○ Performance assessment process of municipal staff 	<ul style="list-style-type: none"> ▪ Ongoing during the financial year

2.4.6 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 54 POLICIES DEVELOPED AND REVIEWED

POLICY	STATUS	DATE APPROVED	RESOLUTION
Masakhane Policy (indigent Support)	Review	18 June 2019	95/2019
Property Rates Policy	Review	28 May 2019	89/2019
Risk Management Policy	Review	25 September 2018	124/2018

TABLE 55 BY-LAWS DEVELOPED AND REVIEWED

BY-LAWS	STATUS	DATE APPROVED	RESOLUTION
Animals: keeping and Impoundment of Animals By-Law	New	13 December 2018	209/2018

2.4.7 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.

2.4.7.1 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. The communication officer participates actively in Provincial Communication Technology Forum (ICTFORUM) and Communicators Technical (COMMTECH) Forums.

The following are some of the initiatives undertaken by the communication unit during the year:

- CAM Communication has focussed on assisting with public participation campaigns like the IDP and Budget Imbizo's.
- The Unit also focussed on internal communication and an induction booklet was developed for the Human Resources Department to use.
- The unit designed and produced a tourism booklet that was used during the Mayoral Golf Day and Career day.
- Municipal Matters has grown in the different type of media platforms used to communicate municipal matters; it started with a weekly radio-slot and has now extended to printed media in the form of a newsletter.
- CAM Youth Summit 2019.
- In partnership with Open Up, and Laws. Africa an open bylaws workshop was held, to workshop the microsite: <https://capeagulhas.openbylaws.org.za/>, where residents can view and download CAM bylaws.
- Regular photographic coverage of different events ranging from ministerial visits, sport events, festivals, service delivery in actions to public meetings has been done. These events are also used to record sound bites for the weekly radio-slot called municipal matters.
- Regular stock photos for tourism purposes.
- Kwela "Dorp van die jaar" photos
- Official photos of the Executive.

- Tourism related stock photos.
- Content creation and management of web and social media posts in the form of various advertisement and notices etc. is being done on a regular basis.
- Management of new social media platforms: CAM Instagram, CAM Youth Facebook, Discover Cape Agulhas Facebook (Tourism) and CAM Libraries Facebook.
- Management and distribution of complaints received via social media.
- Formulation of responses to questions and comments on social media.
- Design, printing and hanging of CAM vision, mission and values.
- Communication campaign about Wheelie bins.
- Videos for social media is a new addition to our multi-media communication mediums.

2.4.7.2 COMMUNICATION POLICIES AND STRATEGIES

TABLE 56 COMMUNICATION RELATED POLICIES AND STRATEGIES

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

2.4.7.3 COMMUNICATION PLATFORMS

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

a) Newsletters

TABLE 57 NEWSLETTER DISTRIBUTION

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

b) Other communication channels

TABLE 58 ADDITIONAL COMMUNICATION CHANNELS

CHANNEL	YES/NO	NUMBER OF PEOPLE REACHED 2017/18	NUMBER OF PEOPLE REACHED 2018/19
Facebook	Yes	517888	58 425 (on average per month)
Twitter	Yes	197	208
SMS system	Yes	5876	5980
E-mail newsflashes	Yes	2305	2290
Radio (weekly slot)	Yes	20 000 RAMS (6 months)	20 000 RAMS (6 months)

The following table provides a detailed breakdown of our Facebook statistics

TABLE 59 DETAILED STATISTICS FOR FACEBOOK

MONTH	YEAR	POSTS	REACHED	HIGHEST REACH PER POST	POST TITLE WITH THE HIGHEST REACH
July	2019	18	63234	10598	Quick facts about Wheelie bins
June	2019	12	40973	6228	Cape Agulhas Municipality Customer Satisfaction Survey
May	2019	10	26172	7253	Draft by-law for keeping and impoundment of animals
April	2019	18	50828	8928	Cape Agulhas Municipality was ranked as one of the ten top performing municipalities in the country
March	2019	33	97564	12106	Status of roads
February	2019	19	8022	12682	Media Release: Status of drinking water
January	2019	14	46849	9888	EPWP opportunities: Electro Technical Services
December	2018	16	52973	8277	BD BLAST Colour Run
November	2018	19	61683	7606	Load Shedding notice
October	2018	27	69058	6297	Mellon Housing Initiatives has the following vacancies available at Area H building site in Bredasdorp
September	2018	22	28123	5351	Warning: Wet Roads
August	2018	9	36708	7351	Applications are open: 4 Year Diploma in Nursing
TOTAL		217	582187		

2.4.8 THE 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 serves 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. A communication tool 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 60 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 2018/19	Yes
Adjusted Budget 2018/19	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 2018/19	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 2018/19	Yes
IDP Process Plan for 2018/19 (Time schedule of key deadlines)	Yes
Reports (Sections 52(d), 71, 72 & 75(1)(c) and 129(3) of the MFMA)	
Annual Report of 2017/18	Yes
Oversight reports 2017/18	Yes
Mid-year budget and performance assessment (Approved 25 January 2019)	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 (2018)	Yes

2.4.9 CLIENT SERVICES

In order to achieve the municipality's mission statement "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" we strive to continuously develop ways to ensure that in dealing with customers we demonstrate our value system based on the national Batho Pele principles which has been translated as "people first" and emphasises the values of "customers first".

Our aim is to improve on customer loyalty and customer satisfaction within our municipality by placing all people at the centre of development. Furthermore, whenever customers contact us we will make sure that they will consistently experience high standards of service excellence.

In order to achieve customer service excellence, our value system is based upon the eight Batho Pele Principles which brings services closer to the people and aims to serve. The name Batho Pele means "People First" and the eight principles set out in it are the foundation of our Government's approach to guide all interaction between Government institutions and the public. The eight Batho Pele Principles includes:

- **Consultation** - The public should be consulted about the level and quality of public services they receive and, where possible, should be given a choice about the service offered.
- **Service Standards** - The public should be informed what level and quality of public service they will receive, so that they are aware of what they can expect.
- **Courtesy** - The public should always be treated with courtesy and consideration.
- **Access** - All members of the public should have equal access to services they are entitled to.

- **Information** - The public should have accurate information about the services they are entitled to receive.
- **Openness and Transparency** - The public should be told how administrations are run, how much they cost and who is in charge.
- **Redress** - If the promised service is not delivered, the public should be offered an apology, a full explanation, and a speedy and effective remedy, and when complaints are made, the public should receive a sympathetic and positive response.
- **Value for money** - Public services should be provided economically and efficiently in order to give citizens the best possible value for money.

The Batho Pele Principles are all about giving good customer services to the end-users of government services. All public servants are therefore required to practise the Batho Pele Principles throughout their various day-to-day functioning. Excellent service delivery leads to happier customers and employee satisfaction.

As an organization, Cape Agulhas Municipality constantly reminds its staff that there must be a commitment to the following values that will guide our interactions with customers. These values will be the cornerstone of our customer focused approach.

- Courtesy and Respect
- Good Customer Care
- Service Excellence
- Integrity and Professionalism
- Mutual trust and Understanding

TABLE 61 CLIENT SERVICE ACTIVITIES

CLIENT SERVICE ACTIVITIES	YES/NO	DATE /COMPLETED
Functional complaint management system	Yes	Continuous
Management of complaints and status reporting	Yes	Continuous
Customer satisfaction survey	Yes	July 2019
Mini-Customer Care Surveys	Yes	Quarterly
Complaints quality assurance	Yes	Continuous
Client Services Charter review	Yes	To be done in collaboration with the provincial communication unit.
Functional after-hours emergency desk	Yes	Continuous

Client Services uses alternative ways to improve service delivery in the community, which includes but are not limited to the following:

- Daily scanning of social media to identify issues raised. These issues are being logged on our Ignite Complaints System in order for the relevant department to resolve. The log number of any possible issues are being communicated to complainants, together with the contact details of the relevant department responsible for attending to the specific issue raised.
- Weekly complaints reports submitted to all Directorates.
- Biweekly inspections are being conducted to identify issues and assess quality assurance of complaints. Reports are then prepared and submitted to the relevant departments to follow-up.
- The aforementioned forms part of pro-active measures implemented by us to ensure good service delivery.

2.4.10 SUPPLY CHAIN MANAGEMENT

Supply Chain Management Unit (SCM) falls within the Financial Services and IT 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.

2.4.10.1 SUPPLY CHAIN MANAGEMENT POLICY

The Supply Chain Management Policy was reviewed on 29 May 2018, as part of the annual budget policy review. The review addressed the latest legislative amendments; SCM Regulations, Treasury Circulars and recommendations made by the Auditor-General and Provincial Treasury to give enhance compliance. This will enable the Supply Chain Management Unit to streamline procedures and processes to promote more efficient and effective service delivery to all internal and external stakeholders.

2.4.10.2 BID COMMITTEES

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

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

The following table details the number of bid committee meetings held for the 2018/19 financial year:

TABLE 62 BID COMMITTEE MEETINGS

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
21	22	18

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

TABLE 63 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 64 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 65 ATTENDANCE OF MEMBERS OF BID ADJUDICATION COMMITTEE

Member	Percentage attendance
H Van Biljon (Director: Finance & ITC Services)	83,33 %

S Stanley (Manager: Budget & Treasury Office)	72.22%
K Mrali (Director: Management Services) Q1 & Q2	77.78%
(Director: Management Services) Q3 & Q4	vacant
A Jacobs (Director: Infrastructure Services)	55.56%
N Mhlathi-Musewe (Division Head: Human Resources)	55.56%
T Stone (Division Head: Strategic, Planning & Administration Services)	55.56%

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

a) Awards Made by the Bid Adjudication Committee

The following awards were made by the BAC.

TABLE 66 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 2018		1 October - 31 December 2018		1 January - 31 March 2019		1 April - 30 June 2019		1 July 2018 - 30 June 2019	
	Nr	Amount	Nr	Amount	Nr	Amount	Nr	Amount	Nr	Amount
Competitive Bids	6	R 1 068 014,79	9	R 1 718 812,32	8	R 12 104 946,42	11	R 45 521 172,74	34	R 60 412 946,27
Formal Written Quotations	0	R 0,00	9	R 751 073,71	5	R 338 890,00	10	R 918 585,42	24	R 2 008 549,13
Deviation in Terms of Part 18.6.3 Of The SCMPOS	0	R 0,00	0	R 0,00	0	R 0,00	0	R 0,00	0	R 0,00
Sale of Erven	1	R 59 800,00	2	R 55 200,00	0	R 0,00	0	R 0,00	3	R 115 000,00
Extensions / Amendment of Contracts in Terms of Part 20.14 Of The SCMPOS	0	R 0,00	1	R 86 250,00	1	R 7 000,00	2	R 141 261,40	4	R 234 511,40
Procurement in Terms SCM Regulation 32	1	RATES	1	R 1 908 837,36	0	R 0,00	0	R 0,00	2	R 1 908 837,36
Number of Disputes, Complaints, Enquiries and Objections Received	4		2		0		0		6	

b) Ten highest bids

The ten highest bids awarded by the bid adjudication committee are as follows:

TABLE 67 SUMMARY OF TEN HIGHEST BIDS

BID NUMBER	DIRECTORATE AND SECTION	TITLE OF BID	SUCCESSFUL BIDDER	VALUE OF BID AWARDED
SCM26/2018/19	FINANCE & ICT SERVICES: Expenditure management	Raising of external loans - Motor vehicle fleet - R2 880 000 (5yr) -New & upgrade infrastructure R4 120 000 (5yr) -New & upgrade infrastructure R10 000 000 (10yr)	NEDBANK LTD	R 24 338 689,86

BID NUMBER	DIRECTORATE AND SECTION	TITLE OF BID	SUCCESSFUL BIDDER	VALUE OF BID AWARDED
SCM34/2018/19	FINANCE & ICT SERVICES: ICT services	Multi access network, services and component	MATTER INDUSTRIES (PTY) LTD	R 9 675 910,15
SCM24/2018/19	INFRASTRUCTURE SERVICES: Roads & Stormwater	The upgrading of RDP roads in Bredasdorp	MEYER BETON	R 5 721 106,25
SCM22/201/19	INFRASTRUCTURE SERVICES: Solid Waste	Supply & delivery of wheelie bins	MPACT PLASTIC CONTAINERS	R 4 148 050,00
SCM38/2018/19	FINANCE & ICT SERVICES: Budget & Treasury office	Short-term insurance portfolio for the period 2019 to 2022	OPULENTIA FINANCIAL SERVICES	R 3 260 788,46
SCM26/2018/19	STRATEGIC, PLANNING & ADMIN: Town Planning	Supply & delivery of shipping containers	WOODLANDS CREATING DREAM HOMES	R 2 727 694,84
SCM41/2018/19	INFRASTRUCTURE SERVICES: Electrical services	Supply, installation and management of a STS compliant prepayment electricity vending system for a period of 3 years	ONTEC SYSTEMS PTY LTD	R 2 500 560,00
T23-2017/18	FINANCE & ICT SERVICES: ICT services	VOIP telephone system (period of 3 years)	TWK COMMUNICATIONS PTY LTD	R 1 908 837,36
SCM21/2018/19	MANAGEMENT SERVICES: Library services	Supply & erect of modular library in ELIM	R.I.C.T.S HOLDINGS	R 1 377 673,85
SCM36/2018/19	INFRASTRUCTURE SERVICES: Roads & Stormwater	The equipping of boreholes in Napier and Suiderstrand	CAPE AGULHAS CIVILS CC	R 957 165,13

c) Reported bids over R100 000

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 53 bids over the value of R100 000 during the 2018/19 financial year.

TABLE 68 REPORTED BIDS OVER R100 000

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
DEV 1301	DEVIATION (1301) IN TERMS OF ARTICLE 36(1)(a)(iv). The municipality applied open bidding process but the bids received were not acceptable. five /5 quotes were requested of	ORGAFILE (PTY) LTD	Level 4	Deviations	R 114 680,39	R 114 680,39	-	R 114 680,39

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
	which only one/1 quoted. the other four/4 indicated that they cannot supply zipples.							
DEV 0700	DEVIATION (0700) IN TERMS OF SCM REGULATION 36 1(a)(i) One of high-pressure pumps at Bredasdorp WWTW broke, the pump is 30 years old. GW Trautmann was approached for a quote for maintenance seeing there is currently just 1 pump that works and urgent maintenance needed. The market was tested and the quote was found affordable.	GW TRAUTMANN	Level 4	Deviations	R 146 843,30	R 146 843,30	-	R 146 843,30
DEV 0993	DEVIATION (0993) IN TERMS OF SCM REGULATION 36 7. Expansions and Variations (SCMPOS Part 20.14 & MFMA circular 62) Collaborator already used by municipality, processes and document management-service request	BUSINESS ENGINEERING	Non-compliant contributor	Deviations	R 166 505,63	R 166 505,63	-	R 166 505,63

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
DEV 1215	DEVIATION (1215) IN TERMS OF SCM REGULATION 36 1(a)(i)Trackos has existing maintenance agreement for Server rooms. Trackos maintain and support Aircon, management system. Server room heat escalated our past month to dangerous levels. Trackos cannot warrant service levels of server room if they do not solely support environment.	TRACKOS PROJECTS PTY LTD	Level 4	Deviations	R 42 952,50	R 42 952,50	-	R 42 952,50
DEV 0699	AFWYKING IN TERME VAN ARTIKEL 36(1)(a)(i). NO 0699. Weens kragonderbrekings het beide pompe te Napier rioolpomstasie buite werking geraak. GW Trautmann het een pomp kom uithaal en 'n kosteberaming van herstelwerk verskaf. Die verskaffer kan onmiddellik begin met herstelwerk. Die aangeleentheid is dringend weens die	GW TRAUTMANN	Level 4	Deviations	R 58 292,35	R 58 292,35	-	R 58 292,35

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
	gevaar van besoedeling.							
DEV 0986	DEVIATION IN TERMS OF ARTICLE 36(1)(a)(i). NO 0986. The ups serving the main server room tailed with Eskom load shedding. this is a critical component of the municipalities data integrity and business continuity. tracks have a service agreement with the municipality and the ups in stock for installation,	TRACKOS PROJECTS PTY LTD	Level 4	Deviations	R 154 790,00	R 154 790,00	-	R 154 790,00
DEV 1125	AFWYKING IN TERME VAN ARTIKEL 36(1)(a)(i). NO 1125. Esri South Africa is a sole supplier that can provide an upgraded version of the software that we currently use (ArcGIS Desktop Basic Single User License includes ARCPRO) to enable us to do our GIS function.	ESRI SOUTH AFRICA	Level 3	Deviations	R 31 749,20	R 31 749,20	-	R 31 749,20
DEV 1402	AFWYKING IN TERME VAN ARTIKEL 36(1)(a)(i). NO 1402. The refuse removal truck's radiator was vandalised and	NORTHERN MOTORS ENGINEERS	Level 8	Deviations	R 111 241,11	R 111 241,11	-	R 111 241,11

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
	a piece of the electrical harness was cut, causing the truck to overheat and extensive damage to the engine. the engine needs to be completely reconditioned. this is an essential vehicle fitted with the bin lifting equipment. to continue service delivery and to rollout and implement the wheelie bin project, the vehicle is urgently needed. implementation date of wheelie bin project is 1 July 2019.							
DEV 694	AFWYKING IN TERME VAN ARTIKEL 36(1)(a)(i). NO 694. DIE RIOOL POMPE SKILPHOEK HET GELYKTYDIG DIE GEES GEGEE. BREDASDORP WELDING SERVICES KAN DIT ONMIDDELIK HERSTEL.	BREDASDOR WELIDNG SERVICES	Level 4	Deviations	R 34 000,00	R 34 000,00	-	R 34 000,00
DEV 0686	AFWYKING IN TERME VAN ARTIKEL 36(1)(A)(ii) - (0686) THE TELEMETRY SYSTEM OF	SPECIALIST SYSTEM ENGINEERING (PTY) LTD	Level 3	Deviations	R 37 616,50	R 37 616,50	-	R 37 616,50

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
	CAM HAS BEEN INSTALLED BY SSE. THE TELEMETRY AT WHK AND AGULHAS NEED TO BE REPAIRED AND CAN ONLY BE DONE BY SSE.EQUIPMENT AND SOFTWARE OF OTHER SUPPLIERS ARE NOT COMPATIBLE WITH THE EQUIPMENT OF SSE.							
DEV 0689	AFWYKING IN TERME VAN ARTIKEL 36(1)(A)(ii) - (0689) THE TELEMETRY SYSTEM OF CAM HAS BEEN INSTALLED BY SSE. THE TELEMETRY AT NAPIER AND STRUISBAAI (BOREHOLE 8) NEEDS TO BE REPAIRED AND CAN ONLY BE DONE BY SSE.EQUIPMENT AND SOFTWARE OF OTHER SUPPLIERS ARE NOT COMPATIBLE WITH THE EQUIPMENT OF SSE.	SPECIALIST SYSTEM ENGINEERING (PTY) LTD	Level 3	Deviations	R 61 199,55	R 61 199,55	-	R 61 199,55
DEV 0696	AFWYKING IN TERME VAN ARTIKEL 36(1)(a)(ii). NO 0696. SULETRON IS	SULETRON (PTY) LTD	Level 4	Deviations	R 163 546,56	R 163 546,56	-	R 163 546,56

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
	DIE ENIGESTE VERSKAFFER VAN DIE PRODUK BAKTERIEE WORD GEDOSSEER BY DIE BD WWWTW OM SLYK AF TE BREEK EN DIE KWALITEIT VAN DIE FINALE VLOEI TE VERBETER EN SODOENDE SLEGTE REUKE WAT IN DIE DORP WAARGENEEM WORD ONDER BEHEER TE HOU.							
DEV 1310	AFWYKING IN TERME VAN ARTIKEL 36(1)(a)(ii). NO 1310. IN ORDER TO UPGRADE THE CURRENT REQUISITION BUSINESS PROCESSES ON COLLABORAT OR TO ADVANCE PROCUREMENT, WE NEED TO STANDERISE THE MATERIAL AND SERVICES MASTER IN A CATALOGUE. THIS WILL ENHANCE THE CURRENT PROCUREMENT PROCESSES AND THE CENTRALIZATI ON OF SCM PROCESSES.	BUSINESS ENGINEERING	Non-compliant contributor	Deviations	R 287 500,00	R 287 500,00	-	R 287 500,00
DEV 1214	AFWYKING IN TERME VAN ARTIKEL 36(1)(a)(v). NO 1214. IT IS	IQABANE ART GALLERY T/A OMAR VALLEY	Level 1	Deviations	R 31 978,28	R 31 978,28	-	R 31 978,28

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
	IMPRACTICAL TO FOLLOW THE OFFICIAL PROCUREMENT PROCESSES, BECAUSE THE WORKSHOP IS BASED ON THE OUTCOMES OF A RESEARCH REPORT, WHICH WAS CONDUCTED AS PHASE 1 OF THE PROJECT. WHEN WE REVIEWED THE OUTCOMES OF THE RESEARCH REPORT, IT BECAME APPARENT THAT A WORKSHOP WOULD BE ESSENTIAL TO SUCESSFUL IMPLEMENTATION OF THE TURNAROUND STRATEGY.	CONSULTANCY						
DEV 1218	AFWYKING IN TERME VAN ARTIKEL 36(1)(a)(v). NO 1218. Business engineering already provide a records management solution to the municipality and it will be impractical to acquire this from another service provider. This also link directly to the SCM and service request modules.	BUSINESS ENGINEERING	Non-compliant contributor	Deviations	R 52 474,50	R 52 474,50	-	R 52 474,50
DEV 0685	AFWYKING IN TERME VAN ARTIKEL 36{1}	SPECIALIST SYSTEM ENGINEER	Level 3	Deviations	R 171 401,75	R 171 401,75	-	R 171 401,75

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
	(A)[ii]-(0685) THE TELEMETRY BY DIE BD HOEDRUK RESERVOIR IS AFGESTEEL.DIE TELEMETRIE TOERUSTING KAN SLEGS DEUR SSE VERVANG WORD AANGESIEN HUL KAM SE STELSLS ONTWERP EN INSTALLEER HET.ANDER VERSKAFFERS SE TOERUSTING+ SAGTEWARE IS NIE VERSOENBAAR MET DIE SSE -STELSEL NIE.	ING (PTY) LTD						
DEV 0983	AFWYKING IN TERME VAN ARTIKEL 36{1} (A)[v]-(0983) PRODUCTIVITY SA INITIALLY CONDUCTED A SAMPLE OF POSITIONS AT PROTECTION SERVICES AND AFTER RESULTS DEMONSTRATED MORE INTERROGATION NEEDED.LIBRARY SERVICES WAS NOT PART OF THE INITIAL EXERCISE BUT PART OF THE 2ND PHASE-ASSESSMENTS CONDUCTED ALSO NEED MORE INTERROGATION.	PRODUCTIVITY SA	Non-compliant contributor	Deviations	R 90 000,00	R 90 000,00	-	R 90 000,00

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
DEV 1009	AFWYKING IN TERME VAN ARTIKEL 36{1} (A)[v}-(1009) CAM APPLIED THE OPEN BIDDING PROCESS AND BIDS WERE RECEIVED, ALL NON-RESPONSIVE AND DUE TO A PRICE INCREASE ON STEEL WE HAD INSUFFICIENT FUNDS IN OUR BUDGET.THUS THE TIME REQUIRED TO GO OUT ON THE SAME OPEN BIDDING PROCESS HAS ELAPSED. - NEW WHEEL RIM WITH VALVES CS 6105.	FANTASTIC INVESTMENTS 456 T/A HI-Q BREDASD ORP	Level 4	Deviations	R 39 215,00	R 39 215,00	-	R 39 215,00
DEV 1306	AFWYKING (1306) IN TERME VAN ARTIKEL 36(1)(a)(i). BRAND BY NAPIER DROP-OFF HET VERSPREI NA AANGRENSEN DE EIENDOM. OM TE VERHOED DAT GROOT SKADE AANGERIG WORD MOES DIE HELIKOPTER WATER BOM OM DIE VUUR ONDER BEHEER TE BRING-MOONTLIKE SKADE AAN PRIVAAT EIENDOM.	WORKING ON FIRE (PTY) LTD	Level 1	Deviations	R 91 375,32	R 91 375,32	-	R 91 375,32

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
T66/2019	BEAUTIFICATION OF ENTRANCE TO TOWNS (STRUISBAAI) Q19-2018-19	LUCOR CONSTRUCTION PTY LTD	Level 4	Price Quotations	R 159 041,55	R 159 041,55	-	R 157 169,86
T45/2019	BUILDING OF BATHROOM IN ELIM. Q12-2018-19	LM DANIELS	Non-compliant contributor	Price Quotations	R 60 000,00	R 60 000,00	-	R 60 000,00
T47/2019	CATERING FOR YOUTH SUMMIT 22-23 MARCH 2019. Q17-2018-19	SILVER SOLUTION S 2981 CC	Level 1	Price Quotations	R 55 200,00	R 55 200,00	-	R 55 200,00
T64/2019	COLLECTION, SAFE DISPOSAL & RECYCLING OF LAMPS AND FITTINGS (Q18-2018-19)	ELECTUMBANE (PTY) LTD T/A CRUSH NATIONWIDE	Level 1	Price Quotations	R 60 012,26	R 60 012,26	-	R 60 012,26
T65/2019	CONSTRUCTION OF 2 BUS SHELTERS IN BREDASDORP AREA. (Q20-2018-19)	R62 CONSTRUCTION (PTY) LTD	Level 1	Price Quotations	R 75 000,00	R 75 000,00	-	R 75 000,00
T523/2018	CONSTRUCTION OF 2 WOODEN PAVILIONS AT WAENHUISKRANS SPORTSGROUNDS. (Q4-2018-19)	TIP OF AFRICA CREATIONS	Level 4	Price Quotations	R 70 000,01	R 70 000,01	-	R 70 000,01
T72/2019	CONSTRUCTION OF ABLUTION FACILITY & TUCKSHOP AT WHK SPORTSGROUNDS. (SCM39-2018-19)	ENTAS CONSTRUCTION AND PROJECTS	Level 1	Competitive Bids	R 535 060,50	R 535 060,50	-	R 535 060,50
T539/2018	CONSTRUCTION OF PAVED PARKING AREA AT WHK SPORTSGROUNDS. Q6-2018-19	TEMMO'S SHADE PORTS AND CLEANING SERVICES	Level 1	Price Quotations	R 136 650,00	R 136 650,00	-	R 136 650,00

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
T516/2018	CONSTRUCTION OF PLAYPARK IN STRUISBAAI-NORTH. (Q2-2018-19)	GERTSES PROJECTS (PTY) LTD	Level 1	Price Quotations	R 129 320,00	R 129 320,00	-	R 129 320,00
T51/2019	CONSTRUCTION OF SIDEWALKS IN BREDASDORP. SCM29-2018-19	FUTI CONSTRUCTION PTY LTD	Level 2	Competitive Bids	R 333 270,00	R 333 270,00	-	R 369 005,10
T444/2018	ENVIRONMENTAL IMPACT ASSESSMENT (SCM12-2017-18)	COASTAL ENVIRONMENTAL SERVICES (PTY) LTD	Level 1	Competitive Bids	R 242 900,70	R 242 900,70	-	R 242 900,70
T116/2018 (2)	MAINTENANCE & REPAIRS OF MUNICIPAL BUILDINGS FOR A PERIOD OF 3 YEARS. ELECTRICAL SERVICES (SCM5-2018-19)	SIMONS ELECTRIC	Non-compliant contributor	Competitive Bids	R 212 600,00	R 212 600,00	-	R 212 600,00
T452/2018	MAINTENANCE, REPAIR AND UPGRADE OF MUNICIPAL NETWORKS INFRASTRUCTURE (SCM9-2018-19)	SIMONS ELECTRIC	Non-compliant contributor	Competitive Bids	R 416 123,49	R 416 123,49	-	R 416 123,49
T116/2018 (1)	MAINTNANCE & REPAIRS OF MUNICIPAL BUILDINGS FOR A PERIOD OF 3 YEARS. PLUMBING SERVICES - (SCM5-2018-19)	LOUWS LOODGIETRS	Level 4	Competitive Bids	R 107 480,10	R 107 480,10	-	R 107 480,10
T90/2019	MULTI ACCESS NETWORK, SERVICES AND COMPONENTS . (SCM34/2018/19)	MATTER INDUSTRIES (PTY) LTD	Non-compliant contributor	Competitive Bids	R 9 675 910,15	R 9 675 910,15	-	R 9 675 910,15
T532/2018 (1)	PRINTING OF BOOKS FOR A PERIOD OF 18 MONTHS (SCM15-2018-19)	PARKERS ON THOMAS TECHNOLOGIES CC	Level 1	Competitive Bids	R 40 834,75	R 40 834,75	-	R 40 834,75

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
T83/2019	PROFESSIONAL SERVICES: DEVELOPMENT ECONOMIST TO INVESTIGATE THE FEASIBILITY OF STRUISBAAI PLEIN. (SCM40/2018/19)	DELTA BUILT ENVIRONMENT CONSULTANTS (PTY) LTD	Non-compliant contributor	Competitive Bids	R 213 160,55	R 213 160,55	-	R 213 160,55
T86/2019	PROFESSIONAL SERVICES: PROPOSED WASTE MANAGEMENT PROJECT ON ERVEN 1523, 1189& 2049 BREDASDORP. (SCM40/2018/19)	TOWN&COUNTRY	Level 4	Competitive Bids	R 46 460,00	R 46 460,00	-	R 46 460,00
T84/2019	PROFESSIONAL SERVICES: TO DESIGN A SITE DEVELOPMENT PLAN FOR A TAXI INTERCHANGE IN BREDASDORP. (SCM40/2018/19)	DELTA BUILT ENVIRONMENT CONSULTANTS (PTY) LTD	Non-compliant contributor	Competitive Bids	R 241 896,75	R 241 896,75	-	R 241 896,75
T53/2019	PROVISION OF SECURITY SERVICES AT THUSONG CENTRE. (Q16-2018-19)	RISE SECURITY SERVICES	Level 1	Price Quotations	R 93 061,47	R 93 061,47	-	R 93 061,47
T7/2019	PUBLIC SPACE CLOSURE, REZONING OF ERF 2519 BREDASDORP. Q11-2018-19	TOWN&COUNTRY	Level 4	Price Quotations	R 34 170,00	R 37 170,00	-	R 34 170,00
T61/2019	RAISING OF EXTERNAL LOANS. (SCM30/2018/19)	NEDBANK LTD	Level 1	Competitive Bids	R 24 338 689,86	R 23 955 365,08	R 383 324,78	R 24 338 689,86
T530/2018	REMANUFACTURE OF A NISSAN FD46	TYGERBERG ENGINE	Level 4	Price Quotations	R 82 543,55	R 82 543,55	-	R 82 543,55

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
	DIESEL ENGINE (Q5-2018-19)	REBUILDE RS						
T74/2019	REMOVE & REPLACE EXISTING FLOORING OF MAIN ENTRANCE AT THE MUNICIPALITY . (Q25-2018-19)	L BINNEMA N T/A TILE WORLD	Non-compliant contributor	Price Quotations	R 49 944,50	R 49 944,50	-	R 49 944,50
T2/2019	REPAIR AND UPDRADING OF NAPIER LIBRARY. (Q9-2018-19)	BRIGHT IDEA PROJECTS 322	Level 1	Price Quotations	R 81 650,00	R 81 650,00	-	R 81 650,00
T73/2019	REPAIR THE OFFLOADING AREA AT THE NAPIER DROP-OFF. (Q24-2018-19)	BRAINSTONE CONSTRUCTION AND PROJECTS	Level 1	Price Quotations	R 109 250,00	R 109 250,00	-	R 109 250,00
T527/2018	REPAIR&MAINTENANCE OF EXISTING ABLUTION FACILITY AT STRUISBAAI NORTH. (SCM16-2018-19)	POTTS DEVCO (PTY) LTD	Level 1	Competitive Bids	R 278 030,90	R 278 030,90	-	R 278 030,90
T525/2018	REPAIRS AND MAINTENANCE OF AIRCONS. (SCM12-2018-19)	GANSBAAI AIRCON & REFRIGERATION CC	Non-compliant contributor	Competitive Bids	R 40 000,00	R 40 000,00	-	R 40 000,00
T3/2019	REPLACEMENT OF EXISTING RESERVOIR ROOF AND ERECT OF NEW FENCE AT NAPIER. (SCM18-2018-19)	AD DIEDERICKS CONSTRUCTION	Level 1	Competitive Bids	R 139 146,63	R 139 146,63	-	R 139 146,63
T540/2018	REPLACEMENT OF WATERMAIN IN DORPSIG STREET, BREDASDORP. SCM19-2018-19	AMS CIVILS (PTY) LTD	Level 1	Competitive Bids	R 670 335,00	R 670 335,00	-	R 670 335,00

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
T58/2019	RESEAL OF ROADS IN BREDASDORP. (SCM37-2018-19)	CAL CONSTRUCTION	Level 2	Competitive Bids	R 760 000,00	R 760 000,00	-	R 760 000,00
T60/2019	REVENUE ENHANCEMENT, CREDIT CONTROL & DEBT COLLECTION ASSESSMENT. (Q15/2018/19)	ULTIMATE PROCUREMENT SOLUTIONS T/A ULTIMATE CREDIT SOLUTIONS	Level 1	Price Quotations	R 38 525,00	R 38 525,00	-	R 38 525,00
T522/2018 (1)	SAFEGUARDING OF RECEPTION AREA AT STRUISBAAI RESORT - GLASS STRUCTURE. (Q3-2018-19)	DC ZEEMAN T/A ALUMINIUM DESIGNS	Level 1	Price Quotations	R 58 000,00	R 58 000,00	-	R 58 000,00
T76/2019	SHORT TERM INSURANCE PORTFOLIO FOR THE PERIOD 2019 TO 2022. (SCM38-2018-19)	OPULENTIA FINANCIAL SERVICES	Level 1	Competitive Bids	R 3 260 788,46	R 3 260 788,46	-	R 3 260 788,46
T49/2019	SKILLS DEVELOPMENT TRAINING MOSAIC MURAL PROJECT AT THE BREDASDORP THUSONG CENTRE. SCM25-2018-19	ME CHARLES T/A MOSAIC WORKS	Non-compliant contributor	Competitive Bids	R 181 599,98	R 181 599,98	-	R 181 599,98
T531/2018	SUPPLY & DELIVERY OF 20KV INSULATION TESTER. (Q7-2018-19)	FLO SPECIALIZED PRODUCTS	Level 1	Price Quotations	R 83 202,50	R 83 202,50	-	R 83 202,50
T80/2019	SUPPLY & DELIVERY OF BULLET PROOF VEST. (Q26/2018/19)	UMAMBO PROCUREMENT DISTRIBUTION	Non-compliant contributor	Price Quotations	R 76 063,88	R 76 063,88	-	R 76 063,88

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
T518/2018	SUPPLY & DELIVERY OF CHIPPER. (SCM14-2018-19)	WP CHIPPER HIRE & SALES (PTY) LTD	Non-compliant contributor	Competitive Bids	R 683 500,00	R 683 500,00	-	R 683 500,00
T451/2018	SUPPLY & DELIVERY OF COMPUTER EQUIPMENT (SCM8-2018-19)	DFA SOLUTIONS	Level 1	Competitive Bids	R 294 761,10	R 294 761,10	-	R 294 761,10
T50/2019	SUPPLY & DELIVERY OF COMPUTER EQUIPMENT. SCM28-2018-19	CHM VUWANI COMPUTER SOLUTIONS	Non-compliant contributor	Competitive Bids	R 204 099,71	R 204 099,71	-	R 204 099,71
T537/2018	SUPPLY & DELIVERY OF DIGITAL VHF REPEATER SYSTEM. Q10-2018-19	COMMUNICATION NETWORK CC	Level 1	Price Quotations	R 55 557,65	R 55 557,65	-	R 55 557,65
T453/2018	SUPPLY & DELIVERY OF OFFICE FURNITURE. (SCM11-2018-19)	PARKERSON THOMAS TECHNOLOGIES CC	Level 1	Competitive Bids	R 114 229,50	R 114 229,50	-	R 114 229,50
T62/2019	SUPPLY & DELIVERY OF SHIPPING CONTAINERS. (SCM26-2018-19)	WOODLANDS CREATING DREAM HOMES	Non-compliant contributor	Competitive Bids	R 2 779 327,84	R 2 779 327,84	-	R 2 779 327,84
T536/2018	SUPPLY & DELIVERY OF TRAILERS. Q8-2018-19	RHODE BROS STEEL PROJECTS CC	Level 1	Price Quotations	R 115 000,00	R 115 000,00	-	R 115 000,00
T44/2019	SUPPLY & DELIVERY OF WHEELIE BINS SCM22-2018-19	MPACT PLASTIC CONTAINERS	Level 4	Competitive Bids	R 4 148 050,00	R 4 148 050,00	-	R 4 148 050,00
T56/2019	SUPPLY & ERECT FENCING AT KLIPDALE SPORTSGROUND SCM35-2018-19	PS CLEARING & CLEANING SERVICES	Level 1	Competitive Bids	R 55 000,00	R 55 000,00	-	R 55 000,00
T57/2019	SUPPLY & ERECT FENCING AT	PS CLEARING &	Level 1	Competitive Bids	R 61 000,00	R 61 000,00	-	R 61 000,00

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
	WAENHUISKRANS SPORTSGROU ND. SCM35-2018-19	CLEANING SERVICES						
T46/2019	SUPPLY & ERECT OF FENCING AT NAPIER CEMETERY. Q13-2018-19	BRIGHT IDEA PROJECTS 322 CC	Level 1	Price Quotations	R 107 870,00	R 107 870,00	-	R 107 870,00
T4/2019	SUPPLY & ERECT OF MODULAR LIBRARY. (SCM21-2018-19)	RICTS HOLDING S	Level 1	Competitive Bids	R 1 377 673,85	R 1 377 673,85	-	R 1 483 200,15
T70/2019	SUPPLY, DELIVERY & INSTALL OF TELEMETRY SEWER PUMP STATIONS. (Q23-2018-19)	SPECIALIS T SYSTEM ENGINEER ING (PTY) LTD	Level 3	Price Quotations	R 149 050,00	R 149 050,00	-	R 149 050,00
T87/2019	SUPPLY, INSTALLATION & MANAGEMEN T OF A STS COMPLIANT PREPAYMENT ELECTRICITY VENDING SYSTEM FOR A PERIOD OF 3 YEARS. (SCM41/2018/19)	ONTEC SYSTEMS (PTY) LTD	Level 2	Competitive Bids	R 2 500 560,00	R 2 500 560,00	-	R 2 500 560,00
T55/2019	SUPPLY,DELIV ERY & COMMISSIONI NG OF A GENERATOR.	TRACKOS PROJECTS PTY LTD	Level 4	Competitive Bids	R 147 786,50	R 147 786,50	-	R 147 786,50
T71/2019	THE EQUIPPING OF BOREHOLES IN NAPIER AND SUIDERSTRAN D. (SCM36-2018-19)	CAPE AGULHAS CIVILS CC	Level 3	Competitive Bids	R 957 165,13	R 957 165,13	-	R 957 165,13
T48/2019	THE UPGRADING OF RDP ROADS IN	MEYER BETON	Level 2	Competitive Bids	R 5 721 106,25	R 5 721 106,25	-	R 5 721 106,25

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE BID VALUE	PREMIUM PAID VALUE	EXPANSION VALUE
	BREDASDORP. SCM24-2018-19							
T68/2019	WATER BOREHOLE DRILLING AT NAPEIR SPORTSFIELD. (Q21-2018-19)	RP MOORE T/A RPM DRILLING	Non-compliant contributor	Price Quotations	R 110 058,45	R 110 058,45	-	R 110 058,45
Total					R 64 655 080,46	R 64 274 755,68	R 383 324,78	R 64 794 470,17

The following table indicates the Municipality is spending in terms of BBBEE for the financial year.

TABLE 69 SUMMARY OF BBBEE SPENDING FOR THE FINANCIAL YEAR

BEE LEVEL	TOTAL CONTRACTS	TOTAL CURRENT CONTRACT VALUE	TOTAL LOWEST ACCEPTABLE BID VALUE	TOTAL PREMIUM PAID VALUE
Level 1	29	R 32 835 630,03	R 32 346 778,95	R 383 324,78
Level 2	4	R 9 350 671,35	R 9 314 936,25	-
Level 3	6	R 1 408 182,13	R 1 408 182,13	-
Level 4	16	R 5 547 980,12	R 5 552 851,81	-
Level 8	1	R 111 241,11	R 111 241,11	-
Non-compliant contributor	18	R 15 540 765,43	R 15 540 765,43	-
Total	74	R 64 794 470,17	R 64 274 755,68	R 383 324,78

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 2018/19 financial year.

2.4.10.3 DEVIATIONS FROM NORMAL PROCUREMENT PROCESSES

The following table provides a summary of deviations approved for the 2018/19 financial year:

TABLE 70 SUMMARY OF DEVIATIONS FOR 2018/19

Number of deviations	Value of deviations
Deviations for amounts below R30 000:	
44	R582 636.47
Deviations for amounts above R30 000:	
21	R1 834 636.94
Deviations for amounts above R200 000:	
1	R287 500.00

TABLE 71 BREAKDOWN OF DEVIATIONS 2018/19

Deviations from Minor Breaches of the Supply Chain Management Policy (SCM Regulations 36 (1) (a), (i) (ii), (iii), (iv)&(v))

REASON	YTD 2017/18	YTD 2018/19
36 (1) (a) (i): Emergency	R0,00	R12 046,25
36 (1) (a) (ii): Sole Provider	R111 482,88	R300 592,55
36 (1) (a) (iii): Special Works of art	R0,00	R0,00
36 (1) (a) (iv): Animals for zoos	R0,00	R0,00
36 (1) (a) (v): Impractical or Impossible	R190 262,40	R269 997,67
BELOW R30 000		R582 636,47
36 (1) (a) (i): Emergency	R0,00	R568 603,47
36 (1) (a) (ii): Sole Provider	R182 345,32	R576 754,67
36 (1) (a) (iii): Special Works of art	R0,00	R0,00
36 (1) (a) (iv): Animals for zoos	R0,00	R0,00
36 (1) (a) (v): Impractical or Impossible	R182 326,03	R689 278,80
ABOVE R30 000		
36 (1) (a) (i): Emergency	R0,00	R0,00
36 (1) (a) (ii): Sole Provider	R0,00	R287 500,00
36 (1) (a) (iii): Special Works of art	R0,00	R0,00
36 (1) (a) (iv): Animals for zoos	R0,00	R0,00
36 (1) (a) (v): Impractical or Impossible	R0,00	R0,00
ABOVE R200 000		
36 (1) (a) (i): Emergency	R0,00	R580 649,72
36 (1) (a) (ii): Sole Provider	R293 828,20	R1 164 847,22
36 (1) (a) (iii): Special Works of art	R0,00	R0,00
36 (1) (a) (iv): Animals for zoos	R0,00	R0,00
36 (1) (a) (v): Impractical or Impossible	R372 588,43	R959 276,47
TOTAL AMOUNT OF DEVIATIONS APPROVED		

2.4.10.4 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 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 services 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.

The annual stock count took place on Wednesday 26 June 2019. No surpluses or deficits was found during the stock count.

TABLE 72 STOCK VALUE AT MUNICIPAL STORES

STORE	OPENING VALUE	PURCHASES VALUE	ISSUES VALUE	BALANCE VALUE
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Store A – Bredasdorp Stores	R 1 353 712,21	R 205 532,72	-R 118 528,57	R 1 440 716,36
Store B – Electrical Stores	R 106 470,00	R 0,00	-R 4 095,00	R 102 375,00
Store C – Struisbaai Stores	R 134 299,56	R 4 874,68	-R 28 942,25	R 110 231,99
Total value of stock	R 1 594 481,77	R 210 407,40	-R 151 565,82	R 1 653 323,35

2.4.10.5 PROCUREMENT PLAN

One of the functions of SCM is to ensure that goods, works or services are delivered to the right place, in the right quantity, with the right quality, at the right cost and the right time in a normal procurement environment.

In order to fulfil the above function, the SCM unit, together with the end-user, must apply strategic sourcing principles to determine the optimum manner in which to acquire goods, works or services. A procurement plan is compiled at the beginning of each financial year to guide the procurement of all capital expenditure. This ensures that user departments spend their budgets effectively, efficiently and economically. The procurement plan is updated following the approval of the adjustment budget.

The following is a summary of the procurement statistics for the 2018/19 financial year.

TABLE 73 PROCUREMENT STATISTICS

REQUISITIONS PER DEPARTMENT	1st Quarter 'JULY - SEPTEMBER 2018		2nd Quarter 1 October – 31 December 2018		3rd Quarter 1 January – 31 March 2019		4th Quarter 1 April – 30 June 2019		YTD SUMMARY	
	TOTAL NO	TOTAL VALUE	TOTAL NO	TOTAL VALUE	TOTAL NO	TOTAL VALUE	TOTAL NO	TOTAL VALUE	TOTAL NO	TOTAL VALUE
Finance and IT Management	25	R877 770,01	10	R364 061,84	15	R112 663,03	10	R120 224,30	60	R1 474 719,18
Infrastructure Services	46	R614 330,91	88	R3 785 345,58	42	R533 678,31	26	R437 987,93	202	R5 371 342,73
Management Services	21	R39 163,75	36	R212 170,55	38	R245 201,13	5	R8 396,55	100	R504 931,98
Office of the MM: Administration	1	R1 756,00	1	R2 400,00	0	R0,00	0	R0,00	2	R4 156,00
Office of the MM: Council and Executive Administration	6	R8 363,00	5	R38 886,78	2	R19 608,00	4	R15 817,50	17	R82 675,28
Office of the MM: HR and Organisational Development	7	R36 839,67	4	R98 890,00	2	R28 004,53	2	R9 794,00	15	R173 528,20
Office of the MM: Socio and Economic Services	7	R17 591,60	10	R17 076,48	14	R22 861,07	15	R111 670,50	46	R169 199,65
Office of the MM: Strategic and Risk Compliance Services	11	R44 246,59	4	R36 917,72	7	R22 737,65	9	R1 024 890,60	31	R1 128 792,56

	124	R1 640 061,53	158	R4 555 748,95	120	R984 753,72	71	R1 728 781,38	473	R8 909 345,58
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2.4.10.6 AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

In terms of Supply Chain Management Regulation 45, awards to close family members of persons in the service of the state must disclose particulars of awards of more than R2000 in the Annual Financial Statements. The following bids were awarded to a person who have family members in services of the state:

TABLE 74 DIRECT AWARDS TO CLOSE FAMILY MEMBERS IN SERVICE OF THE STATE (CAPE AGULHAS MUNICIPALITY)

SCM PROCESS	DESCRIPTION	AWARDED TO	RELATIONSHIP	NAME OF PERSON IN SERVICE OF THE STATE	AMOUNT PAID AS AT 30 JUNE 2019
QUOTATIONS	REPAIRS & MAINTENANCE OF ARNITON LIBRARY	DIEDERICKS CONSTRUCTION	BROTHER OF CAM OFFICIAL MR. J DIEDERICKS	MR. J DIEDERICKS	R 213 529,81
DIRECT	ARMLASTIGE BEGRAFNISSE	ADONAI FUNERAL HOME	BROTHER OF CAM OFFICIAL MR. D FREDERICKS	MR. D FREDERICKS	R 20 000,00
QUOTATIONS	CATERING & REFRESHMENTS	EE SPANDIEL	PARENT OF CAM OFFICIAL MR. H SPANDIEL	MR. H SPANDIEL	R 11 545,50
	Dinner for Local Tours (25 May 2019) - Tourism Office - May 2019	ENID BENETHA MARIE ATKINS (MAAA0775952)	PARENT OF CAM OFFICIAL MS. Tirzah Atkins	MS. Tirzah Atkins	R 2 600,00
					R 247 675,31

TABLE 75 INDIRECT AWARDS TO CLOSE FAMILY MEMBERS IN SERVICE OF THE STATE

SCM PROCESS	TENDER DESCRIPTION	TENDERER	RELATIONSHIP TO PERSON IN SERVICE OF THE STATE	NAME OF PERSON IN SERVICE OF THE STATE	EXPENDITURE TO DATE
TENDERS	PLANT HIRE FOR CONSTRUCTION PURPOSES, UPGRADING OF GRAVEL ROADS TO SURFACED STANDARD IN BREDASDORP & NAPIER, PAVING OF SIDEWALKS IN LÁGULHAS	CAPE AGULHAS CIVILS	MS. TL DU TOIT SPOUSE OF DH DU TOIT, DIRECTOR IN CAPE AGULHAS CIVILS IS IN SERVICE OF THE DEPARTMENT OF HEALTH	MS. TL DU TOIT	R 2 781 960,01
TENDERS & QUOTATIONS	COMPUTER ACCESSORIES & STATIONERY	CANFRED COMPUTERS T/A PREMIUM COMPUTERS & STATIONERS SWELLENDAM	MR. N EKSTEEN, PARENT OF BOTH SHAREHOLDERS/DIRECTORS OF PREMIUM COMPUTERS & STATIONERS SWELLENDAM IS IN SERVICE OF DENEL OTR	MR. N EKSTEEN	R 45 367,00

SCM PROCESS	TENDER DESCRIPTION	TENDERER	RELATIONSHIP TO PERSON IN SERVICE OF THE STATE	NAME OF PERSON IN SERVICE OF THE STATE	EXPENDITURE TO DATE
Q3-2018-19	SAFEGUARDING OF RECEPTION AREA AT STRUISBAAI RESORT	DC ZEEMAN T/A ALUMINIUM DESIGNS	V ZEEMAN (SPOUSE) OF OWNER IS IN SERVICES OF THE STATE (OVERBERG DISTRICT MUNICIPALITY	MS. V ZEEMAN	R 157 385,00
SCM1-2018-19	ITEM 9-12 ANNUAL STORE STOCK & SERVICES	IKAPA RETICULATION & FLOW	SPOUSE OF DIRECTOR IS EMPLOYED BY WESTERN CAPE EDUCATION DEPARTMENT (ATHLONE SCHOOL FOR THE BLIND)		R 652 264,71
SCM1-2018-19	ITEM 9-12 & 13 ANNUAL STORE STOCK & SERVICES	DEMOCRATIC PACKAGING CC	SPOUSE OF DIRECTOR V VAN DER HEEVER IS A TEACHER WCED	MS. V VAN DER HEEVER	R 227 815,00
SCM1-2018-19	ITEM 14-15 ANNUAL STORE STOCK & SERVICES	KEMANZI (PTY)LTD	J.N. DU TOIT SPOUSE OF DIRECTOR - CITY OF CAPE TOWN/ TRAFFIC SERVICES - INSPECTOR DRIVER LICENCES		R 53 910,67
SCM1-2018-19	ITEM 18 ANNUAL STORE STOCK & SERVICES	PISTON POWER CHEMICALS CC	NADIRA ANDHEE , WIFE OF UJUSH ANDHEE(DIRECTOR) IS EMPLOYED AS AN EDUCATOR IN KZN	MS. NADIRA ANDHEE	R 98 067,52
					R 4 016 769,91

2.4.10.7 MONITORING OF CONTRACTS & PERFORMANCE

The monitoring and performance of contracts was identified as an area requiring attention, and a Performance Management system for Contracts was implemented in June 2019. The performance of all vendors is now reviewed on the collaborator system.

2.4.10.8 HUMAN RESOURCES

The staff component of the Supply Chain Management unit is as follows:

- Manager Supply Chain Management
- Accountant Supply Chain Management

- Supply Chain Management Practitioner
- SCM Administrator
- SCM Buyer
- Storekeeper
- Stores Clerk x 2

SCM staff undertook the following training in 2018/19

TABLE 76 SCM TRAINING 2018/19

Training	Date	Venue
SCM Demand Management	31 Oct – 2 Nov 2018	Stellenbosch
Data Analytics	24 – 26 Oct 2018	George
Municipal Minimum Competency Level Training	June 2018 – June 2019	Anene Booysen Skills Centre
CSD, E-portal & CRA Training	13 – 14 June 2019	Worcester

2.4.10.10 PARTICIPATION IN INTERGOVERNMENTAL FORUMS

The Manager SCM’s participation in 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. The following meetings took place during the 2018/19 financial year:

- 24 August 2018 - SCM Forum
- 14 – 15 November 2018 - SCM Forum
- 25 January 2019 - SCM Audit Outcome Meeting
- 15 March 2019 - SCM Forum

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 INTRODUCTION

This document constitutes the Annual Performance Report of the Cape Agulhas Municipality for 2018/19 which has been compiled in accordance with Section 46 of the Local Government Municipal Systems Act, Act 32 of 2000. It will furthermore constitute Chapter 3 and 4 of the Municipality's Annual Report for 2018/19

This report provides an overview of the actual performance of the Cape Agulhas Municipality for the period 1 July 2018 to 30 June 2019 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 2018/19 performance as measured against the actual 2017/18 performance.

This Chapter aligns to the National Key Performance Areas (KPA's) of **basic service delivery** and **local economic development** as contained in the Local Government: Municipal Planning and Performance Management Regulations of 2001 read together with Section 43 of the MSA.

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 processes are integrated, and the 2017/18-2021/22 Integrated Development Plan was approved by Council on 30 May 2017 (Council Resolution 99/2017). The first review of the IDP for the year under review (2018/19) was approved by Council on 28 May 2018 (Council Resolution 59/2018)

3.3.1 ORGANISATIONAL PERFORMANCE MANAGEMENT

a) Top Layer SDBIP (The municipal scorecard)

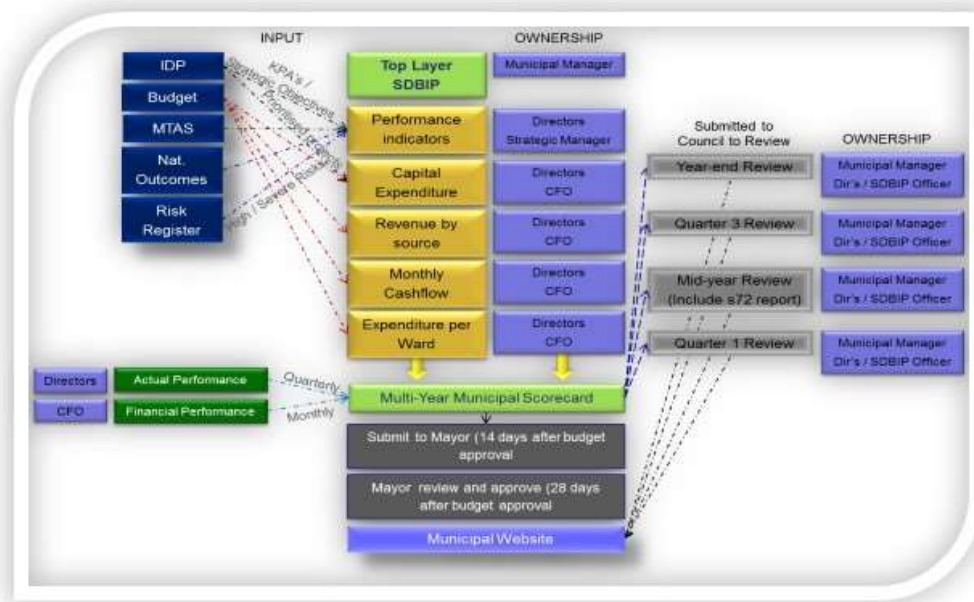
The SDBIP is a layered plan comprising a Top Layer SDBIP and Departmental SDBIPs. The Top Layer SDBIP comprises quarterly, high-level service delivery targets. It is a public document, which was approved by the Executive Mayor on 25 June 2018. Reporting on the Top Layer SDBIP is done to the Mayoral Committee 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 31 January 2019 (Council resolution 2/2019) 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 1 COMPONENTS OF THE MUNICIPAL SCORECARD



3.3.2 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.

3.3.3 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. It also requires that their performance 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 2018/19 financial year were signed by 30 July 2018, except for the newly appointed Director Infrastructure Services who signed his contract on 13 August 2018. This was within the 60 day period allowed by legislation. 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 2018 to 31 December 2018) took place on 25 February 2019 and the final evaluation of the 2018/19 financial year (1 January 2019 to 30 June 2019) will take place in November 2019

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

- Executive Mayor;
- Portfolio Chairperson;

- Municipal Manager (in case of the performance reviews of a Director);
- Chairperson of the Audit Committee;
- 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 2017/18 financial year. The mid-year performance of 2017/18 (1 July 2018 to 31 December 2018) took place in March 2018 and the final evaluation of the financial year (1 January 2019 to 30 June 2019) is 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.

3.3.4 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 2018/19

3.4.1 OVERVIEW

The Cape Agulhas Municipality has six key performance areas, which derive from the national key performance areas of local government. The 6 strategic goals and 12 strategic objectives of the Municipality align to these key performance areas.

TABLE 77 ALIGNMENT OF KEY PERFORMANCE AREAS TO STRATEGIC GOALS AND OBJECTIVES

NATIONAL KPA	MUNICIPAL KPA	STRATEGIC GOAL	STRATEGIC OBJECTIVE
KPA1: Good Governance and Public Participation	MKPA1: Good Governance and Public Participation	SG1: To ensure good governance	SO1: To create a culture of good governance
			SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality
KPA2: Municipal Institutional Development and Transformation	MKPA2: Municipal Institutional Development and Transformation	SG2: To ensure institutional sustainability	SO3: To create an administration capable of delivering on service excellence.
KPA3: Local Economic Development	MKPA3: Local Economic Development and Tourism	SG3: To promote local economic development in the Cape Agulhas Municipal Area	SO4: To create an enabling environment for economic growth and development
			SO5: To promote tourism in the Municipal Area
KPA4: Municipal Financial Viability and Management	MKPA4: Municipal Financial Viability and Management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	SO6: To provide effective financial, asset and procurement management
KPA5: Basic Service Delivery	MKPA5: Basic Service Delivery	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	SO7: Provision of equitable quality basic services to all households
			SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.
			SO9: To provide community facilities and services
			SO10: Development of sustainable vibrant human settlements
KPA5: Basic Service Delivery	MKPA6: Social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	SO11: To promote social and youth development
			SO12: To create and maintain a safe and healthy environment

The following graph provides an overview of the Municipality’s overall performance for the 2018/19 financial year. The Municipality set 47 Key Performance Indicators (KPI’s) for the financial year when the SDBIP was approved on 25 June 2018, and this number remained the same following the amendments on 31 January 2019. The Municipality met 33 (69.5%) of its targets, almost met another 4 (8.51%) and failed to meet 12 by the due date (25.53%).

FIGURE 9 PERFORMANCE PER STRATEGIC OBJECTIVE

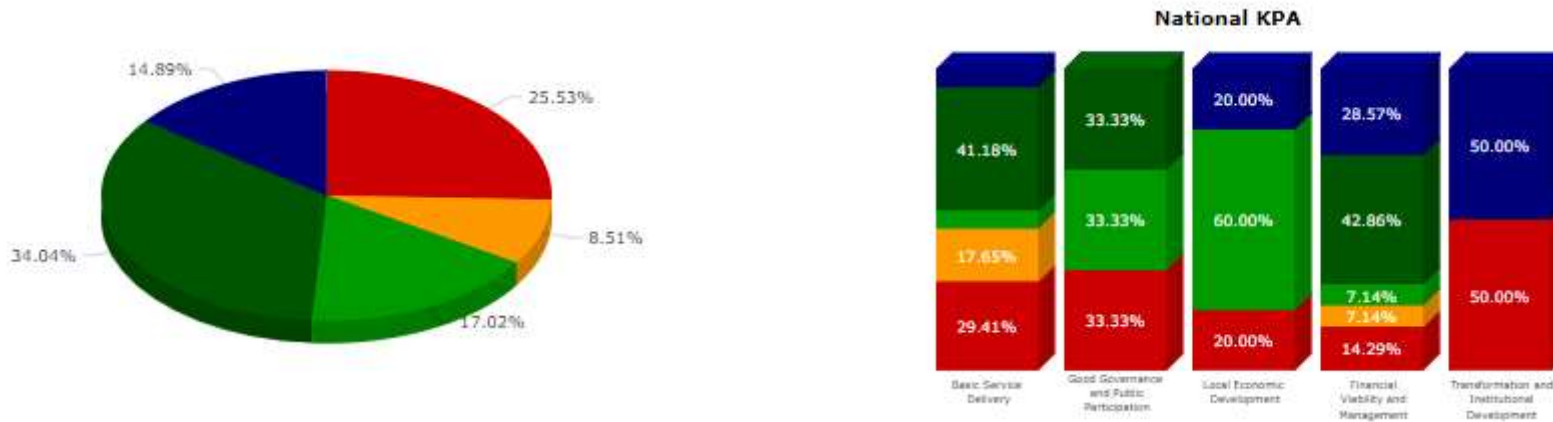


TABLE 78 PERFORMANCE PER STRATEGIC OBJECTIVE

RATING	BASIC SERVICE DELIVERY	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	LOCAL ECONOMIC DEVELOPMENT	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT
■ Not Met	5 (29.41%)	3 (33.33%)	1 (20.00%)	2 (14.29%)	1 (50.00%)
■ Almost Met	3 (17.65%)	-	-	1 (7.14%)	-
■ Met	1 (5.88%)	3 (33.33%)	3 (60.00%)	1 (7.14%)	-
■ Well Met	7 (41.18%)	3 (33.33%)	-	6 (42.86%)	-
■ Extremely Well Met	1 (5.88%)	-	1 (20.00%)	4 (28.57%)	1 (50.00%)
Total:	17 (36.17%)	9 (19.15%)	5 (10.64%)	14 (29.79%)	2 (4.26%)

3.4.2 DETAILED PERFORMANCE FOR 2018/19 PER NATIONAL KEY PERFORMANCE AREA

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 79 SDBIP MEASUREMENT CATEGORIES

RATING	CATEGORY	EXPLANATION
	KPI Not Met	0% <= Actual/Target <= 74.999%
	KPI Almost Met	75.000% <= Actual/Target <= 99.999%
	KPI Met	Actual meets Target (Actual/Target = 100%)
	KPI Well Met	100.001% <= Actual/Target <= 149.999%
	KPI Extremely Well Met	150.000% <= Actual/Target

3.4.2.1 NATIONAL KPA 1: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL9	To ensure good governance	To create a culture of public participation and empower communities to participate in the affairs of the Municipality	Development of a business plan for the Smart City Concept by 30 June 2019	Number of business plans completed by 30 June 2019	All	New KPI	1	0	0	0	1	1	G	Smart City Business plan completed on 30 September 2018.	None required.
TL23	To ensure good governance	To create a culture of good governance	95% average compliance of the drinking water quality to SANS 241 for all water supply areas for the 2018/19 financial year	% average compliance of the quarterly water test results	All	95.40%	95%	95%	95%	95%	95%	96.75%	G2	The average compliance of the quarterly water quality test results is 96.75% for the financial year	None required.
TL24	To ensure good governance	To create a culture of good governance	Update and submit the Water Services Development Plan to Council by 30 June 2019	Number of WSDP's submitted to Council by the due date	All	0	1	0	0	0	1	0	R	Water master planning had to be completed prior to the development of the WSDP.	WSDP to be drafted in 2019/20
TL25	To ensure good governance	To create a culture of good governance	65% average compliance of the Bredasdorp WWTW water quality to SANS 241 for the 2018/19 financial year	% average compliance of the quarterly waste water test results	All	55.55%	65%	65%	65%	65%	65%	66.66%	G2	The average compliance of the quarterly waste water test results is 66.66% for the financial year.	The WWTW will be upgraded during 2019/20. Design and tender documentation have been completed.
TL27	To ensure good governance	To create a culture of good governance	Prepare designs and compile tender documentation for the expansion of the Waste Water Treatment Works in Bredasdorp by 30 June 2019	Number of reports with completed design and tender specifications	2; 3; 4; 6	New KPI	1	0	0	0	1	1	G	Design and tender documentation have been completed. Tenders will be advertised during August 2019.	None required
TL31	To ensure good governance	To create a culture of good governance	Revise the Human Settlement Plan	Revised Human Settlement Plan	All	Approved later than due date	1	0	0	1	0	0	R	The Human Settlement Plan revision is in	Revised Human Settlement plan will be

CAPE AGULHAS MUNICIPALITY DRAFT ANNUAL REPORT 2018/19

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19					
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures		
			and submit to Council by 31 March 2019	submitted to Council												process but not completed. We were dependent on the availability of the Provincial Department of Human Settlements. Revised plan still needs to be workshopped with Council and then submitted for approval.	presented to council early in 2019/20.
TL37	To ensure good governance	To create a culture of good governance	Development of an infrastructure master plan for water, sewage and roads by 30 June 2019	Number of infrastructure master plans completed	All	Consultants were appointed	1	0	0	0	1	1	G	The infrastructure master plan for water, sewage and roads was completed.	None required.		
TL38	To ensure good governance	To create a culture of good governance	Implement 85% of the RBAP for 2018/19 by 30 June 2019{(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	88.80%	85%	10%	30%	50%	85%	86.60%	G2	The Risk Based Audit Plan was 86.80% completed	None required.		
TL42	To ensure good governance	To create a culture of good governance	Investigate and submit a report to Council on the financial implications of utilising a regional land fill	Number of reports submitted to Council	All	New KPI	1	0	0	0	1	0	R	There is a steering committee established comprising Provincial / District and local	Report will be submitted to Council in September 2019		







CAPE AGULHAS MUNICIPALITY DRAFT ANNUAL REPORT 2018/19

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19							
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures				
			site by 30 June 2019.																

CAPE AGULHAS MUNICIPALITY DRAFT ANNUAL REPORT 2018/19

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19							
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures				
																			Meeting convened in June for the specific purpose of approving the new indigent policy.

Summary of Results: Good Governance and Public Participation

	KPI Not Yet Measured	<i>KPIs with no targets or actuals in the selected period.</i>	0
	KPI Not Met	<i>0% <= Actual/Target <= 74.999%</i>	3
	KPI Almost Met	<i>75.000% <= Actual/Target <= 99.999%</i>	0
	KPI Met	<i>Actual meets Target (Actual/Target = 100%)</i>	3
	KPI Well Met	<i>100.001% <= Actual/Target <= 149.999%</i>	3
	KPI Extremely Well Met	<i>150.000% <= Actual/Target</i>	0
Total KPIs			9

3.4.2.2 NATIONAL KPA 2: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL35	To ensure institutional sustainability	To create an administration capable of delivering on service excellence.	Number of people from employment equity target groups employed in vacancies on the three highest levels of management in compliance with a municipality's approved employment equity plan for 2018/19.	Number of people from employment equity target groups employed in vacancies that arise in the three highest levels of management	All	0	1	0	0	0	1	0	R	The Manager Water and Sanitation was vacant during the year, and the position was offered to a candidate who was an employment equity target (Coloured female) but she declined the offer	Ongoing efforts to attract suitably qualified candidates from employment equity target groups
TL36	To ensure institutional sustainability	To create an administration capable of delivering on service excellence.	The percentage of the municipality's personnel budget actually spent on implementing its Workplace Skills Plan by 30 June 2019 in terms of the WSDL Act. {(Actual amount spent on training/total personnel budget)x100}	% of the personnel budget spent on training	All	1.37%	1%	0%	0%	0%	1%	1.57%	B	1.57% of the municipality's personnel budget was spent on implementing the work place skills plan. Personnel Budget: R 123 373 200 Amount spent on training: R193917019	None required






Summary of Results: Municipal Transformation and Institutional Development

KPI Not Yet Measured

KPIs with no targets or actuals in the selected period.

0

CAPE AGULHAS MUNICIPALITY DRAFT ANNUAL REPORT 2018/19

	KPI Not Met	<i>0% <= Actual/Target <= 74.999%</i>	1
	KPI Almost Met	<i>75.000% <= Actual/Target <= 99.999%</i>	0
	KPI Met	<i>Actual meets Target (Actual/Target = 100%)</i>	0
	KPI Well Met	<i>100.001% <= Actual/Target <= 149.999%</i>	0
	KPI Extremely Well Met	<i>150.000% <= Actual/Target</i>	1
Total KPIs			2







3.4.2.3 NATIONAL KPA 3: LOCAL ECONOMIC DEVELOPMENT

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL17	To promote local economic development in the Cape Agulhas Municipal Area	To promote tourism in the Municipal Area	Upgrade pedestrian walkway between Struisbaai and L'Agulhas by 31 December 2018	Square metres of pedestrian walkway upgraded	5	New KPI	4,000	2,000	2,000	0	0	1,660	R	1660 square meters of paving was upgraded in Struisbaai / L'Agulhas. The target of 4000 square metres was not achievable in relation to the funding available.	Provision will be made on the 2019/20 budget to complete the project.
TL32	To promote local economic development in the Cape Agulhas Municipal Area	To create an enabling environment for economic growth and development	Obtain full Blue Flag status for Duiker Street Beach Struisbaai by 30 November 2018	Number of beaches for which full blue flag status is achieved.	5	1	1	0	1	0	0	1	G	Full blue flag status achieved on 12 October 2018	None required
TL34	To promote local economic development in the Cape Agulhas Municipal Area	To create an enabling environment for economic growth and development	Create FTE's through government expenditure with the EPWP by 30 June 2019	Number of FTE's created	All	118	58	0	0	0	58	119	B	119 FTE's were created on various projects during 2018/19 through the EPWP Programme	None required.

CAPE AGULHAS MUNICIPALITY DRAFT ANNUAL REPORT 2018/19

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL39	To promote local economic development in the Cape Agulhas Municipal Area	To create an enabling environment for economic growth and development	Develop and submit business plans for phase 1 projects of the RSEP/ VPUU Programme to the Provincial Adjudication Committee for approval.	Number of projects approved by the RSEP Adjudication Committee of DEADP by 30 December 2018.	2	New KPI	1	0	1	0	0	1	G	Project proposals compiled and submitted to RESP adjudication Committee for consideration during September, and approved on 11 October 2019	None required
TL46	To promote local economic development in the Cape Agulhas Municipal Area	To promote tourism in the Municipal Area	Develop a municipal tourism strategy by 31 December 2018	Number of municipal tourism strategies submitted for approval	All	New KPI	1	0	1	0	0	1	G	The Municipal Council approved a tourism strategy on 13 December 2018. (Resolution 208/2018)	None required

Summary of Results: Local Economic Development

	KPI Not Yet Measured	<i>KPIs with no targets or actuals in the selected period.</i>	0
	KPI Not Met	<i>0% <= Actual/Target <= 74.999%</i>	1
	KPI Almost Met	<i>75.000% <= Actual/Target <= 99.999%</i>	0
	KPI Met	<i>Actual meets Target (Actual/Target = 100%)</i>	3
	KPI Well Met	<i>100.001% <= Actual/Target <= 149.999%</i>	0
	KPI Extremely Well Met	<i>150.000% <= Actual/Target</i>	1
Total KPIs			5

3.4.2.4 NATIONAL KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL8	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	The percentage of the municipality's capital budget actually spent on capital projects by 30 June 2019 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100}	% of the municipal capital budget spent	All	95.48%	95%	10%	50%	80%	95%	107.14%	G2	107,14 % of the total capital budget spent. Total Capital Budget: R34,762,184. Total Capital Spent R37,245,713.	There were expenditures provided for on the operational budget for the EEDSM Street Light Project that were capitalised at year end.
TL10	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2019 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating	% Debt to Revenue	All	7.32%	10%	0%	0%	0%	10%	11.06%	R	Debt to revenue is 11.06%	None required, the target is well below the national norm and the Municipality's long term financial plan target.

CAPE AGULHAS MUNICIPALITY DRAFT ANNUAL REPORT 2018/19

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19				
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures	
			Revenue - Operating Conditional Grant)													
TL11	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	Financial viability measured in terms of the outstanding service debtors as at 30 June 2019 (Total outstanding service debtors/ revenue received for services) (Target is maximum))	% Service debtors to revenue	All	10.47%	10%	0%	0%	0%	10%	10.27%	G2	Service Debtors to revenue is 10.27%	None required	
TL12	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2019 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure	Cost coverage	All	2.26	2	0	0	0	2	3.66	B	Service debt to revenue is 3.66	None required	

CAPE AGULHAS MUNICIPALITY DRAFT ANNUAL REPORT 2018/19

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19				
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures	
			excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))													
TL13	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	Achieve a debtors payment percentage of at least 96% by 30 June 2019 $\{((\text{Gross Debtors opening Balance} + \text{Billed Revenue} - \text{Gross Debtors closing Balance} - \text{Bad Debts Written Off}) / \text{Billed Revenue}) \times 100\}$	% debtors payment ratio achieved	All	96.50%	96%	96%	96%	96%	96%	96.29%	G2	Debtors payment rate is 96.29% as at the end of June 2019	None required	
TL15	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	95% of the roads and storm water capital budget spent by 30 June 2019 $\{(\text{Actual expenditure divided by the total approved roads and stormwater capital budget}) \times 100\}$	% of roads and storm water capital budget spent	All	97.75%	95%	76%	82%	92%	95%	94.51%	O	94.51% of the roads and storm water capital budget spent. Total Capital Budget: R16172138.00 Total Capital Spent: R15283826.68	All capital projects were completed except for the road resealing and bus shelter project, which will be completed during July 2019.	

CAPE AGULHAS MUNICIPALITY DRAFT ANNUAL REPORT 2018/19

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL20	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	95% of the approved refuse removal capital budget spent by 30 June 2019 {(Actual expenditure divided by the total approved refuse removal capital budget) x 100}	% of refuse removal capital budget spent	All	100%	95%	0%	0%	0%	95%	99.91%	G2	99.91% of the refuse removal capital budget was spent. Total Capital Budget: R2584300.00 Total Capital Spent: R2582044.61	None required.
TL21	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	95% of the approved water capital budget spent by 30 June 2019 {(Actual expenditure divided by the total approved water capital budget) x 100}	% of water capital budget spent	All	77.28%	95%	13%	75%	75%	95%	67.16%	R	67.16% of the water capital budget was spent. Total Capital Budget: R2360000.00 Total Capital Spent: R1584911.52	All capital projects were completed except the bulk water meter replacement programme which is a roll over project.
TL22	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	Limit unaccounted for water to less than 18% by 30 June 2019{(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold (incl free basic water) / Number of Kiloliters Water	% unaccounted water	All	13.80%	18%	18%	18%	18%	18%	12.13%	B	Non-revenue or unaccounted for water is 12.13% for 2018/19	None required






CAPE AGULHAS MUNICIPALITY DRAFT ANNUAL REPORT 2018/19


Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19				
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures	
			Purchased or Purified x 100}													
TL28	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	Limit unaccounted for electricity to less than 8% by 30 June 2019 {(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	6.93%	8%	8%	8%	8%	8%	6.50%	B	Unaccounted electricity is 6.50%	None required.	
TL29	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	95% of the electricity capital budget spent by 30 June 2019 {(Actual expenditure divided by the total approved capital budget) x 100} as per individual project plans	% of electricity capital budget spent	All	92.56%	95%	7%	59%	86%	95%	200.18%	B	200.18 % of the electricity capital budget spent. This figure is still provisional Total Capital Budget: R4671300.00 Total Capital Spent: R 9351033.49	There were expenditures provided for on the operational budget for the EEDSM Street Light Project that were capitalised at year end.	
TL40	To improve the financial viability of the	To provide effective financial, asset	95% of the INEP funds received spent by 30	% of the INEP funds received spent	2	98.96%	95%	6%	30%	69%	95%	100.55%	G2	The full INEP funds were spent on the electrification of	None required.	

CAPE AGULHAS MUNICIPALITY DRAFT ANNUAL REPORT 2018/19

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19					
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures		
	Municipality and ensure its long term financial sustainability	and procurement management	June 2019 for the electrification of 69 IRDP houses {(Actual expenditure divided by the total received INEP allocation) x 100}													RDP houses in Bredasdorp. The total budget spent is R1860097.91.	
TL43	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	Review the mSCOA action plan for 2018/19 and distribute to all divisions in the department by 31 July 2018	Action plan reviewed and submitted to all divisions	All	New KPI	1	1	0	0	0	1	G		The MSCOA action plan was reviewed and distributed by 30 July 2018	None required	
TL47	To improve the financial viability of the Municipality and ensure its long term financial sustainability	To provide effective financial, asset and procurement management	Spend 95% of the total approved management services capital budget by 30 June	% of budget spent	All	86.45%	95%	36%	65%	71%	95%	95.41%	G2		95.41% of the total Management Services capital budget spent. Total Capital Budget: R35328584.00 Total Capital Spent:R32464260.37	None required	

Summary of Results: Municipal Financial Viability and Management

	KPI Not Yet Measured	<i>KPIs with no targets or actuals in the selected period.</i>	0
	KPI Not Met	<i>0% <= Actual/Target <= 74.999%</i>	2
	KPI Almost Met	<i>75.000% <= Actual/Target <= 99.999%</i>	1
	KPI Met	<i>Actual meets Target (Actual/Target = 100%)</i>	1
	KPI Well Met	<i>100.001% <= Actual/Target <= 149.999%</i>	6

 KPI Extremely Well Met	<i>150.000% <= Actual/Target</i>	4
Total KPIs		14

3.4.2.5 NATIONAL KPA 5: BASIC SERVICE DELIVERY

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL1	To ensure access to equitable affordable and sustainable municipal services for all citizens	Provision of equitable quality basic services to all households	Number of formal residential properties that receive piped water that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2019	Number of formal residential properties which are billed for water or have pre paid meters	All	8772	8,772	8,677	8,677	8,772	8,772	8,805	G2	8805 formal residential properties received piped water that is connected to the municipal water infrastructure network and were billed for the service.	None required.
TL2	To ensure access to equitable affordable and sustainable municipal services for all citizens	Provision of equitable quality basic services to all households	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 2019	Number of formal residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas)	All	8991	8,991	9,033	9,033	8,991	8,991	8,904	O	8904 formal residential properties were connected to the municipal electrical infrastructure network. All households have access to electricity services, but the target was not achieved as less houses were built than anticipated, due to slower than anticipated roll out of housing programmes in Area F and H.	Monthly housing meetings with implementing agent and Provincial Department of Human Settlement to manage and monitor housing roll out.
TL3	To ensure access to equitable affordable and sustainable municipal services for all citizens	Provision of equitable quality basic services to all households	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 2019	Number of residential properties which are billed for sewerage	All	8929	8,929	8,995	8,995	8,929	8,929	8,982	G2	8982 formal residential properties were connected to the municipal waste water sanitation/sewerage network (inclusive of septic tanks) and	None required

CAPE AGULHAS MUNICIPALITY DRAFT ANNUAL REPORT 2018/19

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19					
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures		
TL4	To ensure access to equitable affordable and sustainable municipal services for all citizens	Provision of equitable quality basic services to all households	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2019	Number of formal residential properties which are billed for refuse removal	All	8914	8,914	9,614	9,614	8,914	8,914	8,960	G2	8960 formal residential properties received a once per week refuse removal service and were billed for the service	None required		
TL5	To ensure access to equitable affordable and sustainable municipal services for all citizens	Provision of equitable quality basic services to all households	Provide 6kl free basic water per month to all formal households during the 2018/19 financial year	Number of formal HH receiving free basic water	All	8772	8,772	8,677	8,677	8,772	8,772	8,805	G2	8805 households were provided with 6KL free water.	None required.		
TL6	To ensure access to equitable affordable and sustainable municipal services for all citizens	Provision of equitable quality basic services to all households	Provide 50 kwh free basic electricity per month to registered indigent households in terms of the equitable share requirements during the 2018/19 financial year	Number of registered indigent households receiving free basic electricity	All	3145	3,145	3,161	3,161	3,145	3,145	3001	O	3001 registered indigent households were provided with 50 Kwh free electricity. Less indigents were registered despite multiple efforts to encourage registration. The slower roll out of the low cost housing programme also played a role as first time home owners are regarded as indigents, and slower than anticipated housing delivery resulted in	Annual review of the Municipality's indigent policy to ensure ease of registration. Ongoing awareness campaigns to encourage indigent registration. Monthly housing meetings with implementing agent and Provincial		

CAPE AGULHAS MUNICIPALITY DRAFT ANNUAL REPORT 2018/19

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19						
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures			
TL7	To ensure access to equitable affordable and sustainable municipal services for all citizens	Provision of equitable quality basic services to all households	Provide free basic sanitation and refuse to registered indigent households in terms of the equitable share requirements during the 2018/19 financial year	Number of registered indigent households receiving free basic sanitation and refuse in terms of Councils indigent policy	All	3145	3,145	3,161	3,161	3,145	3,145	3001	O	3001 registered indigent households were provided with free basic sanitation and refuse. Less indigents were registered despite multiple efforts to encourage registration. The slower roll out of the low cost housing programme also played a role as first time home owners are regarded as indigents, and slower than anticipated housing delivery resulted in less registered indigents.	Annual review of the Municipality's indigent policy to ensure ease of registration. Ongoing awareness campaigns to encourage registration. Monthly housing meetings with implementing agent and Provincial Human Settlement to monitor housing delivery.			
TL14	To ensure access to equitable affordable and sustainable municipal services for all citizens	Development of sustainable vibrant human settlements	Provide electricity to 129 RDP houses by 30 June 2019 (INEP Funds)	Number of houses electrified	2	0	129	0	0	0	129	0	R	149 RDP sites were electrified, which was the extent of the Municipality's mandate. The electrification of the houses could not be completed due to the slower than anticipated roll out	Monthly housing meetings with implementing agent and Provincial Human Settlement to manage and			

CAPE AGULHAS MUNICIPALITY DRAFT ANNUAL REPORT 2018/19

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19					
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures		
TL16	To ensure access to equitable affordable and sustainable municipal services for all citizens	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	Reseal 70 000 square metres of roads within the municipal area by 30 June 2019	Square metres of road sealed	All	No Budget in 2017/18	70,000	0	0	0	70,000	5,933	R	5933 square metres of roads have been resealed. The target of 70 000 square metres was not achievable in relation to the funding available.	Improved planning and budgetary estimates.		
TL18	To ensure access to equitable affordable and sustainable municipal services for all citizens	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	Improve 2500 square metres of sidewalk in Bredasdorp by 31 December 2018	Square metres of sidewalk upgraded (Tar / paving)	2; 3; 4; 6	0	2,500	1,250	1,250	0	0	1,072	R	Delays were initially incurred due to non responsiveness of tenders and project was only completed after deadline. A total of 1127 square metres was paved, which was all that could be accommodated within available budget	Improved planning and budgetary estimates.		
TL19	To ensure access to equitable affordable and sustainable municipal services for all citizens	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	Construct a stormwater channel for Area F by 30 September 2018	Number of projects completed	2	New KPI	1	1	0	0	0	1	G	Storm water channel in Area F was completed.	None required.		
TL26	To create a safe and healthy	To create and maintain a safe and	Complete the equipping of boreholes in Napier and Suiderstrand by 30 June 2019	Number of boreholes equipped	1; 5	New KPI	2	0	0	0	2	3	B	The 2018/19 budget for the equipping of 3 boreholes has	None required.		

CAPE AGULHAS MUNICIPALITY DRAFT ANNUAL REPORT 2018/19

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19				
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures	
	environment for all citizens and visitors to the Cape Agulhas Municipality	healthy environment													been spent. Two boreholes in Napier and one in Suiderstrand were equipped. This project is done over 2 financial years and the boreholes will be completed by October 2019.	
TL30	To ensure access to equitable affordable and sustainable municipal services for all citizens	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	Install EEDSM Street lights	Number of EEDSM Street lights installed	All	New KPI	1,474	100	626	559	189	2,152	G2	A total of 2152 EEDSM street lights have been installed for the financial year.	None required.	
TL33	To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	To promote social and youth development	Complete the upgrading of the Waenhuiskrans Sport Facility by 30 June 2019	% of the 2018/19 MIG Allocation spent	6	New KPI	95%	3%	19%	39%	95%	100%	G2	The upgrading of the Waenhuiskrans Sport facility as provided for in the 2018/19 financial year was completed. The budget for this project which was fully spent is R1009565.00	None required.	
TL41	To ensure access to equitable affordable and sustainable municipal services for all citizens	To provide community facilities and services	Implement wheelie bin project through the purchase of wheelie bins	Number of wheelie bins purchase	All	New KPI	6,000	0	0	0	6,000	6,600	G2	6600 Wheelie bins were purchased. Project implementation in progress	None required	

CAPE AGULHAS MUNICIPALITY DRAFT ANNUAL REPORT 2018/19

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL44	To ensure access to equitable affordable and sustainable municipal services for all citizens	Development of sustainable vibrant human settlements	Implement Human Settlement Plan through the construction of 160 top structures in Area F by 30 June 2019	No of top structures completed	2	0	160	0	0	0	160	25	R	25 Top Structures were completed in Area F by 30 June 2019. Remaining houses under construction will be completed early in 2019/20. The construction of houses is done by an implementing agent with funding provided by the Province. The bulk of the funding for the financial year was utilised for internal services. Delays were also experienced as a result of a ROD arising from the EIA that required the provision of a stormwater channel.	MIG funding was successfully applied for to construct the stormwater channel. Monthly housing meetings with implementing agent and Provincial Human Settlement to manage and monitor housing roll out. Mid year review of future SDBIP targets in line with funding allocations.
TL45	To ensure access to equitable affordable and sustainable municipal services for all citizens	Development of sustainable vibrant human settlements	Implement Human Settlement Plan through the construction of 60 top structures in Area H (PHP) by 30 June 2019	No of top structures completed	2	New KPI	60	0	0	0	60	30	R	30 Top Structures were completed in Area H by 30 June 2019. Remaining houses under construction will be completed early in 2019/20. The construction of houses is done by an implementing agent with funding provided by the Province. Delays were experienced	Monthly housing meetings with implementing agent and Provincial Human Settlement to manage and monitor housing roll out. Mid year review of

Ref	Strategic goal	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2018/19				
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures	
															as approval of the project as a PHP took longer than anticipated.	future SDBIP targets in line with funding allocations.

Summary of Results: Basic Service Delivery

KPI Not Yet Measured	<i>KPIs with no targets or actuals in the selected period.</i>	0
KPI Not Met	<i>0% <= Actual/Target <= 74.999%</i>	5
KPI Almost Met	<i>75.000% <= Actual/Target <= 99.999%</i>	3
KPI Met	<i>Actual meets Target (Actual/Target = 100%)</i>	1
KPI Well Met	<i>100.001% <= Actual/Target <= 149.999%</i>	7
KPI Extremely Well Met	<i>150.000% <= Actual/Target</i>	1
Total KPIs		17

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 8o 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

The Municipal Area was delimited into six wards for purposes of 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.

3.6.1 BASIC SERVICE DELIVERY PER TOWN

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 81 BASIC SERVICE PROVISION PER TOWN 2018/19

SERVICE LEVEL	TOWN	WATER	SANITATION	ELECTRICITY	REFUSE
Formal Households with minimum service delivery	Bredasdorp	3678	4007	8904	3993
	Napier	1126	1100		1100
	Struisbaai	2528	2448		2452
	L'Agulhas	676	649		652
	Waenhuiskrans	608	604		589
	Protem	21	22		22
	Klipdale	20	20		21
	Suiderstrand	148	132	131	
All informal areas in CAM	Total Households	753	753	753	753
Households without minimum service delivery		0	0	0	0
TOTAL HOUSEHOLDS		9558	9735	9657	9713

3.6.2 BASIC SERVICE PRIORITIES AND DELIVERY PER WARD

3.6.2.1 WARD 1

Ward 1 comprises Napier, Elim, Spanjaardskloof, Houtkloof and surrounding farms

TABLE 82 CAPITAL PROJECTS OF WARD 1

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Upgrading of cemetery in Napier	April 2019	April 2019	119 241.00
Equipping of boreholes in Napier	May 2019	September 2019	499 866.70

TABLE 83 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 1

NO	PRIORITY NAME AND DETAIL	PROGRESS DURING 2018/19
1	Safety and security – CCTV cameras	Investigation and feasibility study were done. Incorporated as part of SMART City Strategy. In process with investigation (Proof of concept) to determine if it is financially viable or not.
2	Construction of bus/taxi stops	No progress to date
3	Job creation	Ongoing
4	Youth centre	CAM is liaising with Province

3.6.2.2 WARD 2

Ward 2 comprises part of Bredasdorp and Klipdale.

TABLE 84 CAPITAL PROJECTS OF WARD 2

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Fencing of Klipdale Sportsground	May 2019	May 2019	80 000.00
Construction of storm water pipeline – Area F Bredasdorp (2-year project)	July 2018	July 2019	8 561 136.48

TABLE 85 FOUR SERVICE DELIVERY PRIORITIES FOR WARD 2

NO	PRIORITY NAME AND DETAIL	PROGRESS DURING 2018/19
1	Solar geysers - Volstruiskamp and Queenstown as well as with all future construction of RDP houses	2 000 solar geysers were received from DoE. Housing department at the municipality in progress with the list of beneficiaries.
2	Tarring of streets (all 5 streets in Klipdale) and access road to Carolineville	No progress to date. Priority was communicated with Province.
3	Access bridge for cars Golf / Baatjes streets	No progress to date.
4	Housing	569 houses are being built in Area F, Bredasdorp and 158 houses in Area H

3.6.2.3 WARD 3

Ward 3 comprises part of Bredasdorp, which include the low-cost housing scheme (Kleinbegin), Zwelitsha and Simunye.

TABLE 86 CAPITAL PROJECTS OF WARD 3

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Upgrading of RDP roads	April 2019	October 2019	241 671.99

TABLE 87 FOUR SERVICE DELIVERY PRIORITIES FOR WARD 3

NO	PRIORITY NAME AND DETAIL	PROGRESS DURING 2018/19
1	Upgrading of front porch of Nelson Mandela hall (Memory wall, etc)	No progress to date. Not priority at this stage
2	Tarring of all gravel roads	In process.
3	Fence behind Simunye	In progress. Provision made in the budget.
4	Upgrading of sidewalks	No provision made in the budget

3.6.2.4 WARD 4

Ward 4 comprises part of Bredasdorp including the Central Business District, Proteem and surrounding farms.

TABLE 88 CAPITAL PROJECTS OF WARD 4

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Upgrade of Proteem roads	Jan 2019	Apr 2019	200 829.57
Upgrade of sport facilities at Glaskasteel Sport complex (2-year project)	September 2017	August 2018	409 722.17
Rehab Waste Water Treatment works	July 2018	May 2019	766 266.97

TABLE 89 FOUR SERVICE DELIVERY PRIORITIES FOR WARD 4

NO	PRIORITY NAME AND DETAIL	PROGRESS DURING 2018/19
1	Upgrading of old water and sewer systems (Viljoen, Du Toit, Kloof and Dorpsig streets)	Dorpsig is completed
2	Tarring of roads	Road in Proteem was paved.
3	Upgrading of the road on way to Swellendam until the railway as well as the road to Struisbaai.	ODM roads
4	Street lights - Proteem	Proteem is an Eskom area. CAM has an agreement with Eskom to do maintenance on the lights and not install new ones.

3.6.2.5 WARD 5

Ward 5 comprises Suiderstrand, L'Agulhas, Struisbaai and Haasvlakte

TABLE 90 CAPITAL PROJECTS OF WARD 5

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Upgrading of ablution facilities in Struisbaai North	November 2018	December 2018	180 000.00
Upgrading of tidal pools in L'Agulhas (2-year project)	July 2018	January 2019	514 322.90
Upgrading of sidewalks in Struisbaai and L'Agulhas	August 2018	November 2018	1 098 738.05

TABLE 91 FOUR SERVICE DELIVERY PRIORITIES FOR WARD 5

NO	PRIORITY NAME AND DETAIL	PROGRESS DURING 2018/19
1	Job creation	EPWP projects were rolled out in the Ward. Cleaning projects, street cleaning and access controllers at the resorts
2	Upgrade refuse site (visual impact, capacity for garden refuse, no shelter, road)	No provision in budget
3	Improve traffic flow (Circles / Additional parking). Main Road / Marine Drive.	No provision in budget
4	Youth development (Facility / Activities (Rooms for computers and ECD facilities))	Street lighting fitted in First Avenue to the Caravan Park. 50 additional HPS 70W fittings have also been fitted during the last financial year. This is an Eskom supply area and CAM only have permission for streetlight maintenance but additional lights will be fitted when the LED roll out commences, so freeing up additional HPS lights.

3.6.2.6 WARD 6

Ward 6 comprises Arniston and surrounding farms, Overberg test range, and part of Bredasdorp (Selfbou and Bergsig)

TABLE 92 CAPITAL PROJECTS OF WARD 6

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Upgrading of Sport facilities in Arniston (2-year project)	September 2018	July 2019	1 009 564.97

TABLE 93 FOUR SERVICE DELIVERY PRIORITIES FOR WARD 6

NO	PRIORITY NAME AND DETAIL	PROGRESS DURING 2018/19
1	Community Hall	No progress to date. Not a priority at this stage.
2	Bridge to connect Golf street with Baatjes street	No provision made in budget
3	Upgrading sidewalks in whole ward Paving of Steenbras, Geelstert, Krans streets)	No provision made in budget
4	Upgrading of Community Hall – Acoustics and kitchen in Arniston	No provision made in the budget

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

a) Introduction to water

The Municipality's primary water sources are ground water from various boreholes in the area, as well as the Uitvlucht Spring, Sanddrift Dam and Vleikloof Dam, which supply Bredasdorp. Additional water sources need to be investigated in the near future, especially if the Municipality wants to encourage development.

The Western Cape was severely affected by drought during the 2018/19 financial year. Although Cape Agulhas was less affected by the drought than some neighbouring Municipalities, low rainfall and declining dam levels had an impact with the Sanddrift Dam at a level of 8% by 30 June 2019. The table below provides a comparison between dam levels as at 30 June 2019 compared to 30 June 2018.

TABLE 94 DAM LEVELS AS AT 30 JUNE

2018		2019	
SANDDRIF	VLEIKLOOF	SANDDRIF	VLEIKLOOF
29%	76%	8%	75%

It became necessary to impose water restrictions during the 2018/19 financial year. Households were restricted to a consumption volume of 20 kl per month and businesses 50 kl and these restrictions are still in place.

Updating of the water master plans will enable CAM to improve water demand management and provide a greater level of control over the constraints related to limited water resources. The updated water technical information will provide improved management decision-making, enabling economic development and growth.

▪ Service delivery highlights for 2018/19

- Three new boreholes were developed in Napier and Suiderstrand.
- Updating of the Cape Agulhas Municipality water master plan.
- Hosting of the Western Cape Process Controller Awards.

▪ Service delivery challenges for 2018/19

- The peak water demand during the summer holiday season in coastal town's remains a challenge, but a pipeline between L'Agulhas and Struisbaai has been constructed to supply additional water to Struisbaai in peak demand periods.

b) 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 to 13.8% in 2017/18 to 12.13% in 2018/19. The Municipality's multi-year water meter replacement programme has contributed significantly to this decline. All bulk water meters will be replaced during 2019/20 financial year. A new pressure zone was created in Bredasdorp to reduce the number of pipe bursts in high pressure areas.

TABLE 95 UNACCOUNTED FOR WATER

YEAR	PURIFIED (KL)	LOSSES (KL)	%	RAND VALUE
2017/18	2 741 319	379 571	13.8%	766 733
2018/19	2950603	357786	12.13%	801441

▪ 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 96 ACCESS TO WATER

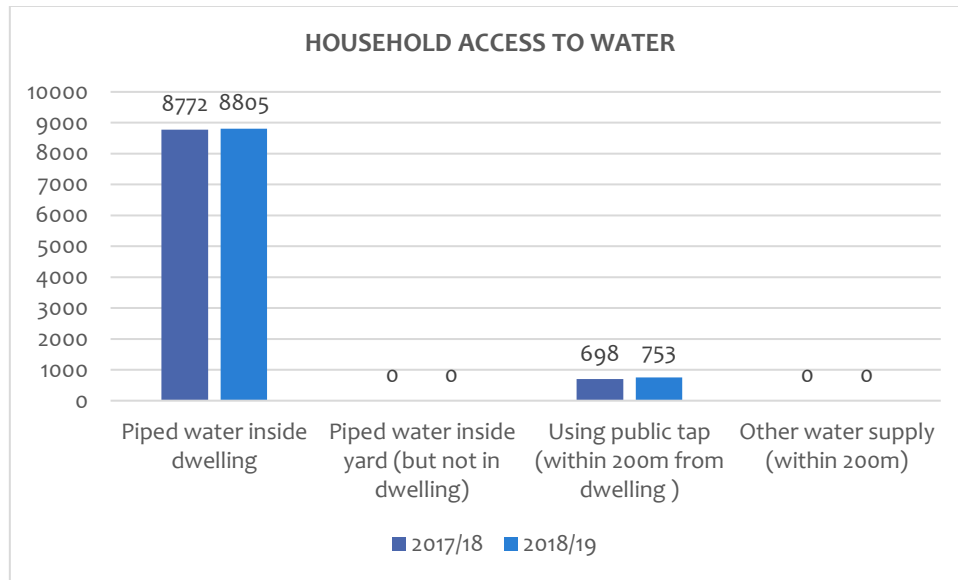
FINANCIAL YEAR	PROPORTION OF HOUSEHOLDS WITH ACCESS TO WATER POINTS*	PROPORTION OF HOUSEHOLDS WITH ACCESS TO PIPED WATER	PROPORTION OF HOUSEHOLDS RECEIVING 6 KL FREE
2017/18	7%	93%	100%
2018/19	7%	93%	100%

TABLE 8 WATER SERVICE DELIVERY LEVELS: HOUSEHOLDS

DESCRIPTION	HOUSEHOLDS	
	2017/18	2018/19
	ACTUAL NO	ACTUAL NO
Water: (above min level)		
Piped water inside dwelling	8772	8805
Piped water inside yard (but not in dwelling)	0	0
Using public tap (within 200m from dwelling)	698	753
Other water supply (within 200m)	0	0
Minimum Service Level and Above sub-total	9470	9558
Minimum Service Level and Above Percentage	100%	100%
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
	9470	9558
*Includes informal settlements		

FIGURE 10 WATER SERVICE DELIVERY LEVELS



c) Human resources

TABLE 97 EMPLOYEES WATER SERVICES

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	20	18	18	0	0%
4 to 8	15	8	7	1	13%
9 to 13	8	13	12	1	8%
14 to 18	1	1	0	1	100%
TOTAL	44	40	37	3	8%

*16 of the employees also perform the waste water function. (Superintendents and teams in Arniston and Napier)

d) Financial performance: Capital expenditure

TABLE 98 CAPITAL EXPENDITURE: WATER SERVICES

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR BUDGET
Trailers (6ft) - X6	100 000,00	-	100 000,00	99 925,00	0%

Equipment for boreholes in Napier and Suiderstrand	500 000,00	-	500 000,00	499 866,70	0%
Replace old Water Mains	1 000 000,00	180 000,00 (-)	820 000,00	568 845,01	-31%
Bulk Water Meters - Replacement	-	500 000,00	500 000,00	-	-100%
Telemetry - Bredasdorp reservoirs	150 000,00	-	150 000,00	149 045,00	-1%
Reservoir Roof Napier (Replacement & Fencing)	200 000,00	40 000,00 (-)	160 000,00	137 229,81	-14%
Telemetry – Sewer pump station (Bredasdorp & Napier)	120 000,00	10 000,00	130 000,00	130 000,00	0%
Total	2 070 000,00	290 000,00	2 360 000,00	1 584 911,52	-33%

3.7.2 SANITATION

a) Introduction to sanitation

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 and in urban areas where septic tanks are still being used. Various Waste Water Treatment Works (WWTW) are operational throughout the Municipal Area.

▪ Service delivery highlights for 2018/19

- The design for the upgrading of the Bredasdorp WWTW, increasing bulk sewer treatment capacity has been completed. The construction should commence in November 2019.

▪ Service delivery challenges for 2018/19

- The quality of the effluent from the Bredasdorp WWTW is below standard, but will improve with the envisaged upgrading.

b) Service statistics

▪ Household access to sanitation

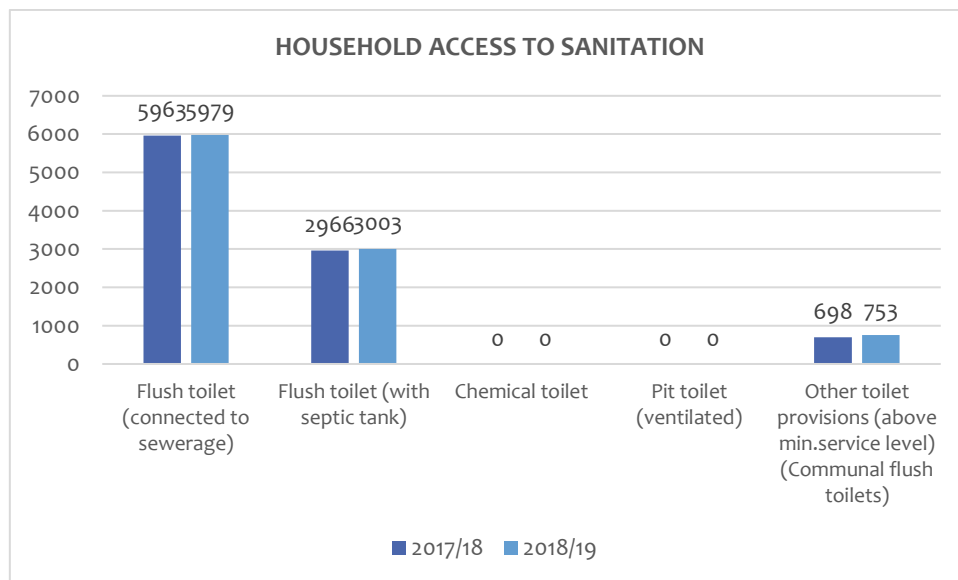
Access to minimum sanitation services is defined as a ventilated pit latrine (VIP). All urban households within the Municipality's area of jurisdiction have access to minimum sanitation levels.

TABLE 99 SANITATION SERVICE DELIVERY LEVELS

DESCRIPTION	HOUSEHOLDS	
	2017/18	2018/19

	ACTUAL NO	ACTUAL NO
Sanitation/sewerage: (above minimum level)		
Flush toilet (connected to sewerage)	5963	5979
Flush toilet (with septic tank)	2966	3003
Chemical toilet	0	0
Pit toilet (ventilated)	0	0
Other toilet provisions (above min. service level) (Communal flush toilets)	698	753
Minimum Service Level and Above sub-total	9627	9735
Minimum Service Level and Above Percentage	100%	100%
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*	9627	9735
*Includes informal settlements		

FIGURE 11 SANITATION SERVICE DELIVERY LEVELS



c) Human resources

TABLE 100 EMPLOYEES SANITATION SERVICES

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	13	20	20	0	0%
4 to 8	6	12	12	0	0%
9 to 13	1	4	3	1	25%
14 to 18	0	1	0	1	100%

TOTAL	20	37	35	2	5%
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d) **Financial performance: Capital expenditure**

TABLE 101 CAPITAL EXPENDITURE: SANITATION SERVICES

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
Rehab Waste Water Treatment Works	331 477,00	434 790,00	766 267,00	766 266,97	0%
Total	331 477,00	434 790,00	766 267,00	766 266,97	0%

3.7.3 ELECTRICITY

a) **Introduction to electricity**

▪ **Distribution areas**

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 102 ELECTRICITY DISTRIBUTION AREAS

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

▪ **Small Scale Embedded Generation (SSEG)**

The installation of SSEG projects is increasing rapidly within the Cape Agulhas Municipal supply area but has a negligible effect on electrical sales, this trend will increase with the ever-increasing tariff increases granted to Eskom and will inevitably erode the Municipality's income from electrical sales. 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. This will erode the Municipality's KWhr sales and the usage of Municipal infrastructure to be able to sell KWhr back to the Municipality must be carefully costed so as to benefit both parties in the long term, thus encouraging the uptake of renewable energy within the Municipality's area of supply. What must be borne in mind is that the Municipality must still maintain infrastructure to cater for the possible maximum demand if all SSEG fails. Approval and safe installation of SSEG installations are monitored and controlled by the CAM Electricity Services department. Cape Agulhas

Municipality is supportive of alternative energy solutions to reduce the pressure and reliance on the national grid and promoting responsible energy generation.

▪ **Service delivery highlights for 2018/19**

- Installation of 2152 LED Streetlights in Napier, Struisbaai, L'Agulhas and portions of Bredasdorp to the value of R5 000 000. The Municipality received a conditional grant from DOE for the retrofit of streetlights under their EEDSM project.
- Maintenance of street lights in the Eskom supply areas in accordance with an agreement concluded with ESKOM
- Successful application for a grant to the value of R6 000 000 from Department of Energy for a LED street light retrofit project to be rolled out in 2019/20.
- Successful application for assistance with an energy demand management system from GIZ. One of only five Municipalities in the country to be accepted, two of which are in the Western Cape.
- Electrification of the first phase of Area "F" in Bredasdorp utilising our own staff.
- Electrification of Area "H" in Bredasdorp utilising our own staff.
- Commencement of converting High Street in Napier from an ageing overhead reticulation system to underground cables.
- Distribution losses are limited to 6.5%, which when compared with the industry standard of 10% is an achievement.
- The successful application to Eskom for an upgrade of Notified Maximum Demand for Bredasdorp for an additional 2 MVA and Napier for an additional 700KVA which will enable development in the area. Eskom capacity restraints has been an issue for the past few years but will be adequate for the current five-year development plan.

▪ **Service delivery challenges for 2018/19**

- Eskom performing shutdown maintenance on weekdays and the associated difficulties of getting all communities re connected to electricity after sustained outages, due to the massive demand on capacity during a cold start. Rotational demand shedding is unfortunately unavoidable when resuming service after long outages.
- The differing service levels between the Eskom areas of supply and Municipal areas of supply
- Increasing incidents of copper theft.
- Increasing incidents of vandalism.

b) Service statistics

▪ **Unaccounted for electricity (Losses)**

The Municipality's electricity losses decreased from 7.20% in 2015/16 to 6.50% in 2016/17 and are 6.93% for 2017/18. Our unaccounted electricity remains well below the norm.

TABLE 103 ELECTRICITY LOSSES

YEAR	UNITS PURCHASED (kWh)	LOSSES (kWh)	%	RAND VALUE (APPROXIMATE)
2017/18	77 015 632	5 336 516	6.93%	3 682 196.00
2018/19	76 293 217	4 956 855.9	6.50%	3 668 073.37

▪ **Household access to electricity**

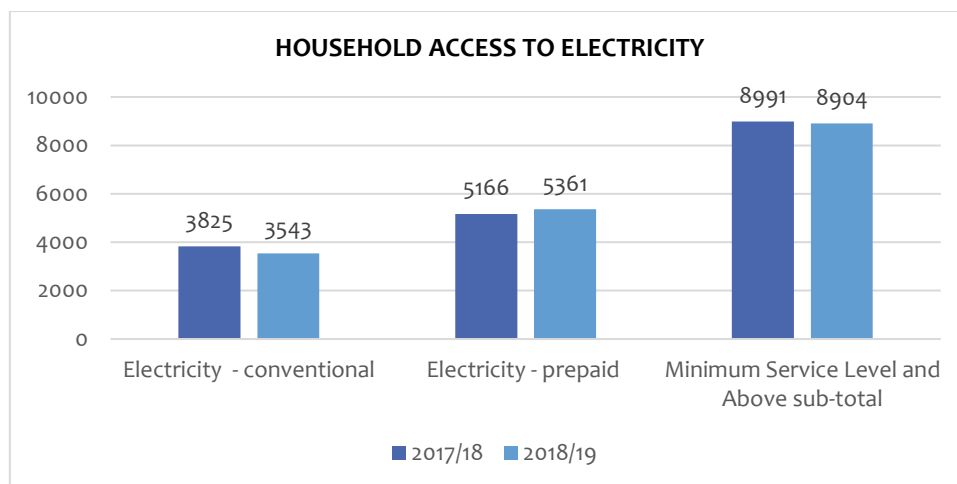
Access to minimum electricity standards is defined as an electricity connection at the dwelling. National policy also requires that poor households should receive 50kWh of free basic electricity per month. All formal households as well as households in informal settlements have access to electricity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

TABLE 104 ELECTRICITY SERVICE DELIVERY LEVELS

DESCRIPTION	HOUSEHOLDS	
	2017/18	2018/19
	ACTUAL NO	ACTUAL NO
Energy: (above minimum level)		
Electricity - conventional	3825	3543
Electricity - prepaid	5166	5361
Minimum Service Level and Above sub-total	8991	8904
Minimum Service Level and Above Percentage	100%	100%
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	8991	8904

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

FIGURE 12 ELECTRICITY SERVICE DELIVERY LEVELS



c) **Human resources**

TABLE 105 EMPLOYEES: ELECTRICITY SERVICES

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	5	5	5	0	0%
4 to 8	5	45	5	0	0%
9 to 13	10	10	9	1	10%
14 to 18	1	1	1	0	0%
TOTAL	21	21	20	1	5%

d) **Financial performance: Capital expenditure**

TABLE 106 CAPITAL EXPENDITURE: ELECTRICITY SERVICES

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
Bredasdorp - Master Plan	588 000.00	588 000.00 (-)	-	-	-
*Napier - Master Plan	455 000.00	455 000.00 (-)	-	-	-
Bredasdorp - Master Plan	-	588 000.00	588 000.00	574 905.20	-2%
Office furniture	5 000.00	-	5 000.00	4 260.75	-15%
Fluke Multimeters	12 000.00	-	12 000.00	8 000.00	-33%
20kv Megger	82 000.00	-	82 000.00	72 350.00	-12%
500kv Meggers *2	11 000.00	-	11 000.00	8 765.20	-20%
Generator	320 000.00	135 000.00 (-)	185 000.00	129 005.00	-30%

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
Switching Suits	72 000.00	-	72 000.00	70 713.58	-2%
Electrification - Informal Set	100 000.00	-	100 000.00	97 356.50	-3%
*Napier - Master Plan	-	455 000.00	455 000.00	452 530.92	-1%
Tools	20 000.00	-	20 000.00	17 292.24	-14%
Dora Project	2 000 000.00	150 000.00 (-)	1 850 000.00	1 860 097.91	1%
Change Transformers Minisubs	415 000.00	32 800.00	447 800.00	442 378.22	-1%
EEDSM Grant for Street lighting	-	-	-	4 781 452.96	100%
Replace Med/Low Volt Overheadl	843 500.00	-	843 500.00	831 925.01	-1%
Total	4 923 500.00	252 200.00 (-)	4 671 300.00	9 351 033.49	100%

The EEDM Grant for street lighting was provided for on the operational budget and capitalised during compilation of the Annual Financial Statements.

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

a) Introduction to waste management

▪ Landfill sites and drop offs

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 Bredasdorp Landfill is nearing its capacity and an investigation was commissioned on the possibility of a shared regional landfill site. The investigation suggested three options, namely:

- Regional Landfill between Bredasdorp and Swellendam
- Karwyderskraal regional landfill
- Either the Bredasdorp or Swellendam landfills to be shared

Indications are however that a regional landfill will be the most suitable option.

The data from the landfill and Drop-Off's is reported on the IPWIS system of the Department of Environmental Affairs. Internal and External audits were completed as stated in the permit conditions.

▪ Refuse collection

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

CAM is in the process of rolling out wheelie bins to each household in Cape Agulhas. The wheelie bins are replacing the black bag system and selected towns received their bins already. Collection of wheelie bins will start on 01 July 2019.

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 cleaning up of illegal dumping

▪ **Recycling**

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

▪ **Awareness**

- EPWP projects aim 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 formed part of an education programme.
- Awareness campaigns on recycling were held at business, shopping malls, schools and door to door campaigns.
- Currently CAM is busy with the awareness project to promote the implementation of the wheelie bin system.
- The National Department of Environmental Affairs and Development Planning (DEADP), made provision for 22 additional environmental staff members under the Presidential Good Green Deeds Campaign for the following positions: 1 Environmental Officer, 7 Awareness workers and 15 General workers. These workers were appointed through the EPWP initiative in the Cape Agulhas Municipal Area.

▪ **Service delivery highlights for 2018/19**

- Illegal dumping sites within Bredasdorp have been converted into community gardens.
- The community identified a need for wheelie bins, and this was investigated as part of the regional landfill site investigation. As a result, the Council budgeted for the implementation of wheelie bins throughout the Municipal Area over the course of two financial years.
- The wheelie bin project has been implemented in certain towns within Cape Agulhas and is still in process. R3million was available for the project.

▪ **Service delivery challenges for 2018/19**

- Illegal dumping is an ongoing challenge
- Costs related to the establishment of a regional landfill site

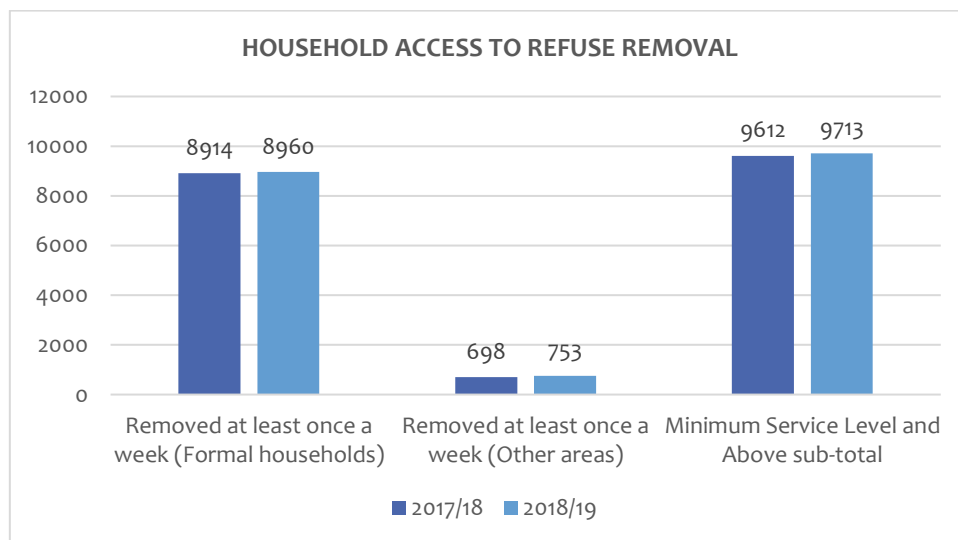
b) Service statistics

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

TABLE 107 WASTE MANAGEMENT SERVICE DELIVERY LEVELS

DESCRIPTION	HOUSEHOLDS	
	2017/18	2018/19
	ACTUAL NO	ACTUAL NO
Solid waste removal (Minimum level)		
Removed at least once a week (Formal households)	8914	8960
Removed at least once a week (Other areas)	698	753
Minimum Service Level and Above sub-total	9612	9713
Minimum Service Level and Above percentage	100	100
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	9612	9713

FIGURE 13 WASTE MANAGEMENT SERVICE DELIVERY LEVELS



c) Human resources

TABLE 108 EMPLOYEES: WASTE MANAGEMENT

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	23	22	22	0	0%
4 to 8	6	6	6	0	0%
9 to 13	1	1	1	0	0%
14 to 18	1	1	1	0	0%
TOTAL	31	30	30	0	0%

d) Financial performance: Capital expenditure

TABLE 109 CAPITAL EXPENDITURE: WASTE MANAGEMENT SERVICES

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
Wheelie Bins	3 000 000,00	425 000,00 (-)	2 575 000,00	2 572 782,61	0%
Office furniture	15 000,00	5 700,00 (-)	9 300,00	9 262,00	0%
Total	3 015 000,00	430 700,00 (-)	2 584 300,00	2 582 044,61	0%

3.7.5 HOUSING

a) Introduction to 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.

b) Cape Agulhas Municipality Human Settlement Plan

The Municipality has adopted a Human Settlement Plan in 2018, 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 2018/19 financial year:

- Planning is underway for a new mixed housing project in Bredasdorp and Struisbaai. 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 for implementation.

Projects in Implementation stages:

- Commencement of the installation of services for 683 sites in Site F Bredasdorp is currently in the construction phase of top structures. The total yield has been amended to 629 housing units, which will be a fully-fledged mixed development with affordable houses, low costs houses, for informal settlements relocation.
- Installation of Bulk Services, Area H has been completed, total yield 158 and 29 GAP Erven. Top Structures were constructed during the 2018/19 financial year.
- IRDP in Struisbaai of 441 houses (Final Basic Assessment Report has been submitted to Department of Environmental Affairs and Planning) and CAM received a positive outcome. An in-house survey was done at Oukamp, Struisbaai and the plan is to relocate qualifying beneficiaries to Struisbaai, Area A. Non-qualifiers will be given serviced sites. With this initiative, we hope to eradicate the Oukamp Informal settlement entirely.
- Finance Linked Individual Subsidy Programme Projects (GAP) was replaced by the deferred ownership module (rent-to-buy). We are currently in the planning phase and awaiting approval from the Department of Human Settlements for the funding of the project. 60 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
- Completed the Rapid Appraisal of all informal settlements and prioritisation of the informal settlements. The Department of Human Settlements appointed People's Environmental Planning (PEP) for the upgrade programme of all informal settlements within the municipal jurisdiction.
- Commenced with planning for Napier 150 houses IRDP

The biggest priority for Cape Agulhas Municipality is to reduce the number of households in the various informal settlements, and create better living conditions for back yard dwellers. Council also has a plan to start addressing the housing needs for the affordable market by looking at the deferred ownership module (Rent-to-own) and to make available serviced plots for beneficiaries earning R3501-R22000.

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 (alternatively deferred ownership).

c) Title deed restoration programme

The Municipality is participating in the Title Deed Restoration Programme. 55 Title Deeds were restored from old Housing Schemes and 151 Title Deeds was received from the Transferring Attorneys for the Struisbaai Housing Project in the financial year under review.

b) 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	9408	7.4%	753

Source: Statistics SA – Census 2011 / Informal settlement register

There are currently 3685 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)
2017/18	3685	2.57
2018/19	3635	-1.36

TABLE 112 HOUSES BUILT / STANDS SERVICED IN 2018/19

FINANCIAL YEAR	ALLOCATION R'000	AMOUNT SPENT R'000	% SPENT	NUMBER OF HOUSES BUILT	NUMBER OF SITES SERVICED
2017/18	29 764	29764	100	0	683
2018/19	29 900	29 900	100	55	230

c) Human resources

TABLE 113 EMPLOYEES: HOUSING SERVICES

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	0	0	0	0	0%
4 to 8	2	2	2	0	0%
9 to 13	1	1	1	0	0%
14 to 18	1	1	1	0	0%
TOTAL	4	4	4	0	0%

d) Financial performance

A grant to the amount of R 29 900 000 was allocated by the Western Cape Provincial Government for the planning and services during the financial year under review. The amount of R29 900 000 was spent and the following was completed:

- Planning for Site G 351 houses in Bredasdorp
- Bulk services installation for site F 629 houses in Bredasdorp
- Planning for Site A 443 houses Struisbaai
- Installation of 158 services in Site H Bredasdorp
- Planning for 150 houses and 10 GAP erven in Napier
- 30 houses in Area H
- 25 houses in Area F

3.7.6 FREE BASIC SERVICES AND INDIGENT SUPPORT
a) Introduction to free basic service delivery

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 is a range of service levels, which can be provided with the following categories typically being applied:

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

Cape Agulhas Municipality supports the indigents with the following services:

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

In accordance with the approved Indigent Policy of the Municipality, all households earning less than R4 750.00 per month will receive the free basic services as prescribed by National Policy.

b) Service statistics

The table below indicates the total number of indigent households and poor 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 R4750.00 PER MONTH							
		FREE BASIC WATER		FREE BASIC SANITATION		FREE BASIC ELECTRICITY		FREE BASIC REFUSE	
		ACCESS	%	ACCESS	%	ACCESS	%	ACCESS	%
2017/18	10 161*	3 021	29.73	3 021	29.73	3 021	29.73	3 021	29.73
2018/19	10 161	3001	29.53	3001	29.53	3001	29.53	3001	29.53

(* Figure re-stated)

TABLE 115 COST TO THE MUNICIPALITY OF FREE BASIC SERVICES DELIVERED

SERVICES DELIVERED	2017/18	2018/19			
	ACTUAL	BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
Water	3 001 041.13	2 332 000.00	2 453 300.00	2 952 012.10	498 712.10
Waste Water (Sanitation)	2 403 105.72	3 074 000.00	3 233 800.00	2 741 499.72	492 300.28 (-)
Electricity	3 979 206.60	3 712 000.00	3 905 000.00	4 641 148.66	736 148.66
Waste Management (Solid Waste)	151 910.86	86 900.00	92 100.00	102 910.35	10 810.35
TOTAL	9 535 264.31	9 204 900.00	9 684 200.00	102 910.35	753 370.83

3.8 COMPONENT B: ROAD TRANSPORT AND STORMWATER

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

3.8.1 ROADS

a) Introduction to 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. Maintenance of a good road network will place pressure on our budget over the next few years.

▪ Service delivery highlights for 2018/19

- Existing gravel roads in the Simunye RDP area in Bredasdorp have been upgraded to paved roads to the value of R 5.7 m.
- The Municipality received R 2.5 m additional funding from the MIG program due to a good expenditure record.
- The roads pavement management system has been updated and stipulates the reseal and refurbishment needs over the medium and long term.

▪ Service delivery challenges for 2018/19

- The condition of the roads network is a major concern. According to the pavement management report an amount of R 25.8 m needs to be spent over the next 2 years and an amount of R 144.3 m over the next 5 years on resealing and rehabilitation of paved roads, addressing the current backlog.

b) 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
2017/18	26.96	0	1.9	25.06
2018/19	38.10	0	1.21	25.00

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
2017/18	181.67	5.7	1.9	0	189.27
2018/19	187.65	0	0	0.62	187.65

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)
2017/18	43250	2800	710	5500	1650	1300
2018/19	0	5 700	260	0	0	1 600

c) Human resources

TABLE 119 EMPLOYEES: ROADS AND STORMWATER

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	17	18	17	1	6%
4 to 8	14	9	8	1	11%
9 to 13	10	13	12	1	8%
14 to 18	1	1	1	0	0%
TOTAL	42	41	38	3	7%

e) Financial performance: Capital expenditure

TABLE 120 CAPITAL EXPENDITURE ROADS

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
Bomag (X1)	150 000,00	-	150 000,00	-	-100%
Grinders (X4)	10 000,00	2 950,00 (-)	7 050,00	7 043,22	0%
Drill (X4)	10 000,00	4 000,00 (-)	6 000,00	5 999,74	0%
Hydraulic Play Detector plates	130 000,00	-	130 000,00	-	-100%
Compressor	80 000,00	80 000,00 (-)	-	-	-
Generator (X2)	30 000,00	4 960,00 (-)	25 040,00	25 036,35	0%
Bredasdorp RDP - Upgrade Roads	-	3 410 620,00	3 410 620,00	3 410 620,00	0%
Protem Roads	250 000,00	49 160,00 (-)	200 840,00	200 829,57	0%
Raised intersections X4	250 000,00	-	250 000,00	241 671,99	-3%

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
Bredasdorp RDP - Upgrade Suiderstrand Road	-	60 000,00	60 000,00	53 795,50	-10%
Bus Shelters X4	90 000,00	-	90 000,00	75 958,00	-16%
Sidewalks Struisbaai / L'Agulhas	800 000,00	298 738,00	1 098 738,00	1 098 738,05	0%
Furniture (Manager Supervisor)	15 000,00	2 725,00 (-)	12 275,00	12 042,82	-2%
Reseal of Roads	1 000 000,00	-	1 000 000,00	416 701,10	-58%
Sidewalks - Bredasdorp (Wards)	500 000,00	60 000,00 (-)	440 000,00	427 182,89	-3%
Industrial Road Struisbaai	1 300 000,00	570 000,00 (-)	730 000,00	747 070,97	2%
Upgrade Road to Landfill Site Bredasdorp to Struisbay	600 000,00	600 000,00 (-)	-	-	
Total	5 215 000,00	2 395 563,00	7 610 563,00	6 722 690,20	-12%

3.8.2 WASTE WATER (STORMWATER DRAINAGE)

a) Introduction to storm water

Storm water upgrading and maintenance are essential for any municipality to minimize the risk of flooding causing damage to infrastructure. Municipalities therefore have to ensure that the management of run-off of storm water is effective.

Storm water drainage is still a major challenge due to the existing backlog and inadequate storm water systems. All new roads are constructed with storm water drainage.

▪ Service delivery highlights for 2018/19

- Installation of concrete V-channels in Zwelitsha to improve Stormwater drainage.
- A storm water master plan was compiled to identify and prioritize the needs for future capital budget purposes and priority areas.

▪ Service delivery challenges for 2018/19

- Insufficient financial resources
- High risk of flooding in certain areas in Arniston and Struisbaai.

b) Service statistics

The table below shows the total kilometres of the storm water system 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
2017/18	79.3	2.59	0.4	81.89
2018/19	77.8	0	0	77.80

TABLE 122 STORM WATER INFRASTRUCTURE COST

YEAR	STORM WATER MEASURES		
	NEW (R'000)	UPGRADED (R'000)	MAINTAINED (R'000)
2017/18	1900	970	800
2018/19	0	0	Part of roads budget

c) Human resources

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	23	22	22	0	0%
4 to 8	6	6	6	0	0%
9 to 13	1	1	1	0	0%
14 to 18	1	1	1	0	0%
TOTAL	31	30	30	0	0%

d) Financial performance: Capital expenditure

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
Stormwater pipeline - Area F	7 740 625,00	415 600,00 (-)	7 325 025,00	7 324 623,61	0%
Stormwater pipeline - Area F (Own Funding)	-	1 236 550,00	1 236 550,00	1 236 512,87	0%
Total	7 740 625,00	820 950,00	8 561 575,00	8 561 136,48	0%

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

a) Introduction to 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.

▪ Second Review of the Integrated Development Plan

The second review of the 2017/18 - 2021/22 IDP took place during the financial year under review.

The IDP is reviewed annually in accordance with an assessment of its performance measurements and to the extent, that changing circumstances demand. The review process serves as an institutional learning process whereby stakeholders can meet to discuss the performance of the past year. The review is not a replacement of the 5-year IDP, nor is it meant to interfere with the long-term strategic direction of the Municipality to accommodate new whims and additional demands.

As prescribed by Section 34 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) the following is legislated:

34. Annual review and amendment of integrated development plan.

“A municipal council –

(a) must review its integrated development plan –

(i) annually in accordance with an assessment of its performance measurements in terms of section 41; and

(ii) to the extent that changing circumstances so demand; and

(b) may amend its integrated development plan in accordance with a prescribed process.”

The municipality developed an IDP and Budget Time Schedule, which serves as a “plan to plan” for the second review of the 5-year IDP of Cape Agulhas Municipality. It was adopted by Council on 31 July 2018 with resolution number 95/2018 and contains clear deliverables and specific timeframes. The purpose of the time schedule is to indicate and manage the planned activities and strategies that the municipality will follow to review the IDP.

It also co-ordinates the planning cycle between other strategic processes within the municipality such as the budget, SDBIP and the Annual Report of the municipality. Furthermore, this time schedule facilitates improved co-ordination with the planning cycles of other spheres of government. It also identifies key role players such as the local communities, ward committees and other key municipal stakeholders that must be involved in the review of the IDP through an extensive public participation process. This enhances the credibility of the review process and enables the municipality to undertake development plans and render services that are more responsive to the needs and conditions of local communities.

▪ IDP Assessment

In terms of the provisions of the Local Government: Municipal Systems Act, 2000 municipality should submit a copy of the Council approved IDP to the MEC for Local Government in the province. The MEC is tasked by legislation to assess the IDP and give comment on its alignment to government programme. The MEC comments have largely provided guidance on the preparation of the IDP.

3.9.2 SPATIAL PLANNING

a) Introduction to spatial planning

Spatial planning is the responsibility of the Town and Regional Planning section, which is mandated to manage the spatial planning of various land uses such as industrial, institutional, residential and business. The section 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.

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.).

A new Spatial Development Framework was compiled concurrently with the 2017/18 – 2021/22 Integrated Development Plan, 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.

Decreasing poverty and inequality is intrinsic in the way the SDF has been designed – communities will be closer to new and improved levels of housing, commercial and industrial areas and a chance to be walking distance from jobs, nature and urban agriculture. The SDF identifies areas where the following is needed:

- integration and restructuring
- economic growth and investment opportunities and social investment
- Infill and densification;
- Future development;
- Development corridors

It also identifies areas with existing infrastructure capacity to support integration, densification, as a way of ensuring sustainable development.

▪ **Service delivery highlights for 2018/19**

- The development of the Struisbaai Industrial area was approved. These erven will be made available through a public process.
- Various guest accommodation and business applications have been considered favourably.

▪ **Service delivery challenges for 2018/19**

- Identifying areas that need to be protected. These include natural, heritage and environmental key assets as well as agricultural and rural assets;
- Identifying areas with no infrastructure capacity for sustainable development.
- Environmental issues are not dealt with an Environmentalist, though consultants are appointed to assist with Environmental processes.
- The erosion of Roman Beach remains a challenge to deal with.
- Illegal house shops and shebeens create social problems and even regular raids / joint operations are not effective.

b) Service statistics

TABLE 123 APPLICATIONS FOR LAND USE DEVELOPMENT

DESCRIPTION	FORMALIZATION OF TOWNSHIPS		REZONING		AUTHORISED OFFICIAL		PLANNING APPEAL COMMITTEE MAYOR		MUNICIPAL PLANNING TRIBUNAL MPT	
	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19
Planning Applications received	0	0	24	27	127	160	0	2	0	3
Decisions made in previous year	0	0	24	24	127	6	0	2	0	0
Decisions made in following year	0	0	5	3	8	18	3	0	3	0
Applications withdrawn	0	0	0	0	0	0	0	0	0	0
Applications outstanding at year end	0	0	5	3	8	18	0	0	0	1

c) Human resources

TABLE 124 EMPLOYEES SPATIAL PLANNING

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	0	0	0	0	0%
4 to 8	0	0	0	0	0%
9 to 13	1	1	1	0	0%
14 to 18	3	3	3	0	0%
TOTAL	4	4	4	0	0%

d) Financial performance: Capital expenditure

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
White board	1 500,00	920,00 (-)	580,00	577,20	0%
Laptop	15 000,00	4 350,00 (-)	10 650,00	10 644,00	0%
Visitor Chairs (x2)	5 000,00	800,00 (-)	4 200,00	4 200,00	0%
Office Chairs (x1)	3 000,00	1 150,00 (-)	1 850,00	1 850,00	0%
Voice Recorder	5 000,00	-	5 000,00	4 612,50	-8%
Total	29 500,00	7 220,00 (-)	22 280,00	21 883,70	-2%

3.9.3 BUILDING CONTROL

a) Introduction to Building Control

The Building Control Department resorts within the Infrastructure Services Directorate of the Municipality. Building Control is integral to the generation of revenue for the municipality, through valuations and planning fees. A seamless process for considering building plans is a foundation for local economic development.

The mandate of the department is to ensure implementation of the National Building Regulations and Standards Act Air Quality Control and Noise Management, which in turn ensures a safe and healthy environment.

The functions of the Building Control Department are:

- Networking with the public and provide information.
- Providing recommendations on plans, specifications and documents and to receive instructions in terms of the NBR and perform them on behalf of the Municipality and take care of related matters and Legislation.
- Every building plan passes through a clearly structured sequence of well-defined milestones from the receipt of the application right through to the verdict of approval or rejection.
- Address illegal building work and signage and issuing the necessary notices for legal action.
- Building inspections as prescribed.
- Handling of correspondence and dealing with complaints.
- Issuing of occupancy certificates
- Dust control, Noise control, Air quality control.

The BCO is the local representative of the building industry, but equally represent the NBR as an enforcement officer on behalf of the minister who is responsible for the Act. Building control insure that all buildings comply with the NBR.

The following was implemented to improve the performance of the building control department:

- Monthly staff meetings
- Workshops and training of staff in terms of new legislation and policies
- Access to user-friendly data and equipment – electronic building plan register
- Consideration of building plans within two weeks of submission

▪ Service delivery highlights for 2018/19

- Systems (Ovvio) work well for the approval of building plans;
- Staff are knowledgeable;
- Tasks are completed within the prescribed time framework;
- Complaints are dealt with immediately;
- Legal requirements and processes are adhered to;
- Compliance to the Air Quality Management plan for CAM;
- Noise Control is implemented;
- Assisting the public with building plans where they cannot afford architects;
- Doing site visits and giving advice in terms of building work;
- Annual bathroom projects – provide bathrooms for very sick and old people;
- Low cost housing projects: RDP and Melon Housing projects
- Bredasdorp hosted the WC BCO Forum.

- Participation in the following forums:
 - o Member of the LGSETA (QCTO) working group developing Occupational Qualification for Building Inspectors;
 - o Member of the National Steering Committee for Building Control SA;
 - o Regional Tourism Liaison Committee (RTLIC)
 - o Overberg Planning Forum;
 - o Overberg Air Quality Control Forum;
 - o Noise Control Forum;
 - o Legislative Task Team Forum;
 - o Provincial Air Quality and Noise Management Forum;
 - o Member of the National Association for clean Air. (NACA)

▪ **Service delivery challenges for 2018/19**

- Illegal building operations
- Illegal land uses
- Cooperation with courts to address illegal building work
- Implementation of approved policies

b) Service statistics

TABLE 125 BUILDING PLANS APPROVED

YEAR	TOTAL	PLANS APPROVED
2008/2009	R251 164 845	400
2009/2010	R165 729 000	586
2010/2011	R134 658 000	401
2011/2012	R124 133 000	403
2012/2013	R124 259 000	354
2013/2014	R111 617 000	318
2014/2015	R258 951 700	468
2015/2016	R284 428 000	364
2016/2017	R353 503 000	446
2017/2018	R346 160 202	428
2018/2019	R412 647.00	402

TABLE 126 VALUE OF BUILDING PLANS

YEAR	TOTAL VALUE	RESIDENTIAL	BUSINESS / INDUSTRIAL	PLANS APPROVED
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
2017/2018	R346 160 202	428	0	428
2018/2019	R412 647.00	396	6	402

a) **Human resources**

TABLE 127 EMPLOYEES BUILDING CONTROL

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	0	0	0	0	0%
4 to 8	0	0	0	0	0%
9 to 13	4	4	3	1	25%
14 to 18	1	1	1	0	0%
TOTAL	5	5	4	1	20%

b) **Financial performance: Capital expenditure**

None

3.9.4 LOCAL ECONOMIC DEVELOPMENT AND TOURISM

The Municipality created a new Economic Development and tourism Department from 1 July 2018. Previously Cape Agulhas Tourism (CAT), an NPO, managed the tourism function on behalf of the Cape Agulhas Municipality. During 2018, the Municipality reviewed the manner in which tourism was managed, and a decision was taken by council to include tourism as a line function of Cape Agulhas Municipality with effect from 2018/19. The new Department falls within the office of the Municipal Manager.

3.9.4.1 LOCAL ECONOMIC DEVELOPMENT

a) **Introduction to local economic development**

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 updated with other internal and external strategic processes, initiatives and programmes relating to economic development. During 2017/18, this strategy was again revised and specific focus placed on implementation.

During the year under review, there was a significant shift to regional economic development. The Overberg District Municipality commenced the process of developing a Regional Economic Development Strategy (RED), and the Municipality participated in this process.

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 the main ways in which the Municipality does this is:

- **The Expanded Public Works Programme (EPWP) and Community Works Programme**
 - 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.
- **Entrepreneurship development**
 - 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

REGISTRATIONS	2017/18	2018/19
Co-operatives registered	5	8
Companies registered	17	26
Non-profit Company		2
SARS related matters	113	93
CIDB	7	9
COIDA	20	28
UIF	41	27
Supplier data bases	83	114
National Credit Regulator	0	0
Access to finance through CASIDRA/SEDA Department of small Business development	4	10

- We have partnered with various local stakeholders such as the Disabled Association, Forestry Workers, Healthgro, Elim Joinery, etc in order to capacitate them to become sustainable.
- The municipality has established street markets with steering committees in all the major towns with the necessary resources, with the view of encouraging entrepreneurship.

TABLE 128 JOBS CREATED THROUGH EPWP PROJECTS

YEAR	EPWP PROJECTS NO	JOBS CREATED THROUGH EPWP PROJECTS NO	JOBS CREATED THROUGH FTE'S NO
2016/17	20	371	52
2017/18	42	673	118
2018/19	40	512	119

The Cape Agulhas Municipality was allocated a grant of R 1 141 000.00 which was fully spent.

TABLE 129 ENTRPRENEURSHIP DEVELOPMENT

d) Rural development programmes

- **Comprehensive Rural Development Programme (CRDP)**

Cape Agulhas Municipality works with the Department of Rural Development and Land Reform and Department of Agriculture on the implementation of interventions to uplift the livelihood of rural communities through various development programme. The programme covers the rural towns of Arniston and Struisbaai as development nodes. These programmes include developing rural infrastructure, facilitating access to land for community gardens, providing support to emerging farmers, facilitating integrated development and social cohesion. The overall objective of the programme is also to address skewed ownership patterns of distribution of wealth and ownership of wealth and assets.

Over the past year, the Municipality has participated in an established Intergovernmental Steering Committee (ISC) to ensure smooth coordination of all development initiatives by various stakeholders and departments. Through the Steering Committee, many development projects have been identified for implementation this financial year and others are in various stages of completion. These projects include road rehabilitation, provision of fish farming equipment to support the fishing communities. The municipality plays a central role in assisting these fish farming communities to register cooperatives and train them as legal entities. We have also revived and empowered the Council of Stakeholders, a community non-profit organisation whose responsibility is to ensure community participation and monitoring in all development initiatives. to empower the Council.

- **Napier Small Town Regeneration Strategy**

The Municipality is also involved in a partnership initiative with South African Local Government Association to implement a Small Towns Regeneration programme in Napier. The programme is also aimed and coordinating development initiatives and mobilising resources for the development and beatification of the town and its people. The programme is coordinated through a Steering Committee, which serves as a link between the Municipality and the community. This initiative has identified projects, which need funding for implementation. Some of these projects are now part of the municipality's integrated development plan and budget processes. A farmer's support project, namely a pack shed is almost at the completion stage. This project is funded by the Department of Rural Development and Land Reform to support the local emerging farmers' cooperative operating in the area. The Municipality together with the Steering Committee has identify a potential of starting a Clothing Factory, It is now busy facilitating the registration of a non -profit making entity that will run the factory.

- **Agri- Parks**

The Municipality is also involved in the implementation of Agri-Parks programme, which is a district programme. The Municipality has ear marked land as a site for Agri-Parks initiative and projects. It also participates in the intergovernmental structure, the District Agri-parks Joint Operation Centre whose role is to coordinate and monitor the implementation of the programme across various municipalities within the district. The Agri-Parks programme is a national programme led by the Department of Rural Development and Land Reform, and the Department of Agriculture. The programme is aimed at reigniting Rural Economic Transformation in identified districts across the country. It is aimed at networking innovation systems of agro-production, processing, logistics, marketing, extension services and training within a district. The programme consists of three basic focus areas or units, which are Famers Production Support, Agri-Hubs, and Rural Urban Marketing Centres. The

future of the programme within the Province is uncertain at this stage, but as a Municipality, we have been and will remain involved.

▪ **Agricultural projects on municipal land**

The Municipality has made available pockets of communal land, which it owns to various emerging farmers groups who are organised into cooperatives. This process has assisted them to leverage support from the Department of Agriculture who provides them with farming equipment etc. Although sustainability of our emerging farmers remains a challenge, some are doing very well and can be counted as success stories to learn from. These include Napier Health Gro Vegetable Gardens, Amqhawe Farmers' Cooperative and Isivuno, Farmers Cooperative. We have also embarked on a process to determine whether each pocket of allocated land is being utilised in terms of their leasing conditions. Upon completion of the site reports a programme will be implemented to ensure maximum use of the land takes place, and to re-allocate land to other beneficiaries if necessary.

e) Regional Socio Economic Programme (RSEP)

The Municipality successfully applied to participate in the Regional Socio-Economic Programme (RSEP) and a grant of R4 000 000.00 has been approved for implementation of the project over three years commencing in 2018/19. Identification and planning for the project commenced in 2017/18. The redevelopment of the Ou Meule Street precinct is the focus of the programme.

- The first phase of the project is the construction of a container trading area over two years. The project is almost finalised and the business units will be allocated to upcoming entrepreneurs in accordance with an open process. We have submitted business plans to Province to erect more LED-units in under-developed areas.

f) Skills Development

The following skills development projects were rolled out in the term under review:

- Capacitating Forestry Workers
- Tender Readiness
- Theories of Local Economic Development
- Business planning

g) Tourism

- **Programmes and Initiatives - Community Tourism**

The municipality has organised the following events to boost tourism in our region:

- 1) Colour Fun Run – a significant number of local people and visitors participated in this fun run, the first ever held under auspices of the Municipality.
- 2) Schools Project – We introduced tourism to high school learners during a workshop, where industry-role players were guest lecturers. Participants learnt the importance of tourism in our local economy.
- 3) We have partnered and participated in the following community events: Voet van Afrika-marathon, Southern Tip Festival and the Patat Festival.

- **Skills Development**

We have hosted several training sessions in the following disciplines:

- 1) Customer Care Training
- 2) Social Media / Phone Filming Training
- 3) Dining-with-Locals Training

- **Marketing**

- 1) We have collaborated with Mercedes Benz SA in the shooting of a marketing video clip called “My favourite destination”, wherein one of our staff members has featured. Local attractions were exposed to the outside world, and this marketing video was viewed by close to 1 million people.
- 2) The Municipality has invited representatives of various tour agencies to a working holiday during which we showcased our tourist attractions, with the view of convincing the agencies to extend their tour packages to our area.
- 3) We have overhauled our social media platforms in order to reach as many possible people, and to keep them abreast of developments in our area. This includes a user-friendly website, Facebook Page and Instagram.
- 4) We have extended the distribution line of our tourism brochures to reach as many potential tourists possible.

- **Dining-with-Locals Project**

- 1) The Municipality has embarked on a programme to identify and train community members in the above concept, with the view of empowering them to provide catering to tour groups visiting the area.
- 2) The idea is also to introduce tourists to the life of ordinary people in our neighbourhoods through this programme.

- **Filming Desk**

- 1) We have established a filming desk with the aim of attracting more filming productions to our area.
- 2) A staff member was allocated to co-ordinate filming promotion.

h) Human resources

TABLE 130 EMPLOYEES LED AND TOURISM

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	0	1	1	0	0%
4 to 8	0	0	0	0	0%
9 to 13	0	3	2	1	33%
14 to 18	0	1	1	0	0%
TOTAL	0	5	4	1	20%

* The Local Economic Development and Tourism is a newly created department and therefore has no statistics for the 2017/18 financial year.

i) **Financial performance: Capital expenditure**

None

3.10 COMPONENT D: COMMUNITY AND SOCIAL SERVICES

This component includes libraries, cemeteries and human development.

3.10.1 LIBRARIES

a) Introduction to 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 131 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 Library
Protem	1	Protem Library
Klipdale	1	Klipdale Library
Elim	1	Elim Library

Libraries are an important community service, because there are limited recreational facilities in the various towns. Services are provided to old age homes and service centres for the elderly and the libraries are used extensively by school learners. We also assist school libraries with their limited collections through the outreach to Education Connection.

▪ Service delivery highlights for 2018/19

- Napier library building, which is approximately 100 years old, was repaired as dampness caused cracks and water penetrated the walls which could be a health and safety hazard for staff and risk for book material loss.
- Written confirmation was received from the Department of Cultural Affairs and Sport that they will provide conditional grant funding to set up a modular library for Elim in the 2018/19 financial year and the process was started to erect the modular library at the beginning of June.

▪ Service delivery challenges for 2018/19

- The Provincial book budget has been severely cut, but despite this, the libraries still render an excellent service and some libraries are broadening their collections through donations from private people as well as giving donations to province.

b) Service statistics

TABLE 132 SERVICE STATISTICS FOR LIBRARIES

TYPE OF SERVICE	2017/18	2018/19
Library members	10440	13 436
Books circulated	11315	178 868
Exhibitions held	220	215
Internet users	6637	2075*
Children programmes	12	82
Visits by school groups	26	43
Book group meetings for adults	20	27
Primary and Secondary book education sessions	29	3 **

* Internet users are much lower because ICT statistics must now be added to book statistics putting everything on an equal platform, and these statistics now only indicate people from outside the Municipal boundaries etc working on internet.

** It appears that there is a decline in the book education sessions, but in all children programs there's always a book education session included as part of that programme.

c) Human resources

TABLE 133 EMPLOYEES: LIBRARIES TASK LEVELS PERMANENT AND CONTRACT COUNTED 2018/19

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	1	0	0	0	0%
4 to 8	9	9	9	0	0%
9 to 13	3	3	3	0	0%
14 to 18	0	0	0	0	0%
TOTAL	13	12	12	0	0%

c) Financial performance: Capital expenditure

TABLE 134 CAPITAL EXPENDITURE: LIBRARIES 2018/19

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
Laminating Machine	1 200,00	-	1 200,00	950,00	-21%
Repairs Building Library - Napier	90 000,00	-	90 000,00	71 000,00	-21%
Total	91 200,00	-	91 200,00	71 950,00	-21%

3.10.2 CEMETERIES

a) Introduction to cemeteries

The Municipality has eight cemeteries within its Municipal Area.

TOWN / AREA	NUMBER
Bredasdorp	1
Struisbaai	2
Napier	1
Waenhuiskrans	1
Protem	1
Klipdale	1
Bredasdorp	1

- **Service delivery highlights for 2018/19**
 - Expansion of the Napier cemetery
- **Service delivery challenges for 2018/19**
 - Vandalism and theft

b) Service statistics

TABLE 135 SERVICE STATISTICS FOR CEMETERIES

TYPE OF SERVICE	2017/18	2018/19
Pauper burials	7	14
Ordinary burials	151	84

c) 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.

d) Financial performance: Capital expenditure

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
Fencing Scrapping of new road - New Napier cemetery	120 000,00	-	120 000,00	119 241,00	-1%
Total	120 000,00	-	120 000,00	119 241,00	-1%

3.10.3 HUMAN DEVELOPMENT

a) Introduction to 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 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.

▪ **Service delivery highlights for 2018/19**

- Youth Employment
 - o Appointed 4 youth to implement youth development programmes on EPWP for the 2018/2019 financial year
 - o Appointed 11 youth on the mosaic mural project at the Bredasdorp Thusong centre for a period of 3 months
- Established 7 soup kitchens
 - o Facilitated the implementation and monitoring of the 7 soup kitchens in the Municipal Area during the winter season
- Youth Development Programmes/ Projects
 - o Conducted a two-day Youth Summit with youth representatives from all over the Cape Agulhas municipal area. Information gathered from this engagement informed the content of the Cape Agulhas Youth Policy.
 - o Established a functional Youth Council which will do advocacy on youth matters.
 - o Implemented the mosaic mural project where youth received skills in mosaic art work with the goal to become entrepreneurs.

▪ **Service delivery challenges for 2018/19**

- Restructuring of the organogram impacted on the momentum and co-ordination of youth development.

b) Service Statistics

TABLE 136 SERVICE STATISTICS FOR HUMAN DEVELOPMENT PROGRAMMES

ACTIVITY	2017/2018	2018/19
Soup kitchens established or supported	7	7
Youth educated and empowered	<ul style="list-style-type: none"> - Established a functional Junior Town Council - Distribution of information for employment and study opportunities distributed amongst the youth - Conducted two Youth Leadership camps - Facilitated the process for six sports clubs to be enrolled on a 	<ul style="list-style-type: none"> - Established a functional Youth Council - Distribution of information for employment and study opportunities amongst the youth - Conducted a two-day Youth Summit where the youth in CAM expressed their concerns and possible solutions to address their challenges. The information

		gathered informed the reviewed youth policy.
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c) Human resources

TABLE 137 EMPLOYEES: HUMAN DEVELOPMENT

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	0	0	0	0	0%
4 to 8	1	1	1	0	0%
9 to 13	4	0	0	0	0%
14 to 18	1	1	1	0	0%
TOTAL	6	2	2	0	0%

d) Financial performance: Capital expenditure

TABLE 138 CAPITAL EXPENDITURE: HUMAN DEVELOPMENT

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
Plastic Chairs for Thusong Hall	10 000,00	3 700,00 (-)	6 300,00	6 300,00	0%
Tables for Thusong Hall	10 000,00	4 400,00 (-)	5 600,00	5 600,00	0%
Pop Up Banners * 3	3 000,00	-	3 000,00	-	-100%
Outdoor Benches *2 for Thusong centre	8 000,00	2 200,00 (-)	5 800,00	5 798,00	0%
Total	31 000,00	10 300,00 (-)	20 700,00	17 698,00	-15%

3.11 COMPONENT E: ENVIRONMENTAL PROTECTION

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 ensure environmental sustainability. This component includes: air and noise quality control; biodiversity coastal protection and climate change, which are programmes done in co-operation with other organs of state.

DEADP has finalised a Municipal Environmental Profile for Overberg District Municipality and the document has been given to the District for dissemination to local municipalities. The Municipal Profile provides an overview of the current environmental status quo and current challenges within Overberg District Municipality. The intention of the profile is to deepen awareness of environmental aspects within the District in order to highlight key considerations for future development planning. It covers the following thematic areas: Environmental Management Governance; Environmental Programmes; Biodiversity; Waste Management; Air Quality; Climate Risk and Vulnerability; and Climate Change Mitigation).

3.11.1 AIR QUALITY CONTROL

a) Introduction to air quality control

The Constitution defines air pollution as an executive role of local government. This imposes responsibilities on local municipalities in terms of building capacity, to ensure monitoring and enforcement of air pollution.

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 including:

- Develop an Air Quality Management Plan (AQMP) for inclusion in the Municipality's IDP; and
- 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.

Cape Agulhas Municipality has a designated Air Quality Officer and tabled its Air Quality Management Plan (AQMP) in May 2014 to Council for approval. The AQMP is aligned with the District AQMP. This plan provides a logical and holistic approach for communities, industry and government to manage air quality in the Cape Agulhas Municipal area. Cape Agulhas municipality also approved the Air Quality By-Law and Gazetted it in 2015.

- **Service delivery highlights for 2018/19**
 - Francois du Toit and Patrick Pietersen successfully completed the training in Air Quality Monitoring
 - Complaints about dust increased.
 - Air Quality awareness banners was made.
 - In process of buying an Air quality measuring monitor
- **Service delivery challenges for 2018/19**

- To implement awareness raising and education program for local schools and at the workplace.

3.11.2 NOISE CONTROL

a) Introduction to noise control

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

Noise control has become a National priority and Cape Agulhas municipality has to ensure compliance to the relevant laws.

Building Control is responsible for Noise Control, and work jointly with the ODM. They also attend meetings, handle complaints and enforcement and attend all relevant noise control training.

▪ Service delivery highlights for 2018/19

- Francois du Toit and Patrick Pietersen both successfully completed the course in Environmental Noise and Traffic Noise Control Management (Regulatory) and received their certificates.
- Noise awareness banners were created and displayed in key locations.

▪ Service delivery challenges for 2018/19

- Awareness raising at the workplace
- Education at local schools for noise control.
- Budget for procurement of noise measuring monitors, which is a leading initiative in the municipal space

3.11.3 BIO-DIVERSITY AND LANDSCAPE

Biodiversity refers to genus and 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 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.

During the year under review, the Municipality spent an amount of R60 000.00 for alien clearing and maintenance of roads and mountain bike trails on the Heuningberg Reserve.

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 channelling 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.

The Suiderstrand Slipway was listed by MEC: Local Government, Environmental Affairs and Development Planning, Anton Bredell, as an official Public Launch Site and Cape Agulhas Municipality identified as the responsible Management Body, in Provincial Gazette 7410, Provincial Notice 193/2015, on 26 June 2015. The users of this site must comply with the provisions of the general duty of care principle and the remediation stipulated in terms of section 28 of the National Environmental Management Act, 1998 (Act No. 107 of 1998), the provisions of the National Environmental Management: Integrated Coastal Management Act, 2008 (Act No. 24 of 2008) as well as all other relevant legislation.

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 compounded 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:

- Longer dry periods between rainfall events.
- Shifts in seasonality.
- Change of weather patterns.
- Rise in sea levels such as those seen at Struisbaai. The Cape Agulhas coast has several areas that have been identified as being susceptible to sea level rise due to climate change.

All this puts food security in danger, although wheat and grain production in the Overberg is likely to be less effected by global climate change than other production areas.

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.

The Department of Environmental Affairs in collaboration with the South African National Biodiversity Institute (SANBI) has also developed a Strategic Framework and Overarching Implementation Plan for EbA (i.e. the EbA Strategy) in 2015. The Strategy is aimed at implementing a programme of activities that will enhance the resilience of ecosystems and communities to adapt to the adverse effects of climate change as part of South Africa's overall climate change adaptation strategy in support of a long-term, just transition to a climate-resilient economy and society.

3.12 COMPONENT F: SAFETY AND SECURITY

This component includes traffic services (including law enforcement and licencing), disaster management and fire services. Safety and security are the responsibility of the Protection Services Department, of the Management Services Directorate.

The Department is committed to serving the needs of its diverse community and constantly strives to improve its standing within the community it serves and the profession itself. The 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;
- Acting to reduce the effects of a disaster;
- Implementing measures to reduce long-term risks associated with human activity or natural events.

3.12.1 TRAFFIC SERVICES, LICENSING AND LAW ENFORCEMENT

a) Introduction to 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.
- Law Enforcement
 - Attend to complaints regarding animals, hawkers, overgrown erven and other by-law offences;
 - Educate the community about the safekeeping 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.
- Licensing
 - Drivers testing and licensing;
 - Vehicle fitness;
 - Motor vehicle registration/licensing
 - Managing traffic fines by processing it on internal systems, which ensure that all processes are followed.

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.

▪ **Service delivery highlights for 2018/19**

- Licensing
 - Struisbaai office has been upgraded with a NaTIS satellite station to process vehicle license renewals, payments of fines and enquiries.
 - The appointment of the Natis Helpdesk Clerk in the Licensing Section ensures a faster more efficient client service function. It ensures that licensing transactions run smoothly and less queuing time due to incomplete forms or absentness of prescribe documents.
- Law enforcement - Animal Control
 - Wellness day at Elim, Bredasdorp and Arniston
 - One sterilization project was conducted in Arniston for cats and dogs in co-operation with organisation called Enviro Vet and Cape Agulhas municipality also gave a donation towards the project. A total of 77 animals was sterilized.
 - Animal Control had a successful snake capture season.

▪ **Service delivery challenges for 2018/19**

- Safety and Security Challenges
 - The department experiences challenges during the festive season period December /January with overcrowded beach areas such as Duiker Street, Nostra beachfront and parking areas with day campers. More law enforcement officers are needed during the holiday season to assist with the large numbers of holidaymakers and vehicles within our coastal towns.
 - More facilities for day campers.
- Licensing Section Challenges
 - A larger waiting area is needed for the clients waiting for transaction to be process.

- Law enforcement - Animal Control
 - o A fully functional pound is needed for all types of animals.
 - o Staff shortages

b) Service statistics

TABLE 139 TRAFFIC SERVICES AND LAW ENFORCEMENT AVAILABILITY

DETAIL	2017/18	2018/19
Number of Traffic and Law Enforcement Officers in the field on an average day	22	27
Number of Traffic and Law Enforcement Officers on duty on an average day	22	34
Number of EPWP Law Enforcement Officers in the field on an average day	12	23
Number of K53 Examiners of Drivers Licenses and Examiners of Vehicles on duty on an average day	4	4

TABLE 140 TRAFFIC SERVICES AND LAW ENFORCEMENT SERVICE STATISTICS

SERVICE	DESCRIPTION	2017/18	2018/19
Traffic	Number of road traffic accidents during the year	771	412
	Fines issued for traffic offenses	30588	47249
	R-value of fines	11 948 400	18 101 900
	Roadblocks held	160	169
	Special Functions – Escorts	108	119
Law enforcement	Awareness initiatives on public safety	14	9
	Number of by-law infringements attended to	847	135
	Animals impounded	51	29
	Number of Animals handled	1753	1700
Licensing	Motor vehicle licenses processed and registration	28396	18497
	Learner driver licenses processed and issued	1544	2021
	Driver licenses processed	2426	3217
	Driver licenses issued	5003	2719

c) Human resources

TABLE 141 EMPLOYEES: TRAFFIC AND LAW ENFORCEMENT

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	0	1	1	0	0%
4 to 8	3	3	3	0	0%
9 to 13	19	22	21	1	5%
14 to 18	0	1	1	0	0%
TOTAL	22	27	26	1	4%

d) Financial performance: Capital expenditure

TABLE 142 CAPITAL EXPENDITURE: TRAFFIC AND LAW ENFORCEMENT AND LICENCING

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
Zippels	100 000,00	-	100 000,00	99 722,18	0%
Note Counter	3 000,00	1 280,00 (-)	1 720,00	1 715,00	0%
Renovating of Vehicle testing area	20 000,00	20 000,00 (-)	-	-	-
Buildings - Renovation of reception area (Entrance)	60 000,00	40 000,00	100 000,00	-	-100%
Total	183 000,00	18 720,00	201 720,00	101 437,18	-50%

3.12.2 DISASTER MANAGEMENT

a) Introduction to 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 28 May 2019, Resolution 91/2019. 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 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.

b) Service statistics

TABLE 143 SOCIAL ASSISTANCE PROVISION STATISTICS

SOCIAL ASSISTANCE DESCRIPTION	2017/18	2018/19
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Total number of families assisted during disasters / incidents	215	76
Number of people receiving social assistance	72	14
Number of people receiving assistance with accommodation	35	3
Number people receiving assistance with structure material after fires	52	19
Number people receiving assistance with plastic sheeting to mitigate leaking structures	110	57

3.12.3 FIRE SERVICES

a) Introduction to 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 Management Services Directorate.

a) Introduction to sport and recreation

The Municipal Area currently has 20 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 campsites / 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.

- **Service delivery challenges for 2018/19**
 - Vandalism and theft at all municipal buildings
 - Security is a challenge at all municipal buildings

b) Service statistics

TABLE 144 SPORT AND RECREATION SERVICE STATISTICS

Type of service	2017/18	2018/19
Community parks		
Number of parks with play park equipment	20	21
Number of wards with community parks	6	6
Camp sites/Resorts		
Number of visitors per annum	99 000	101 000
R-value collected from visitation and/or accommodation fees	R6 966 651.69	R6 766 721.99
Sport Grounds / Fields		
Number of wards with sport fields	6	6
Number of sport associations utilizing sport fields	10	10
Community halls		
Number of wards with community halls	6	6
Number of sport associations utilizing community halls	10	11
R-value collected from rental of sport halls	R158 621.47	R138 281,57

c) Human resources

TABLE 145 EMPLOYEES: SPORT AND RECREATION

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	9	9	9	0	0%
4 to 8	32	29	28	1	3%
9 to 13	13	15	15	0	0%
14 to 18	1	1	1	0	0%
TOTAL	55	54	53	1	2%

d) Financial performance: Capital expenditure

TABLE 146 CAPITAL EXPENDITURE: SPORT AND RECREATION

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
Office Equipment / Furniture	10 000,00	2 050,00 (-)	7 950,00	7 928,70	0%
Furniture - Community Halls	60 000,00	46 650,00 (-)	13 350,00	12 427,61	-7%
Air conditioners (Replacement) x3	40 000,00	9 880,00 (-)	30 120,00	30 113,04	0%
Chipper Model 12XP	600 000,00	17 120,00 (-)	582 880,00	580 000,02	0%
Playpark - Public Open spaces (Hibiscus avenue)	150 000,00	20 680,00 (-)	129 320,00	129 320,00	0%
Rucksack sprays X2	5 000,00	1 910,00 (-)	3 090,00	3 087,00	0%
3 x FS450 Brush cutter	10 000,00	2 230,00 (-)	7 770,00	7 760,50	0%
Beautification of entrance to towns	200 000,00	-	200 000,00	199 874,90	0%
Sport facility - Fencing of Klipdale sport ground	80 000,00	25 000,00 (-)	55 000,00	55 000,00	0%
Floodlight - Struisbaai Sport complex	120 000,00	-	120 000,00	105 675,36	-12%
Sport facility: Fencing Park Street Sport complex	100 000,00	73 900,00 (-)	26 100,00	26 054,54	0%
Sport facility - Waenhuiskrans	1 009 565,00	-	1 009 565,00	1 009 564,97	0%
Upgrade sports academy	108 000,00	355 200,00	463 200,00	409 722,17	-12%
Access Control / Booms (All resorts)	230 000,00	-	230 000,00	230 000,00	0%
Furniture at Resorts	100 000,00	40 100,00 (-)	59 900,00	59 888,19	0%
Upgrading of Ablution facilities (Resorts / Camping sites)	250 000,00	188 200,00 (-)	61 800,00	61 766,00	0%
Safeguarding of Receptionist area (Struisbaai)	100 000,00	23 900,00 (-)	76 100,00	76 086,96	0%
Ablution facility Struisbaai	200 000,00	20 000,00 (-)	180 000,00	180 000,00	0%
Upgrading of Large Tidal Pool	550 000,00	35 670,00 (-)	514 330,00	514 322,90	0%
Total	3 922 565,00	152 090,00 (-)	3 770 475,00	3 698 592,86	-2%

3.14 COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes Executive and Council, Municipal Managers Office and Financial and ICT Services

3.14.1 EXECUTIVE AND COUNCIL**a) Introduction to 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 Planning and Administration, Human Resource and Organisational Development and Socio –economic Divisions as well as the Internal Audit Unit. The activities of these divisions are detailed under Governance (Chapter 2) and Organisational performance (Chapter 4).

b) Human resources

TABLE 147 EMPLOYEES: EXECUTIVE AND COUNCIL

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	1	0	0	0	0%
4 to 8	6	6	6	0	0%
9 to 13	13	13	12	1	8%
14 to 18	3	3	3	0	0%
TOTAL	23	22	21	1	5%

c) Financial performance: Capital expenditure

TABLE 148 CAPITAL EXPENDITURE: EXECUTIVE AND COUNCIL

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
Branding Material for Mayors Office	3 400,00	15 000,00	18 400,00	-	-100%
Desk	2 000,00	200,00 (-)	1 800,00	1 800,00	0%
chairs	2 500,00	900,00 (-)	1 600,00	1 600,00	0%
Desk	1 500,00	50,00 (-)	1 450,00	1 450,00	0%
Table (x2)	15 000,00	5 100,00 (-)	9 900,00	9 900,00	0%
Chairs	15 000,00	600,00 (-)	14 400,00	14 400,00	0%
Fridge	3 500,00	850,00 (-)	2 650,00	2 643,48	0%
Microwave	1 000,00	1 000,00	2 000,00	1 387,83	-31%
Urn (10 Litre) X2	3 000,00	560,00 (-)	2 440,00	2 434,78	0%
Computer Software - Teammate Audit Pares	-	151 000,00	151 000,00	-	-100%
Whiteboard Magnetic Aluminium Frame 1200mm X 1500mm	1 500,00	260,00 (-)	1 240,00	1 235,00	0%

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
Desk	4 000,00	-	4 000,00	-	-100%
Wall Banner	7 500,00	1 200,00 (-)	6 300,00	6 300,00	0%
White board	1 000,00	250,00 (-)	750,00	747,83	0%
Panel Heaters (3)	1 500,00	510,00 (-)	990,00	989,65	0%
Laminating machine (A3)	1 300,00	170,00 (-)	1 130,00	1 130,44	0%
Pull-up banners X6	2 100,00	-	2 100,00	1 400,00	-33%
Informal Trading Area 272/2015	500 000,00	-	500 000,00	29 389,20	-94%
RSEP Grant - Informal Trading Area 272/2015	-	1 000 000,00	1 000 000,00	802 920,00	-20%
Mail Archiving	120 000,00	120 000,00 (-)	-	-	
Collab - Software	-	145 000,00	145 000,00	144 787,50	0%
Chair	4 000,00	-	4 000,00	3 703,70	-7%
Office Equipment - Franking Machine	-	45 000,00	45 000,00	-	-100%
Community Centre - Stand 891, Struisbaai	-	551 100,00	551 100,00	551 062,00	0%
Total	689 800,00	1 777 450,00	2 467 250,00	1 579 281,41	-36%

3.14.1.1 ADMINISTRATION

a) Introduction to property administration

The Administration Department is responsible for Property Administration, Record keeping and Archiving as well as Committee Services

▪ Property management

The main function is to manage municipal owned immovable property, excluding social/low cost housing properties. This entails the management of the processes associated with the sale, buying and leasing of municipal immovable property as well as the administration of the valuation appeal board. The activities of this unit are key to the financial viability of the Municipality. During the year under review, the municipality sold properties. The municipality also bought one property in Struisbaai for the use of a community centre to address training needs for the amount of R511 000.

New lease agreements were concluded for several properties and further leases agreements were extended. During the land audit conduct, several properties were identified for submission to council to put into the market to sell, after discussion the needs on the Development Summit during September 2019. This property includes small holdings, Industrial erven, business as well as residential property. All the existing pieces of land of the commonage, are managed through the contract process and contract evaluation take place. Council is renting two buildings that are used as offices.

The Valuation Appeal Board was appointed by the Minister of Local Government in terms of the Municipal Property Rates Act, No 6 of 2004, for the period 1 March 2018 to 28 February 2022.

▪ **Record keeping and archiving**

All records in CAM are kept in line with the Provincial Archives and records services of the Western cape Act, 2005 (Act 3 of 2005). A full audit was completed by National and Provincial Archives where they look at current file plan, Record Management Policy and Procedure manual, Records Control Schedules, Electronic Record Management Systems (Collaborator). They further approve the Systematic Disposal Program, the Control Register for the Management of Records, the protection of damaged records and the records storage areas. Council have about 489 linear meters of storage areas. The Audit findings were “**Transformational – at a level 5.** (The levels are: LEVEL 1 – Start-up level, LEVEL 2-Developmental stage, LEVEL 3-minimally compliant, LEVEL 4 Compliant, and LEVEL 5-Transformational.)

▪ **Committee services**

All agendas and Minutes for Council, Mayoral Committee and Portfolio Committees were distributed in the pre-determined time. Council adheres to the approved Year Planner with minimum deviations. Additional information in respect of meetings will appear in Chapter 2 of the Annual Report.

3.14.1.2 HUMAN RESOURCE AND ORGANISATIONAL DEVELOPMENT SERVICES

a) Introduction to human resource and organisational development services

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. The activities of this section are detailed under Organisational Performance (Chapter 4).

- Organisational development highlights for 2018/19
 - Finalisation of the Organisational Productivity Assessment: Employee Utilisation
 - Upskilling of the Semiskilled & Unskilled Labour through the Recognition of Prior Learning (RPL)
 - A functioning Skills Centre with a Youth Skills Development unit
 - Implementation of the Online Employee Support Service –ESS
 - Piloting, Integration of Biometric time and attendance linked to the electronic payroll system –PAYDAY
 - Full Functioning Top Management Structure through innovation, attraction of scarce & critical skills and employment strategies.
 - 2014-2019 we have appointed 55 EPWP workers on permanent bases through our recruitment and selection processes.
 - Timeous management of unsatisfactory behaviour led to sound labour relations in the workplace.

- **Organisational development challenges for 2018/19**
 - Budget allocated for employment equity purposes
 - Employment Equity target compromised due to scarcity of skills needed locally.
 - Managing Performance, a work in progress as capacitating of management continues.
 - Sourcing of Disabled workers.
 - In Occupational Health Safety we are still experiencing Behavioural Challenges.

b) Human resources

TABLE 149 EMPLOYEES: HUMAN RESOURCES

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	0	0	0	0	0%
4 to 8	4	3	2	1	33%
9 to 13	12	14	14	0	0%
14 to 18	1	1	1	0	0%
TOTAL	17	18	17	1	6%

3.14.2 FINANCIAL SERVICES

a) Introduction to 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.

Full details of the Municipality's financial performance will appear in Chapter 5 of the Annual Report

b) Human resources

TABLE 150 EMPLOYEES: FINANCE

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	1	0	0	0	0%
4 to 8	13	13	12	1	8%
9 to 13	30	29	29	0	0%
14 to 18	4	4	4	0	0%
TOTAL	48	46	45	1	2%

c) Financial performance: Capital expenditure

TABLE 151 CAPITAL EXPENDITURE: FINANCE

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
Vesta - Financial System	250 000,00	-	250 000,00	250 000,00	0%
Steel cabinet 4 drawers (X2)	5 000,00	1 000,00 (-)	4 000,00	4 000,00	0%
Desk Calculator (x2)	1 600,00	350,00 (-)	1 250,00	1 212,45	-3%
Office Chairs (x2)	6 500,00	1 500,00 (-)	5 000,00	4 990,00	0%
Air conditioners (Struisbaai Stores)	7 500,00	-	7 500,00	7 500,00	0%
Heavy Duty High back chair	7 000,00	2 000,00 (-)	5 000,00	4 990,00	0%

Total	277 600,00	4 850,00 (-)	272 750,00	272 692,45	0%
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3.14.3 INFORMATION COMMUNICATION TECHNOLOGY

▪ Introduction to Information Communication Technology

Reliance and integrity are one of the key focus areas for ICT this past year.

In previous years we focused a lot of our intention on implementation of infrastructure, such as networks, the hosting environment and access control (both physical and system). Thereafter we shifted our attention to governance of which the infrastructure components played a vital role.

As part of the governance focus as previously mentioned a lot of investigation and audits were done to determine the maturity of the Municipal ICT environment. One of the key dependencies identified was the role ICT had to play in protection of Municipal data and information.

Although we still had to focus on infrastructure and governance, security, data integrity and availability as well, security was high on the Agenda this year for this division.

We did extensive upgrades and new roll outs to address some of the identified security risks and planning and implementations for the 2019/2020 book year is underway.

With the approval of Smart City Strategy by Council in the 2017/2018 book year, a lot of planning and drafting of specifications were done on the first phase of the Smart City roll out.

A Service Provider were appointed in June 2019 and planning around the establishment of networks is already underway. The first phase will be for the roll out of a CCTV solution as well as limited Public Wi-Fi. These installations will happen over the span of the next 3 book years while other considerations related to the Smart City Strategy will also be addressed.

In addition to the CCTV and Wi-Fi, Cape Agulhas Municipality in cooperation with Western Cape Province and other Municipalities in the Western Cape is busy with the planning of developing a Citizen engagement Application (App) to enhance communication and service delivery to the public. Some key focus areas as identified in the Municipal Strategic session at the end of 2018 were also addressed by establishing an ICT Training Centre in the Anene Booysen Skill Centre that can be utilized for both internal as well as external training, with Wi-Fi availability as well.

With due cognizance of the above, the goal of ICT in the Municipality is to not only support officials, systems and infrastructure in the organization to deliver services to the Communities, but also to add value to the IDP and the requests received from the public during these named IDP engagements.

▪ Service delivery highlights for 2018/19

- Completion of **Disaster Recovery** site and approval of ICT Disaster Recovery plan
- Establishment of **ICT Skills training centre**.

- Appointment of Service Provider for first phase of **Smart City** Project.
- **ICT Security enhancement**
- **Cyber Security awareness Training** of Municipal staff

▪ **Service delivery challenges for 2018/19**

- Network and cyber threats took a lot of time and management
- Drafting of specifications of first phase of Smart City Strategy implementation
- Availability of enough human resources to meet goals as set in ICT and Smart City Strategies
- Loss of UPS at Main Data Centre providing backup power in event of power failure to Municipal Information Systems

a) **Human resources**

TABLE 152 EMPLOYEES: ICT

JOB LEVEL	POSTS 2017/18	POSTS 2018/19	EMPLOYEES	VACANCIES	VACANCIES (%)
0 to 3	0	0	0	0	0%
4 to 8	0	0	0	0	0%
9 to 13	3	4	3	1	25%
14 to 18	1	1	1	0	0%
TOTAL	4	5	4	1	20%

b) **Financial performance: Capital expenditure**

TABLE 153 CAPITAL EXPENDITURE: ICT

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	FULL YEAR TOTAL BUDGET	ACTUAL SPENT	VARIANCE TO FULL YEAR TOTAL
Office Equipment - Air Conditioner	-	14 250,00	14 250,00	14 250,00	0%
New PC's	16 000,00	8 480,00 (-)	7 520,00	7 520,00	0%
Time Attendance and Access Control – Boom gates	120 000,00	-	120 000,00	120 000,00	0%
UPS small (Offices)	15 000,00	84,00(-)	14 916,00	14 916,00	0%
Access Points - Network	45 000,00	5 643,00 (-)	39 357,00	39 357,00	0%
Network Replacement LAN	150 000,00	-	150 000,00	149 246,53	-1%
Replacement - UPS (40 kVa 3 Phase)	-	135 000,00	135 000,00	134 600,00	0%
Furniture - Cabinet	-	3 000,00	3 000,00	2 500,00	-17%
Computer Equipment -	-	180 000,00	180 000,00	177 478,01	-1%

Annene Skills Centre					
Furniture - Chair	-	5 800,00	5 800,00	5 800,00	0%
Rack mount UPS	20 000,00	6 600,00	26 600,00	18 544,00	-30%
Smart city project	750 000,00	-	750 000,00	748 949,84	0%
Smart city project	750 000,00	750 000,00 (-)	-	-	
New Laptops	15 000,00	3 550,00 (-)	11 450,00	11 450,00	0%
Switch POE	140 000,00	17 860,00 (-)	122 140,00	122 140,00	0%
Two Way Radios	17 500,00	49 000,00	66 500,00	66 436,50	0%
Replacement PC's	42 500,00	12 420,00 (-)	30 080,00	30 080,00	0%
Screens Replace	20 000,00	1 721,00 (-)	18 279,00	18 279,00	0%
Upgrade Server room DR Site	200 000,00	90 488,00 (-)	109 512,00	109 506,58	0%
Total	2 301 000,00	496 596,00 (-)	1 804 404,00	1 791 053,46	-1%

3.15 COMPONENT I: DEVELOPMENT AND SERVICE DELIVERY PRIORITIES 2019/20**3.15.1 NATIONAL KPA 1: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

KPI NAME	UNIT OF MEASUREMENT	WARD	TARGET
Implement 85% of the RBAP for 2019/20 by 30 June 2020 {(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	85.00%
Spend 95% of the budget allocated for the implementation of the SMART CITY Concept by 30 June 2020	% of 2019/20 project budget spent	All	95.00%
Revise the Human Settlement Plan, which includes the provision of serviced erven and submit to Council by 30 June 2020	Revised Human Settlement Plan submitted to Council	All	1
95% of water samples comply with SANS241 micro biological indicators {(Number of water samples that comply with SANS241 indicators/Number of water samples tested)x100}	% of water samples compliant	All	95.00%
65% average compliance of the Bredasdorp WWTW water quality to SANS 241 for the 2019/20 financial year	% average compliance of the quarterly waste water test results	1	65.00%
Spent 95% of the available budget for the upgrade of the Bredasdorp WWTW by 30 June 2020 (2 year project)	% of 2019/20 project budget spent	2	95

3.15.2 NATIONAL KPA 2: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

KPI NAME	UNIT OF MEASUREMENT	WARD	TARGET

The percentage of the municipality's personnel budget actually spent on implementing its Workplace Skills Plan by 30 June 2020 in terms of the WSDL Act. {(Actual amount spent on training/total personnel budget)x100}	% of the personnel budget spent on training	All	1.00%
Number of people from employment equity target groups employed in vacancies on the three highest levels of management in compliance with a municipality's approved employment equity plan for 2019/20	Number of people from employment equity target groups employed in vacancies that arise in the three highest levels of management	All	1

3.15.3 NATIONAL KPA 3: LOCAL ECONOMIC DEVELOPMENT

KPI NAME	UNIT OF MEASUREMENT	WARD	TARGET
Create FTE's through government expenditure with the EPWP by 30 June 2020	Number of FTE's created	All	99
Develop a new Local Economic Development Strategy (inclusive of an implementation plan) and submit to Council by 30 December 2019	Strategy developed and submitted to Council	All	1
Host a local economic development /tourism summit to promote the Cape Agulhas Municipal Area by 30 September 2019	Number of Tourism / LED summits held	All	1
Obtain full Blue Flag status for Duiker Street Beach Struisbaai by 30 December 2019	Number of beaches for which full blue flag status is achieved.	5	1
Apply to ESKOM for an increased NMD of 2 MVA by 30 June 2020	Number of approvals from ESKOM	All	1

3.15.4 NATIONAL KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

KPI Name	Unit of Measurement	Ward	Target
The percentage of the municipality's capital budget actually spent on capital projects by 30 June 2020 $\{(Actual\ amount\ spent\ on\ projects / Total\ amount\ budgeted\ for\ capital\ projects) \times 100\}$	% of the municipal capital budget spent	All	95.00%
Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2020 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Rev	% Debt to Revenue	All	25.00%
Financial viability measured in terms of the outstanding service debtors as at 30 June 2020 (Total outstanding service debtors/ revenue received for services) (Target is maximum))	% Service debtors to revenue	All	10.00%
Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2020 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl	Cost coverage	All	2.26
Achieve a debtors payment percentage of at least 96% by 30 June 2020 $\{(Gross\ Debtors\ opening\ Balance + Billed\ Revenue - Gross\ Debtors\ closing\ Balance - Bad\ Debts\ Written\ Off) / Billed\ Revenue\} \times 100\}$	% debtors payment ratio achieved	All	96.00%
Spend 95% of the total approved management services capital budget by 30 June 2020	% of management services budget spent	All	95.00%

95% of the roads and storm water capital budget spent by 30 June 2020 $\{(Actual\ expenditure\ divided\ by\ the\ total\ approved\ roads\ and\ stormwater\ capital\ budget)\ x\ 100\}$	% of roads and storm water capital budget spent	All	95.00%
95% of the approved refuse removal capital budget spent by 30 June 2020 $\{(Actual\ expenditure\ divided\ by\ the\ total\ approved\ refuse\ removal\ capital\ budget)\ x\ 100\}$	% of refuse removal capital budget spent	All	95.00%
95% of the approved water capital budget spent by 30 June 2020 $\{(Actual\ expenditure\ divided\ by\ the\ total\ approved\ water\ capital\ budget)\ x\ 100\}$	% of water capital budget spent	All	95.00%
Limit unaccounted for water to less than 15% by 30 June 2020 $\{(Number\ of\ Kiloliters\ Water\ Purchased\ or\ Purified\ -\ Number\ of\ Kiloliters\ Water\ Sold\ (incl\ free\ basic\ water)\ / \ Number\ of\ Kiloliters\ Water\ Purchased\ or\ Purified\ /100\}$	% unaccounted water	All	15.00%
Limit unaccounted for electricity to less than 6.5% by 30 June 2020 $\{(Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated\ -\ Number\ of\ Electricity\ Units\ Sold\ (incl\ Free\ basic\ electricity))\ / \ Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated)\ X\ 100\}$	% unaccounted electricity	All	6.50%
95% of the electricity capital budget spent by 30 June 2020 $\{(Actual\ expenditure\ divided\ by\ the\ total\ approved\ capital\ budget)\ x\ 100\}$	% of electricity capital budget spent	All	95.00%

3.15.5 NATIONAL KPAs: BASIC SERVICE DELIVERY

KPI NAME	UNIT OF MEASUREMENT	WARD	TARGET
Number of formal residential properties that receive piped water that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2020	Number of formal residential properties which are billed for water	All	8 952
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 2020	Number of formal residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas)	All	9 171
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 202	Number of residential properties which are billed for sewerage	All	9 109
Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2020	Number of formal residential properties which are billed for refuse removal	All	9 094
Provide 6kl free basic water per month to all formal households during the 2019/20 financial year	Number of formal Households receiving free basic water	All	8 952
Provide 50 kwh free basic electricity per month to registered indigent / poor households in terms of the equitable share requirements during the 2019/20 financial year	Number of registered indigent / poor households receiving free basic electricity in terms of Councils indigent policy	All	3 145
Provide free basic sanitation and refuse to registered indigent / poor households in terms of the equitable share requirements during the 2019/20 financial year	Number of registered indigent / poor households receiving free basic sanitation and refuse in terms of Councils indigent policy	All	3 145

KPI NAME	UNIT OF MEASUREMENT	WARD	TARGET
Implement Human Settlement Plan through the servicing of 430 erven in Struisbaai by 30 June 2020	No of erven serviced	5	430
Implement Human Settlement Plan through the servicing of 168 erven in Napier by 30 June 2020	Number of erven serviced	1	168
Spent 95% of the budget made available for the development of a soccer field at Napier by 30 June 2020	% of 2019/20 project budget spent	1	95.00%
Host a youth summit for the youth of the Cape Agulhas Municipal Area by 30 December 2019	Number of youth summits held	All	0
Submit quarterly reports to the Management Services Portfolio Committee on the activities of the Community Police Forums in all towns	Number of reports submitted	All	1
Submit a policy on the manner in which unlawful occupation of land must be dealt with by 30 September 2019	Policy submitted to Council	All	0
Provide deferred housing ownership to 30 beneficiaries by 30 June 2020	Number of beneficiaries	2,3	30
Reseal 10000 square metres of roads within the municipal area by 30 June 2020	Square metres of road sealed	All	0
Complete the equipment of 2 boreholes in Napier and 1 borehole in Suiderstrand by 31 December 2019	Number of boreholes equipped	1,5	0
Spent 95% of the available budget for the regravelling of the Suiderstrand Road by 31 December 2019	% of 2019/20 project budget spent	5	0
Spent 95% of the budget available to implement measures to comply with the landfill permit conditions by 30 June 2020	% of 2019/20 project budget spent	All	95.00%
Implement wheelie bin project through the purchase of 1500 wheelie bins by 30 June 2020	Number of wheelie bins purchase	2,3,4,5,6	0

KPI NAME	UNIT OF MEASUREMENT	WARD	TARGET
Install 1600 EEDSM Street lights by 30 June 2020	Number of EEDSM Street lights installed	All	400
Spent 95% of the available budget (grant) for the implementation of the RSEP/ VPUU Programme, through the construction of a pedestrian bridge in Bredasdorp by 30 June 2020	% of 2019/20 project budget spent	2,3	95.00%
Review the Integrated Waste Management Plan by 31 March 2020 and submit to Council for approval	Integrated Waste Management Plan review and submitted for approval	All	1

CHAPTER 4: ORGANISATIONAL PERFORMANCE

This Chapter aligns to the National Key Performance Areas (KPA's) of **Municipal Transformation and Organisational Development** as contained in the Local Government: Municipal Planning and Performance Management Regulations of 2001 read together with Section 43 of the MSA.

4.1 INTRODUCTION

This Chapter provides an overview of the Municipality's performance in terms of the National Key Performance Indicator of Municipal Transformation and Organisational Development as contained in the Local Government: Municipal Planning and Performance Management Regulations of 2001 read together with Section 43 of the MSA.

▪ Organisational development highlights for 2018/19

- Finalisation of the Organisational Productivity Assessment: Employee Utilisation
- Upskilling of the Semiskilled & Unskilled Labour through the Recognition of Prior Learning (RPL)
- A functioning skills centre with a youth skills development unit
- Implementation of the Online Employee Support Service –ESS
- Piloting, Integration of biometric time and attendance linked to the electronic payroll system –PAYDAY
- Fully functioning top management structure through innovation, attraction of scarce & critical skills and employment strategies.
- 2014-2019 we have appointed 55 EPWP workers on permanent bases through our recruitment and selection processes.
- Timeous management of unsatisfactory behaviour led to sound labour relations in the workplace.

▪ Organisational development challenges for 2018/19

- Employment Equity target compromised due to scarcity of skills needed locally.
- Managing Performance, a work in progress as capacitating of management continues.
- Sourcing of Disabled workers.
- In Occupational Health Safety we are still experiencing behavioural challenges.

4.2 THE MUNICIPAL WORKFORCE

The Cape Agulhas Municipality currently employs 344 people (excluding the Municipal Manager and 2 Directors) with these positions included it is 347. Non-permanent employees are excluded. Our employees 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 strategic human resource development and human resource administration.

Organisational Structure

The 2017/2018 Organisational Structure was approved by Council 22 June 2018. The design of the Macro Structure was then amended to respond to the needs of the Community and also to respond to the financial sustainability Council is committed to which is stipulated in the Cape Agulhas Municipality Integrated Development Plan and Long Term Financial Plan. Some amendments to the structure which were only internal movements, without financial implications, were approved by Council on 29 October 2018.

The Productivity Assessment

This project was initiated by Cape Agulhas Municipality and co-funded by the Western Cape Department of Local Government. The Productivity South Africa, a government agency, conducted the assessments. The project focused on a sample of positions, where there was a need to assess the utilisation of our workforce. Council accepted the results.

A transfer of Skills Workshop facilitated by Productivity South Africa was conducted for Managers and Senior Managers to impart this skill in order to conduct, the productivity assessments internally. Currently Senior Management and Middle Managers are skilled and knowledgeable to conduct the productivity assessments at their Departments.

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”.

The New Employment Equity Plan was approved on 27 September 2018. The time frame of this plan was reduced from a five year to a three-year Employment Equity Plan. This was done to provide an opportunity to revise the plan to meet our targets and accommodate any changes in legislation.

a) Employment Equity targets

The Organizational Structure made provision for the occupational level of two African males in the Senior Management Category. A vacancy occurred which required an African Male, due to the scarcity and proximity of Cape Agulhas we could not attract targeted candidates. A Colored male from the previously disadvantaged group was appointed. Cape Agulhas Municipality still needs to reach the target at this level.

The approved Employment Equity Plan 2017-2020 makes provision for targets by racial classification for the Top Three Levels of Management:

TABLE 154 PROGRESS REPORT I.T.O NUMERICAL GOALS FOR ALL EMPLOYEES, INCLUDING PEOPLE WITH DISABILITIES (OCCUPATIONAL LEVELS, RACE, GENDER AND FOREIGN NATIONALS) 2017-2020

Occupational Levels	TASK Numerical Targets and Goals – 2017-2020								Total Permanent	Vacancies	Total Posts
	Male				Female						
	A	C	I	W	A	C	I	W			
Top Management	1	5	0	4	1	3	0	0	14	5	14
Goals: 2017 to 2018					1					1	
Achieved		1			0						1
Goals: 2018 to 2019	2									2	
Achieved	0										0
Goals: 2019 to 2020					1	1				2	
Achieved					0	0					0
Balance	2				2	1					4
Senior Management	0	2	0	1	1	0	0	1	5	1	5
Goals: 2017 to 2018											
Goals: 2018 to 2019						1				1	
Achieved						0					0
Goals: 2019 to 2020											
Achieved											
Balance						1					1
Professionally qualified	1	8	0	10	3	3	0	1	26	13	26
Goals: 2017 to 2018	2				1	1		1		5	
Achieved	0				0			0			0
Goals: 2018 to 2019	1				1	1		1		4	
Achieved	0				0	0		0			0
Goals: 2019 to 2020	1	1			1	1				4	
Achieved		1			0	0					1
Balance	4	0			3	3		2			12
Skilled technical	5	40	0	6	6	36	0	14	107	12	107
Goals: 2017 to 2018	2					1				3	
Achieved	0					1					0
Disabled 2017 to 2018				1						1	
Achieved Disability				1							2
Over achieved		-4									
Goals: 2018 to 2019	2					1				3	
Achieved	0					1					0
Disabled 2018 to 2019	1									1	
Achieved Disability		1									
Goals: 2019 to 2020					1					1	
Achieved											
Disabled 2019 to 2020					1					1	
Foreign Nationals 2017 to 2020	1				1					2	
Achieved											
Balance	6	0	0	0	3	0	0				9
Semi-skilled	12	64	0	4	3	25	0	1	109	17	109

Goals: 2017 to 2018			0		2	5				7	
Achieved		1									
Goals: 2018 to 2019	3	1	1		2					6	
Achieved	1	-									
Goals: 2019 to 2020	2				2					4	
Achieved											
Balance	4	0	1		6	5					16
Unskilled	20	51	0		5	21	0	0	97	19	97
Goals: 2017 to 2018	2	2		1	2	2				9	
Achieved	2	2			0						
Goals: 2018 to 2019	1				2	2				5	
Achieved	1				1	2					
Goals: 2019 to 2020	1	2		1	2					5	
Achieved		-									
Balance	1	0		2	5	2					10
Total Permanent	39	171	0	26	20	102	0	17	375	67	375

As shown above, targets were set to attract an equity candidate from the designated group in the top and senior management occupational levels. Due to a scarcity of skills and experience locally and externally we could not achieve the targets, however we have achieved in the professionally qualified occupational level.

Achievements in other occupational levels according to the EE Plan timeframe are:

- Two people with a disability in Skilled Technical level of which one is a scarce skill and another retention of skills.
- One achievement in terms of previous disadvantage group in the Top Management Level.
- One target achievement in the Professional Qualified Level.
- Out of 4 targets in the Unskilled Occupational Level, we achieved 3 targets in terms of the African Male Racial classification.
- We over achieved in the Coloured Male Unskilled Occupational Levels
- One out of 6 was achieved in the African Female Unskilled Occupational Level
- Two out of 4 targets were achieved in the Coloured Female Unskilled Occupational level.
- One out of 5 targets were achieved in the African Male Semi-Skilled Occupational Levels.
- 100% achievement in the Coloured Male Semi-Skilled Occupational Level.
- 100% achievement in the Coloured Female Skilled Technical Occupational Level.

Section C Workforce Movement i.t.o the Employment Equity Act makes provision for internal promotion as well as career path development. Ten internal employees were identified and went through the Recruitment and Selection process, which is covered in the abovementioned Act i.t.o HR Strategies. This in essence shows transformation in terms of Occupational Levels.

From 2017/18 to 2018/19 financial year twenty internal movements in terms of upskilling in occupational levels went through the recruitment process.

b) 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 155 EE POPULATION 2018/19

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	9	0	0	14
Total workforce	57	253	0	37	347
% for Positions filled	8.77%	3.55%	0.00%	0.00%	4.00%

During the 2018/19 financial year a total of 14 appointments were made.

TABLE 156 APPOINTMENTS DURING 2018/19

	African	Coloured	White
Positions filled: external	5	9	0

c) **Occupational levels and departments by race**

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

TABLE 157 OCCUPATIONAL LEVELS (INCLUDES COUNCILLORS)

OCCUPATIONAL LEVELS	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Levels									
Top Management	0	6	0	4	1	3	0	0	14
Senior management	0	0	0	1	1	0	0	1	3
Professionally qualified and experienced specialists and mid- management	1	10	0	10	1	3	0	1	26
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	4	50	0	9	6	37	0	14	120
Semi-skilled and discretionary decision making	10	52	0	1	4	30	0	0	97
Unskilled and defined decision making	26	52	0	0	4	16	0	0	98
Total permanent	41	170	0	25	17	89	0	16	358

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

TABLE 158 DEPARTMENT – RACE (EXCLUDES COUNCILLORS)

DEPARTMENT	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	2	11	0	4	3	24	0	3	47
Corporate Services	0	0	0	0	0	0	0	0	0
Financial Services	1	21	0	4	5	11	0	8	50
Community Services	6	36	0	6	6	41	0	5	97
Infrastructure Services	33	98	0	8	2	10	0	2	153
TOTAL	38	165	0	23	15	86	0	19	347

4.2.2 VACANCY RATE

The approved organogram for the Municipality has total 364 budgeted posts 30 June 2019. At the end of the 2018/19 financial year the vacancy rate was 6%. In comparison with 2017/18 financial year the budgeted posts were 364 and the vacancy rate 4.6%. There is an increase in the vacancy rate which can be due to posts added to the structure to adhere to service delivery in the Infrastructure Department, medical boarding, retirements and resignations. The vacancy rate per post level and functional level are indicated below:

TABLE 159 ANNUAL VACANCY RATE

PER POST LEVEL	2017/18		2018/2019	
	FILLED	VACANT	FILLED	VACANT
MM & MSA section 57 & 56 (Top Management)	4	0	3	1
Senior Management	3	0	3	0
Professionally qualified and experienced specialists and middle management	27	1	26	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	120	5	120	7
Semi-skilled and discretionary decision making	105	3	98	5
Unskilled and defined decision making	88	6	99	2
TOTAL	347	15	347	17

TABLE 160 VACANCY RATE PER DEPARTMENT

PER FUNCTIONAL AREA	2017/18		2018/19	
	FILLED	VACANT	FILLED	VACANT
Office of the Municipal Manager	48	5	47	4
Financial Services	50	2	50	2
Management Services	98	4	97	3
Infrastructure Services	151	4	153	8
TOTAL	347	15	347	17

TABLE 161 VACANCY RATE END OF 2018/19 FINANCIAL YEAR

YEAR END MONTH	TOTAL FUNDED POSTS	FILLED POSTS	VACANCIES	% VACANCY RATE
June 2019	364	347	17	4.67%

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

TABLE 162 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	1	2	Director Management Services	50%
Senior management	1	21	Manager Water and Sanitation	4.7%
TOTAL	2	25	n/a	8%

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 has increased from 2017/18 to 2018/19. Turnover is primarily due medical boarding, resignations due to better prospects and retirements. As a result, we are using strategies like staff progression and upskilling to close those gaps. We are now focusing on using our local skills pool to create stability in the Municipality.

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

TABLE 163: TURNOVER RATE

FINANCIAL YEAR	TOTAL NUMBER OF STAFF AT THE END OF EACH FINANCIAL YEAR	NEW APPOINTMENTS	NUMBER OF TERMINATIONS DURING THE YEAR	STAFF TURNOVER RATE
2017/18	347	7	11	3.17
2018/19	347	14	14	4.00%

4.2.4 EXPANDED PUBLIC WORKS PROGRAMME

Cape Agulhas Municipality continues to implement the Expanded Public Works Programme (EPWP), support and accommodate the Community Works Programme (CWP). Also creating employment through the Coastal Management Programme. In this financial year 2018/19, 60 EPWP Projects were implemented. Cape Agulhas Municipality's job opportunities target for the unemployed were as follows:

TABLE 164 JOB OPPORTUNITIES THROUGH EPWP

	Target	Actual Achieved	Achievement %
Job Opportunities	217	623	287%
Full time Equivalents	58	119	205%

The Cape Agulhas Municipality was allocated a grant of R1 141 000 for 2018/19 financial year. The Extended Public Works Program issued a district performance report in which the Municipality over - performed in terms of the Full Time Equivalent (FTE) target as well as the High Work Opportunities within the financial year, as well as the five-year target.

Over a five-year period, 2156 job opportunities were created as set out in table below.

TABLE 165 EPWP JOB OPPORTUNITIES CREATED

YEAR	EPWP PROJECTS NO	JOBS CREATED THROUGH EPWP PROJECTS NO	JOBS CREATED THROUGH FTE'S NO
2014/15	62	447	65
2015/16	38	246	46
2016/17	20	250	40
2017/18	59	590	97
2018/19	63	623	133

4.3 MANAGING THE MUNICIPAL WORKFORCE

The success or failure of a municipality depends on the quality of its political leadership, sound governance of its finances, the strength of its institutions and the calibre of staff working for the municipality.

4.3.1 OCCUPATIONAL HEALTH AND SAFETY ACT 1993 OF 85 AND COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASE ACT 130 OF 1993

Cape Agulhas Municipality is committed to ensuring the health, safety and welfare of all staff members, mandataries (agents, contractors or subcontractors) and visitors in its working environment. All staff of the Municipality are required to observe safe work practices and prevention of accidents and occupational illness as a collective and individual responsibility. They must also comply with the regulations and conditions set out in the Occupational Health and Safety Act 85 of 1993 (OHS Act) and associated legislation. Managers have a duty to provide and maintain, as far as is reasonably practicable, a working environment that is safe and without risk to health.

Cape Agulhas Municipality carries out risk management activities to ensure that risks relating to working procedures and practices are identified, and that adequate controls and mitigating measures are put in place where medical surveillance is being applied to assess monitors individuals for adverse health effects and determines the effectiveness of exposure prevention strategies. Employees working at heights such as on Cherry Pickers, undergo medical evaluation and Hepatitis B is administered CAM employees such as those working at sewerage plants.

The Executive Directors of Infrastructure, Management service and Finance, or his/her designee, is responsible for:

- Ensuring that health and safety specifications are in place, for any construction or maintenance work. Providing these to mandataries, who are appointed to perform such work for the Municipality as stated in the Construction Regulations 4. Submission of health and safety plan.
- Initiating employees' legal appointment letters in terms of the OHS Act. Section 16.2, 17, 19,

Mr A Jacobs was appointed January 2019 as a competent person, because he has sufficient training, experience and knowledge.

Evacuation plans were developed to provide for the safe and orderly evacuation of personnel and visitors in the event of an emergency situation. This plan depicts safe exit routes, where emergency equipment can be found, how many people occupy the building and procedures to be followed when an emergency arise.

The following facilities has evacuation plans drafted:

1. Struisbaai Offices (Approved)
2. Main Building,
3. Napier Office,
4. Council Chambers,
5. Management Services,
6. Supply Chain,
7. Nedbank Building,
8. Tourism Office,
9. Thusong Centre,
10. Traffic Department.

All emergency evacuation plans have been approved and signed by the Municipal Manager and submitted to the Regional Fire Chief for final approval.

4.3.1.1 INJURIES

Under common law an employee who can prove that the employer did not act in the same manner as the “reasonable man” would have, will be entitled to claim damages from the employer based on delict. However, section 35 of the Compensation for Occupation for Occupational Injuries and Diseases Act (COIDA) has altered the common law position.

Section 35 prevents an employee who has been injured on duty to claim damages from the employer. Instead, the employee must now claim from the compensation commissioner. The COIDA actually makes it easier for employees as they do not have to prove, *inter alia*, that the employer acted negligently (in other words not as a reasonable man) in order to claim compensation. The employee will however only be entitled to a fixed amount of compensation. All injuries and incidents must in terms of OHSA reported immediately or as soon as practically possible for assessment, recording or possible investigation.

If a member of the public gets injured within the premises of Cape Agulhas municipality that person is not allowed to claim from COIDA but can claim from the employer’s liability insurance funds.

The table below shows a decrease of **65.6%** from 2015/16 as compared to 2018/19 financial year. In 2018/2019 there were injuries that were reported, of which the Liability was not accepted by Compensation Commissioner. With much effort and following up on the claims, the claims were re-adjudicated and liability was accepted by Compensation Commissioner.

The health and safety induction that is being conducted on a monthly basis, especially with new entrants, has led to a decrease of injuries on duty.

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

TABLE 166: INJURIES

DIRECTORATES	2015/16	2016/17	2017/18	2018/19
Office of the Municipal Manager	2	2	5	2
Financial Services	2	2	0	3
Management Services	22	16	10	9
Infrastructure Services	40	26	33	28
TOTAL	66	46	48	42

The following table distinguishes between minor and major injuries for 2018/19. A major injury is an injury that has the potential to cause prolonged disability or death. A minor injury is an injury that is not serious and can be managed by a nurse or a first aider.

TABLE 167 INJURIES ON DUTY

DIRECTORATES	MINOR INJURIES	MAJOR INJURIES.
--------------	----------------	-----------------

Office of the Municipal Manager	2	0
Financial Services	3	0
Management Services	9	0
Infrastructure Services	28	0
TOTAL	42	0

The total rand value of injuries on duty for 2018/19 is R267 601.15

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 **2018/19** financial year shows a slight **increase**.

Breakdown as follows per department:

Office of the Municipal Manager

There is substantial increase in the sick leave of the Office of the Municipal Manager that can be attributed to the review of the Organisational structure that resulted of Corporate Services Department being merged and Divisions reporting to the Municipal Manager. It can also be due to uncontrolled medical conditions.

Financial Services

There is a substantial increase in the sick leave, can be attributed to the review of the Organisational structure that resulted of Information Communications Technology unit (ICT) being merged and Division reporting to the Director Finance (CFO).

Management Services

There is a substantial increase in the sick leave compared to the 2017/18 financial year. This can be due to uncontrolled medical conditions.

Infrastructure Services

There is a decrease in the sick leave compared to the 2017/18 financial year. This can be due to the implementation of the electronic leave system as Management has more control over the employee's sick leave.

TABLE 168 SICK LEAVE

DEPARTMENT	2017/18	2018/19
Office of the Municipal Manager	338.81	507
Financial Services	258.50	326
Management Services	912.09	1079
Infrastructure Services	1008.25	931
TOTAL	2517.65	2843

4.3.3 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 for 2018/19.

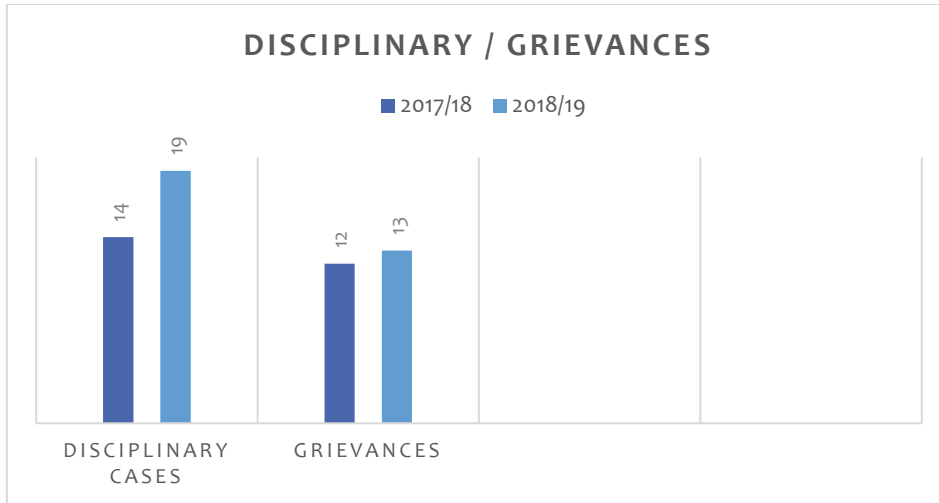
TABLE 169 LOCAL LABOUR FORUM

NAME OF REPRESENTATIVE	CAPACITY	MEETING DATES
D O'Neill	Municipal Manager	3 August 2018
H Van Biljon	Director Financial Services and ITC	8 August 2018
A Jacobs	Director Infrastructure	6 September 2018
Z Tonisi	Councillor	9 October 2018
D Burger	Councillor	22 November 2018
M October	Councillor	14 February 2019
F Xinela	SAMWU	14 March 2019
W Stanley	SAMWU	25 April 2019
R Jansen	SAMWU	17 May 2019
S Hendricks	SAMWU	13 June 2019
S Graaff	IMATU	
S Murtz	IMATU	
The Divisional Head HR and Organisational Development, Ms N Mlathi-Musewe and HR Official Mr J Diedericks participate in all Labour Forum meetings and play a strategic advisory role.		

4.3.4 DISCIPLINARY CASES AND GREIVANCES

There was a slight increase in the disciplinary cases of 1.36 %. There were cases that could have been resolved at managerial level because the primary objective when applying discipline is to find a workable solution to correct behaviour in the workplace and this is based upon Standard of Conduct in terms of ensuring that every employee is aware of the company code of conduct. Fair Application in the way that each misconduct is dealt with as well as the sanctioning that goes with it to apply discipline without prejudice, meaning that consideration will be given to all facts to apply a corrective approach rather than punitive.

FIGURE 14 DISCIPLINARY VS GRIEVANCES



Every employee has the right to appeal should he/she feel aggrieved about the outcome of a disciplinary. Since the introduction of the new Labour Relations Act (LRA) of 1995 into South African Labour Legislation, the professional management of discipline at company level continues to be crucial. The general view that disciplinary policies should not be instruments of punishment but rather fair procedures to be implemented in correcting unsatisfactory employee behaviour continues to find wide acceptance.

4.3.5 HUMAN RESOURCE POLICIES AND PLANS

Discipline and its subsequent rules and procedures form an integral part of the employment relationship between employer and employee. However, in order for discipline to be effective and yield its desired results, it needs to be substantively and procedurally fair.

This means that proper rules and processes needs to be followed in the workplace to ensure that all organisational policies and legislative requirements are being adhered to. Substantive fairness relates to the reason for embarking on the disciplinary action, the cause for action. There has to be a just and equitable reason for embarking on the disciplinary action, and this needs to comply with the organisation’s policies as well as those promulgated in the labour legislation of the country. Procedural fairness relates to the correct process that needs to be followed during the disciplinary inquiry. This refers to the organisation’s internal rules and processes that need to be followed step by step to ensure that employee rights are not being violated and to protect the organisation against claims of unfair labour practices and unfair dismissals.

Ensuring that both aspects of fairness are adhered to, is a difficult task for every manager or supervisor in an organisation. As these aspects have to be adhered to, supervisors and managers alike, need to ensure that correct policies and procedures are followed in this respect. Leaders thus have an inherent responsibility towards the organisation in ensuring that their actions are appropriate within the context of disciplinary action, and that they at all times act in the best interest of the organisation.

TABLE 170: HR POLICIES AND PLANS

POLICY	DATE APPROVED	WIIL BE REVISED
--------	---------------	-----------------

Anti-Fraud and Corruption Policy	2017	2019
Anti-Fraud and Corruption Plan	2017	2019
Anti-Fraud and Corruption Strategy	2017	2019
Code of Ethics	2017	2019
Remuneration Policy	2017	2019
Uniform/ Protective Clothing Policy	2017	2019
Succession & Planning	2019	2020
Alcohol and Substance Abuse	2019	2020
Time and Attendance	2019	2020
Fleet Management	2015	2019
Recruitment & Selection	2006	2019
Leave	2015	2019

4.3.6 EMPLOYEE PERFORMANCE REWARDS

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

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

The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance. Section 57 managers are those individuals that are appointed by the municipality on a 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’s performance after all performance evaluations were dealt with:

TABLE 176 PERFORMANCE REWARDS

RACE	GENDER	NUMBER OF BENEFICIARIES	TOTAL NUMBER OF EMPLOYEES RECEIVED PERFORMANCE REWARDS	% EMPLOYEES RECEIVED PERFORMANCE REWARDS
African	Female	0	0	0
	Male	1	0	25
Asian	Female	0	0	0
	Male	0	0	0
Coloured	Female	0	0	0
	Male	1	1	33.3
White	Female	0	0	0
	Male	1	1	33.3
Disability	Female	0	0	0
	Male	0	0	0
TOTAL		3	2	66.6

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).

The Municipality was able to implement its 2018/19 Workplace Skills Plan (WSP). Funding received from the Local Government SETA and the Construction SETA in a form of Learnerships and Bursaries which were utilised for the municipal employees and for unemployed youth of Cape Agulhas areas. The Local Government SETA also funded bursaries for Municipal Employees to pursue local government related academic studies at all levels.

Cape Agulhas Municipality, continues to capacitate employees and encourages job specific skills training and development on an extensively to deliver quality services to the community. The priority focus this financial year was on technical skills training, management development and project management. A Recognition for Prior Learning (RPL) Programme funded internally and externally in partnership with North Link TVET College kicked off, as follows:

Table 171 RPL PROGRAMME IN PARTNERSHIP WITH NORTHLINK COLLEGE

Recognition of Prior Learning	Roads & Storm Water	Water & Sanitation Services	Solid Waste	Building Control	Management Services	Electrical Services	Office of the MM
Carpentry	N/A	N/A	N/A	N/A	2	N/A	N/A
Bricklaying	7	N/A	N/A		N/A	N/A	
Plumbing	2	14	2		1	N/A	
Electrical	N/A	N/A	3		N/A	6	
Artisan Apprenticeship: Plumbing	N/A	8	N/A	N/A	N/A	N/A	N/A
Project Management	1	1	N/A	1	4	N/A	5
NC: Water Waste Water Process Control NQF L3	N/A	4	N/A	N/A	N/A	N/A	N/A

TABLE 172 SNR AND MIDDLE MANAGEMENT DEVELOPMENT TRAINING

Training Intervention	Department	Snr & Middle Management	Junior Management
Performance Management	Infrastructure Services	4 Males	6 Males
	Financial Services	5 Males	1 Male
	Management Services	1 Female	2 Female, 2 Males
	Office of the MM	3 Females, 4 Males	3 Females

The Training & Development drive is to ensure that our employees are adequately skilled and there is a pool of skilled and semi-skilled workers internally. This was done through funding received from various Sector Education and Training Authorities (SETA's) namely the Local Government SETA and the Construction SETA and Internal Funding. 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.

The Municipality and other Government Department utilise the Skills Training to deliver Training for the Community

DEPARTMENT	TRAINING	INTERNAL / EXTERNAL	TOTAL	PURPOSE	SERVICE PROVIDER
Human resources	Project management NQF 4	Internal	17	Equip employees with project management skills	SESTO / SETA
Human resources	MMC NQF 5	Internal	40	Competency training	SPL / CAM
ICT	Cyber training	Internal	138	Ensuring cyber safety to employees	CAM / DFA Solutions
Dept. Social development	Department of social development	External	24	Equipping vulnerable women from disadvantaged backgrounds	DSD
Dept. Environmental affairs	Environmental affairs	External	80	Creating environmental awareness	Mobaraak / DEA
Tourism	Customer care	External	21	Training moral and ethics	G and D training solution
Tourism	Cell phone workshop	External	28	Innovative skills by using	Hartland broadcasting
Counsellor support	Data capturing	External	5	Ensuring better service delivery	
	Total		353		

and Government Employees.

TABLE 173 ANENE BOOYSEN SKILLS CENTRE UTILISATION

4.4.1 SKILLS MATRIX

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

TABLE 174 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	2
	Male	0	2
MM and S57, snr Managers	Female	7	4
	Male	25	22
Professionals	Female	6	6

MANAGEMENT LEVEL	GENDER	NUMBER OF EMPLOYEES IDENTIFIED FOR TRAINING AT START OF THE YEAR	NUMBER OF EMPLOYEES THAT RECEIVED TRAINING
	Male	5	9
Technicians and Associate Professionals	Female	7	9
	Male	9	12
Clerical Support Workers	Female	23	10
	Male	5	3
Service and Sales Workers	Female	2	0
	Male	2	4
Skilled Agricultural, forestry, Fishery, Craft and related Trade workers	Female	0	0
	Male	4	4
Plant and Machine Operators and Assemblers	Female	0	0
	Male	16	15
Elementary Occupations	Female	37	11
	Male	10	36
Sub total	Female	82	40
	Male	75	105
Total		157	145

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 175 SKILLS DEVELOPMENT

OCCUPATIONAL CATEGORY	GENDER	EMPLOYEE COUNT	LEARNERSHIP EMPLOYED			SKILLS EMPLOYED			SHORT SKILLS EMPLOYED			TOTAL EMPLOYED		OTHER UNEMPLOYED	
			ACTUAL PREVIOUS	TARGET	ACTUAL CURRENT	ACTUAL PREVIOUS	TARGET	ACTUAL CURRENT	ACTUAL PREVIOUS	TARGET	ACTUAL CURRENT	TOTAL TARGET	TOTAL ACTUAL	TOTAL TARGET	TOTAL CURRENT
Legislators	Female	4	0	0	0	2	0	0	0	0	0	4	0	0	0
	Male	7	0	0	0	2	0	0	0	0	0	7	0	0	0
MM and S57, Snr Managers	Female	7	0	0	0	4	2	4	0	0	0	4	4	4	0
	Male	29	0	0	1	15	5	24	0	0	1	15	26	3	0
Professionals	Female	15	0	0	0	11	7	8	0	0	1	11	9	22	13
	Male	11	0	0	2	5	4	7	0	0	1	5	10	23	10
Technicians and Associate Professionals	Female	16	0	0	1	4	0	8	0	0	0	4	9	18	3
	Male	29	0	0	2	11	10	12	0	0	0	11	14	25	5
Clerical Support and Workers	Female	35	0	0	1	27	0	10	0	0	1	27	12	0	0
	Male	11	0	0	0	7	0	4	0	0	0	7	4	0	0
Services and Sales	Female	10	0	0	0	6	0	0	0	0	0	6	0	20	0
	Male	5	0	0	3	4	7	1	0	0	0	4	4	15	0
Skilled Agricultural, forestry, Fishery, Craft and related Trade workers	Female	2	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	8	0	0	0	0	0	4	0	0	0	0	4	0	0
Plant and Machine Operators and Assemblers	Female	6	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	56	0	0	2	3	0	10	0	0	0	3	12	0	0

CAPE AGULHAS MUNICIPALITY DRAFT ANNUAL REPORT 2018/19

Elementary	Female	27	0	0	4	2		10	0	0	0	2	14	8	0
	Male	84	0	0	12	14		30	0	0	0	18	42	30	0
TOTAL	Male	240	0	0	22	61	26	92	0	0	2	99	116	96	15
	Female	122	0	0	6	56	9	40	0	0	2	58	48	72	16
TOTAL		362	0	0	28	117	35	132	0	0	4	157	164	168	31

We have trained 45% of Unemployed learners compared to 55% of Employed employees however a balance was created through the allocation of Bursaries through the SETA's.

Gender Mainstreaming in terms of skills development

The above tables illustrate how many employees have been given training opportunities, by gender. Out of the employees identified for training in 2018/19 financial year 37% were females and 63% were males. The above statistics show that more male employees than female employees received training opportunities.

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.

TABLE 176 GENDER SENSITIVE TRAINING BUDGET

OCCUPATIONAL CATEGORY	GENDER	PERCENTAGE
Top Management	males	70%
	females	30%
Middle Management	males	30%
	females	70%
Lower Management	males	82%
	females	18%

There are more males in the Top- and Low-level echelons of the workforce. More females should be attracted when recruitment at the Top Management and Lower Management level. In terms of the above percentages of training more males were trained as a result of the number of males at Top Management and Lower Management level, however in the Middle Management level more females were trained.

4.4.3 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 programme is intended for municipal Accounting Officers, Chief Financial Officers, Senior Managers, Other Financial Officials; Heads of Supply Chain Management and Supply Chain Management Officials in adherence to the prescriptions of Sections 83, 107 and 119 of the Local Government: Municipal Finance Management Act 56 of 2003 and Municipal Regulations on Minimum Competency Levels (RSA, Government Gazette 29967, 2007) as amended (RSA, Government Gazette 41996, 2018)

Cape Agulhas Municipality's newly appointed officials; interns and non-financial officers for the financial period under review completed the Municipal Minimum Competency.

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

TABLE 177 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	46	0	46	40	na	40
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

4.4.4 SKILLS DEVELOPMENT – BUDGET ALLOCATION

Budget of R1 525 400.00 was allocated of which R1 939 170 was spent on training. Mandatory Grant received during the 2018/2019 financial year from the Local Government Seta was located as additional toward the Municipalities internal training budget. The training budget for 2018/2019 financial year was successfully utilised and over achieved the spending percentage.

TABLE 178 BUDGET ALLOCATED AND SPENT FOR SKILLS DEVELOPMENT

YEAR	TOTAL OPERATIONAL BUDGET	TOTAL SPENT	% SPEND
2018/19	123 568 30	1939 170	1.57%

4.5 MUNICIPAL WORKFORCE 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 179 TOTAL PERSONNEL EXPENDITURE

FINANCIAL YEAR	TOTAL EXPENDITURE SALARY AND ALLOWANCES R'000	TOTAL OPERATING EXPENDITURE R'000	PERCENTAGE %
2017/18	115 542	290 724	39.74
2018/19	125 207 668	317 234 287	39.47

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 180 DETAIL OF PERSONNEL EXPENDITURE

FINANCIAL YEAR	2017/18	2018/19		
DESCRIPTION	ACTUAL R'000	ORIGINAL BUDGET R'000	ADJUSTED BUDGET R'000	ACTUAL R'000
Councillors (Political Office Bearers plus Other)				
Salary	3 080	3,128	3,128	3,095
Pension contributions	515	600	600	538
Medical aid contributions	60	50	50	78
Motor vehicle allowance	1 163	1,194	1,194	1,242
Cell phone allowance	241	488	343	488
Other allowance				
Sub Total	5 059	5,514	5,368	5,441
% increase/ (decrease)	23.59%			
Key Personnel				
Basic salaries and wages	4 347	4,328	4,328	3,936
Pension and medical aid and UIF contributions	472	341	341	220
Motor vehicle allowance	314	150	150	204
Cell phone allowance	28	32	32	48
Housing allowance				
Performance bonus	260	606	606	274
Other benefits or allowances	543	58	58	215
Sub Total	5 965	5,743	5,743	4,897
% increase/ (decrease)	6.18%			
Other Staff				
Basic salaries and wages	74 159	80,919	81,309	82,116
Pension and UIF contributions	11 907	13,720	13,720	13,099
Medical aid contributions	4 124	3,889	3,887	4,552
Motor vehicle allowance	5 277	5,686	5,686	5,672
Cell phone allowance	411	390	390	404
Housing allowance	1 002	1,008	1,008	1,074
Overtime	3 613	2,937	2,937	4,166
Performance bonus	0			0
Other benefits or allowances	9 084	9,086	9,086	9,227
Sub Total	109 577		118,020	120,310

Total Municipality	115 542	117,630	129,132	
Total managers and staff				

CHAPTER 5: FINANCIAL PERFORMANCE

5.1 INTRODUCTION

Based on the 2018/19 financial year's results, the Cape Agulhas Municipality demonstrated its ongoing commitment to improve its financial position in line with its Long Term Financial Plan objectives. This was achieved through good governance and sound financial management which collectively enabled us to provide affordable, quality and sustainable services within our legislative mandate.

The financial profile of the Municipality reflects an adequate level of sustainability and steady improvement over recent years despite growing challenges. A strong liquidity position and relatively low debt burden underlie the municipality's improved financial sustainability which is attributable to the implementation of sound financial management practices over the past five years. The operating performance also displayed improvement despite operational expenditure pressures and the Municipality's desire to keep tariffs affordable.

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. There are a number of factors that can influence our financial sustainability and these factors can be defined as internal and external factors. Internal factors can be managed and include items such as revenue and expenditure composition; operating performance; borrowing strategy; liquidity and reserves; financial flexibility; quality of management; strategies and policies. External factors can not really be influenced and include matters such as the growth and composition of the national and local economies; local demography; wealth of the community; geographic location; type and the level of services sought by the community

Cash and investments increased in comparison with the previous financial year and the municipality continues with its effort to improve 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 is therefore curtailment of operational expenditure; building up of liquidity, and the specific building of a cash backed capital replacement reserve (CRR) to cater for future asset replacement expenses and new developments.

The main threat remains the national economic and revenue outlook which has deteriorated since the October 2018 one. The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. These factors, alongside continued high unemployment and slow growth will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is required for municipal revenue projections. Municipalities affected by the drought should also consider its impact on revenue generation. In this context the municipality will continue to improve efforts to limit non-priority spending and implementation of stringent cost-containment measures.

The following paragraphs provide an overview of the Municipality's financial performance for the year under review:

The Community Wealth (CRR and Unappropriated Surplus) has increased from approximately R313,77 million to R353,15 million for the financial year, mainly as a result to increased cash and the Capital Replacement Reserve (CRR).

(i) OPERATING RESULTS

Council has achieved an operating surplus of R44,38 million. The positive results can mainly be attributed to an ongoing increase in traffic fines recognized, actuarial gains and savings realized in respect of bulk purchases – electricity. Variance in operating grants & transfers can mainly be attributed to the housing grant's accounting treatment based on an agency bases.

The operating results for the year ended 30 June 2019 are as follows:

TABLE 181 FINANCIAL OVERVIEW 2018/19

DETAILS	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
Income			
Grants - Operational	79,149,533	79,647,723	41,236,271
Grants - Capital	12,410,967	16,545,877	20,682,357
Taxes, Levies and tariffs	227,689,200	227,689,200	232,113,642
Other	34,392,000	34,931,700	64,084,635
Sub Total	353,641,700	358,814,500	358,116,905
Less: Expenditure	350,454,000	359,451,502	313,737,765
Net Total*	3,187,700	(637,002)	44,379,140

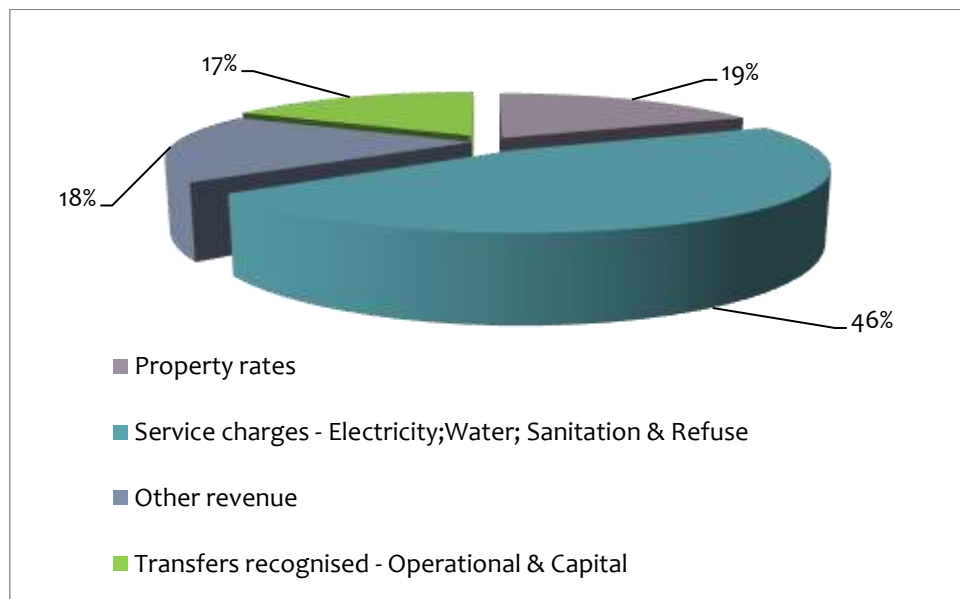
The Municipality’s performance, when compared to the budget, must be seen in the context of conservative budgeting practices and the application of strict expenditure control measures aligned with the municipality’s budget and virement policy.

(ii) OPERATING REVENUE

The major revenue streams that supported the programmes and activities of the municipality were:

- Property Rates
- Service Charges – Electricity, Water, Sanitation and Refuse
- Grants and Subsidies – Operating & Capital
- Other Revenue: - Rental of Facilities, Interest earned, Agency Services, Fines & other income

FIGURE 15 MAJOR REVENUE BY SOURCE



The main sources of revenue (65%) 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) as well as contributed assets. 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 allocations.

(iii) OPERATING EXPENDITURE

The following graph indicates the main categories of expenditure for the year under review:

FIGURE 16 MAJOR EXPENDITURE BY TYPE

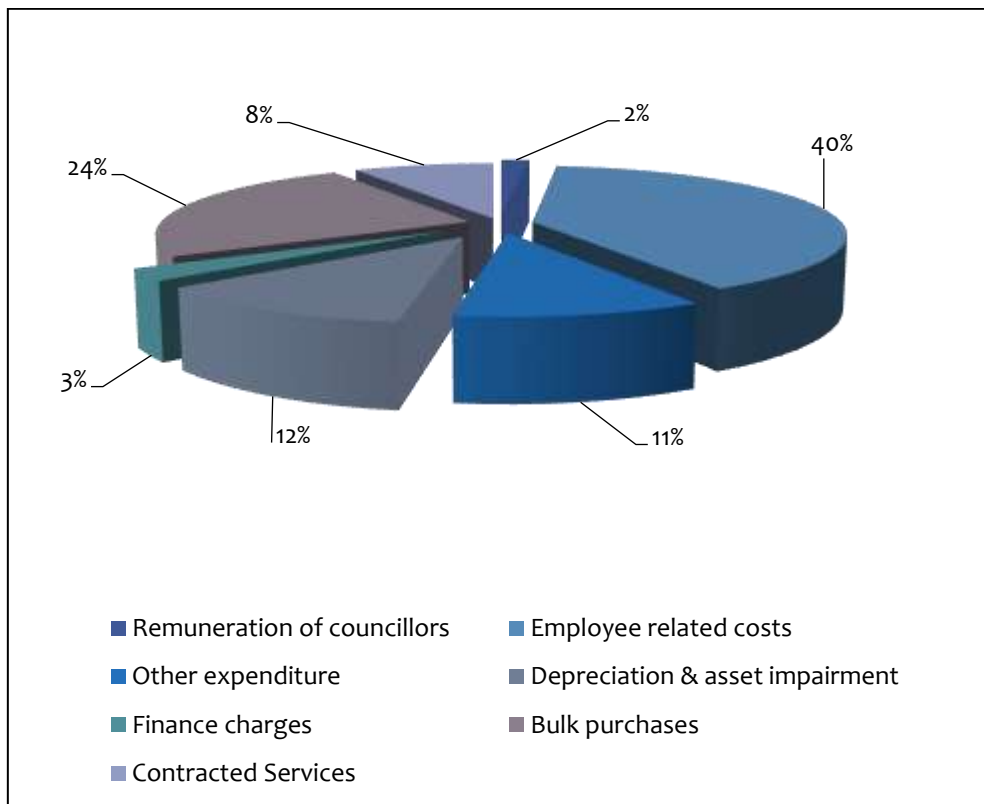


TABLE 182 OPERATING RATIOS

DETAIL	%
Employee Cost (Excl. Councillor Remuneration)	39,91%
Bulk Purchases	24,47%
Contracted Services	8,61%
Finance Charges	2,82%
Depreciation & Debt Impairment	11,74%

The Municipality's Employee Cost ratio of 39.91% (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 and the Municipality is in process of addressing this to ensure future financial sustainability.

The Depreciation / Debt Impairment increased by R6,55 million compared to the previous financial year mainly due to the increase in debt impairment for traffic fines and services of more than 90 Days in arrears.

(iv) APPROPRIATIONS (ACCUMULATED SURPLUS / DEFICIT)

Appropriations for the year amount to a net inflow of R39,379 million which can mainly be attributed to:

▪ Net Surplus for the year	R 44 379 140
▪ Transfer to Capital Replacement Reserve	(R14 940 056)
▪ Property, Plant and Equipment purchased	R 9 940 056

(v) CAPITAL EXPENDITURE

Actual expenditure incurred on fixed assets represents an efficiency rate of 107,14% compared to the previous financial year's percentage at 95,48%.

(vi) CONDITIONAL GOVERNMENT GRANTS

Except for the Finance Management Support Grant all other conditional grants have been dealt with in compliance with DoRA with a 100% expenditure rate for the financial year under review. The unspent conditional grants to the amount of R1,070 million 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

(vii) EXTERNAL BORROWINGS

The Municipality has external loans to the total amount of R32,75 million from ABSA Bank and Nedbank as at the end of 30 June 2019.

Some financial ratios relevant to external borrowings are:

	<u>2018/19</u>	<u>2017/18</u>
Interest Bearing Debt to Own Revenue (Excluding Grants)	11,06%	7,54%

Although the ratio for External Gearing remained low at 11,06% compared to the norm of 45% set by National Treasury, the potential for Cape Agulhas' to borrow remains limited to around 30% 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 to improve the cash position of the Municipality over the past five financial years.

(viii) CASH AND INVESTMENTS

The Municipality's cash and investments amount to R83,74 million and reflect an increase of R35,970 million compared to the previous financial year.

The Municipality currently has adequate cash available to cover its operating requirements with a cash coverage of at least three months of the average operational expenditure as per the National Treasury best practice guidelines. At the moment the ratio reflects at above the three month ratio at 3,66. However it remains a risk to sustain this position over the medium to long term period in terms of the Long Term Financial Plan Strategy with specific measures on how to kept improve the municipality's cash position.

(ix) OUTSTANDING RECEIVABLES

The total nett outstanding receivables decreased by R666k compared to the previous financial year. The reported debtor payment ratio reflects slightly above the National Treasury norm of 95% at 96,29% for the financial year under review. The Municipality's target in terms of the Long Term Financial Plan requires a debt collection rate above 97% to remain financially viable. The Municipality is in process of rolling out the effectiveness of debt collection and credit control aligned with its approved Revenue Enhancement strategy.

(x) OUTSTANDING PAYABLES

Increase of outstanding payables to the amount of R7,82 million compares to the previous financial year.

Some financial ratios relevant to payables are:

<u>Creditors Management</u>	<u>2018/19</u>	<u>2017/18</u>
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.

(xi) 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.

<u>Liquidity</u>	<u>2018/19</u>	<u>2017/18</u>
Liquidity - Current Ratio	2,03: 1	1,80: 1

The Liquidity ratio increased from 1.80:1 in 2017/18 to 2.03:1 for the financial year under review. The Municipality performed above the National Treasury norm of 1.5:1 and slightly higher than the Long Term Financial Plan Strategy ratio target of 2,00:1.

(xii) CONCLUSION

According to the key financial indicators the Municipality could still manage to sustain its healthy financial position and in most instances improved compared 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 2018/19 financial year:

TABLE 183 SUMMARY OF FINANCIAL PERFORMANCE

DESCRIPTION	2017/18	2018/19			2018/19 VARIANCE	
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTED BUDGET
	R'ooo				%	
Property rates	60 732	63 981	63 981	66 107	3.22	3.22
Service charges	150 350	163 708	163 708	166 007	1.38	1.38
Investment revenue	2 821	2 286	2 286	5 169	55.78	55.78
Transfers recognised - operational	37 464	79 150	79 648	41 189	-92.16	-93.37
Other own revenue	24 153	32 106	32 646	58 963	45.55	44.63
Total Revenue (excluding capital transfers and contributions)	275 519	341 231	342 269	337 435	-1.13	-1.43
Employee costs	115 619	123 373	123 568	125 208	1.47	1.31
Remuneration of councillors	5 060	5 514	5 555	5 441	-1.33	-2.09
Depreciation & asset impairment	11 154	11 922	12 000	12 140	1.80	1.16
Finance charges	7 183	9 439	10 000	8 850	-6.66	-13.00
Materials and bulk purchases	75 358	82 398	81 351	76 761	-7.34	-5.98
Transfers and grants	1 398	1 920	2 850	581	-230.45	-390.52
Other expenditure	71 788	115 890	124 128	84 757	-36.73	-46.45
Total Expenditure	287 560	350 454	359 452	313 738	-11.70	-14.57
Surplus/(Deficit)	(12 041)	(9 223)	(17 183)	23 697	138.92	172.51
Transfers recognised - capital	12 457	12 281	16 416	20 682	40.62	20.63
Contributions recognised - capital & contributed assets	7 703	130	130	-	-	-
Surplus/(Deficit) after capital transfers & contributions	8 118	3 188	(637)	44 379	92.82	101.44
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	12 457	12 281	17 416	20 682	40.62	15.79
Public contributions & donations	7 703	130	130	-	-	-
Borrowing	4 484	7 622	6 326	6 623	-15.07	4.48
Internally generated funds	7 060	10 913	10 890	9 940	-9.79	-9.56
Total sources of capital funds	31 703	30 946	34 762	37 246	16.91	6.67
Financial position						
Total current assets	81 793	60 671	72 265	118 811	48.93	39.18
Total non-current assets	393 697	450 873	456 239	420 377	-7.25	-8.53
Total current liabilities	45 411	61 038	51 512	58 582	-4.19	12.07
Total non-current liabilities	86 306	140 181	145 088	92 454	-51.62	-56.93
Community wealth/Equity	343 773	310 325	331 903	388 152	20.05	14.49

DESCRIPTION	2017/18	2018/19			2018/19 VARIANCE	
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTED BUDGET
	R'000				%	
<u>Cash flows</u>						
Net cash from (used) operating	25 700	11 968	11 996	54 097	77.88	77.83
Net cash from (used) investing	(19 072)	(22 985)	(26 955)	(31 809)	27.74	15.26
Net cash from (used) financing	16 779	5 063	(3 236)	13 683	63.00	123.65
Cash/cash equivalents at the year end	23 407	(5 953)	(18 195)	35 971	116.55	150.58
<u>Cash backing/surplus reconciliation</u>						
Cash and investments available	47 768	19 620	29 574	83 739	76.57	64.68
Application of cash and investments					-	-
Balance - surplus (shortfall)	47 768	19 620	29 574	83 739	76.57	64.68
<u>Asset management</u>						
Asset register summary (WDV)	393 697	405 477	410 384	420 377	3.54	2.38
Depreciation & asset impairment	11 154	13 097	12 000	12 140	-7.88	1.16
Renewal of Existing Assets	23 241				-	-
Repairs and Maintenance					-	-
<u>Free services</u>						
Cost of Free Basic Services provided	8 008	10 141	10 141	10 854	6.57	6.57
Revenue cost of free services provided	9 289				-	-
<u>Households below minimum service level</u>						
Water:	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-
Energy:	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-

The table below shows a summary of performance against budgets for the 2018/19 financial year:

TABLE 184 PERFORMANCE AGAINST BUDGETS

FINANCIAL YEAR	REVENUE				OPERATING EXPENDITURE			
	BUDGET	ACTUAL	DIFF.	%	BUDGET	ACTUAL	DIFF.	%
	(R'000)				(R'000)			
2017/18		312 983	312 983	-	286 994	287 560	(566)	0
2018/19	342 269	358 117	15 848	5	359 452	313 738	45 714	13

5.2.1 REVENUE COLLECTION BY VOTE

The table below indicates the revenue collection performance by vote for the 2018/19 financial year:

TABLE 185 REVENUE BY VOTE

VOTE DESCRIPTION	2017/18		2018/19		2018/19 VARIANCE	
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	ORIGINAL BUDGET	ADJUST- MENTS BUDGET
	R'000			%		
Vote 1 - Executive & Council	25 237	27 606	27 636	32 619	15.37	15.28
Vote 2 - Budget & Treasury	78 435	91 003	95 413	97 338	6.51	1.98
Vote 3 - Corporate Services	4 824				-	-

VOTE DESCRIPTION	2017/18		2018/19		2018/19 VARIANCE	
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	ORIGINAL BUDGET	ADJUST- MENTS BUDGET
	R'000			%		
Vote 4 - Community & Public Safety	28 995	64 157	64 390	36 068	-77.88	-78.52
Vote 5 - Civil Engineering Services	167 805	170 876	171 376	191 923	10.97	10.71
Vote 6 - Electro-technical Services					-	-
Vote 7 - Other					-	-
Total Revenue by Vote	305 296	353 642	358 815	357 948	1.20	-0.24

5.2.2 REVENUE COLLECTION BY SOURCE

The table below indicates the revenue collection performance by source for the 2018/19 financial year:

TABLE 186 REVENUE BY SOURCE

DESCRIPTION	2017/18		2018/19		2018/19 VARIANCE	
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	ORIGINAL BUDGET	ADJUST- MENTS BUDGET
	R'000			%		
Property rates	60 732	63 981	63 981	66 107	3.22	3.22
Property rates - penalties & collection charges	-					
Service Charges - electricity revenue	102 079	110 871	110 871	110 751	-0.11	-0.11
Service Charges - water revenue	22 484	25 946	25 946	26 812	3.23	3.23
Service Charges - sanitation revenue	10 346	10 125	10 125	11 979	15.48	15.48
Service Charges - refuse revenue	15 440	16 766	16 766	18 681	10.25	10.25
Service Charges - other	-	-	-	-	-	-
Rentals of facilities and equipment	9 351	1 710	1 714	8 545	79.98	79.94
Interest earned - external investments	2 821	2 286	2 286	5 169	55.78	55.78
Interest earned - outstanding debtors	1 319	1 591	1 591	2 382	33.20	33.20
Dividends received	-	-	-	-	-	-
Fines	11 808	9 854	9 854	17 575	43.93	43.93
Licences and permits	1 319	64	64	10	-564.33	-564.33
Agency services	1 854	2 572	2 572	3 290	21.80	21.80
Transfers recognised - operational	37 464	79 150	79 648	41 189	-92.16	-93.37
Other revenue	23 523	8 514	9 050	45 629	81.34	80.17
Gains on disposal of PPE		7 800	7 800		-	-
Total Revenue (excluding capital transfers and contributions)	300 542	341 231	342 269	358 117	4.72	4.43

5.2.3 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the operational services performance for the 2018/19 financial year:

TABLE 187 OPERATIONAL SERVICES PERFORMANCE

DESCRIPTION	2017/18	2018/19			2018/19 VARIANCE	
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	ORIGINAL BUDGET	ADJUST- MENTS BUDGET
	R'ooo				%	
Operating Cost						
Water	9 038	13 741	15 798	16 105	14.68	1.91
Waste Water (Sanitation)	508	10 311	11 498	10 883	5.25	-5.66
Electricity	19 107	89 463	95 125	88 545	-1.04	-7.43
Waste Management	(2 524)	976	1 714	957	-1.97	-79.20
Housing	5 010	2 017	37 151	2 015	-0.10	-1744.09
Component A: sub-total	31 138	116 508	161 287	118 504	1.68	-36.10
Roads and Stormwater	(15 447)	15 038	15 536	13 014	-15.55	-19.38
Transport						
Component B: sub-total	(15 447)	15 038	15 536	13 014	-15.55	-19.38
Planning	(2 275)	3 153	3 145	3 153	0.00	0.24
Local Economic Development						
Component C: sub-total	(2 275)	3 153	3 145	3 153	0.00	0.24
Libraries	352	5 169	6 732	7 147	27.67	5.80
Social services & community development	(2 811)	4 554	4 531	4 715	3.42	3.92
Component D: sub-total	(2 459)	9 723	11 263	11 862	18.03	5.05
Environmental Protection (pollution control, bio-diversity, landscape, open spaces, parks, and coastal protection)	(873)	779	990	1 060	26.53	6.57
Component E: sub-total	(873)	779	990	1 060	26.53	6.57
Traffic & licensing	(1 251)	3 271	3 694	3 289	0.55	-12.31
Fire Services and Disaster Management						
Component F: sub-total	(1 251)	3 271	3 694	3 289	0.55	-12.31
Holiday Resorts and Campsites	951	6 705	6 958	7 043	4.80	1.22
Swimming Pools, Stadiums and Sport Ground	(3 666)	4 244	5 625	4 346	2.35	-29.43
Community halls, facilities, Thusong centres	(3 797)	4 127	4 232	2 979	-38.56	-42.09
Component G: sub-total	(6 512)	15 076	16 815	14 368	-4.93	-17.03
Financial Services	31 765	39 685	49 573	50 157	20.88	1.16
Office of the MM	(2 593)	2 668	3 735	2 873	7.16	-30.00
Administration	(2 865)	5 056	5 392	5 483	7.78	1.66
HR	(5 975)	9 066	9 729	10 734	15.54	9.37
Component H: sub-total	20 333	56 474	68 429	69 248	18.45	1.18
Total Expenditure	22 653	220 022	281 160	234 498	6.17	-19.90

5.3 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

5.3.1 WATER SERVICES

TABLE 188 FINANCIAL PERFORMANCE: WATER SERVICES

DESCRIPTION	2017/18	2018/19			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	23 354	24 344	26 449	26 842	9,31
Expenditure:					
Employees	8 755	9 663	10 409	10 630	9,11
Repairs and Maintenance	-				
Other	5 561	4 079	5 389	5 475	25,50
Total Operational Expenditure	14 316	13 741	15 798	16 105	14,68
Net Operational (Service)	9 038	10 603	10 651	10 737	1,25

5.3.2 WASTE WATER (SANITATION)

TABLE 189 FINANCIAL PERFORMANCE: WASTE WATER (SANITATION) SERVICES

DESCRIPTION	2017/18	2018/19			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	10 628	9 508	10 148	11 979	20,63
Expenditure:					
Employees	4 895	5 503	5 644	6 045	8,96
Repairs and Maintenance	-				-
Other	5 225	4 808	5 854	3 881	-23,88
Total Operational Expenditure	10 120	10 311	11 498	9 926	-3,88
Net Operational (Service)	508	(803)	(1 350)	2 053	139,13

5.3.3 ELECTRICITY

TABLE 190 FINANCIAL PERFORMANCE: ELECTRICITY

DESCRIPTION	2017/18	2018/19			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	105 761	104 438	113 012	113 269	7,80
Expenditure:					
Employees	5 886	7 198	7 741	7 255	0,80
Repairs and Maintenance	-				

Other	80 768	80 701	87 385	81 290	0,72
Total Operational Expenditure	86 654	87 898	95 125	88 545	0,73
Net Operational (Service)	19 107	16 540	17 887	24 724	33,10

5.3.4 WASTE MANAGEMENT

TABLE 191 FINANCIAL PERFORMANCE: WASTE MANAGEMENT

DESCRIPTION	2017/18	2018/19			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'ooo				%
Total Operational Revenue	15 674	15 723	16 766	18 839	16,54
Expenditure:					
Employees	5 274	5 128	5 599	6 032	14,98
Repairs and Maintenance	-				
Other	12 924	13 939	15 972	11 458	-21,65
Total Operational Expenditure	18 198	19 067	21 571	17 490	-9,02
Net Operational (Service)	(2 524)	(3 344)	(4 805)	1 349	347,87

5.3.5 ROADS AND STORMWATER

TABLE 1872 FINANCIAL PERFORMANCE: ROADS AND STORMWATER

DESCRIPTION	2017/18	2018/19			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'ooo				%
Total Operational Revenue					
Expenditure:					
Employees	9 391	7 076	9 062	8 243	14,16
Repairs and Maintenance	-				
Other	6 056	6 054	6 474	4 771	-26,89
Total Operational Expenditure	15 447	13 130	15 536	13 014	-0,89
Net Operational (Service)	(15 447)	(13 130)	(15 536)	(13 014)	-0,89

5.3.6 LIBRARIES

TABLE 193 FINANCIAL PERFORMANCE: LIBRARIES

DESCRIPTION	2017/18	2018/19			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'ooo				%
Total Operational Revenue	5 672	5 654	7 170	6 999	19,22

Expenditure:					
Employees	4 907	4 334	4 665	5 507	21,30
Repairs and Maintenance	-				
Other	413	834	2 067	1 640	49,14
Total Operational Expenditure	5 320	5 168	6 732	7 147	27,69
Net Operational (Service)	352	486	437	(148)	429,42

5.3.7 ENVIRONMENTAL PROTECTION

TABLE 194 FINANCIAL PERFORMANCE: ENVIRONMENTAL PROTECTION

DESCRIPTION	2017/18	2018/19			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	-	-	-	-	
Expenditure:					
Employees	637	613	598	751	18,33
Repairs and Maintenance	-	-	-	-	
Other	236	165	393	309	46,47
Total Operational Expenditure	873	779	990	1 060	26,53
Net Operational (Service)	(873)	(779)	(990)	(1 060)	26,53

5.3.8 SOCIAL SERVICES AND COMMUNITY DEVELOPMENT

TABLE 195 FINANCIAL PERFORMANCE: SOCIAL SERVICES AND COMMUNITY DEVELOPMENT

DESCRIPTION	2017/18	2018/19			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	195	322	657	1 504	78,57
Expenditure:					
Employees	2 186	3 685	2 787	2 490	-48,01
Repairs and Maintenance	-				
Other	820	869	1 744	1 574	44,80
Total Operational Expenditure	3 006	4 554	4 531	4 064	-12,06
Net Operational (Service)	(2 811)	(4 232)	(3 873)	(2 560)	-65,31

5.3.9 TRAFFIC AND LAW ENFORCEMENT

TABLE 196 PERFORMANCE: TRAFFIC AND LAW ENFORCEMENT

DESCRIPTION	2017/18	2018/19			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%

Total Operational Revenue	15 196	9 438	9 834	17 712	46,71
Expenditure:					
Employees	7 123	4 270	4 138	4 832	11,62
Repairs and Maintenance	-				
Other	9 324	5 356	5 670	13 274	59,65
Total Operational Expenditure	16 447	9 626	9 808	18 106	46,84
Net Operational (Service)	(1 251)	(188)	26	(394)	52,38

5.3.10 HOLIDAY RESORTS AND CAMPSITES

TABLE 197 FINANCIAL PERFORMANCE: HOLIDAY RESORTS AND CAMPSITES

Description	2017/18	2018/19			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	7 295	6 364	6 579	7 022	9,37
Expenditure:					
Employees	3 830	4 688	4 892	5 885	20,34
Repairs and Maintenance	-				
Other	2 514	2 018	2 066	1 159	-74,15
Total Operational Expenditure	6 344	6 705	6 958	7 043	4,80
Net Operational (Service)	951	(342)	(379)	(21)	-1497,89

5.3.11 SWIMMING POOLS AND SPORT GROUNDS

TABLE 198 FINANCIAL PERFORMANCE: SWIMMING POOLS AND SPORT GROUNDS

DESCRIPTION	2017/18	2018/19			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	367	734	700	602	-22,05
Expenditure:					
Employees	3 381	3 352	4 166	3 768	11,03
Repairs and Maintenance	-				
Other	652	892	1 459	578	-54,22
Total Operational Expenditure	4 033	4 244	5 625	4 346	2,35
Net Operational (Service)	(3 666)	(3 510)	(4 925)	(3 744)	6,27

5.3.12 COMMUNITY FACILITIES AND THUSONG CENTRES

TABLE 199 FINANCIAL PERFORMANCE: COMMUNITY FACILITIES AND THUSONG CENTRES

DESCRIPTION	2017/18	2018/19
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	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	Variance to Budget
	R'000				%
Total Operational Revenue	162	322	657	1 504	78,57
Expenditure:					
Employees	2 509	3 685	2 787	2 490	-48,01
Repairs and Maintenance	-				
Other	1 451	869	1 744	1 574	44,80
Total Operational Expenditure	3 959	4 554	4 531	4 064	-12,06
Net Operational (Service)	(3 797)	(4 232)	(3 873)	(2 560)	-65,31

5.3.13 OFFICE OF THE MUNICIPAL MANAGER

TABLE 200 FINANCIAL PERFORMANCE: OFFICE OF THE MUNICIPAL MANAGER

DESCRIPTION	2017/18	2018/19			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue		-	-	-	
Expenditure:					
Employees	2 110	2 146	3 116	2 460	12,77
Repairs and Maintenance	-				
Other	483	521	620	413	-26,29
Total Operational Expenditure	2 593	2 668	3 735	2 873	7,16
Net Operational (Service)	(2 593)	(2 668)	(3 735)	(2 873)	7,16

5.3.14 ADMINISTRATION

TABLE 201 FINANCIAL PERFORMANCE: ADMINISTRATION

DESCRIPTION	2017/18	2018/19			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	2 141	1 714	1 309	1 377	-24,49
Expenditure:					
Employees	3 740	3 740	3 896	4 000	6,51
Repairs and Maintenance	-	-	-	-	
Other	1 265	1 316	1 496	1 483	11,22
Total Operational Expenditure	5 005	5 056	5 392	5 483	7,78
Net Operational (Service)	(2 865)	(3 342)	(4 083)	(4 106)	18,61

5.3.15 HUMAN RESOURCES

TABLE 202 FINANCIAL PERFORMANCE: HUMAN RESOURCES

DESCRIPTION	2017/18	2018/19			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	3 089		938	1 476	100,00
Expenditure:					
Employees	6 313	6 670	5 759	6 334	-5,31
Repairs and Maintenance	-	-	-	-	
Other	2 750	2 396	3 970	4 400	45,55
Total Operational Expenditure	9 063	9 066	9 729	10 734	15,54
Net Operational (Service)	(5 975)	(9 066)	(8 791)	(9 259)	2,08

5.3.16 FINANCIAL SERVICES

TABLE 203 FINANCIAL PERFORMANCE: FINANCIAL SERVICES

DESCRIPTION	2017/18	2018/19			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	78 435	66 723	78 603	97 338	31,45
Expenditure:					
Employees	21 312	21 186	23 688	23 628	10,34
Repairs and Maintenance	-			-	#DIV/0!
Other	25 359	18 499	25 885	26 529	30,27
Total Operational Expenditure	46 671	39 685	49 573	50 157	20,88
Net Operational (Service)	31 765	27 038	29 029	47 181	42,69

5.3.17 HOUSING

TABLE 188 FINANCIAL PERFORMANCE: HOUSING

DESCRIPTION	2017/18	2018/19			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	6 804	20 450	34 965	81	-24999.72
Expenditure:					
Employees	1 651	1 527	1 972	1 703	10.34
Repairs and Maintenance	-				-
Other	144	20 618	35 180	312	-6508.20
Total Operational Expenditure	1 795	22 145	37 151	2 015	-999.20
Net Operational (Service)	5 010	(1 695)	(2 186)	(1 933)	12.34

5.3.18 PLANNING

TABLE 205 FINANCIAL PERFORMANCE: PLANNING

DESCRIPTION	2017/18		2018/19		
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	489	270	287	618	56,34
Expenditure:					
Employees	2 253	2 217	2 345	2 421	8,43
Repairs and Maintenance					#DIV/0!
Other	511	1 177	800	732	-60,82
Total Operational Expenditure	2 764	3 394	3 145	3 153	-7,65
Net Operational (Service)	(2 275)	(3 124)	(2 859)	(2 535)	-23,23

5.4 GRANTS

5.4.1 GRANT PERFORMANCE

The Municipality receives grants from the National and Provincial Governments during the 2018/19 financial year for infrastructure development and other projects.

TABLE 206 GRANT PERFORMANCE

DESCRIPTION	2017/18		2018/19		2018/19 VARIANCE	
	ACTUAL (AUDITED OUTCOME)	BUDGET	ADJUSTME NTS BUDGET	ACTUAL	ORIGINAL BUDGET	ADJUSTME NTS BUDGET
	R'000				%	
<u>Operating Transfers and Grants</u>						
National Government:	39 989	48 171	52 765	52 765	8,71	0,00
Equitable Share	25 190	27 606	27 606	27 606	0,00	0,00
Financial Management Grant	1 550	1 550	1 550	1 550	0,00	0,00
Municipal Systems Improvement Grant						
Municipal Infrastructure Grant	11 118	10 874	13 874	13 874	21,62	0,00
Expanded Public Works Program	1 131	1 141	1 141	1 141	0,00	0,00
Integrated National Electricity program	1 000	2 000	2 000	2 000	0,00	0,00
Seta Claims (Training)			1 594	1 594	100,00	0,00
Energy Efficiency Demand side grant		5 000	5 000	5 000	0,00	0,00
Provincial Government:	27 769	9 027	9 777	9 777	7,67	0,00
Library Grant	5 583	6 910	6 910	6 910	0,00	0,00
RSEP grant	1 000	1 145	1 145	1 145	0,00	0,00
Housing	20 450					
Subsidy PAWK	84					
CDW Grant	56					
FMG Provincial	240	504	504	504	0,00	0,00
Municipal Infrastructure Support grant		360	1 110	1 110	67,57	0,00
Department of sport arts and culture	356	108	108	108	0,00	0,00

Department of Energy						
Provincial Contribution acceleration of housing						
RDP Housing - Electricity						
Proclaimed Roads						
Other grant providers:	-	-	-	-		
DPLG Support grant						
VUUP Grant						
Total Operating Transfers and Grants	67 758	57 198	62 542	62 542	8,54	0,00

5.4.2 CONDITIONAL GRANTS

The performance in the spending of conditional grants is summarised as follows:

TABLE 207 CONDITIONAL GRANTS

Details	2017/18	2018/19			2018/19 VARIANCE	
	ACTUAL	BUDGET	ADJUSTMENTS	ACTUAL	VARIANCE	
	ACTUAL (AUDITED OUTCOME)		BUDGET		BUDGET	Adjustments Budget
		R'000			%	
Financial Management Grant	1 550	1 550	1 550	1 550	0,00	0,00
Municipal Systems Improvement Grant						#DIV/o!
Municipal Infrastructure Grant	11 118	10 874	13 874	13 874	21,62	0,00
Expanded Public Works Program	1 131	1 141	1 141	1 141	0,00	0,00
Integrated National Electricity program	1 000	2 000	2 000	2 000	0,00	0,00
Seta Claims (Training)			1 594	1 594	100,00	0,00
Energy Efficiency Demand side grant		5 000	5 000	5 000	0,00	0,00
Library Grant	5 583	6 910	6 910	6 910	0,00	0,00
RSEP grant	1 000	1 145	1 145	1 145	0,00	0,00
Housing	20 450					
Subsidy PAWK	84					
CDW Grant	56					
FMG Provincial	240	504	504	504	0,00	0,00
Municipal Infrastructure Support grant		360	1 110	1 110	67,57	0,00
Department of sport arts and culture	356	108	108	108	0,00	0,00
Total	42 568	29 592	34 936	34 936	15,30	0,00

* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in par 5.9.2. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

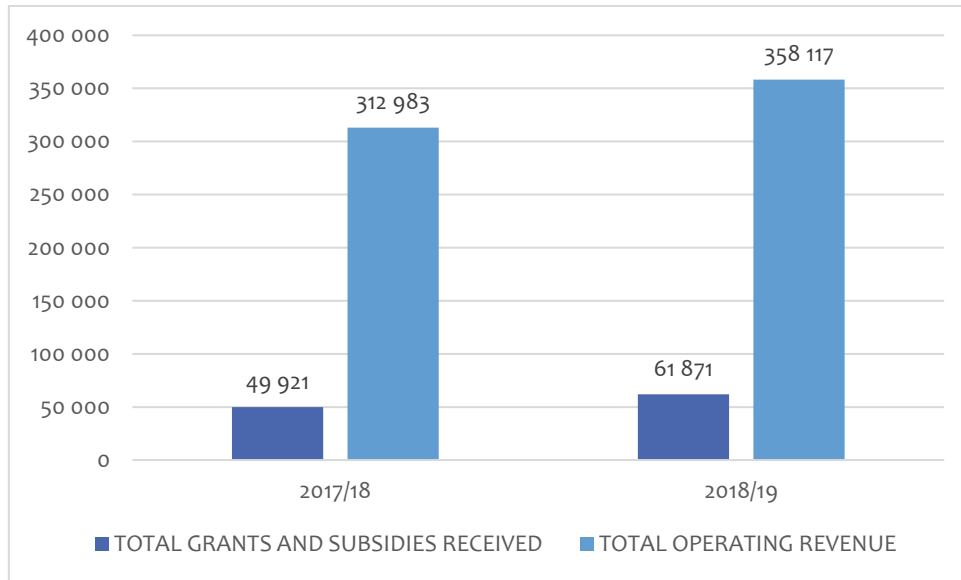
5.4.3 LEVEL OF RELIANCE ON GRANTS & SUBSIDIES

TABLE 208 RELIANCE ON GRANTS

FINANCIAL YEAR	TOTAL GRANTS	TOTAL	PERCENTAGE
	AND SUBSIDIES RECEIVED	OPERATING REVENUE	
	R'000		
2017/18	49 921	312 983	15.95
2018/19	61 871	358 117	17.28

The following graph indicates the Municipality’s grants and subsidies received compared to operating revenue for the last two financial years.

FIGURE 17 GRANTS AND SUBSIDIES RECEIVED COMPARED TO THE TOTAL OPERATING REVENUE



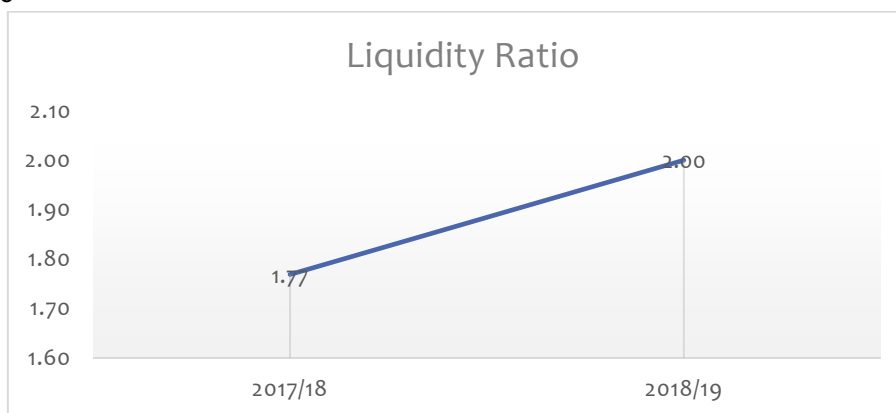
5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 LIQUIDITY RATIO

TABLE 189 LIQUIDITY FINANCIAL RATIO

DESCRIPTION	2017/18	2018/19
	AUDITED OUTCOME	AUDITED OUTCOME
Current Ratio	1,803	2,028
Current Ratio adjusted for aged debtors	1,154	1,543
Liquidity Ratio	1,769	2,000

FIGURE 18 LIQUIDITY RATIO



5.5.2 NATIONAL FINANCIAL VIABILITY INDICATORS

TABLE 190 NATIONAL FINANCIAL VIABILITY KPI's

Description	Basis Of Calculation	2017/18	2018/19
		AUDITED OUTCOME	AUDITED OUTCOME
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	2,26	3,20
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0,176	0,193
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	520,81	159,46

FIGURE 19 COST COVERAGE

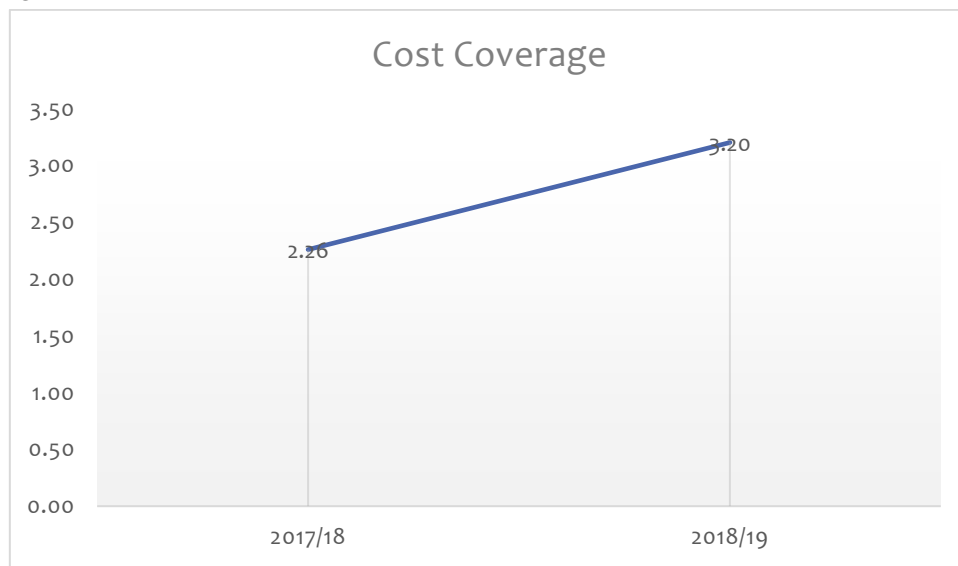


FIGURE 20 OUTSTANDING SERVICE DEBTORS

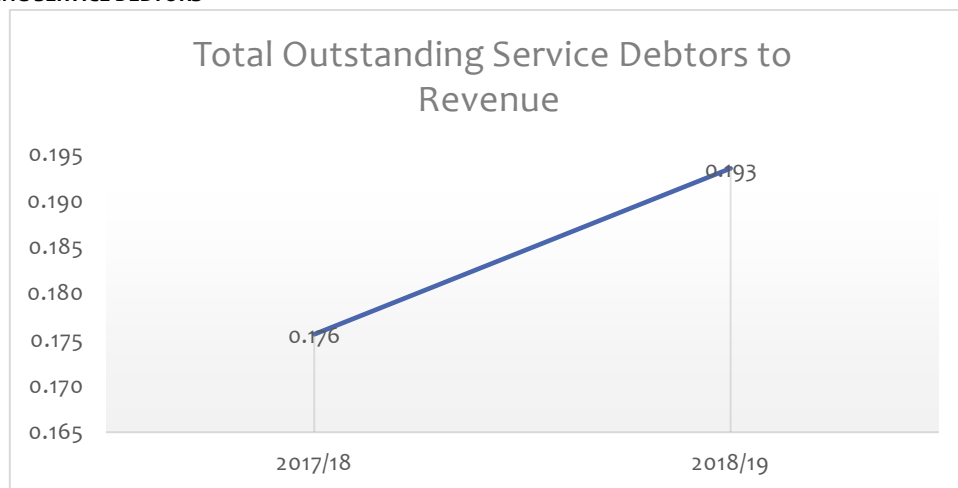
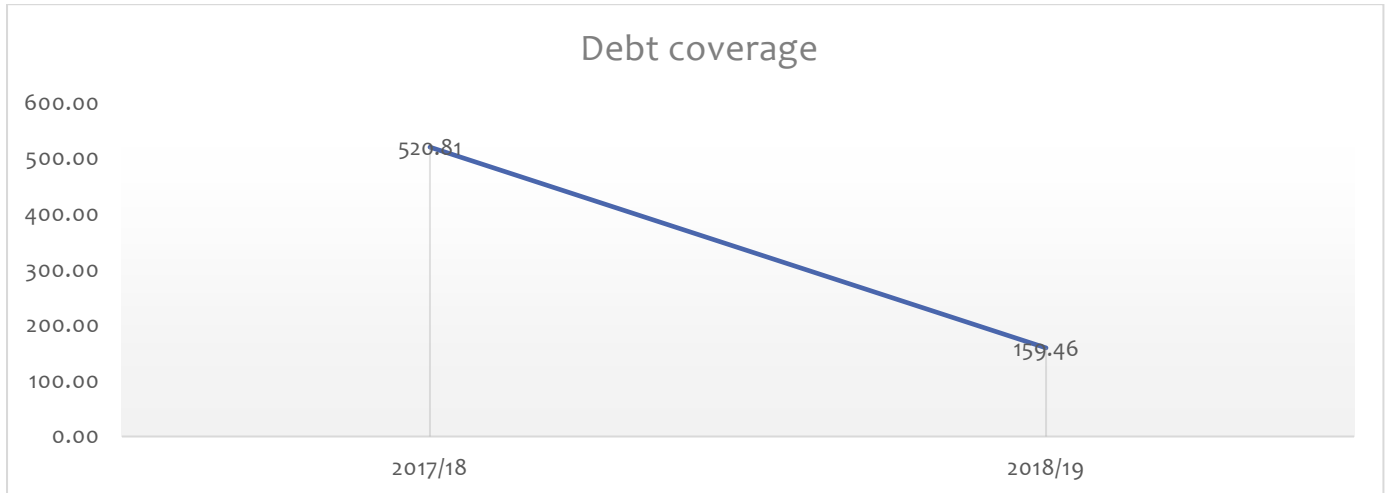


FIGURE 21 DEBT COVERAGE

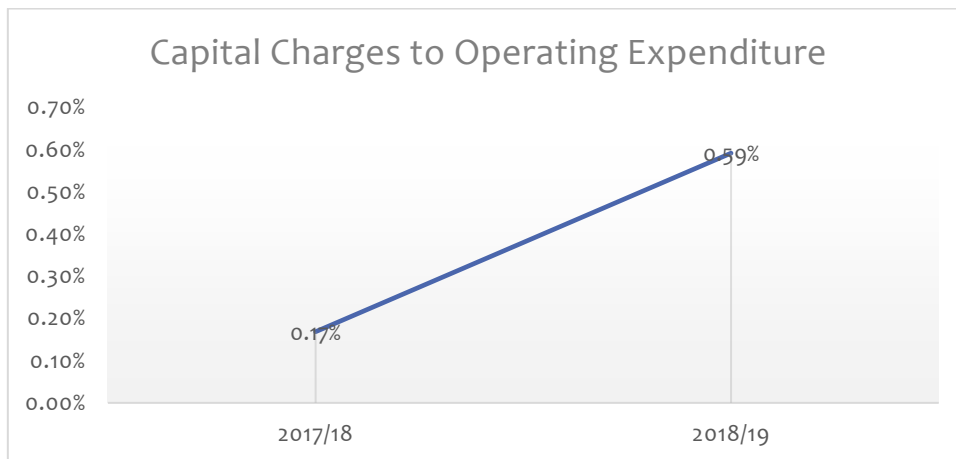


5.5.3 BORROWING MANAGEMENT

TABLE 191 BORROWING MANAGEMENT

DESCRIPTION	BASIS OF CALCULATION	2017/18	2018/19
		AUDITED OUTCOME	AUDITED OUTCOME
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,17%	0,59%

FIGURE 22 BORROWING MANAGEMENT

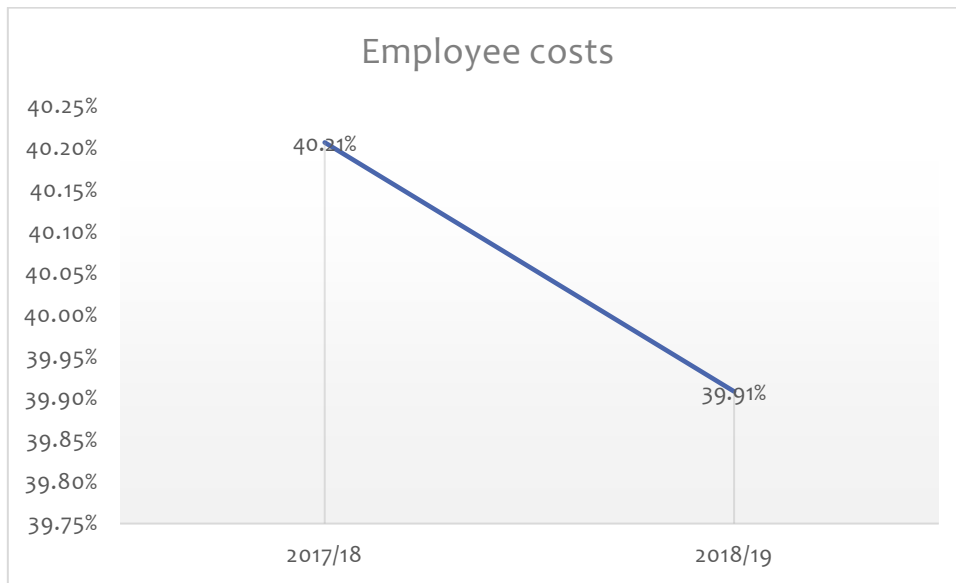


5.5.4 EMPLOYEE COSTS

TABLE 192 EMPLOYEE COSTS

DESCRIPTION	BASIS OF CALCULATION	2017/18	2018/19
		AUDITED OUTCOME	AUDITED OUTCOME
Employee costs	Employee costs/ (Total Expenditures)	40.21%	39,47%

FIGURE 23 EMPLOYEE COSTS



COMPONENT B: SPENDING AGAINST CAPITAL BUDGET**5.6 TREATMENT OF THREE LARGEST ASSETS**

TABLE 193 TREATMENT OF THREE LARGEST ASSETS

Asset 1		
Name	Roads and Stormwater	
Description	Stormwater Pipeline - Area F	
Asset Type	Infrastructure	
Key Staff Involved	Manager: Water and Sanitation	
Staff Responsibilities	Management of stormwater network	
Asset Value as at 30 June 2018	2017/18 R million	2018/19 R million
	5 798	725
Capital Implications	None	
Future Purpose of Asset	Basic service delivery	
Describe Key Issues	RDP housing projects - Infrastructure requirements	
Policies in Place to Manage Asset	Infrastructure plan	
Asset 2		
Name	Energy Efficiency Demand management Project	
Description	DORA EEDM project	
Asset Type	infrastructure	
Key Staff Involved	Manager: Electrical services	
Staff Responsibilities	Management of electricity projects and related grant funding	
Asset Value as at 30 June 2018	2017/18 R million	2018/19 R million
		4 781
Capital Implications	None	
Future Purpose of Asset	Basic service delivery	
Describe Key Issues	Provide energy efficient resources and environmentally friendly energy solutions	
Policies in Place to Manage Asset	Infrastructure plan	
Asset 3		
Name	Roads Project	
Description	Upgrading of RDP roads in Bredasdorp	
Asset Type	Roads Project	
Key Staff Involved	Manager Roads	
Staff Responsibilities	Management of roads projects as well as grant funding conditions	
Asset Value as at 30 June 2018	2017/18 R million	2018/19 R million
		3 411
Capital Implications	None	
Future Purpose of Asset	Roads infrastructure	
Describe Key Issues	Roads that needs to be identified and prioritisation of most critical roads	
Policies in Place to Manage Asset	Roads maintenance infrastructure plan	

5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2018/19 financial year:

TABLE 194 CAPITAL EXPENDITURE BY FUNDING SOURCE

DETAILS	2017/18	2018/19				
	AUDITED OUTCOME	ORIGINAL BUDGET (OB)	ADJUSTMENT BUDGET	ACTUAL	ADJUSTMENT TO OB VARIANCE	ACTUAL TO OB VARIANCE
SOURCE OF FINANCE						
DESCRIPTION	R'ooo				%	
External loans	4 484	7 622	6 326	6 623	-16,99	3,90
Public contributions and donations	7 703	130	130	–	0,00	-100,00
Grants and subsidies	12 457	12 281	17 416	20 682	41,81	26,60
Own funding	7 390	10 913	10 890	9 940	-0,21	-8,70
Total	32 033	30 946	34 762	37 246	12,33	8,03
<i>Percentage of finance</i>						
External loans	14	25	18	18	-26,11	-1,69
Public contributions and donations	24	0	0	0	-10,98	-89,02
Grants and subsidies	39	40	50	56	26,24	13,68
Own funding	23	35	31	27	-11,17	-13,16
<i>Capital expenditure</i>						
Description	R'ooo				%	
Water and sanitation	3 597	2 070	2 360	1 585	14,01	-37,44
Electricity	4 020	4 924	4 671	9 351	-5,12	95,05
Housing	155	5	4	4		
Roads and storm water	4 243	13 139	16 374	15 385	24,62	-7,52
Other	9 250	10 809	11 353	10 921	5,03	-4,00
Total	21 265	30 946	34 762	37 246	12,33	8,03
<i>Percentage of expenditure</i>						
Water and sanitation	17	7	7	4	1,49	-37,88
Electricity	19	16	13	25	-15,54	73,34
Housing	1	0	0	0	-24,83	-5,01
Roads and storm water	20	42	47	41	10,94	-13,65
Other	43	35	33	29	-6,50	-9,56

5.8 CAPITAL SPENDING ON THE LARGEST PROJECTS

The tables below show the Municipality's capital spending on its five largest projects.

TABLE 195 CAPITAL SPENDING ON LARGEST PROJECTS

2018/19	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	ORIGINAL VARIANCE	ADJUSTME NT VARIANCE

Name of Project - A	Stormwater pipeline - Area F	7 741	7 325	7 325	(0)	(0)
Objective of Project	Basic service delivery					
Delays	0					
Future Challenges	None					
Anticipated citizen benefits	Basic service delivery					
Name of Project - B	Electricity project - DORA funded	-	-	4 781	-	-
Objective of Project	Basic service delivery					
Delays	0					
Future Challenges	None					
Anticipated citizen benefits	Basic service delivery					
Name of Project - C	Bredasdorp RDP upgrade Roads	-	3 411	3 411	-	-
Objective of Project	Basic service delivery					
Delays	0					
Future Challenges	None					
Anticipated citizen benefits	Basic service delivery					
Name of Project - D	Wheelie Bins	3 000	2 575	2 573	(0)	(0)
Objective of Project	Basic service delivery					
Delays	0					
Future Challenges	None					
Anticipated citizen benefits	Basic service delivery					
Name of Project - E	Electricity project - DORA funded	2 000	1 850	1 860	(0)	(0)
Objective of Project	Basic service delivery					
Delays	0					
Future Challenges	None					
Anticipated citizen benefits	Basic service delivery					

5.9 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.

5.9.1 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

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

TABLE 196 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE 2018/19 ON SERVICE BACKLOGS					
DETAILS	BUDGET	ADJUSTMENTS BUDGET	ACTUAL	VARIANCE	
				BUDGET	ADJUSTMENTS BUDGET
	R'000			%	%
Infrastructure - Roads	7 740 625	10 736 045	10 735 243	27,90	-0,01
Roads	7 740 625	10 736 045	10 735 243	27,90	-0,01
Water purification				-	-
Infrastructure - Sanitation	331 477	766 267	766 267	56,74	0,00
Reticulation				-	-
Sewerage purification	331 477	766 267	766 267	56,74	0,00
Infrastructure - Refuse removal				-	-
Infrastructure - Electricity	-	-	-	-	-
Street Lighting				-	-
Other Specify:	1 117 565	1 472 765	1 419 287	21,26	-3,77
Outdoor Sport facilities	1 117 565	1 472 765	1 419 287	21,26	-3,77
Community facilities					
Total	9 189 667	12 975 077	12 920 797	28,88	-0,42

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS**5.10 CASH FLOW**

The following table shows the Municipality's Cash flow from operating activities for the 2018/19 financial year.

TABLE 197 CASH FLOW

DESCRIPTION	2017/18	2018/19		
	AUDITED OUTCOME	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
R'ooo				
Cash flow from operating activities				
Receipts				
Ratepayers and other	227 503	234 163	229 233	244 076
Government - operating	37 260	79 150	79 648	42 118
Government - capital	12 112	12 281	17 061	20 423
Interest	4 141	3 811	3 775	7 551
Dividends				
Payments				
Suppliers and employees	(253 428)	(314 743)	(314 085)	(257 635)
Finance charges	(490)	(774)	(816)	(1 856)
Transfers and Grants	(1 398)	(1 920)	(2 820)	(581)
Net cash from/(used) operating activities	25 700	11 968	11 996	54 097
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	4 919	7 800	7 800	5 410
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables	8	31	7	27
Decrease (increase) in non-current investments				
Payments				
Capital assets	(24 000)	(30 816)	(34 762)	(37 246)
Net cash from/(used) investing activities	(19 072)	(22 985)	(26 955)	(31 809)
Cash flows from financing activities				
Receipts				
Short term loans				
Borrowing long term/refinancing	17 400	7 622	-	17 000
Payments				
Repayment of borrowing	(837)	(2 831)	(3 506)	(3 506)
Increase in Consumer Deposits	217	273	270	189
Net cash from/(used) financing activities	16 563	5 063	(3 236)	13 683
Net increase/ (decrease) in cash held	23 190	(5 953)	(18 195)	35 971
Cash/cash equivalents at the year begin:	24 361	25 574	47 768	47 768
Cash/cash equivalents at the year-end:	47 768	19 620	29 574	83 739

5.11 GROSS OUTSTANDING DEBTORS PER SERVICE

TABLE 198 GROSS OUTSTANDING DEBTORS PER SERVICE

FINANCIAL YEAR	RATES	TRADING SERVICES	ECONOMIC SERVICES	HOUSING RENTALS	OTHER	TOTAL
		(ELECTRICITY AND WATER)	(SANITATION AND REFUSE)			
(R'ooo)						

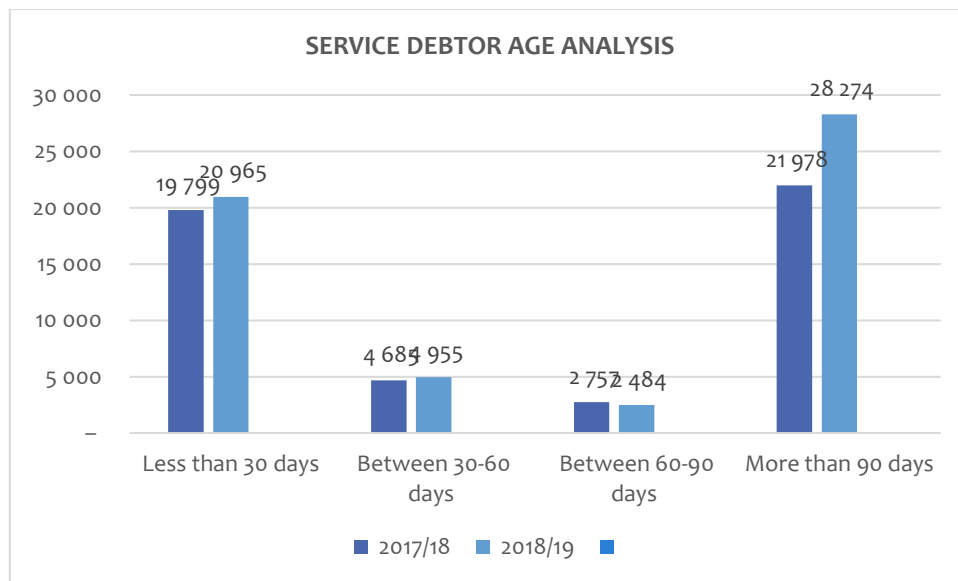
2017/18	24 868	21 309	5 088	-	9 653	60 919
2018/19	32 890	23 080	9 040	-	12 254	77 264
Difference	8 022	1 771	3 952	-	2 601	16 346
% growth year on year	32	8	78		27	0

5.12 TOTAL DEBTORS AGE ANALYSIS

TABLE 199 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)				
2017/18	19 799	4 685	2 757	21 978	49 219
2018/19	20 965	4 955	2 484	28 274	56 678
Difference	1 165	270	(272)	6 296	7 459
% growth year on year	6	6	-10	29	15

FIGURE 24 SERVICE DEBTORS AGE ANALYSIS



5.13 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.

5.13.1 ACTUAL BORROWINGS

TABLE 200 ACTUAL BORROWINGS

INSTRUMENT	2017/18	2018/19
------------	---------	---------

	R'000	
Long-Term Loans (annuity/reducing balance)	15 753	26 790
Total	15 753	26 790

5.13.2 INVESTMENTS

TABLE 201 INVESTMENTS

INVESTMENT TYPE	2017/18	2018/19
	R'000	
Deposits - Bank	83 739	47 768
Total	83 739	47 768

COMPONENT D: OTHER FINANCIAL MATTERS**5.14 SUPPLY CHAIN MANAGEMENT**

The Supply Chain Management Policy was reviewed on 29 May 2018, as part of the annual budget policy review. The review addressed the latest legislative amendments; SCM Regulations, Treasury Circulars and recommendations made by the Auditor-General and Provincial Treasury to give enhance compliance. This will enable the Supply Chain Management Unit to streamline procedures and processes to promote more efficient and effective service delivery to all internal and external stakeholders.

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.

5.15 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 2018/19 are fully GRAP compliant.

5.16 SOUTHERNMOST DEVELOPMENT AGENCY (PTY) LTD

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 deregister the agency. We are in process of de-registering the agency.

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

6.1 AUDITOR-GENERAL REPORT 2017/18

TABLE 202 AG REPORT ON FINANCIAL PERFORMANCE 2017/18

AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE 2017/18	
Audit Report Status:	Unqualified with no other matters
Non-Compliance Issues	Remedial Action Taken
There were some findings during the audit which required changes to the annual financial statements as well as correction of prior year errors that were highlighted during the audit	<p>The items were corrected during the audit and the necessary changes made and submitted to the auditors during the audit</p> <p>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 as well as the Audit Committee on a quarterly basis</p>

TABLE 203AG REPORT ON SERVICE DELIVERY PERFORMANCE 2017/18

AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE: 2017/18	
Audit Report Status:	Unqualified with no other matters
Non-Compliance Issues	Remedial Action Taken
There were some material findings regarding the accuracy of the reported achievement of objectives 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"> ▪ The corrections were made during the audit and submitted to the auditors. ▪ 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 and the Audit Committee on an annual basis.

6.2 AUDITOR-GENERAL REPORT 2018/19

TABLE 204 AG REPORT ON FINANCIAL PERFORMANCE 2018/19

Auditor-General Report on Financial Performance 2018/19	
Audit Report Status:	Unqualified with no other matters
Non-Compliance Issues	Remedial Action Taken
Although it was an unqualified opinion with no matters, there were some findings during the audit which required changes to the annual financial statements.	<p>The items were corrected during the audit and the necessary changes made and submitted to the auditors during the audit</p> <p>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</p>

	reported to Council on a monthly basis as well as the Audit Committee on a quarterly basis.
--	---

TABLE 205 AG REPORT ON SERVICE DELIVERY PERFORMANCE 2018/19

Auditor-General Report on Service Delivery Performance: 2018/19	
Audit Report Status:	Unqualified with no other matters
Non-Compliance Issues	Remedial Action Taken
There were some findings regarding the accuracy of the reported achievement of objectives 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"> • The corrections were made during the audit and submitted to the auditors. • 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 and the Audit Committee on an annual basis.

TABLES

TABLE 1 WARD DELIMITATION 2016 12

TABLE 2 POPULATION DISTRIBUTION PER TOWN 13

TABLE 3 AGE COHORTS 13

TABLE 4 POPULATION BY GENDER AND RACE 14

TABLE 5 AGE AND GENDER COMPOSITION 14

TABLE 6 GENDER COMPOSITION PER WARD 15

TABLE 7 POPULATION BY RACE..... 15

TABLE 8 POPULATION BY RACE 15

TABLE 9 DEMOGRAPHIC PROFILE: FARM WORKERS..... 16

TABLE 10 AGE DISTRIBUTION ON FARMS 16

TABLE 11 HOUSEHOLDS 17

TABLE 12 INDIGENT HOUSEHOLDS 17

TABLE 13 SOCIO ECONOMIC GROWTH INDICATORS 19

TABLE 14 PROJECTED CLIMATE CHANGE IMPACTS ON SERVICE DELIVERY 21

TABLE 15 ENDANGERED ECOSYSTEMS 23

TABLE 16 BASIC SERVICE DELIVERY HIGHLIGHTS 25

TABLE 17 BASIC SERVICE DELIVERY CHALLENGES 26

TABLE 18 PROPORTION OF HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES 26

TABLE 19 FINANCIAL VIABILITY HIGHLIGHTS..... 27

TABLE 20 FINANCIAL VIABILITY CHALLENGES..... 27

TABLE 21 NATIONAL KPI'S FOR FINANCIAL VIABILITY AND MANAGEMENT 28

TABLE 22 FINANCIAL OVERVIEW 2018/19 28

TABLE 23 OPERATING RATIOS 28

TABLE 24 TOTAL CAPITAL EXPENDITURE 29

TABLE 25 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS 29

TABLE 26 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES 30

TABLE 27 2018/19 EMPLOYMENT EQUITY TARGETS/ACTUAL BY RACIAL CLASSIFICATION FOR TOP THREE LEVELS OF MANAGEMENT..... 30

TABLE 28 2018/19 EMPLOYMENT EQUITY TARGETS/ACTUAL BY RACIAL CLASSIFICATION (All employees)..... 30

TABLE 29 2018/19 EMPLOYMENT EQUITY TARGETS/ACTUAL BY GENDER CLASSIFICATION 30

TABLE 30 BUDGET ALLOCATED AND SPENT FOR SKILLS DEVELOPMENT 30

TABLE 31 AUDIT OUTCOMES..... 31

TABLE 32 COUNCIL MEETINGS..... 32

TABLE 33: COUNCILLOR REPRESENTATION AND MEETING ATTENDANCE 33

TABLE 34 EXECUTIVE MAYORAL COMMITTEE..... 33

TABLE 35 PORTFOLIO COMMITTEES 34

TABLE 36: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE 35

TABLE 37 ADMINISTRATIVE GOVERNANCE STRUCTURE: SENIOR MANAGEMENT 35

TABLE 38 ADMINISTRATIVE GOVERNANCE STRUCTURE: THIRD TIER..... 36

TABLE 39 JOINT PROJECTS 36

TABLE 40 DISTRICT INTERGOVERNMENTAL STRUCTURES AND FORUMS..... 38

TABLE 41 NATIONAL AND PROVINCIAL INTERGOVERNMENTAL STRUCTURES AND FORUMS..... 39

TABLE 42 WARD BASED PUBLIC MEETINGS..... 40

TABLE 43 FUNCTIONALITY OF WARD COMMITTEES 43

TABLE 44 WARD COMMITTEE MEMBERSHIP AND FUNCTIONALITY 43

TABLE 45 FRAUD AND RISK MANAGEMENT COMMITTEE (FARMCO) 47

TABLE 46 STRATEGIC RISK REGISTER 2018/19 49

TABLE 47 ANTI CORRUPTION AND FRAUD STRATEGIES 51

TABLE 48 IMPLEMENTATION STRATEGIES 51

TABLE 49 MEMBERS OF THE AUDIT COMMITTEE 52

TABLE 50 MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS 53

TABLE 51 MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE..... 54

TABLE 52 MUNICIPAL PERFORMANCE AUDIT COMMITTEE RECOMMENDATIONS 55

TABLE 53 INTERNAL AUDIT FUNCTIONS 56

TABLE 54 POLICIES DEVELOPED AND REVIEWED	56
TABLE 55 BY-LAWS DEVELOPED AND REVIEWED	56
TABLE 56 COMMUNICATION RELATED POLICIES AND STRATEGIES	58
TABLE 57 NEWSLETTER DISTRIBUTION	58
TABLE 58 ADDITIONAL COMMUNICATION CHANNELS	58
TABLE 59 DETAILED STATISTICS FOR FACEBOOK	58
TABLE 60 WEBSITE CHECKLIST	59
TABLE 61 CLIENT SERVICE ACTIVITIES	61
TABLE 62 BID COMMITTEE MEETINGS	62
TABLE 63 ATTENDANCE OF MEMBERS OF BID SPECIFICATION COMMITTEE.....	62
TABLE 64 ATTENDANCE OF MEMBERS OF BID EVALUATION COMMITTEE	62
TABLE 65 ATTENDANCE OF MEMBERS OF BID ADJUDICATION COMMITTEE	62
TABLE 66 SUMMARY OF AWARDS MADE BY BAC.....	63
TABLE 67 SUMMARY OF TEN HIGHEST BIDS	63
TABLE 68 REPORTED BIDS OVER R100 000	64
TABLE 69 SUMMARY OF BBEE SPENDING FOR THE FINANCIAL YEAR	81
TABLE 70 SUMMARY OF DEVIATIONS FOR 2018/19	81
TABLE 71 BREAKDOWN OF DEVIATIONS 2018/19	82
TABLE 72 STOCK VALUE AT MUNICIPAL STORES	82
TABLE 73 PROCUREMENT STATISTICS	83
TABLE 74 DIRECT AWARDS TO CLOSE FAMILY MEMBERS IN SERVICE OF THE STATE (CAPE AGULHAS MUNICIPALITY)	84
TABLE 75 INDIRECT AWARDS TO CLOSE FAMILY MEMBERS IN SERVICE OF THE STATE.....	84
TABLE 76 SCM TRAINING 2018/19	86
TABLE 77 ALIGNMENT OF KEY PERFORMANCE AREAS TO STRATEGIC GOALS AND OBJECTIVES	91
TABLE 78 PERFORMANCE PER STRATEGIC OBJECTIVE	92
TABLE 79 SDBIP MEASUREMENT CATEGORIES	93
TABLE 80 MUNICIPAL FUNCTIONS	116
TABLE 81 BASIC SERVICE PROVISION PER TOWN 2018/19	117
TABLE 82 CAPITAL PROJECTS OF WARD 1.....	117
TABLE 83 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 1.....	118
TABLE 84 CAPITAL PROJECTS OF WARD 2	118
TABLE 85 FOUR SERVICE DELIVERY PRIORITIES FOR WARD 2	118
TABLE 86 CAPITAL PROJECTS OF WARD 3.....	118
TABLE 87 FOUR SERVICE DELIVERY PRIORITIES FOR WARD 3	119
TABLE 88 CAPITAL PROJECTS OF WARD 4.....	119
TABLE 89 FOUR SERVICE DELIVERY PRIORITIES FOR WARD 4.....	119
TABLE 90 CAPITAL PROJECTS OF WARD 5.....	119
TABLE 91 FOUR SERVICE DELIVERY PRIORITIES FOR WARD 5.....	120
TABLE 92 CAPITAL PROJECTS OF WARD 6	120
TABLE 93 FOUR SERVICE DELIVERY PRIORITIES FOR WARD 6.....	120
TABLE 94 DAM LEVELS AS AT 30 JUNE	121
TABLE 95 UNACCOUNTED FOR WATER	122
TABLE 96 ACCESS TO WATER	122
TABLE 97 EMPLOYEES WATER SERVICES.....	123
TABLE 98 CAPITAL EXPENDITURE: WATER SERVICES	123
TABLE 99 SANITATION SERVICE DELIVERY LEVELS.....	124
TABLE 100 EMPLOYEES SANITATION SERVICES	125
TABLE 101 CAPITAL EXPENDITURE: SANITATION SERVICES	126
TABLE 102 ELECTRICITY DISTRIBUTION AREAS	126
TABLE 103 ELECTRICITY LOSSES	127
TABLE 104 ELECTRICITY SERVICE DELIVERY LEVELS	128
TABLE 105 EMPLOYEES: ELECTRICITY SERVICES	129
TABLE 106 CAPITAL EXPENDITURE: ELECTRICITY SERVICES.....	129
TABLE 107 WASTE MANAGEMENT SERVICE DELIVERY LEVELS	132
TABLE 108 EMPLOYEES: WASTE MANAGEMENT	133
TABLE 109 CAPITAL EXPENDITURE: WASTE MANAGEMENT SERVICES	133

TABLE 110 PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING	136
TABLE 111 HOUSING WAITING LIST	136
TABLE 112 HOUSES BUILT / STANDS SERVICED IN 2018/19	136
TABLE 113 EMPLOYEES: HOUSING SERVICES	136
TABLE 114 FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS.....	138
TABLE 115 COST TO THE MUNICIPALITY OF FREE BASIC SERVICES DELIVERED	138
TABLE 116 GRAVEL ROAD INFRASTRUCTURE	139
TABLE 117 TARRED ROAD INFRASTRUCTURE	140
TABLE 118 COST OF CONSTRUCTION/MAINTENANCE	140
TABLE 119 EMPLOYEES: ROADS AND STORMWATER.....	140
TABLE 120 CAPITAL EXPENDITURE ROADS	140
TABLE 121 STORMWATER INFRASTRUCTURE	142
TABLE 122 STORM WATER INFRASTRUCTURE COST	142
TABLE 123 APPLICATIONS FOR LAND USE DEVELOPMENT.....	145
TABLE 124 EMPLOYEES SPATIAL PLANNING.....	146
TABLE 125 BUILDING PLANS APPROVED	148
TABLE 126 VALUE OF BUILDING PLANS	148
TABLE 127 EMPLOYEES BUILDING CONTROL.....	149
TABLE 128 JOBS CREATED THROUGH EPWP PROJECTS.....	150
TABLE 129 ENTREPRENEURSHIP DEVELOPMENT	150
TABLE 130 EMPLOYEES LED AND TOURISM	153
TABLE 131 MUNICIPAL LIBRARIES.....	155
TABLE 132 SERVICE STATISTICS FOR LIBRARIES	156
TABLE 133 EMPLOYEES: LIBRARIES TASK LEVELS PERMANENT AND CONTRACT COUNTED 2018/19.....	156
TABLE 134 CAPITAL EXPENDITURE: LIBRARIES 2018/19	156
TABLE 135 SERVICE STATISTICS FOR CEMETERIES	157
TABLE 136 SERVICE STATISTICS FOR HUMAN DEVELOPMENT PROGRAMMES.....	158
TABLE 137 EMPLOYEES: HUMAN DEVELOPMENT	159
TABLE 138 CAPITAL EXPENDITURE: HUMAN DEVELOPMENT.....	159
TABLE 139 TRAFFIC SERVICES AND LAW ENFORCEMENT AVAILABILITY	166
TABLE 140 TRAFFIC SERVICES AND LAW ENFORCEMENT SERVICE STATISTICS	166
TABLE 141 EMPLOYEES: TRAFFIC AND LAW ENFORCEMENT	166
TABLE 142 CAPITAL EXPENDITURE: TRAFFIC AND LAW ENFORCEMENT AND LICENCING	167
TABLE 143 SOCIAL ASSISTANCE PROVISION STATISTICS	167
TABLE 144 SPORT AND RECREATION SERVICE STATISTICS	169
TABLE 145 EMPLOYEES: SPORT AND RECREATION	169
TABLE 146 CAPITAL EXPENDITURE: SPORT AND RECREATION	170
TABLE 147 EMPLOYEES: EXECUTIVE AND COUNCIL	171
TABLE 148 CAPITAL EXPENDITURE: EXECUTIVE AND COUNCIL.....	171
TABLE 149 EMPLOYEES: HUMAN RESOURCES	174
TABLE 150 EMPLOYEES: FINANCE.....	174
TABLE 151 CAPITAL EXPENDITURE: FINANCE	174
TABLE 152 EMPLOYEES: ICT	176
TABLE 153 CAPITAL EXPENDITURE: ICT	176
TABLE 154 PROGRESS REPORT I.T.O NUMERICAL GOALS FOR ALL EMPLOYEES, INCLUDING PEOPLE WITH DISABILITIES (OCCUPATIONAL LEVELS, RACE, GENDER AND FOREIGN NATIONALS) 2017-2020	187
TABLE 155 EE POPULATION 2018/19.....	189
TABLE 156 APPOINTMENTS DURING 2018/19	189
TABLE 157 OCCUPATIONAL LEVELS (INCLUDES COUNCILLORS).....	189
TABLE 158 DEPARTMENT – RACE (EXCLUDES COUNCILLORS).....	189
TABLE 159 ANNUAL VACANCY RATE	190
TABLE 160 VACANCY RATE PER DEPARTMENT.....	190
TABLE 161 VACANCY RATE END OF 2018/19 FINANCIAL YEAR.....	190
TABLE 162 VACANCY RATE HIGHEST LEVELS OF MANAGEMENT	191
TABLE 163: TURNOVER RATE	191
TABLE 164 JOB OPPORTUNITIES THROUGH EPWP	192

TABLE 165 EPWP JOB OPPORTUNITIES CREATED	192
TABLE 166: INJURIES	194
TABLE 167 INJURIES ON DUTY	194
TABLE 168 SICK LEAVE.....	195
TABLE 169 LOCAL LABOUR FORUM	196
TABLE 170: HR POLICIES AND PLANS.....	197
Table 171 RPL PROGRAMME IN PARTNERSHIP WITH NORTHLINK COLLEGE.....	199
TABLE 172 SNR AND MIDDLE MANAGEMENT DEVELOPMENT TRAINING.....	199
TABLE 173 ANENE BOOYSEN SKILLS CENTRE UTILISATION	200
TABLE 174 SKILLS MATRIX.....	200
TABLE 175 SKILLS DEVELOPMENT	202
TABLE 176 GENDER SENSITIVE TRAINING BUDGET	204
TABLE 177 FINANCIAL COMPETENCY DEVELOPMENT PROGRESS REPORT	205
TABLE 178 BUDGET ALLOCATED AND SPENT FOR SKILLS DEVELOPMENT.....	205
TABLE 179 TOTAL PERSONNEL EXPENDITURE	206
TABLE 180 DETAIL OF PERSONNEL EXPENDITURE.....	206
TABLE 181 FINANCIAL OVERVIEW 2018/19	209
TABLE 182 OPERATING RATIOS.....	210
TABLE 183 SUMMARY OF FINANCIAL PERFORMANCE	214
TABLE 184 PERFORMANCE AGAINST BUDGETS	215
TABLE 185 REVENUE BY VOTE.....	215
TABLE 186 REVENUE BY SOURCE	216
TABLE 1872 FINANCIAL PERFORMANCE: ROADS AND STORMWATER	219
TABLE 188 FINANCIAL PERFORMANCE: HOUSING	223
TABLE 190 LIQUIDITY FINANCIAL RATIO.....	226
TABLE 191 NATIONAL FINANCIAL VIABILITY KPI'S	227
TABLE 192 BORROWING MANAGEMENT	228
TABLE 193 EMPLOYEE COSTS.....	229
TABLE 194 TREATMENT OF THREE LARGEST ASSETS.....	230
TABLE 195 CAPITAL EXPENDITURE BY FUNDING SOURCE.....	231
TABLE 196 CAPITAL SPENDING ON LARGEST PROJECTS	231
TABLE 197 MUNICIPAL INFRASTRUCTURE GRANT (MIG)	233
TABLE 198 CASH FLOW.....	234
TABLE 199 GROSS OUTSTANDING DEBTORS PER SERVICE.....	234
TABLE 200 SERVICE DEBTOR AGE ANALYSIS	235
TABLE 201 ACTUAL BORROWINGS	235
TABLE 202 INVESTMENTS.....	236
TABLE 203 AG REPORT ON FINANCIAL PERFORMANCE 2017/18	238
TABLE 204AG REPORT ON SERVICE DELIVERY PERFORMANCE 2017/18	238
TABLE 205 AG REPORT ON FINANCIAL PERFORMANCE 2018/19	238
TABLE 228 AG REPORT ON SERVICE DELIVERY PERFORMANCE 2018/19	239

FIGURES

FIGURE 1 MAP OF CAPE AGULHAS MUNICIPALITY AND WARD DELIMITATION	10
FIGURE 2 POPULATION	13
FIGURE 3 POPULATION BY HOME LANGUAGE	16
FIGURE 4 TOTAL HOUSEHOLDS PER TOWN	17
FIGURE 5 CAPE AGULHAS GDPR PER CAPITA	18
FIGURE 6 INCOME INEQUALITY LEVELS.....	18
FIGURE 7 OVERBERG FOCUS AREA.....	21
FIGURE 8 CRITICAL BIODIVERSITY AREAS IN CAPE AGULHAS.....	24
FIGURE 9 PERFORMANCE PER STRATEGIC OBJECTIVE.....	92
FIGURE 10 WATER SERVICE DELIVERY LEVELS	123

FIGURE 11 SANITATION SERVICE DELIVERY LEVELS	125
FIGURE 12 ELECTRICITY SERVICE DELIVERY LEVELS	128
FIGURE 13 WASTE MANAGEMENT SERVICE DELIVERY LEVELS.....	132
FIGURE 14 DISCIPLINARY VS GRIEVANCES.....	196
FIGURE 15 MAJOR REVENUE BY SOURCE	209
FIGURE 16 MAJOR EXPENDITURE BY TYPE	210
FIGURE 17 GRANTS AND SUBSIDIES RECEIVED COMPARED TO THE TOTAL OPERATING REVENUE.....	226
FIGURE 18 LIQUIDITY RATIO	226
FIGURE 19 COST COVERAGE.....	227
FIGURE 20 OUTSTANDING SERVICE DEBTORS	227
FIGURE 21 DEBT COVERAGE	228
FIGURE 22 BORROWING MANAGEMENT	228
FIGURE 23 EMPLOYEE COSTS.....	229
FIGURE 24 SERVICE DEBTORS AGE ANALYSIS	235

Annexure A: Annual Financial Statements

Annexure B: Report of the Auditor General

Annexure C: Report of the Audit Committee

Annexure D: Report of the Performance Audit Committee