



**CAPE AGULHAS MUNICIPALITY**  
**ANNUAL REPORT**  
**2015/16**  
Resolution 3/2017 - 31 January 2017

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## CHAPTER 1: MAYORS FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYORS FOREWORD



As Executive Mayor of the Southernmost Municipality in South Africa, it is my pleasure and privilege to present our Annual Report for the 2015/16 financial year.

Our Annual Report gives us the opportunity to reflect on what we have achieved in terms of our Integrated Development Plan objectives and what our contribution has been to achieving the strategic priorities of the Western Cape Provincial Strategic Plan: 2014 – 2019 as well as the National Development Plan 2030. Each of our goals, objectives and key performance indicators links to these plans to ensure that as a Municipality we contribute to the achievement of these Provincial and National goals. The Municipality did well in the achievement of its objectives for the year and although we were not able to fully achieve all our objectives, we continuously monitor our performance and where necessary, implement corrective measures.

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 despite very limited funding. The challenge we now face is raising the standard and quality of these services.

In a bid to provide better services, we constantly engage with other spheres of government to source funds for the upgrading and maintenance of our infrastructure and I am proud to say that all grants received from National and Provincial governments for the upgrading of service infrastructure were fully spent. We are also proud to say that our capital budget for the year was utilised effectively and some of our flagship projects include:

- ▲ The Ou Meule sewerage pump station was upgraded
- ▲ Struisbaai North sewerage pump station construction completed.
- ▲ Provision of street lighting in informal areas and Zwelitsha
- ▲ Upgrading of the Bredasdorp electrical infrastructure to ensure adequate supply for future RDP housing developments in Bredasdorp.
- ▲ Electrification of informal settlement (Bredasdorp and Napier)
- ▲ A total of 52 672m<sup>2</sup> of roads were re-sealed.
- ▲ Streets were tarred in Nuwerus, Arniston, Bredasdorp and Smartie Town.
- ▲ Upgrading of storm water systems in Bredasdorp, Struisbaai, Struisbaai North and Napier in accordance with storm water master plans.

At Cape Agulhas Municipality we strongly uphold the spirit of the definition of a Municipality as contained in the Local Government Municipal Systems Act (Act 32 of 2000), which states that a Municipality consists of three equal partners namely the Council, the Administration and the Public. Our achievements are largely attributable to our administrative and political stability. All our senior management positions are filled and all political parties represented on Council have developed an excellent working relationship that places the interests of the Cape Agulhas Community on the forefront of all our agendas.

Our Community have also played a key role by participating in the public participation structures and platforms that we have such as ward committees, quarterly feedback meetings and budget imbizo's. We encourage you to continue to participate and are actively working on improving our communication mechanisms to create a culture of public participation.

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

**Cllr Paul Swart**  
**Executive Mayor**

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1 MUNICIPAL MANAGERS OVERVIEW



The Cape Agulhas Municipality, being a Grade 2 municipality with limited development opportunities and resources, has for the year under review, once again committed itself to ensuring that it gives effect to its Constitutional mandate of providing quality basic services, sound governance structures and effective participation with the communities within its jurisdiction. All this was done in an effort to promote social and economic development and a safe and healthy environment. The information regarding basic service delivery in this report speaks for itself and should be commended, however it is accepted that much more needs to be done to actively seek and implement economic and social development.

Recognising that, we are the sphere of government at the coal face of service delivery, but only responsible for the provision of certain services, the Municipality has embarked on a journey of vigorous engagement with sector departments like education, health and social development as well as the SAPS in a bid to enhance and support these departments to deliver on their mandate to the beneficiation of our community. The Department of Local Government and Provincial Treasury need to be commended for their continued support and cooperation in giving effect to their Constitutional mandate to support us. As we are a so-called Back to Basics municipality, this support is much appreciated.

The Municipality received an unqualified, with no matters, audit opinion for 2015/16, our third consecutive clean audit. Following the 2014/15 audit, an audit action plan was developed to implement recommendations on the audit by the Auditor General. Of the twenty-six minor findings, twenty were completed and six are still in progress. These findings and recommendations assisted the Municipality to strengthen controls and enhance future audit processes. It should however be noted that even if the audit scope remains the same the specific focus thereof changes year on year so it becomes challenging to keep the so-called clean audit status in future.

Although the debtors' impairment provision improved slightly from the previous year it still remains unfavourable especially if one considers the fact that there has been an increase in the days taken to collect accounts receivables. The overall assessment of revenue was also unfavourable as an increase in debtors' collection day's results in an increase in the working capital cycle of the Municipality, which could also affect the liquidity negatively. We thus implore our clients to diligently pay their Municipal accounts and any arrears to safeguard the future existence of the Municipality as a financially viable institution. The Municipality made minimum use of long term external loans during this year and these loans accounted for less than 2% of the total budget while there were also no short term financial liabilities. The Municipality will increase its revenue collection and enhancement processes in future.

In terms of internal management changes on the senior and middle management level, there were none. All the senior manager posts are filled and all of them possess the legislated

qualifications and competencies. All these posts including that of the Municipal Manager will become vacant in 2017 so currently there is stability.

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

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

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

**DGI O'Neill**  
**Municipal Manager**

## 1.2 MUNICIPAL OVERVIEW

The 2015/16 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 2015 to 30 June 2016.

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

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

The Constitution also assigns a developmental duty to municipalities which requires them to structure and manage their administration, budgeting and planning processes in a manner that gives priority to the basic needs of the community whilst promoting social and economic development of the community.

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

This report addresses the performance of the Cape Agulhas Municipality in relation to its Constitutional objectives and legislated functions.

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### 1.2.1 VISION AND MISSION

The vision and mission of the Cape Agulhas Municipality is as follows:

***Vision:***

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

***Mission:***

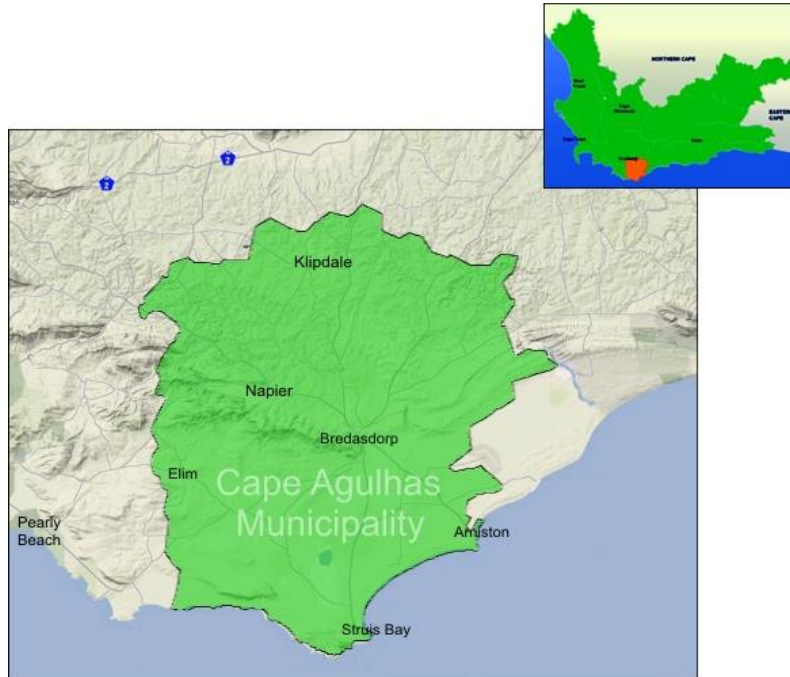
"We the Cape Agulhas Municipality will strive to render the best affordable municipal services in a sympathetic manner to the whole area and its inhabitants in order to create a happy economic active and informed community"

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### 1.2.2 GEOGRAPHIC AREA

Cape Agulhas Municipality (CAM) is situated in the Overberg District of the Western Cape Province and comprises 2411km<sup>2</sup>. The Municipality is geographically diverse and includes 9 urban settlements namely Bredasdorp which is the administrative seat, Napier, Struisbaai, Arniston / Waenhuiskrans, Elim, L'Agulhas, Klipdale, Protém and Suiderstrand. It also includes the vast rural areas in between and approximately 178 Km of coastline.

FIGURE 1 MAP OF CAPE AGULHAS MUNICIPALITY



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

▲ **Bredasdorp**

Bredasdorp is centrally located within the Municipal Area at the intersection of the R316 and the R319. Bredasdorp is regarded as the regional service centre of the Cape Agulhas Municipal Area and enjoys a number of comparative advantages due to its central location. It is also the economic hub of the region and home to most government institutions and public facilities. The predominant economic activities of the town include agriculture, manufacturing, tourism, business, financial and retail services. Bredasdorp is home to the biggest concentration of urbanised people within the Municipal Area. All essential services are available in Bredasdorp.

Agriculture is also a dominant economic activity and the area is favourable for livestock farming. Wheat, barley, oats and dry land Lucerne are also cultivated and there is a viable market for the export of wild flowers.

▲ **Napier**

Napier is situated 68 km from Caledon and 17 km from Bredasdorp off the N2 on Route 316.

Agriculture is the dominant economic activity of the Napier area with grain farming dominating this industry; wheat, barley and canola are the primary crops cultivated. This region is one of the most important wool producing areas in the country and Champion Merino sheep, which provide wool as well as meat, are the predominant small livestock of the area. Dairy and beef cattle farming are also practiced on a large scale. The climate is also favourable for vegetable farming (e.g. sweet potatoes).

The wild flower export industry has grown vastly. In addition there are a number of small industries and a significant number of inhabitants work in the construction industry.

Recently various artists have made Napier their home, and their work is for sale at local businesses and at some studios. Napier is also a very popular place for retired people to live once they have retired.

#### ▲ **Waenhuiskrans / Arniston**

The fishing village of Arniston / Waenhuiskrans is situated approximately 24 km southeast of Bredasdorp. Waenhuiskrans/Arniston is probably the only town in South Africa with two acknowledged names. It is a typical coastal town, and its main economic activities are Mari culture and tourism.

Waenhuiskrans refers to a large cavern that can only be reached during low tide. Kassiesbaai, a well-known and attractively restored fishing village and a national monument in its entirety, is situated at Arniston / Waenhuiskrans.

#### ▲ **Struisbaai**

The fishing village of Struisbaai, only a few kilometres from L'Agulhas, is renowned for its pristine 14 km beach, which is the longest uninterrupted stretch of white sandy beach in southern hemisphere. Struisbaai is very popular for aquatic sports. Its convenient harbour facility offers boat owners the lure of deep-sea fishing. Struisbaai is a minor economic hub and is and its main economic activities are also Mari culture and tourism.

Major attractions include fishermen's cottages at Hotagterklip and the Limestone Church, which are all National Monuments. The route to Struisbaai skirts around the Karsrivierlei and Soetendalsvlei, which is a large natural body of fresh water in South Africa.

#### ▲ **L'Agulhas & Suiderstrand**

A typical holiday town and already a world-renowned tourist destination. It has the unique feature of being the southernmost urban settlement on the whole 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 iconic southernmost tip linked to the famous lighthouse has the ability to attract large numbers of foreign and domestic tourists which will stimulate the local economy significantly. Its strategic location within the rich wild flower floral kingdom adds to the bio-diversity of the town

#### ▲ **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 (bird fountain) 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 church became the pivot of the settlement and is the only monument to commemorate the freeing of the slaves in 1834. The entire town has been declared a national monument and has also been identified as a historic site. The church has the oldest working clock in South Africa (more than 250 years old) and one of the most popular draw carts of Elim is its largest wooden waterwheel in South Africa.

Elim also features 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. The vegetation of Geelkop comprises mainly Elim Fynbos and Acid Sand Fynbos. Some wetland vegetation and Renosterveld remnants are also found in the area.

#### ▲ **Klipdale and Proteem**

The construction of a railway line to the settlements of Klipdale and Proteem 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 Proteem. Proteem or 'pro tempore' means "for the time being or temporary" and it functioned as a railway halt.

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### **1.2.2.1 WARD DELIMITATION**

Cape Agulhas Municipality is a municipality with a mayoral executive system combined with a ward participatory system. The Municipal Area was delimited into 5 wards for purposes of the 2011 municipal elections in terms of the Local Government Municipal Demarcation Act (Act 27 of 1998). The table below depicts the 2011 ward delimitation.

**TABLE 1 WARD DELIMITATION**

<b>WARD</b>	<b>AREA</b>
<b>1</b>	Napier, Elim, Spanjaardskloof and surrounding farming areas
<b>2</b>	Part of Bredasdorp, Klipdale, Houtkloof, Self-built scheme (3 <sup>rd</sup> phase) and the low cost housing scheme (Bergsig)
<b>3</b>	Part of Bredasdorp which includes the Self-build scheme, the low cost housing scheme (Kleinbegin), and Zwelitsha.
<b>4</b>	Part of Bredasdorp including the central business section, Proteem and the low cost housing scheme, Simunye
<b>5</b>	Arniston/Waenhuiskrans, L'Agulhas, Struisbaai and Haasvlakte



## 1.3 DEMOGRAPHIC, SOCIO ECONOMIC AND ENVIRONMENTAL OVERVIEW

The following paragraphs provide an overview of the demographic, socio economic and environmental trends.

### 1.3.1 DEMOGRAPHIC OVERVIEW

#### a) Population

The population of the Cape Agulhas Municipality is 33 038 people according to the 2011 Census Data. The 2016 Community Survey indicates a population of 34 698, which accounts for 5.9% of the Districts estimated 2016 population of 286 786. Cape Agulhas is the smallest municipality in the Overberg District. The table below indicates the total population per town within the municipal area in 2011.

**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

#### b) Households

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

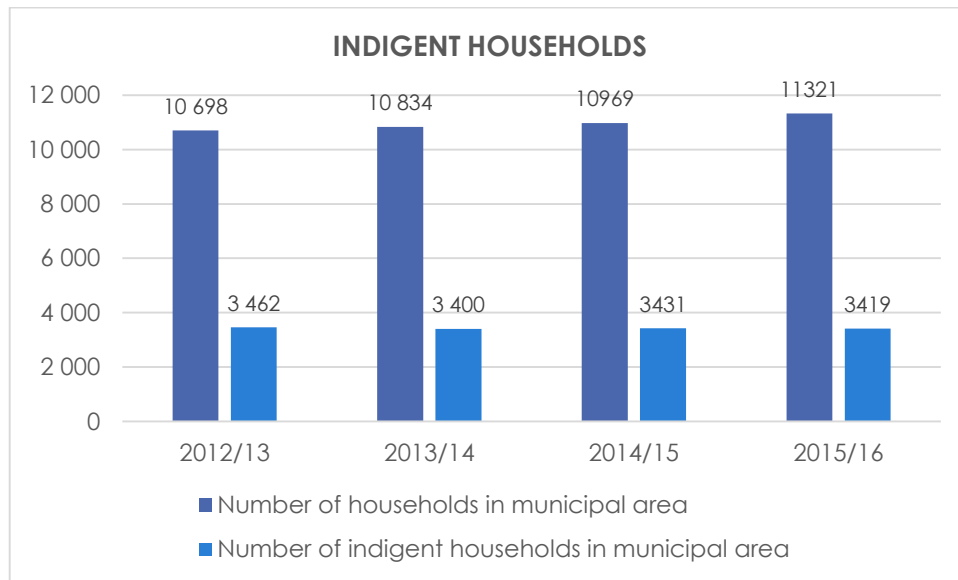
**TABLE 3 TOTAL NUMBER OF HOUSEHOLDS**

HOUSEHOLDS	2012/13	2013/14	2014/15	2015/16
Number of households in municipal area	10 698	10 834	10969	11321
Number of indigent households in municipal area	3 462	3 400	3431	3419

Source: MERO 2016 read with CAM Indigent Register

The total number of households within the Municipal Area has increased from 10969 in the 2014/15 financial year to 11321 in the 2015/16 financial year. Indigent households decreased slightly by 0.34% during this period.

**FIGURE 2 HOUSEHOLDS**



**c) Gender distribution**

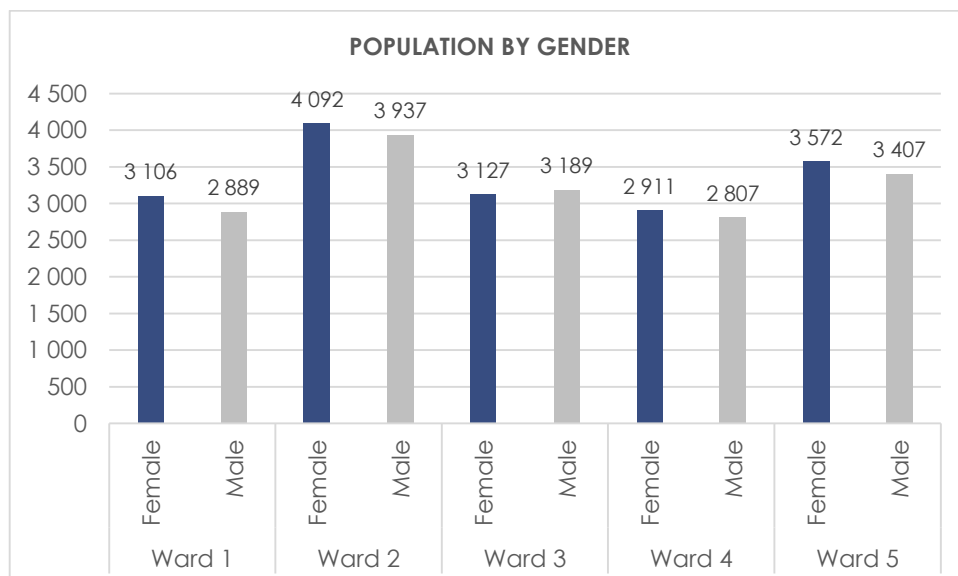
The population is fairly equally distributed in terms of gender with 50.9% females and 49.1% males, which is in line with South African, Western Cape and Overberg District trends.

**TABLE 4 GENDER DISTRIBUTION PER WARD**

WARD 1		WARD 2		WARD 3		WARD 4		WARD 5	
FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
3 106	2 889	4 092	3 937	3 127	3 189	2 911	2 807	3 572	3 407

Source: Statistics SA 2011

**FIGURE 3 POPULATION BY GENDER**



**d) Age distribution**

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

**TABLE 5 POPULATION BY AGE**

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

Source: Statistics SA 2011

**TABLE 6 POPULATION BY AGE AND GENDER**

<b>AGE</b>	<b>MALE</b>	<b>FEMALE</b>	<b>GRAND TOTAL</b>
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
<b>GRAND TOTAL</b>	<b>16207</b>	<b>16761</b>	<b>32968</b>

Source: Statistics SA 2011

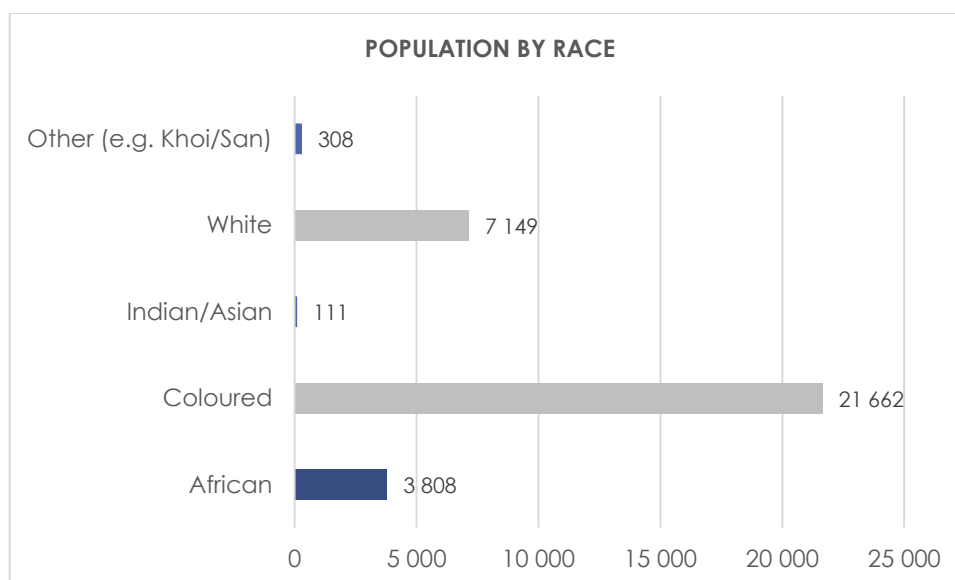
### e) Racial distribution

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
<b>Total</b>	<b>33 038</b>

Source: Statistics SA 2011

FIGURE 4 POPULATION BY RACE



## 1.3.2 SOCIO ECONOMIC OVERVIEW

### a) Key economic activities

The Municipality is dependent on the following economic activities:

TABLE 8 KEY ECONOMIC ACTIVITIES

KEY ECONOMIC ACTIVITIES	DESCRIPTION
Agriculture and Agro-processing	<p>Agriculture is one of the more important economic sectors in Cape Agulhas Municipality.</p> <ul style="list-style-type: none"> <li>o Agriculture - Livestock farming, ostriches, wheat crops, canola, vegetables, dried flowers, grapes and olives.</li> <li>o Agro-processing - Dairy products, wool, mutton, meat, wine.</li> </ul>

KEY ECONOMIC ACTIVITIES	DESCRIPTION
	<ul style="list-style-type: none"> <li>o Oilseed, ostrich meat, geese feathers and down.</li> </ul> <p>The development of the Agri- Park should contribute to this sector.</p>
Tourism	<p>Tourism is also one of the more important economic sectors in Cape Agulhas Municipality. One of the most distinctive tourist attractions which has the ability to become the single most branded item of the region is the southernmost tip of the African continent. The tourism industry includes:</p> <ul style="list-style-type: none"> <li>o Nature Based Tourism (fynbos, fauna &amp; flora species);</li> <li>o Adventure Tourism (horse riding, mountain biking, paintballing, quad biking, river kayaking);</li> <li>o Marine Tourism (whales watching, fishing, De Hoop and De Mond marine conservation area);</li> <li>o Family Holidays (beaches &amp; play parks);</li> <li>o Agri Tourism (wool route, wine farms);</li> <li>o Marine Tourism;</li> <li>o Cultural &amp; Heritage Tourism (Lighthouse, Elim, Shipwrecks);</li> <li>o ICE (Conferences, events, teambuilding);</li> <li>o Business Tourism;</li> <li>o Events Tourism (Foot of Africa marathon, Overberg Air Show, Napier Patatfees, Agri Mega Week, Heartbeat Christian Festival, Cape Floral Kingdom Expo, Arniston Weekender).</li> </ul>
Fishing and Mari-culture	<p>Cape Agulhas contributes significantly to the Cape line-fish industry. Mari-culture and the processing of marine products like saltwater- and freshwater fish farms, abalone farm, mussels and seaweed cultivating, has the potential to become a very lucrative industry for the area. There is potential for our natural resources to be harvested and processed for commercial use.</p>
Trade/SMME/Informal Enterprise Development	<p>The trading industry has remained one of the dominant economic sectors in the Municipal Area during the past 10 years Cape Agulhas already has a vibrant SMME sector, which is an important component of any regional economy because it employs local labour and increases the local buying power. The type of activities that form part of the informal economy includes: hawkers, spaza shops and shebeens.</p>
Natural Resource Economics	<p>Our biodiversity is a unique feature of this region, which can be utilised as a catalyst to stimulate the economic growth of the region. Properly managed eco-tourism holds great potential as an economic incentive for conservation, especially with regard to job creation. One of the greater economic benefits of the natural resources on the Agulhas Plain is the abundant variety of wildflower species.</p>
Construction	<p>The contribution of this sector is becoming increasingly important. A challenge is the skills shortages that exist in the sector. Most of the construction workers have low skills levels and there is a shortage of management level skills. The Municipality tries to ensure sufficient access to business opportunities for local contractors within its procurement capabilities. The construction of the Anene Booysen Skills Centre in partnership with the Construction SETA will also assist in this regard.</p>
Manufacturing	<p>One of the major challenges for the manufacturing industry particularly in the Cape Agulhas Municipal Area is the steep increase in agriculturally based food prices. Opportunities should be identified for</p>

KEY ECONOMIC ACTIVITIES	DESCRIPTION
	innovative products that can be manufactured to address local demands instead of focussing on the export market.

## b) Socio economic growth indicators

TABLE 9 SOCIO ECONOMIC GROWTH INDICATORS

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

\*Source: Municipal housing data base

### 1.3.3 ENVIRONMENTAL OVERVIEW

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

“Everyone has the right -

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

One of the biggest attributes of this region is its natural environment which lures thousands of tourists to this area on a daily basis. Our natural environment is the foundation of our tourism industry and also plays a key role in the agriculture industry and it is imperative that our planning and decision making support the principles of sustainable development.

## 1.4 BASIC SERVICE DELIVERY OVERVIEW

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

Chapter 3 provides more detailed information on basic service delivery as well as all other functions rendered by the Municipality during 2015/16.

### 1.4.1 BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS

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

**TABLE 10 BASIC SERVICE DELIVERY HIGHLIGHTS**

SERVICE	HIGHLIGHT DESCRIPTION
Water provision	<ul style="list-style-type: none"><li>o Reduction of water losses from 21% to 19%.</li><li>o Implementation of a water meter replacement programme to further curb water losses.</li></ul>
Waste water provision (Sanitation)	<ul style="list-style-type: none"><li>o Ou Meule sewerage pump station upgraded.</li><li>o Struisbaai North sewerage pump station construction completed.</li></ul>
Electricity provision	<ul style="list-style-type: none"><li>o Electricity losses are 7.20% which is well below the norm.</li><li>o Provision of street lighting in informal areas and Zwelitsha.</li><li>o Upgrading of the Bredasdorp electrical infrastructure to ensure adequate supply for future RDP housing developments in Bredasdorp.</li><li>o Electrification of informal settlement (Bredasdorp and Napier).</li></ul>
Waste management (Refuse removal)	<ul style="list-style-type: none"><li>o Bredasdorp landfill site fenced.</li></ul>
Upgrading of roads	<ul style="list-style-type: none"><li>o A total of 52 672m<sup>2</sup> of roads were re-sealed.</li><li>o Nuwerus Streets were tarred (Napier).</li><li>o Arniston Streets were tarred in the low cost housing area.</li><li>o Bredasdorp Streets were tarred in the low cost housing area.</li><li>o Smartie Town Streets were tarred (Lelie Street, Angelier Street and Wes Streets) (Napier).</li></ul>
Upgrading of storm water systems	<ul style="list-style-type: none"><li>o Upgrading of storm water systems in Bredasdorp, Struisbaai, Struisbaai North and Napier in accordance with storm water master plans.</li></ul>
Human settlement	<ul style="list-style-type: none"><li>o Constructed three bathrooms for scheme housing.</li><li>o Handover of 40 Struibaai Houses in August 2015.</li></ul>

### 1.4.2 BASIC SERVICE DELIVERY CHALLENGES

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

**TABLE 11 BASIC SERVICE DELIVERY CHALLENGES**

<b>SERVICE</b>	<b>CHALLENGE</b>	<b>ACTIONS TO ADDRESS</b>
General infrastructure development and maintenance	The Municipality does not have an Infrastructure Growth Plan (IGP)	<ul style="list-style-type: none"> <li>o An application was made to Western Cape Provincial Department of Local Government to assist with an IGP as part of the Back-to-Basics Programme and will be assisted with such a plan in 2016/17.</li> </ul>
	Ageing infrastructure.	<ul style="list-style-type: none"> <li>o Infrastructure maintenance is addressed in the approved Long Term Financial Plan.</li> </ul>
Water provision	Ongoing reduction of water losses.	<ul style="list-style-type: none"> <li>o Despite a small decrease in water losses, it remains an ongoing challenge in terms of revenue loss. Funding applications have been submitted to various organs of state to obtain funds to continue the water meter replacement programme.</li> </ul>
Waste water provision (Sanitation)	Waste water quality and compliance with green drop standards	<ul style="list-style-type: none"> <li>o The Bredasdorp WWTW is due for a total upgrade. An agreement has been concluded with an external service provider to upgrade the plant to a biogas technology WWTW during 2016/17. The project is also registered as a MIG project for 2016/ should the biogas option not materialize.</li> </ul>
Electricity provision	Lack of funding for the development and maintenance of electrical infrastructure	<ul style="list-style-type: none"> <li>o Systematic annual upgrade of electrical network with budget available.</li> <li>o Ongoing application for external funding from various sources.</li> </ul>
Waste management (Refuse removal)	Upgrade of landfill site	<ul style="list-style-type: none"> <li>o The Western Cape Provincial Department of Local Government is providing assistance with the facilitation of the environmental regulatory requirements (waste license) to increase the lifespan of the existing landfill sites through the Back-to-Basics Support Plan.</li> </ul>
	Illegal dumping	<ul style="list-style-type: none"> <li>o Recycling is encouraged to lengthen the lifespan of the landfill sites.</li> <li>o Law enforcement and awareness campaigns are ongoing to address illegal dumping.</li> </ul>
Upgrading of roads	Extensive gravel roads that need to be maintained	<ul style="list-style-type: none"> <li>o Re-gravelling of sections of road on an annual basis with budget available.</li> </ul>
Upgrading of storm water systems	Storm water backlogs due to inadequate storm water systems	<ul style="list-style-type: none"> <li>o Systematic annual upgrade of storm water system with budget available in accordance with master plans.</li> </ul>
Human settlement	Funding to implement human settlement pipeline	<ul style="list-style-type: none"> <li>o Ongoing liaison with the Department of Human Settlement to fund the implementation of the human settlement pipeline.</li> </ul>
	Extensive planning processes that cause delays.	<ul style="list-style-type: none"> <li>o Investigate ways in which communication can be improved in a bid to limit objections.</li> </ul>



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### 1.4.3 HOUSEHOLD ACCESS TO BASIC SERVICES

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

**TABLE 12 PROPORTION OF HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES**

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

## 1.5 FINANCIAL HEALTH OVERVIEW

### 1.5.1 FINANCIAL VIABILITY HIGHLIGHTS

TABLE 13 FINANCIAL VIABILITY HIGHLIGHTS

HIGHLIGHT	DESCRIPTION
Clean audit	The Municipality achieved a clean audit in 2015/16 for the third consecutive year
Long Term Financial Plan (LTFP)	The Municipality adopted a LTFP strategy during December 2015. This plan will assist in addressing the liquidity and sustainability issues of the Municipality
Debt collection rate 100.75%	The Municipality implemented its credit control and debt collection policy. A new service provider was also appointed during July 2015 to assist with a more cost effective and efficient manner of debt collection. The recommended target in terms of the approved LTFP strategy is 95%, which was exceeded.
Capital expenditure 93.83%	The Municipality spent 93.83% of its capital budget during 2015/16. The main reason for the deviation is to savings that realized. Total projects budgeted for which were not implemented amounted to R708, 889 or 3, 13% of the total capital budget.

### 1.5.2 FINANCIAL VIABILITY CHALLENGES

TABLE 14 FINANCIAL VIABILITY CHALLENGES

CHALLENGE	ACTION TO ADDRESS
Short term liquidity of the Municipality	The municipality's short term liquidity improved from 1.40:1 in the 2014/15 financial year to 1.71:1 in the financial year under review which is slightly above the norm of 1.50:1. The liquidity ratio recommended in terms of the LTFP strategy is 2:1 in order to address short term liquidity issues
High cost structure of Council and administration	<p>Employee related costs are within the NT norm of between 30 -40% and are an indicator of productivity and / or efficiency within local municipalities. The LTFP proposes a target of 30% for the Municipality to remain financially viable in the long term. The LTFP also recommends a 2% reduction per annum i.t.o. the approved organogram structure and recommends only filling legislative / service delivery orientated positions.</p> <p>Our actual employee costs for the year are 39,55% inclusive of temporary workers funded from the Expanded Public Works Programme Grant, Financial Management Grant, Municipal Infrastructure Grant and internal funded job creation programmes over the festive season which do not form part the permanent employee structure. The Municipality also implemented TASK from 1 July 2015 which impacted on the increase of employee related costs.</p>
Long term financial sustainability of the Municipality	Council approved the LTFP Strategy to address financial sustainability in a structured manner. The LTFP Strategy will be reviewed on an annual basis.

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

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

**TABLE 15 NATIONAL KPI'S FOR FINANCIAL VIABILITY AND MANAGEMENT**

KPA & INDICATOR	2014/15	2015/16
Debt coverage ((Total operating revenue-operating grants received):debt service payments due within the year) (Higher is better)	328,55	232,06
Service debtors to revenue – (Total outstanding service debtors: revenue received for services) (Lower is better)	9.49	9.79
Cost coverage ((Available cash+ investments): Monthly fixed operating expenditure (Higher is better)	1.03	0.79

### 1.5.4 FINANCIAL OVERVIEW

**TABLE 16 FINANCIAL OVERVIEW**

DETAILS	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
<b>Income</b>			
Grants - Operational	30,289,850	36,912,559	36,456,206
Grants - Capital	13,464,150	13,902,794	13,929,863
Taxes, Levies and tariffs	175,472,400	175,010,030	175,199,130
Other	16,778,730	23,435,831	26,781,598
<b>Sub Total</b>	<b>236,005,130</b>	<b>249,261,214</b>	<b>252,366,797</b>
<b>Less: Expenditure</b>	236,596,669	257,854,210	247,930,233
<b>Net Total*</b>	<b>(591,539)</b>	<b>(8,592,996)</b>	<b>4,436,563</b>

### 1.5.5 OPERATING RATIO'S

**TABLE 17 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%	39.55	4.55 above the minimum norm
Repairs & Maintenance	>8%	4.52	3.48 below norm and 1.48% less than the

			recommended target in terms of the LTFP Strategy (2015/16)
Finance Charges & Depreciation	<10%	7.65	2.35 below norm

The Municipality's expenditure on employee related cost is still below the national norm. The finance charges are also well below the norm due to the Municipality's conservative approach to taking up new external loans to fund capital investment. However, the low expenditure on repairs and maintenance is still a concern that needs to be addressed as part of the approved LTFP Strategy.

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### 1.5.6 TOTAL CAPITAL EXPENDITURE

**TABLE 18 TOTAL CAPITAL EXPENDITURE**

DETAIL	2014/15 R'000	2015/16 R'000
Original Budget	14 701	21 691
Adjustment Budget	56 967	22 664
Actual	59 755	21 265
% Spent	104%	93.83%

## 1.6 ORGANISATIONAL DEVELOPMENT OVERVIEW

Cape Agulhas Municipality currently employs 346 officials (excluding non-permanent positions), who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of human resource management is to render an innovative human resource service that addresses both skills development and an administrative function.

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

### 1.6.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

TABLE 19 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

HIGHLIGHT	DESCRIPTION
Full-time appointment of non-permanent contract workers	Contract workers have been permanently appointed in accordance with legislation, which contributes to the addressing of poverty and unemployment.
Employment equity targets and goals achieved	A concerted effort was made to implement the Municipality's Employment Equity Plan and achieve the goals and targets contained therein.  The completion of the Job Evaluation process was one of these efforts, which enabled the Municipality to place their workforce, in a scientific well thought through process of determining remuneration at all levels. This process has been ongoing and anticipated by employees for a number of years. Cape Agulhas Municipality implemented its Tuned Assessment of Skills and Knowledge (TASK) in December 2015.
Skills development	The completion and official opening of the Anene Booysen Skills Centre in partnership with the Construction SETA and Boland College on the 23 July 2016 by the Minister of Department of Higher Education and Training, Minister Dr Blade Nzimande. This centre is already operational and managed by the Boland College and will service the Cape Agulhas Municipal Area as well as the region.
Human Resource Strategy	A Human Resource Strategy Document was completed which included a survey to establish what is expected of people management and identify areas of improvements to strengthen Human Resources as a Department and the Human Resource management of the Municipality. An action plan was compiled to monitor progress.

### 1.6.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

**TABLE 20 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES**

<b>CHALLENGE</b>	<b>ACTION TO ADDRESS</b>
Implementation of the Organisational Design	<p>Cape Agulhas is in the process of introducing new systems to better the effectiveness and efficiency of service delivery and to ensure that employees are capacitated to perform their duties by applying innovative and efficient ways of doing things.</p> <p>Due to budget constraints, we are gradually incorporating the recommendations of the Organizational Redesign exercise done in 2014/15 financial year as per proposed organogram.</p>
Implementation of the Employment Equity Plan	<p>A concerted effort was made to implement the Municipality's Employment Equity Plan and achieve the goals and targets contained therein.</p> <ul style="list-style-type: none"> <li>o The completion of the Job Evaluation process was one of these efforts, which enabled the Municipality to place their workforce, in a scientific well thought through process of determining remuneration at all levels. Cape Agulhas Municipality implemented its Tuned Assessment of Skills and Knowledge (TASK) in December 2015.</li> <li>o Through training and development initiatives we have created a pool of local internal employees for possible opportunities when there are vacancies. In future we will develop from within as per our training and development target groups, examples being MMC and Public Management courses at Boland College to create a pool of prospective candidates.</li> </ul>

### 1.6.3 EMPLOYMENT EQUITY

**TABLE 21 2015/16 EMPLOYMENT EQUITY TARGETS/ACTUAL BY RACIAL CLASSIFICATION**

<b>AFRICAN</b>			<b>COLOURED</b>			<b>INDIAN</b>			<b>WHITE</b>		
Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
31	4	12.90%	0	-1	0%	1	0	0%	2	1	50%

**TABLE 22 2015/16 EMPLOYMENT EQUITY TARGETS/ACTUAL BY GENDER CLASSIFICATION**

<b>MALE</b>			<b>FEMALE</b>			<b>DISABILITY</b>		
Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
13	6	46.15%	18	2	11.11%	1	2	200%

### 1.6.4 SKILLS DEVELOPMENT

**TABLE 23 BUDGET ALLOCATED AND SPENT FOR SKILLS DEVELOPMENT**

<b>TOTAL OPERATIONAL BUDGET</b>	<b>TOTAL ALLOCATED</b>	<b>TOTAL SPENT</b>	<b>% SPENT</b>
R 257 854 210.00	1 438 000.00	R1 088 848.00	0.42%

## 1.7 AUDITOR GENERAL REPORT

The Municipality has again maintained its record of unqualified audits with no matters (clean audit) for 2015/16. This serves to emphasize the Municipality's commitment to clean administration and good governance.

An action plan to address the findings was drawn up based on specific audit findings from the 2014/15 audit which is monitored and progress with the corrective actions evaluated on a monthly basis by the Internal Auditor and the CFO. This plan is a standing item on the Municipal Manager's monthly Directors meeting and is also submitted to Council during their monthly meetings, as well as the Audit and Performance Audit Committee during their quarterly meetings.

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### 1.7.1 AUDITED OUTCOMES

**TABLE 24 AUDIT OUTCOMES**

<b>YEAR</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
Status	Unqualified with other matters	Unqualified with no other matters	Unqualified with no other matters	Unqualified with no other matters

## CHAPTER 2: GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

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

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

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

TABLE 25 NATIONAL KPI GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KPA & INDICATORS	2014/15	2015/16
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	104%	93.83%

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

TABLE 26 GOOD GOVERNANCE AND PUBLIC PARTICIPATION PERFORMANCE HIGHLIGHTS

HIGHLIGHT	DESCRIPTION
IDP and Budget Imbizo public participation process	An inclusive process to capture issues and comments from the public on the draft IDP and Budget in accordance with the approved process plan and time schedule of key deadlines.
Development of a new website	The Municipality participated in a Provincial initiative to develop standardized websites for all municipalities in the Province. Our new website was launched in April 2016.
Functional ward committees	Ward Committees are in place for each ward and meet monthly.
MPAC	A fully functional MPAC is in place.



## 2.3 CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

TABLE 27 GOOD GOVERNANCE AND PUBLIC PARTICIPATION CHALLENGES

DESCRIPTION	ACTIONS TO ADDRESS
Effectiveness of ward committees	A local, district and provincial ward committee summit was held during the year where efficacy issues were looked at collectively with a view to developing a Provincial tool kit for the establishment of new ward committees following the 2016 municipal elections,
Low than expected levels of public participation	A Communication Strategy was approved which will be implemented in 2016/17.

## 2.4 GOVERNANCE STRUCTURE

### 2.4.1 POLITICAL GOVERNANCE STRUCTURE

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

#### a) Council

Section 37(c) of the Municipal Structures Act requires Municipal Councils to meet a minimum of quarterly. During the year a total of 14 council meetings were held, including special council meetings.

The Municipal Council comprises 9 Councillors, four of whom are Ward Councillors and five of whom are Proportional Representation (PR) Councillors. Two vacancies arose following the resignations of Cllrs A Coetzee and W October in September 2015. Cllr Coetzee was a Proportional Councillor and was replaced by the next candidate on the party list. The resignation of Cllr October resulted in a by-election for Ward 1 and Cllr E Sauls was elected. This did not affect the status quo and the Municipal Council remains led by an ANC / Independent coalition.

The table below provides a list of Councillors, their office, political affiliations and whether they served as a ward or proportional Councillor for the 2015/16 financial year:

TABLE 28 COUNCILLOR REPRESENTATION AND MEETING ATTENDANCE

COUNCIL MEMBERS	CAPACITY	POLITICAL PARTY	WARD OR PROPORTIONAL	COUNCIL MEETINGS ATTENDANCE %	APOLOGIES FOR NON-ATTENDANCE %
R Mitchell	Executive Mayor	ANC	Ward 3	100	n/a

COUNCIL MEMBERS	CAPACITY	POLITICAL PARTY	WARD OR PROPORTIONAL	COUNCIL MEETINGS ATTENDANCE %	APOLOGIES FOR NON-ATTENDANCE %
D Jantjies	Executive Deputy Mayor	Independent	Ward 2	100	n/a
R Mokotwana	Member of MAYCO	ANC	Proportional	86	14
E Marthinus	Speaker	ANC	Proportional	100	n/a
P Atyhosi	District representative	ANC	Proportional	85.7	7.14
D Burger	Ward Councillor	DA	Ward 5	92.9	7.14
W October (to September 2015)	Ward Councillor	DA	Ward 1	100	n/a
E Sauls (from October 2015)	Ward Councillor	DA	Ward 1	100	n/a
J Nieuwoudt	Ward Councillor/ District representative	DA	Ward 4	85.7	14.3
A Coetzee (to September 2015)	Councillor	DA	Proportional	50	50
Z Tonisi (from October 2015)	Councillor	DA	Proportional	83.3	16.7

#### b) Executive Mayoral Committee

The Executive Mayor of the Municipality, Alderman R. Mitchell, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs of the Municipality. This means that he has an overarching strategic and political responsibility.

Executive power is vested in the Executive Mayor, in accordance with a framework of powers assigned by legislation and powers delegated by the Municipal Council in terms of the Section 59 of the Municipal Systems Act. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in collaboration with the Mayoral Committee.

A total of 10 Mayoral Committee meetings were held in 2015/16. The table below indicates the members, meeting attendance and meeting dates.

**TABLE 29 EXECUTIVE MAYORAL COMMITTEE**

NAME OF MEMBER	CAPACITY	MEETING ATTENDANCE %	MEETING DATES
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R Mitchell	Executive Mayor	100	23 July 2015
D Jantjies	Executive Deputy Mayor	100	18 August 2015
R Mokotwana	Member	100	22 September 2015 21 October 2015 1 December 2015 16 February 2016 30 March 2016 19 April 2016 24 May 2016 21 June 2016

### c) Portfolio Committees

The Municipal Structures Act makes provision for the appointment of Section 79 Committees. These Committees are temporary and appointed by the Council as needed. They are usually appointed to investigate a particular issue and do not have any decision making powers, except those delegated to them by Council. Once their ad hoc task have been completed, Section 79 committees are usually disbanded. External experts, as well as councillors can be included on Section 79 committees.

Provision is also made for the appointment of Section 80 Committees commonly known as Portfolio Committees. Section 80 committees are permanent committees that specialise in a specific functional area of the Municipality and may in some instances make decisions on specific functional issues. They advise the Executive Mayor on policy matters and make recommendations to the Executive Mayor. The table below indicates the committee, composition statutory status and meeting dates.

**TABLE 30 PORTFOLIO COMMITTEES**

COMMITTEE	MEMBERS	SECTION 79 OR 80 COMMITTEE	MEETING DATES
Public Works	D Jantjies (Chairperson) D Burger P Atyhosi	80	21 July 2015 11 August 2015 16 September 2015 13 October 2015 24 November 2015 26 January 2016 15 March 2016 12 April 2016 17 May 2016 14 June 2016
Masakhane Committee	P Atyhosi R Mokotwana D Jantjies (Chairperson) J Nieuwoudt	80	21 July 2015 11 August 2015 16 September 2015 13 October 2015 24 November 2015 26 January 2016 15 March 2016 12 April 2016 17 May 2016 14 June 2016

COMMITTEE	MEMBERS	SECTION 79 OR 80 COMMITTEE	MEETING DATES
Corporate Services	R Mokotwana (Chairperson) J Nieuwoudt P Atyhosi	80	21 July 2015 11 August 2015 16 September 2015 13 October 2015 24 November 2015 26 January 2016 15 March 2016 12 April 2016 17 May 2016 14 June 2016

## 2.4.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

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

The Municipal Council adopted a revised macro structure on 29 September 2015. The administration consists of the office of the Municipal Manager and four directorates. Each directorate is headed by a Director, appointed in terms of Section 57 of the Municipal Systems Act. The Assistant Director: Electro Technical Services also reports directly to the Municipal Manager until his retirement at the end of the financial year after which the Electro Technical Services Department will fall under the Technical Services Directorate.

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 31 ADMINISTRATIVE GOVERNANCE STRUCTURE: SENIOR MANAGEMENT**

NAME OF OFFICIAL	DIRECTORATE	PERFORMANCE AGREEMENT SIGNED
Mr D O'Neill	Municipal Manager	Yes
Mr S Ngwevu	Director: Corporate Services	Yes
Mr N Kotze	Director: Technical Services	Yes
Mr H van Biljon	Director: Financial Services	Yes
Mr K Mrali	Director: Community Services	Yes
Mr P Everson	Assistant Director: Electro Mechanical Services	n/a (not a Section 57 employee)

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

**TABLE 32 ADMINISTRATIVE GOVERNANCE STRUCTURE: THIRD TIER**

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

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.5 INTERGOVERNMENTAL RELATIONS

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

#### 2.5.1 INTERGOVERNMENTAL STRUCTURES

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

**TABLE 33 INTERGOVERNMENTAL STRUCTURES AND FORUMS**

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

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

## 2.5.2 JOINT PROJECTS AND FUNCTIONS WITH SECTOR DEPARTMENTS

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

**TABLE 34 JOINT PROJECTS**

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

## COMPONENT C: PUBLIC ACCOUNTABILITY

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

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

### 2.6 PUBLIC MEETINGS

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

**TABLE 35 WARD BASED PUBLIC MEETINGS**

ACTIVITY	DATE	PURPOSE	TARGET AUDIENCE	COMMUNICATION
Ward feedback meetings Ward 1	7 September 2015 9 September 2015	Feedback to communities IDP meeting- to get input from the community with IDP	Residents of ward	Pamphlets, sms, loud hailing and Facebook
	10 December 2015	Year-end function by ward councillor	Residents of ward	Advert in local media, sms, Facebook
	27 January 2016	Introduction of new councillor	Residents of ward	Pamphlets
	12 April 2016	Presentation of the 2015/16 Municipal Budget to the citizens of Ward 1	Residents of ward	Advert in local media, sms, Facebook
Ward feedback meeting Ward 2	15 September 2015 17 September 2015	Feedback to communities IDP meeting- to get input from the community with IDP	Residents of ward	Pamphlets, sms, loud hailing and Facebook
	3 December 2015 16 December 2015	Ward year-end function	n/a	n/a



<b>ACTIVITY</b>	<b>DATE</b>	<b>PURPOSE</b>	<b>TARGET AUDIENCE</b>	<b>COMMUNICATION</b>
	15 March 2016 17 March 2016	Report back meeting to residents in the ward	Residents of ward	Pamphlets, sms , Facebook
	13 April 2016	Presentation of the 2015/16 Municipal Budget to the citizens of Ward 2	Residents of ward	Pamphlets, sms , Facebook
Ward feedback meeting Ward 3	8 September 2015	Feedback to communities IDP meeting- to get input from the community with IDP	Residents of ward	Pamphlets, sms, loud haling and Facebook
	10 December 2015	Ward year-end function	n/a	n/a
	14 April 2016 21 April 2016	Presentation of the 2015/16 Municipal Budget to the citizens of Ward 3	Residents of ward	Pamphlets, sms, loud haling and Facebook
Ward feedback meeting Ward 4	28 September 2015 9 September 2015 10 September 2015 16 September 2015 21 September 2015	IDP review and feedback meeting, Bredasdorp and Proteem	Residents of ward	Pamphlets, sms, loud haling and Facebook
	9 December 2015 10 December 2015	Ward year-end function	Residents in the ward	Pamphlets, sms , Facebook
	19 April 2016	Presentation of the 2015/16 Municipal Budget to the citizens of Ward 4	Residents in the ward	Pamphlets, sms, Facebook
Ward feedback meeting Ward 5	16 September 2015 17 September 2015	Feedback to communities IDP meeting- to get input from the community with IDP	Residents of ward	Pamphlets, sms, loud haling and Facebook
	24 December 2015	Ward year-end function	Residents of ward	Pamphlets, sms, Facebook
	20 April 2016	Presentation of the 2015/16 Municipal Budget	Residents of Ward	Pamphlets, sms. Loud haling and Facebook

ACTIVITY	DATE	PURPOSE	TARGET AUDIENCE	COMMUNICATION
		to the citizens of Ward 4		

**TABLE 36 HOUSING PUBLIC MEETINGS**

ACTIVITY	DATE	PURPOSE	TARGET AUDIENCE	HOW WAS THIS COMMUNICATED TO THE COMMUNITY?
Handover of Title Deeds Nelson Mandela Hall	31 May 2016	Give title deeds as proof of ownership	Beneficiaries 168- Housing Project/Home owners	Handout pamphlets / Door to Door
Public Meeting Oukamp Informal Settlement Struisbaai	28 June 2016	The way forward regarding the relocation of the informal settlement & electricity problems.	Shack Owners Oukamp Struisbaai	Telling shack owners / Door to Door
Housing Consumer Education Arniston	30 June 2016	Briefing regarding importance of paying Municipal taxes and water bills, insurance and maintenance of the houses, importance of title deeds and a will.	67 Home owners/ Arniston	Personal visits from Housing Officials where every household was briefed.

**TABLE 37 PUBLIC MEETINGS**

ACTIVITY	DATE	PURPOSE	TARGET AUDIENCE	HOW WAS THIS COMMUNICATED TO THE COMMUNITY?
Farmworker Imbizo	24 April 2016	To give farmworkers an opportunity to engage with various Municipal and Government Departments on issues they face on a daily bases on farms.	Farmworkers, farm owners, Municipal and Government Officials	Contact visits, handout pamphlets, advertised in newspapers and posters

## 2.7 WARD COMMITTEES

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

The purpose of a ward committee is:

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

Ward committees play a very important role in the development and annual revision of the integrated development plan of the municipality and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

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

**TABLE 38 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	10	10	5
2	Yes	11	11	7
3	Yes	11	11	4
4	Yes	9	9	8
5	Yes	10	10	4

### 2.7.1 MEMBERSHIP AND FUNCTIONALITY OF WARD COMMITTEES

The following tables provide an overview of the composition of ward committees and the meetings held during the 2015/16 financial year.

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

**TABLE 39 WARD 1**

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	DATES OF PUBLIC WARD MEETINGS HELD DURING THE YEAR
<b>W October (till August 2015)</b>	<b>Ward Councillor</b>	21 July 2015
<b>E Sauls (from November 2015)</b>	<b>Ward Councillor</b>	18 August 2015
J Wessels	Huis Klippe Drift/ Secretary	21 September 2015
C Viegeland	Stewards Council	24 November 2015

J Adams	Napier Health and Welfare Forum	26 January 2016 25 February 2016
E Harker	Agulhas Skills School	15 March 2016
J Stevens	Protea Primary School	19 April 2016
I Pieterse	Individual	17 May 2016
M Cloete	Individual	15 June 2016
E Johnson	Elim E-Centre	
K Koebergh	Individual	
D Schoeman	Individual	

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

**TABLE 40 WARD 2**

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	DATES OF PUBLIC WARD MEETINGS HELD DURING THE YEAR
<b>D Jantjies</b>	<b>Ward Councillor</b>	27 July 2015
C Kies	Liefdesnessie Services Centre	27 August 2015
K Dunston	AMSSS	28 September 2015
J Adams	De Heide Primary	21 October 2015
E Green	Bet El Evangelical Church	25 November 2015
E Plaatjies	Compassion in Action	25 January 2016
C September	Young Peoples Rugby Club	29 February 2016
M De Jager	Individual	31 March 2016
L Marthinus (till September 2015)	Individual	18 April 2016 17 May 2016
F Hendricks	Individual	16 June 2016
M Meyer	Individual	
F.Koebergh (from November 2015)	Individual	

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

**TABLE 41 WARD 3**

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	DATES OF PUBLIC WARD MEETINGS HELD DURING THE YEAR
<b>R Mitchell</b>	<b>Ward Councillor</b>	22 July 2015
R October	Bredasdorp Taxi Association	19 August 2015
L Manxeba	Lesedi Educare	16 September 2015
H Kock	United Pentecostal Church	21 October 2015
J Volmink	CARA	25 November 2015
N Madubela	Isolomzi Organization	27 January 2016
K Zimy	Isolomzi Organization	26 February 2016
H Temmers	Individual	16 March 2016
D Hans	Individual	18 April 2016
R Baker	Individual	17 May 2016
M Asanda	Individual	16 June 2016

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

**TABLE 42 WARD 4**

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	DATES OF PUBLIC WARD MEETINGS HELD DURING THE YEAR
<b>J Nieuwoudt</b>	<b>Ward Councillor</b>	17 August 2015
D Gilomee	Otto du Plessis Hospital	22 September 2015
S van Dyk	ACVV Bredasdorp	19 October 2015
R Strydom (till August 2015)	Suideroord ACVV Home for the elderly	1 December 2015 15 February 2016
R Visser	Primary Bredasdorp	14 March 2016
L Groenewald	Bredasdorp Tax Association	25 April 2016
J Bester	NG Church Bredasdorp	30 May 2016
M Oosthuizen	Individual	28 June 2016
L Marais	Individual	
H Odendaal	Individual	
E Karelse	Individual	
Johan Neethling (from December 2015)	Suideroord ACVV Home for the elderly	

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

**TABLE 43 WARD 5**

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	DATES OF PUBLIC WARD MEETINGS HELD DURING THE YEAR
<b>D Burger</b>	<b>Ward Councillor</b>	29 July 2015
A Marthinus	Waenhuiskrans Visser Union	19 August 2015
S Lourens	Struisbaai Community Police Association	23 September 2015 19 October 2015
C. Joubert	WARA	30 November 2015
R Theunissen	C.I.A	8 February 2016
C Uys	Onse Hoop	14 March 2016
D de Jongh (till July 2015)	Struisbaai Sports Club	18 April 2016
A Vlok	Suidpunt Conservation Association	23 May 2016 28 June 2016
V de Villiers	NG Church Suidpunt	
J Keuler	Suidpunt Fishing and Marine Conservation Society	
D Kleinsmidt	NG Church Struisbaai	
Johan van der Walt (from August 2015)	Struisbaai Sports Club	

### 2.7.3 WARD COMMITTEE ACTIVITIES

During 2015/16 the Province embarked on a process of reviewing the effectiveness of ward committees over the last five years with a view to reviewing policy guidelines and legislation on ward committees in preparation for the election of new ward committees following the

2016 municipal elections. A Local Municipal Ward Committee Summit was held in August which was followed by District and Provincial summits.

**TABLE 44 WARD COMMITTEE SUMMIT PROCESS**

ACTIVITY	DATE	PURPOSE	TARGET AUDIENCE
Local Municipal Ward Committee Summit	20 August 2015	This summit served as a local platform for Cape Agulhas Municipality to assess gaps and challenges in current ward committee and public participations systems	Ward Committee members , Ward Councillors and Municipal Officials
District Ward Committee Summit	7 September 2015	This summit served as a district platform for local municipalities to assess gaps and challenges in current ward committee and public participations systems	Ward Committee members, Ward Councillors and Municipal Officials
Provincial Ward Committee Summit	14-15 September 2015	This summit aimed to provide inputs to the Provincial Department of Local Government on preparation for election of new ward committees following the municipal election and enhancing people – centred public participation processes	Ward Committee members, Ward Councillors, Municipal Officials and Government Officials

## 2.8 REPRESENTATIVE FORUMS

### 2.9.1 LABOUR FORUM

The establishment of a Labour Forum makes workplace democracy a reality. Employees are afforded an opportunity to make an input with regards to the governance of the workplace, which enhances cooperation. Employees are also afforded an opportunity to have a say in their destiny while a more harmonious relationship with its workforce will enable the employer to reap the benefits of increased productivity. The table below indicates the members, and meeting dates.

**TABLE 45 LABOUR FORUM**

NAME	CAPACITY	MEETING DATES
D O'Neill	Municipal Manager	17 August 2015
N Kotze	Director: Technical Services	19 August 2015
S Ngwevu	Director: Corporate Services	01 October 2015
P Everson	Assistant Director: Electro-Mechanical Services	12 November 2015 28 January 2016
K Mrali	Director: Community Services	11 February 2016
D Jantjies	Councillor	3 March 2016
D Burger	Councillor	14 March 2016
R Mokatlwana	Councillor	14 April 2016

W Opperman	SAMWU	12 May 2016 9 June 2016
P Plaatjies	SAMWU	
W Stanley	SAMWU	
R Jansen	SAMWU	
S Hendricks	SAMWU	
A Kloppers	IMATU	
C Arends	IMATU	
The HR Manager, Ms N Mlathi-Musewe and HR Official, Mr J Diedericks participate in all Labour Forum meetings and play an advisory role.		

## 2.9.2 IDP FORUM (CAPE AGULHAS MUNICIPAL ADVISORY FORUM)

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

**TABLE 46 IDP FORUM**

NAME	CAPACITY	MEETING DATES
D O'Neill	Municipal Manager	No meetings were held as a result of the acceleration of the IDP review / budget process due to the possibility that the municipal elections would be held in May.
R Mitchell	Executive Mayor	
E Sauls	Ward 1 Councillor	
D Jantjies	Ward 2 Councillor	
J Nieuwoudt	Ward 4 Councillor	
D Burger	Ward 5 Councillor	
P Atyhosi	PR Councillor	
M Mokotwana	PR Councillor	
Z Tonisi	PR Councillor	
E Marthinus	PR Councillor	
S Ngwevu	Director: Corporate Services	
N Kotze	Director: Technical services	
H Van Biljon	Director: Financial Services	
P Everson	Assistant Director: Electro-Mechanical Services	
K Mrali	Director: Community Services	
2 Representatives: Ward 1	Ward Committee	
2 Representatives: Ward 2	Ward Committee	
2 Representatives: Ward 3	Ward Committee	
2 Representatives: Ward 4	Ward Committee	
2 Representatives: Ward 5	Ward Committee	
L Valentine	IDP Coordinator: Strategic Services	
Managers: CAM	Cape Agulhas Municipality	
Other role players	Provincial sector departments Community members Business sector Overberg District Municipality Community structures	

## COMPONENT D: CORPORATE GOVERNANCE

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

### 2.10 RISK MANAGEMENT

The direction and mandate of risk management for Cape Agulhas Municipality is clearly set out in Section 62(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) which 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” accompanied by the crucial motto of the public sector: “that the resources of the municipality are used effectively, efficiently and economically”.

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

The services performed by the ODM shared service CRO during the 2015-2016 financial year include:

- ▲ An annual risk assessment conducted and facilitated by the CRO per Directorate.
- ▲ Periodic assessments with monthly monitoring on the status of risk registers as well as quarterly reporting and recommendations to various statutory committees.
- ▲ Annual review of the Risk Management Strategy and Policy.
- ▲ Compilation and monitoring of a district risk implementation plan.
- ▲ Continuous development of the municipal risk profile to constantly improve risk maturity.
- ▲ Streamlining risk related documents and processes with National Treasury's Public Sector Risk Management Framework, King Code of governance for South Africa, Committee of Sponsoring Organisations of the Treadway Commission (COSO), International Organisation for Standardisation (ISO 31000) etc.
- ▲ Adding value in terms of “best practices” to the Fraud and Risk Management Committee (FARMCO) and assisting with the review of the Committee's terms of reference and key performance indicators (KPI's).
- ▲ Encouraging the significant application of risk management to the implementation of the Municipal Standard Charter of Accounts (mSCOA).
- ▲ Regular communication between Provincial Treasury (Corporate Governance) on various matters.
- ▲ Procurement (and recommendations made for improvement) of software being utilised.



- ▲ Introducing risk universe and risk maturity initiatives through comparison reporting and benchmarking.
- ▲ Exploiting opportunities and strategies through identification of emerging and incident risks.
- ▲ Comprehensive training of risk champions and risk action owners in April 2016.
- ▲ Progressive application of compliance related documents and processes.
- ▲ Exploring opportunities through meaningful integration of the functions of Ethics, Fraud and Anti-Corruption, Occupational Health and Safety, Insurance, Long Term Planning, Business continuity and Disaster Management into the risk management objectives and processes.

The CRO's professional membership of the Institute of Risk Management South Africa and participation in the Provincial and District Risk and Internal Audit Forums ensures valuable inputs which enable Cape Agulhas Municipality to respond effectively to its risks.

The risk management function is facilitated internally by the Manager Strategic Services who is assisted by an administrative support official who acts as a liaison between the municipality and the ODM Shared Risk Service.

### 2.10.1 FRAUD AND RISK COMMITTEE

A Fraud and Risk 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 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 47 FRAUD AND RISK MANAGEMENT COMMITTEE (FARMCO)**

NAME	CAPACITY	MEETINGS
Mr A Kok	External Chairperson (and member of the Audit and Performance Audit Committee)	29 June 2015 (Establishment Meeting)
S Ngwevu	Director: Corporate Services	14 December 2015
N Kotze	Director: Technical services	14 March 2016
H Van Biljon	Director: Financial Services	24 June 2016
K Mrali	Director: Community Services	
P Everson	Assistant Director: Electro-Technical Services	
A Riddles	Chief Risk Officer of the Overberg District Municipality shared risk management service	
T Stone	Risk Management Officer of the Cape Agulhas Municipality (Secretariat).	
The Chief Audit Executive is a standing invitee in an advisory and observation capacity		

### 2.10.2 RISK ASSESSMENTS

The risk assessment process for 2015/16 commenced in August 2015. The risks identified were classified into high, medium and low risks to determine the inherent risk (impact risk before

taking controls into consideration) as well as residual risks (after taking existing control measures into consideration).

The risk assessment results were submitted to the FARMCO on 14 December 2015. 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 Council approved the strategic risk register on 2 February 2016.

### 2.10.3 TOP STRATEGIC RISKS FOR THE MUNICIPALITY

TABLE 48 STRATEGIC RISK REGISTER

RISK LEVEL	RISK DESCRIPTION	RESIDUAL RISK
Strategic	Financial viability of the municipality	High
Strategic	MSCOA	High
Strategic	Changes associated with Municipal Elections	High
Strategic	Establishment of functional ward committees after elections	Medium
Strategic	Land invasions	Medium

### 2.10.4 RISK POLICIES AND STRATEGIES

The FARMCO Charter was considered by FARMCO on 29 June 2015 and recommended for approval by the Municipal Manager. The Municipal Manager approved the charter on 8 July 2015.

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

TABLE 49 RISK POLICIES AND STRATEGIES

NAME OF DOCUMENT	DEVELOPED YES/NO	APPROVAL BY MUNICIPAL MANAGER	APPROVAL BY COUNCIL
FARMCO Charter	Yes	8 July 2016	n/a
Risk Management Policy	Yes	8 February 2016	28 June 2016
Risk Management Strategy and Implementation Plan	Yes	8 February 2016	28 June 2016

## 2.11 ANTI-CORRUPTION AND ANTI-FRAUD

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

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

**TABLE 50 ANTI CORRUPTION AND FRAUD STRATEGIES**

<b>NAME OF DOCUMENT</b>	<b>DEVELOPED YES/NO</b>	<b>APPROVAL BY COUNCIL</b>
Fraud Prevention Policy	Yes	1 December 2010

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

**TABLE 51 IMPLEMENTATION STRATEGIES**

<b>KEY RISK AREAS</b>	<b>KEY MEASURES TO CURB CORRUPTION AND FRAUD</b>
<b>Policy</b>	A Fraud And Corruption Policy is a key defence mechanism because it highlights that the institution has a formal framework in place to deal with fraud and corruption. It answer key questions such as: <ul style="list-style-type: none"> <li>· What is fraud and corruption?</li> <li>· How do we deal with it when it arises?</li> <li>· What are the roles and responsibilities?</li> <li>· What are the sanctions?</li> </ul>
<b>Institutional arrangements</b>	The creation of specific structures (e.g. a fraud committee) and the definition of roles and responsibilities enable coordination and management of programme implementation. At municipal level these would include structures such as internal audit and the external audit committees
<b>Systems and control</b>	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
<b>Fraud and corruption risk management</b>	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
<b>Training, awareness and communication</b>	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

## 2.12 AUDIT COMMITTEE

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must –

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

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

Cape Agulhas Municipality has combined its Audit and Performance Audit Committees into one committee to in order to increase its knowledge base and to enhance efficiency (see par 12.13 below for detail on the Performance Audit Committee).

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### 2.12.1 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 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 the internal audit.
- ▲ To evaluate audit reports pertaining to financial, administrative and technical systems.
- ▲ The compilation of reports to Council, at least twice during a financial year.
- ▲ To review the performance management system and make recommendations in this regard to Council.
- ▲ To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- ▲ To review the annual report of the municipality.
- ▲ 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.

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### 2.12.2 MEMBERS OF THE AUDIT COMMITTEE

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

**TABLE 52 MEMBERS OF THE AUDIT COMMITTEE**

<b>NAME OF REPRESENTATIVE</b>	<b>CAPACITY</b>	<b>MEETING DATES</b>
C Pieterse	Chairperson	6 July 2015
M Weitz	Member	11 September 2015
E Lakay	Member	11 December 2015
A Kok	Member	17 April 2015 24 June 2016

### 2.12.3 MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

**TABLE 53 MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS**

<b>DATE OF COMMITTEE MEETING</b>	<b>COMMITTEE RECOMMENDATIONS DURING 2015/16</b>	<b>ACTIONS TAKEN ON RECOMMENDATIONS</b>
6 July 2015	Approval of the Committees quarterly report for the quarter ended 30 June 2015 for submission to Council.	Report tabled in Council as required
	Approval of the Committees half yearly report for the period ended 30 June 2015 on the municipality's performance management system for submission to Council.	Report tabled in Council as required
11 September 2015	Inputs given by the Committee on the draft 2014/15 annual financial statements.	Inputs taken into during finalisation of the statements
	An annual review of the functions of the internal audit was done with the request that a self-evaluation also be done.	Self-evaluation done and submitted to the Committee
	That the Auditor-General's engagement letter be submitted to the Committee.	Engagement letter submitted to the Committee
5 February 2016	No recommendations.	N/A
5 February 2016	Approval of the Committees quarterly report for submission to Council.	Report tabled in Council as required
	Approval of the Committees half yearly report for the period ended 31 December 2015 on the municipality's performance management system for submission to Council.	Report tabled in Council as required
	Rotation of current members before the expiry of their contract at the end of October 2016 to ensure continuity and transfer of skills.	In progress
24 June 2016	Approval of the Committees quarterly report for the period ended 30 June 2016 for submission to Council.	Report tabled in Council as required
	Approval of the Committees half yearly report for the period ended 31 December 2015 on the municipality's performance management system for submission to Council.	Report tabled in Council as required
	Approval of the amendments to the risk based audit plan.	Changes effected
	Recommendations on the improvement of the staff appraisal process.	In progress in conjunction with the

		human resources section
	Recommendations on the improvement of the control over overtime worked.	In progress in conjunction with the human resources section
	Consolidation of the various evaluations of the Committee as well as recommendations on areas that needs improvement.	In progress

## 2.13 PERFORMANCE AUDIT COMMITTEE

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

### 2.13.1 FUNCTIONS OF THE PERFORMANCE AUDIT COMMITTEE

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

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

### 2.13.2 MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE

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

**TABLE 54 MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE**

NAME OF REPRESENTATIVE	CAPACITY	MEETING DATES
C Pieterse	Chairperson	6 July 2015
M Weitz	Member	11 September 2015
E Lakay	Member	11 December 2015
A Kok	Member	5 February 2016 24 June 2016

## 2.14 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 that was appointed from 1 January 2016. 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.

Below are the functions that were performed during the financial year under review by the Internal Audit function:

**TABLE 55 INTERNAL AUDIT FUNCTIONS**

<b>FUNCTION</b>	<b>DATE/NUMBER</b>
▲ Assistance with the risk assessment for the 2015/16 financial year.	▲ From August to December 2015.
▲ Assisting the Manager: Strategic Services with the risk management function.	▲ Ongoing during the financial year.
▲ Assisting the Chief Risk Officer of the Overberg shared Risk Management Service with the establishment of the shared services.	▲ From August to December 2015.
▲ Representing the Cape Agulhas Municipality on the shared services implementation team.	▲ From August to December 2015.
▲ Execution of the Risk Based Audit Plan for 2015/16	Ongoing during the financial year
▲ Attendance of management, Mayco, Council and Portfolio Committee meetings where required	Ongoing during the financial year
▲ Driving the Municipal Governance Review and Oversight process as well as the gap analysis process and system	Ongoing during the financial year
▲ Assisting the Manager: Strategic Services with the Service Delivery Budget Implementation Plan and through the quarterly auditing of performance	Ongoing during the financial year

▲ Attending the Chief Audit Executive and Chief Risk Officers forums	Ongoing during the financial year
▲ Chairing the task team for the development of a generic Chief Audit Executive job description	May to June 2016
▲ Auditing of and issuing audit reports on: <ul style="list-style-type: none"> <li>○ Compliance to laws and regulations</li> <li>○ Controls around general ledger journals</li> <li>○ Administration of the housing waiting list</li> <li>○ Updated land use register (follow-up audit)</li> <li>○ Review of the new leave management system</li> <li>○ Annual review of policies (follow-up audit)</li> <li>○ Reporting on performance measurements</li> <li>○ Process followed with motor vehicle accidents</li> <li>○ Controls around overtime worked</li> <li>○ Reporting on performance measurements</li> </ul>	Ongoing during the financial year

## 2.15 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 table below indicates the policies developed and reviewed during the financial year:

**TABLE 56 POLICIES**

POLICY	STATUS	DATE APPROVED	RESOLUTION
Mayors Bursary Policy / External Bursary Policy	Review	29 Sept 2015	235/2015
Mayors Bursary Policy / External Bursary Policy	Review	23 Feb 2016	24/2016
EPWP Policy	Review	29 Sept 2015	242/2015
Farm Evictions	New	26 Aug 2015	208/2015
House Shop Policy	Review	29 Sept 2015	241/2015
Lease of Council Property to Officials	Review	26 April 2016	73/2016
Disposal of Municipal Alleyways	New	31 May 2016	108/2016
ICT Data Backup and Recovery Policy	New	31 May 2016	110/2016
ICT Service Level Agreement Management Policy - External Service Provider	New	31 March 2016	55/2016
ICT Service Level Agreement Management Policy- ICT and Municipality	New	31 March 2016	55/2016
Housing Selection Policy	Review	26 April 2016	86/2016
Supply Chain Management Policy	Review	31 May 2016	260/2015
Budget and Virement Policy	Review	31 May 2016	260/2015
Property Rates Policy	Review	31 May 2016	260/2015
"Masakane" Debt Collection and Credit Control Policy	Review	31 May 2016	260/2015
Risk Management Policy and Risk Management Strategy and Implementation Plan Review (2016)	Review	28 Junie 2016	137/2016

**TABLE 57 BY-LAWS**

BY-LAW	STATUS	DATE	RESOLUTION
Liquor Trading Hours	Amendment	27 October 2015	260/2015



## 2.16 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.

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### 2.16.1 THE COMMUNICATION UNIT

Communications falls within the office of the Municipal Manager and is done jointly by the Manager Strategic Services and an Acting Communication Officer. There is a position on the organigram for a dedicated Communication Officer which was previously unfunded. This position is now funded and has been advertised and an appointment will be made in the new financial year. Municipal officials participate actively in District and Provincial Public Participation Communication (PPCOMM) Forums.

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### 2.16.2 COMMUNICATION POLICIES AND STRATEGIES

**TABLE 58 COMMUNICATED RELATED POLICIES AND STRATEGIES**

<b>POLICY / STRATEGY</b>	<b>DATE APPROVED</b>
Communication Strategy and Implementation Plan	28 June 2015

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### 2.16.1 COMMUNICATION PLATFORMS

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

**a) Newsletters**

**TABLE 59 NEWSLETTER DISTRIBUTION**

TYPE OF NEWSLETTER	NUMBER DISTRIBUTED	CIRCULATION NUMBER	DISTRIBUTION
Internal	12	+/- 346	Monthly
External	4	+/- 10 000 households	Quarterly

**b) Other communication channels**

**TABLE 60 ADDITIONAL COMMUNICATION CHANNELS**

CHANNEL	YES/NO	NUMBER OF PEOPLE REACHED 2015/16	NUMBER OF PEOPLE REACHED 2015/16
Facebook	Yes	5 376	5695
Twitter	Yes	58	77
SMS system	Yes	4 304	4308
E-mail newsflashes	Yes	-	2354
Radio (weekly slot)	Yes	Undetermined	Undetermined

## 2.17 MUNICIPAL WEBSITE

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

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

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

The Municipality launched a new website in April 2016. This resulted from our participation in the Provincial Standardised Website Project which aimed to standardise municipal websites across the Province.

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

**TABLE 61 WEBSITE CHECKLIST**

DESCRIPTION OF INFORMATION AND/OR DOCUMENT	PUBLISHED YES/NO
<b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b>	
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
<b>Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)</b>	
Budget 2015/16	Yes
Adjusted Budget 2015/16	Yes
Asset Management Policy	Yes
Masakhane - Debt Collection and Credit Control Policy	Yes
Funds and Reserves Policy	Yes
Investment Policy	Yes
Rates Policy	Yes
Supply Chain Management Policy (Approved 31 May 2016)	Yes
Budget & Virement Policy	Yes
Petty Cash Policy (Approved 30 June 2016)	Yes
Draft Borrowing Policy	Yes
Top layer SDBIP 2015/16	Yes
<b>Integrated Development Plan and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)</b>	
Reviewed IDP for 2015/16	Yes
IDP Process Plan for 2015/16 (Time schedule of key deadlines	Yes
<b>Reports (Sections 52(d), 71, 72 &amp; 75(1)(c) and 129(3) of the MFMA)</b>	
Annual Report of 2014/15	Yes
Oversight reports	Yes
Mid-year budget and performance assessment (Approved 25 January 2016)	Yes
Quarterly reports	Yes
Monthly Budget Statements	Yes
<b>Local Economic Development (Section 26(c) of the MSA)</b>	
Local Economic Development Strategy	Yes
<b>Performance Management (Section 75(1)(d) of the MFMA)</b>	
Performance Agreements for employees appointed as per Section 57 of MSA	Yes
<b>Assurance Functions (Sections 62(1), 165 &amp; 166 of the MFMA)</b>	
Internal Audit Charter (2012)	Yes
Audit Committee Charter (2012)	Yes
Risk Management Strategy & Implementation Plan (2016)	Yes

## 2.18 CLIENT SERVICES

Provision was made on the revised organisational structure for a dedicated Client Services Unit.

**TABLE 62 CLIENT SERVICE ACTIVITIES**

CLIENT SERVICE ACTIVITIES	YES/NO	DATE /COMPLETED
Functional complaint management system	Yes	n/a
Customer satisfaction survey	Yes	July 2016
Client Services Charter	Yes	September 2016

## 2.19 SUPPLY CHAIN MANAGEMENT

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

- ▲ Manager Supply Chain Management
- ▲ Accountant Supply Chain Management
- ▲ Supply Chain Management Practitioner
- ▲ Supply Chain Management Clerk
- ▲ Storekeeper
- ▲ Stores Clerk

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### 2.19.1 SUPPLY CHAIN MANAGEMENT POLICIES

The Supply Chain Management (SCM) Policy was revised and adopted by Council in June 2015 to fully comply with the SCM Regulations. The SCM Policy has been reviewed by incorporating the legislative amendments and recommendations by the Auditor-General and Provincial Treasury to give effect to the compliance aspect. This will enable the Supply Chain Management Unit (SCMU) to further streamline procedures and processes to promote more efficient and effective service delivery to all internal and external stakeholders.

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### 2.19.2 BID COMMITTEES

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

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

#### a) Bid Committee Meetings

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

**TABLE 63 BID COMMITTEE MEETINGS**

BID SPECIFICATION COMMITTEE	BID EVALUATION COMMITTEE	BID ADJUDICATION COMMITTEE
55	65	21

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

**TABLE 64 ATTENDANCE OF MEMBERS OF THE BID COMMITTEES**

COMMITTEE	MEMBERS	PERCENTAGE ATTENDANCE
Bid Specification Committee	There are no permanent members on the Bid Specification Committee. Members are allocated dependent on the type of bid	100%
Bid Evaluation Committee	There are no permanent members on the Bid Evaluation Committee. Members are allocated dependent on the type of bid	100%
	H Van Biljon (Director: Financial Services)	86%

Bid Adjudication Committee	N Kotze (Director: Technical Services)	86%
	P Everson (Asst. Director: Electro-Mechanical Services)	91%
	K Mrali (Director: Community Services)	86%
	S Ngwevu (Director: Corporate Services)	91%

The percentages indicated for the Bid Adjudication Committee include the attendance of officials acting in the position of the member.

In terms of Part 12.1.9 of the Supply Chain Management Policy and Operating System and Procedures (SCMPOS), repeated failure to attend meetings without valid reasons for three consecutive meetings shall result in the matter being reported to the Accounting officer for action.

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

The Bid Adjudication Committee awarded 42 bids for 2015/16 (49: 2014/15) with an estimated value of R33 670 519.99 (R13 928 025: 2014/15). The following awards were made by the Bid Adjudication Committee:

**TABLE 65 AWARDS MADE BY THE BID ADJUDICATION COMMITTEE**

NUMBER OF BIDS	TYPE OF BID	VALUE OF BID AWARDED R
43	Competitive bids	R33 670 519.99
21	Quotations	R2 267 652.81
1	Extension of contract as per Part 23.14.20 of the SCMP&S & MFMA Circular 62 (Based on approved Housing Grant)	Based on approved Housing Grant
2	Amendment of contract in terms of section 116(3) of the MFMA)	R1 725 435.00
1	Deviation in terms of Part 18.6.4 of the SCMPOS	Tariff of 18% of Debt collected and paid over to CAM
1	1 x procurement in terms SCM regulation 32	R391 786,08

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

**TABLE 66 TEN HIGHEST BIDS AWARDED BY THE BID ADJUDICATION COMMITTEE**

BID NUMBER	TITLE OF BID	DIRECTORATE AND SECTION	SUCCESSFUL BIDDER	VALUE OF BID AWARDED R
SCM9/2015/16	Raising of external loans	Finance	Absa Bank Ltd	R 7 940 202,50
SCM7/2015/16	Development proposals for affordable housing (FLISP & gap market)	Community Services / Housing & Human Settlements	Elite Consulting	R 4 409 541,66

BID NUMBER	TITLE OF BID	DIRECTORATE AND SECTION	SUCCESSFUL BIDDER	VALUE OF BID AWARDED R
SCM30/2015/16	Construction of Thusong centre phase 2	Community Services / Human Development	Actebis 172 Cc T/A Els Bouers	R 3 901 348,42
SCM36/2015/16	Short-term insurance portfolio for the period 2016 to 2019	Finance / Income Management	Marsh Pty Ltd	R 1 940 991,80
SCM32/2015/16	Upgrading of Ou Meule road sewer pump station	Technical Services / Water & Sewerage	Cape Agulhas Civils Cc	R1 823 190,60
SCM40/2015/16	Financial management & accounting services	Finance / Budget & Treasury Office	Siyanda Business Solutions Pty Ltd	R 1 681 143,00
SCM15/2015/16	Construction of ablution facilities at old nostra parking area, Struisbaai	Community Services / Public Services	Actebis 172 Cc T/A Els Bouers	R 1 252 054,08
SCM22/2015/16	General valuation for the 2017 to 2021 financial year	Finance / Income Management	DDP Values Pty Ltd	R 1 151 404,56
SCM37/2015/16	Development of Cape Agulhas Spatial Development Framework to make it compliant to SPLUMA	Corporate Services / Town Planning	JSA Architects & Urban Planners	R 993 168,00
SCM13/2015/16	Supply & delivery of 8000l vacuum sewerage tanker	Technical Services / Water & Sewerage	AAD Truck & Bus	R 831 348,12

### c) Awards Made by the Accounting Officer

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

## 2.19.2 DEVIATIONS FROM NORMAL PROCUREMENT PROCESSES

The following table provides a summary of deviations approved for the 2015/16 financial year:

**TABLE 67 SUMMARY OF DEVIATIONS**

TYPE OF DEVIATION	NUMBER OF DEVIATIONS	VALUE OF DEVIATIONS
Deviations for amounts below R30 000	25	R206 295.28
Deviations for amounts above R30 000	6	R367 380.35
Deviations for amounts above R200 000	4	R1 312 757.65

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### 2.19.3 LOGISTICS MANAGEMENT

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

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

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

The annual stock take took place on 29 June 2016. No surpluses or deficits were found during the stocktake. As at 30 June 2016, the value of stock at the municipal stores was as follows:

**TABLE 68 STOCK VALUE AT MUNICIPAL STORES**

<b>STORE</b>	<b>VALUE</b>
Store A – Bredasdorp Stores	R 1 207 330.05
Store B – Struisbaai Stores	R -
Store C – Electrical Stores	R 230 364.60
<b>Total Value of Stock</b>	<b>R1 437 694.65</b>

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### 2.19.4 SYSTEMS

#### **a) Supplier Database**

The database of suppliers is currently operated on an Excel spreadsheet. A total of 107 new suppliers were registered during the 2015/16 financial year, bringing the total number of registered suppliers to 908 as at 30 June 2016.

We have invited new prospective service providers to register on the CAM supplier database as well as the Western Cape Supplier Database and all current suppliers were asked to update their details during July 2015 and again in May 2016. E-mails were also sent to suppliers whose tax clearances have expired to remind them to submit valid tax clearance certificates.

The Cape Agulhas Municipality used the Western Cape Supplier Database as a secondary solution for the list of service providers which has been established and maintained by the Western Cape Provincial Treasury.

#### **B) SCM Technology: Western Cape Supplier Database**

The Cape Agulhas Municipality uses the Western Cape Supplier Database as a secondary solution for registration of service providers. This database was established and is maintained by the Western Cape Provincial Treasury. A supplier open day took place on 17 July 2015 at

the Bredasdorp Community Hall, to enable suppliers to register on this database. The implementation of the system was 1 August 2015.

**c) Financial System**

On 1 July 2015 the electronic requisition system on SAMRAS was implemented.

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**2.19.5 PARTICIPATION IN INTERGOVERNMENTAL FORUMS**

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

- ▲ Quarter 1: SCM Provincial Forum      14 August 2015
- ▲ Quarter 2: SCM Indaba & Forum      19 & 20 November 2015
- ▲ Quarter 3: SCM Provincial Forum      12 February 2016
- ▲ Quarter 4: District SCM Forum      3 June 2016



## CHAPTER 3 SERVICE DELIVERY PERFORMANCE

### 3.1 INTRODUCTION

This chapter provides an overview of the actual service delivery achievements of the Cape Agulhas Municipality for the 2015/16 financial year in relation to the key performance objectives and indicators as set out in the IDP. It furthermore, includes an overview of achievement in 2015/16 as compared to 2014/15.

### 3.2 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

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

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

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

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

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#### 3.2.1 LEGISLATIVE REQUIREMENTS

The Municipal Systems Act (MSA) requires municipalities to establish a performance management system. Furthermore, the MSA and the MFMA requires the Integrated Development Plan (IDP) of the Municipality to be aligned to the municipal budget and performance against the IDP and budget to be monitored and measured in terms of the SDBIP.

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"

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the municipal entities. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

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

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### **3.2.2 STRATEGIC (ORGANISATIONAL) PERFORMANCE**

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

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

## **3.3 THE PERFORMANCE SYSTEM FOLLOWED FOR THE 2015/16 FINANCIAL YEAR**

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### **3.3.1 ADOPTION OF A PERFORMANCE MANAGEMENT FRAMEWORK**

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

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### **3.3.2 THE IDP AND THE BUDGET**

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

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### 3.3.3 THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

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

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

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

The municipal scorecard Top Layer SDBIP consolidates service delivery targets set by Council/senior management and provides an overall picture of performance for the Municipality as a whole, as well as a reflection of performance in terms of its strategic priorities. The SDBIP is a layered plan comprising of a Top Layer SDBIP and Departmental SDBIP's. The approved Top Layer SDBIP is the basis of the Municipality's Performance Management System. The SDBIP is a public document that comprises of Key Performance Indicators (KPI's) with quarterly service delivery targets which are derived from the IDP, legislation, regulations, risks and other critical aspects identified by the Municipal Council.

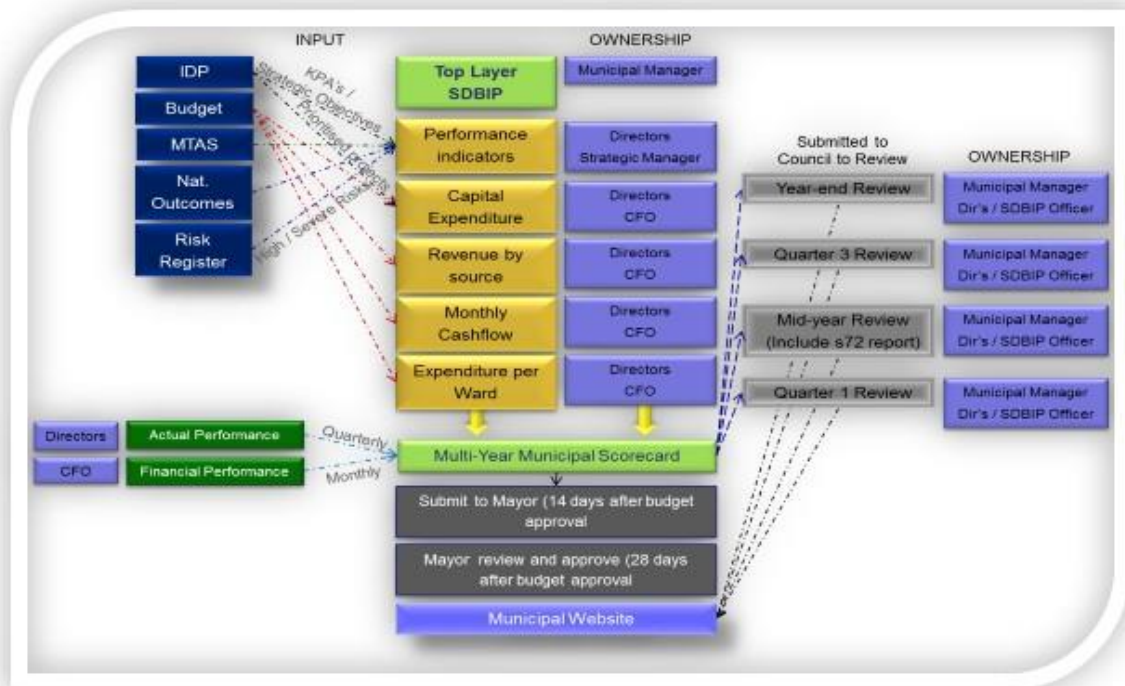
Performance reporting on the Top Layer SDBIP is submitted to the Mayoral Committee and Council on a quarterly, half yearly (Mid-year Budget and Performance Assessment Report (\$72 MFMA)) and annual basis (Annual Report (\$121 MFMA)).

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

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

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

FIGURE 5 COMPONENTS OF THE MUNICIPAL SCORECARD



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

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

### 3.3.4 SYSTEM TO MONITOR PERFORMANCE

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

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

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

### 3.4 PERFORMANCE MANAGEMENT

Performance management is regulated by chapter 6 of the MSA and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the aforementioned regulation states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players.” This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

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#### 3.4.1 ORGANISATIONAL PERFORMANCE MANAGEMENT

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

- ▲ The Top Layer SDBIP was approved by the Mayor on 23 June 2015 and the information was loaded on an electronic web based system.
- ▲ The web based system sends automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets by the 14th of every month for the previous month’s performance. Updates are audited by internal audit for completeness and correctness.
- ▲ Additionally, the performance system administrator reminds all departments on a monthly basis to update their actual performance on the web based system.
- ▲ Each director reports on his specific SDBIP performance in his Section 71 MFMA report which is discussed in the monthly portfolio committee meetings to determine early warning indicators and discuss corrective measures if needed.
- ▲ A quarterly performance report is submitted to Council, which must be read together with the Section 52 Report which is required in terms of the MFMA. Section 52(d) of the MFMA furthermore requires the Mayor to submit a report to Council within 30 days of the end of each quarter on the implementation of the budget and the financial state of affairs of the Municipality.
- ▲ The first quarterly report was submitted to Council on 27 October 2015 and the second quarterly report formed part of the Section 72 report in terms of the MFMA, which was submitted to the Mayor on 25 January 2016. The third quarter report was submitted to Council on 26 April 2016. The 4th quarter report was submitted to Council on 26 July 2016.
- ▲ The Annual SDBIP Performance Report for the full year will be submitted to the Performance Audit Committee in September 2016.

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#### 3.4.2 INDIVIDUAL PERFORMANCE MANAGEMENT

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

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

All performance agreements for the 2015/16 financial year were signed by 30 July 2015. 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 to 31 December 2014) took place on 7 March 2016 and the final evaluation of the 2015/16 financial year (1 January 2016 to 30 June 2016) is scheduled for completion during September 2016.

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

- ▲ Executive Mayor;
- ▲ Portfolio Chairperson;
- ▲ Municipal Manager (in case of 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 2015/16 financial year. The mid-year performance of 2015/16 (1 July 2015 to 31 December 2015) took place after closure of the second quarter and the final evaluation of the financial year (1 January 2016 to 30 June 2016) is still in process. The evaluation of performance is done between a manager and the employee in the presence of the applicable supervisor after which senior management do a moderation of all the results to ensure reliable and realistic outcomes.

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### **3.4.3 SERVICE PROVIDER STRATEGIC PERFORMANCE**

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

- ▲ A service provider means "a person or institution or any combination of persons and institutions which provide 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.

### 3.5 STRATEGIC SDBIP (TOP LAYER)

#### 3.5.1 OVERALL ACTUAL PERFORMANCE FOR 2015/16

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

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

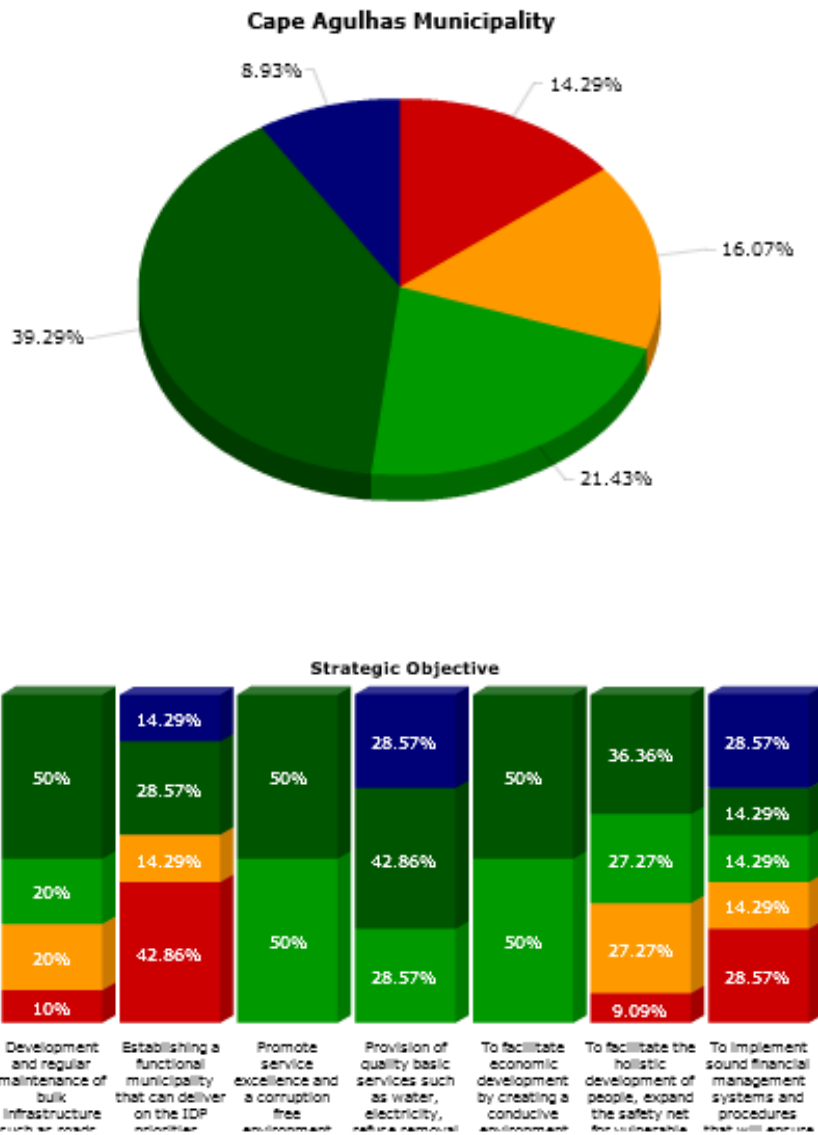
The following figure explains the method by which the overall assessment of actual performance against targets set for the KPI's of the SDBIP is measured.

FIGURE 6 SDBIP MEASUREMENT CATEGORIES

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

The graph below depicts the overall performance per strategic objective for 2015/16

FIGURE 7 OVERALL PERFORMANCE PER STRATEGIC OBJECTIVE





RATING	TOTAL	STRATEGIC OBJECTIVES						
		Developme nt and regular maintenan ce of bulk infrastructur e such as roads, storm water networks, potable water networks, waste water treatment plants, land and integrated human settlements	Establishing a functional municipalit y that can deliver on the IDP priorities, implement policies that will facilitate transformati on, effective staff structure, general manageme nt practices and training	Promote service excellence and a corruption free environmen t	Provision of quality basic services such as water, electricity, refuse removal and sanitation	To facilitate economic developme nt by creating a conducive environmen t for business developme nt and unlock opportuniti es to increase participatio n amongst all sectors of society in the mainstream economy to ultimately create decent job opportuniti es	To facilitate the holistic developme nt of people, expand the safety net for vulnerable groups and implement sustainable programm es to improve their livelihoods	To implement sound financial manageme nt systems and procedures that will ensure the financial viability of Cape Agulhas Municipalit y
<b>KPI Not Met</b>	8 (14.3%)	2 (10%)	3 (42.9%)	-	-	-	1 (9.1%)	2 (28.6%)
<b>■ KPI Almost Met</b>	9 (16.1%)	4 (20%)	1 (14.3%)	-	-	-	3 (27.3%)	1 (14.3%)
<b>■ KPI Met</b>	12 (21.4%)	4 (20%)	-	1 (50%)	2 (28.6%)	1 (50%)	3 (27.3%)	1 (14.3%)
<b>■ KPI Well Met</b>	22 (39.3%)	10 (50%)	2 (28.6%)	1 (50%)	3 (42.9%)	1 (50%)	4 (36.4%)	1 (14.3%)
<b>■ KPI Extremely Well Met</b>	5 (8.9%)	-	1 (14.3%)	-	2 (28.6%)	-	-	2 (28.6%)
<b>Total:</b>	<b>56</b>	<b>20</b>	<b>7</b>	<b>2</b>	<b>7</b>	<b>2</b>	<b>11</b>	<b>7</b>

## 3.5.2 DETAILED ACTUAL PERFORMANCE FOR 2015/16 KEY PERFORMANCE INDICATORS PER STRATEGIC OBJECTIVE

### 3.5.2.1 STRATEGIC OBJECTIVE 1: DEVELOPMENT AND REGULAR MAINTENANCE OF BULK INFRASTRUCTURE SUCH AS ROADS, STORM WATER NETWORKS, POTABLE WATER NETWORKS, WASTE WATER TREATMENT PLANTS, LAND AND INTEGRATED HUMAN SETTLEMENTS

TABLE 69 DEVELOPMENT AND REGULAR MAINTENANCE OF BULK INFRASTRUCTURE SUCH AS ROADS, STORMWATER NETWORKS, POTABLE WATER NETWORKS, WASTE WATER TREATMENT PLANTS, LAND AND INTEGRATED HUMAN SETTLEMENTS

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16				
					Q1	Q2	Q3	Q4	Target	Actual	R	Performance Comment	Corrective Measures
TL23	Reseal of roads within the municipal area as per PMS 2009 30 June 2016	Number of square metres resealed by 30 June 2016	All	New KPI for 2015/16. No comparative audited results available.	0	0	0	36	36000	52,672	G 2	52 672.00 Square metres of roads resealed.	None required.
TL24	95% of the roads and stormwater maintenance budget spent by 30 June 2016 {(Actual expenditure divided by the total approved maintenance budget) x 100}	% of roads and stormwater maintenance budget spent {(Actual expenditure divided by the total approved maintenance budget) x 100}	All	100.70%	0%	10%	50%	95%	95%	89.58%	○	89.58% of the roads and storm water maintenance budget spent. (R1 763 641 of a total budget of R1 968 800 spent)	None required, all essential maintenance done
TL25	95% of the roads and stormwater capital budget spent by 30 June 2016 {(Actual expenditure divided by the total approved capital budget) x 100}	% of roads and stormwater capital budget spent {(Actual expenditure divided by the total approved capital budget) x 100}	All	98.70%	10%	35%	60%	95%	95%	85.49%	○	85.49% Spent. R4243325,46 of R4963601,15 spent. All projects completed, except for the purchase of the roller broom and Struisbaai North storm water system. Refer to KPI	Struisbaai North storm water system could not be completed due to reasons beyond our control.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16				
					Q1	Q2	Q3	Q4	Target	Actual	R	Performance Comment	Corrective Measures
												TL 39 for the explanation	
TL26	Tar streets in Nuwerus by the 30 June 2016 {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent {(Actual expenditure divided by the total approved budget) x 100}	All	New KPI for 2015/16. No comparative audited results available.	10%	35%	60%	95%	95%	105.69 %	G 2	Project completed. 105.69 % of budget spent. R 736 842.00 budgeted and R778799,65 spent. Total MIG allocation not overspent.	None required.
TL27	Tar RDP streets in Arniston {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent {(Actual expenditure divided by the total approved budget) x 100}	5	New KPI for 2015/16. No comparative audited results available.	10%	35%	60%	95%	95%	100.10 %	G 2	Project completed. Full budget spent. Budget: R 438596. R 438830,17 spent. Total MIG allocation not overspent.	None required.
TL28	Tar RDP streets in Bredasdorp {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent {(Actual expenditure divided by the total approved budget) x 100}	2	New KPI for 2015/16. No comparative audited results available.	10%	35%	60%	95%	95%	100%	G 2	Project complete. Full budget of R 426 686,00 spent.	None required.
TL29	Tar Smartie Town streets in Napier (Lelie Street, Angelier Street & Wes Streets) {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent {(Actual expenditure divided by the total approved budget) x 100}	2	New KPI for 2015/16. No comparative audited results available.	0%	0%	60%	95%	95%	99.82%	G 2	Project completed. 99,82% of the budget spent. R 425 727 of R426 477 spent.	None required.
TL30	95% of the refuse removal maintenance budget spent by 30 June 2016 {(Actual expenditure divided by the total approved	% of refuse removal maintenance budget spent by 30 June 2016 {(Actual expenditure	All	93.65%	15%	50%	70%	95%	95%	95.50%	G 2	95.5% of refuse maintenance budget spent and all essential maintenance done. R 1 515517.15 of a	None required.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16					
					Q1	Q2	Q3	Q4	Target	Actual	R	Performance Comment	Corrective Measures	
	maintenance budget) x 100}	divided by the total approved maintenance budget) x 100}											total maintenance budget of R 1 587 7000.00 spent.	
TL31	95% of the approved refuse removal capital budget spent by 30 June 2016 {(Actual expenditure divided by the total approved capital budget) x 100}	% of refuse removal capital budget spent by 30 June 2016 (Actual expenditure divided by the total approved capital budget) x 100}	All	74.41%	10%	30%	50%	95%	95%	96.15%	G 2	Budget was R260 000,00 and 249 993.02 was spent. Two projects were budgeted for namely refuse containers and the fencing of the landfill site. Both projects were completed.	None required.	
TL32	95% of the approved water maintenance budget spent by 30 June 2016 {(Actual amount spent on maintenance of water assets/Total amount budgeted for maintenance of water assets)x100}	% of water maintenance budget spent by 30 June 2016 {(Actual amount spent on maintenance of water assets/Total amount budgeted for maintenance of water assets)x100}	All	95.60%	15%	50%	70%	95%	95%	83.14%	O	83.14% of water maintenance budget spent. R 2 281 380,11 of R2 418 000,00 spent.	None required	
TL33	95% of the approved water capital budget spent by 30 June 2016 {(Actual expenditure divided by the total approved capital budget) x 100}	% of water capital budget spent by 30 June 2016 {(Actual expenditure divided by the total approved capital budget) x 100}	All	New KPI for 2015/16. No comparative audited results available.	10%	30%	50%	95%	95%	60.32%	R	60.32 % of the water capital budget spent. R 337974,41 of R 560260.00 spent. The alum dosage conversion could not be done due to insufficient funds and the electric panels at the pump stations could not be done	Continue with manual dosage and pump stations to be addressed over next two financial years.	

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16				
					Q1	Q2	Q3	Q4	Target	Actual	R	Performance Comment	Corrective Measures
												due to the high risk of theft.	
TL34	95% of the waste water capital budget spent by 30 June 2016 {{Actual expenditure divided by the total approved capital budget) x 100}	% of waste water capital budget spent by 30 June 2016 {{Actual expenditure divided by the total approved capital budget) x 100}	All	New KPI for 2015/16. No comparative audited results available.	10%	30%	50%	95%	95%	95.74%	G 2	95.74% of budget spent, all projects completed. (Budget R4151 098.46, Spent R3974069.65)	None required
TL35	95% of the approved waste water maintenance budget spent by 30 June 2016 {{Actual amount spent on maintenance of water assets/Total amount budgeted for maintenance of waste water)x100}	% of waste water maintenance budget spent by 30 June 2016 {{Actual amount spent on maintenance of water assets/Total amount budgeted for maintenance of waste water)x100}	All	98.70%	15%	50%	70%	95%	95%	93.97%	O	93.97 % of the waste water maintenance budget spent. R 798 228.51 of R 849 500,00 spent	None required, all essential maintenance done.
TL37	Upgrade of Ou Meule sewerage pump station by end of June 2016	Project completed by 30 June 2016	2	New KPI for 2015/16. No comparative audited results available.	0	0	0	1	1	1	G	Pump station upgraded, project completed. R1 701 190,26 of R1 701 754.00 spent.	None required.
TL38	Complete the Struisbaai-Noord sewerage pump station by 30 June 2016	Project completed by 30 June 2016	5	New KPI for 2015/16. No comparative audited results available.	0	0	0	1	1	1	G	Project completed. 97.14% of the budget spent. R1359334,59 of R 1399344,46 spent	None required.
TL39	Complete the Struisbaai-Noord storm water system by 30 June 2016	Project completed by 30 June 2016	5	New KPI for 2015/16. No comparative audited results available.	0	0	0	1	1	0	R	Funds were earmarked to finalise the stormwater outlet infrastructure onto Langezandt	Funds will be budgeted for in future once Langezandt start with

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16				
					Q1	Q2	Q3	Q4	Target	Actual	R	Performance Comment	Corrective Measures
												greater water dam. Unfortunately Langezandt did not start with the construction of this dam and the temporary outlet will remain.	the construction of the water feature/dam.
TL42	Fence the dumping site in Bredasdorp {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent {(Actual expenditure divided by the total approved budget) x 100}	All	New KPI for 2015/16. No comparative audited results available.	0%	0%	0%	95%	95%	99.25%	G 2	Project completed. R198493,01 of R 200 000,00 completed.	None required.
TL43	Purchase a sewer truck by 31 March 2016	Sewer truck purchased by 31 March 2016	All	New KPI for 2015/16. No comparative audited results available.	0	0	1	0	1	1	G	Truck delivered on 22/12/2015. R730447,50 of R800 000.00 spent.	None required.
TL47	Review the Human Settlement Plan and submit to Council by 30 May 2016	Human Settlement Plan reviewed and submitted to Council by 30 May 2016	All	0	0	0	0	1	1	1	G	The Human Settlement Plan Review was approved by council on 31 May 2016 (Resolution 114 / 2016)	None required.
TL52	Construct bathrooms for scheme housing by 30 March 2016 {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent {(Actual expenditure divided by the total approved budget) x 100}	All	New KPI for 2015/16. No comparative audited results available.	0%	0%	90%	90%	90%	99.24%	G 2	3 bathrooms have been built and 99% of the budget spent. (R129000.00 of R130000,00)	None required.

<b>Summary of Results: Development and regular maintenance of bulk infrastructure such as roads, storm water networks, potable water networks, waste water treatment plants, land and integrated human settlements</b>		
	KPI Not Yet Measured	0
	KPI Not Met	2
	KPI Almost Met	4
	KPI Met	4
	KPI Well Met	10
	KPI Extremely Well Met	0
	<b>Total KPIs</b>	<b>20</b>

**3.5.2.2 STRATEGIC OBJECTIVE 2: ESTABLISHING A FUNCTIONAL MUNICIPALITY THAT CAN DELIVER ON THE IDP PRIORITIES, IMPLEMENT POLICIES THAT WILL FACILITATE TRANSFORMATION, EFFECTIVE STAFF STRUCTURE, GENERAL MANAGEMENT PRACTICES AND TRAINING**

**TABLE 70 ESTABLISHING A FUNCTIONAL MUNICIPALITY THAT CAN DELIVER ON THE IDP PRIORITIES, IMPLEMENT POLICIES THAT WILL FACILITATE TRANSFORMATION, EFFECTIVE STAFF STRUCTURE, GENERAL MANAGEMENT PRACTICES AND TRAINING**

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16				
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Performance Comment	Corrective Measures
TL10	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people employed in the three highest levels of management	All	0	0	0	0	1	1	0	R	There was only one vacancy and the only suitable candidate was a coloured male, who was appointed. Coloured males are not an equity target in terms of the plan, but are a designated group in terms of the Act	A concerted effort is made to ensure that candidates from target groups are included on the shortlist and interviewed.
TL11	The percentage of the municipality's operational budget actually spent on implementing its workplace skills plan by 30 June 2016 {(Actual amount spent on training/total operational budget)x100}	(Actual amount spent on training/total operational budget)x100	All	0.81%	0%	0%	0%	0.50%	0.50%	0.42%	O	Total operating budget R 257 854 210. Total spent on training R1 088 848.00. 0.42%	All planned skills training was done. We received funding from the SETA to provide OHS, plumbing, roads construction, client services and computer training and made use of this funding source as opposed to



Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16					
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Performance Comment	Corrective Measures	
														our internal funds.
TL46	Implement a biometric access control system in the municipal buildings by 30 June 2016 {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent {(Actual expenditure divided by the total approved budget) x 100}	All	New KPI for 2015/16. No comparative audited results available.	0%	0%	0%	90%	90%	100%	C 2	Time and attendance and access control system phase 1 completed. Full MSIG grant of R500 000 spent	None required.	
TL53	Limit vacancy rate to less than 10% of budgeted post by 30 June 2016 {(Number of funded posts vacant / total number of funded posts)x100}	% Vacancy rate by 30 June 2016 {(Number of funded posts vacant / total number of funded posts)x100}	All	12.72%	0%	0%	0%	10%	10%	4.40%	B	Vacancy rate as at end of June 2016 is 4,4%. There are 362 approved positions of which 346 are filled.	None required.	
TL54	Implement the individual performance and Incentive policy in respect of mid-year evaluations of all personnel by 30 March 2016	% of personnel for whom individual PMS and Incentive policy was implemented in respect of mid-year evaluations by 30 March 2016	All	New KPI for 2015/16. No comparative audited results available.	0%	0%	100%	0%	100%	67%	R	A total of 226 personnel were evaluated of a total of 340.	Process will be monitored. Training will be provided to Managers to ensure improved implementation of the individual performance management process. A KPI has also been included on all Directors and Managers SDBIP's to ensure they	

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16				
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Performance Comment	Corrective Measures
													take ownership of the evaluation process.
TL55	Compile ICT governance policies according to phase 1 of the Municipal Corporate Governance of ICT Policy and submit to Council by 30 June 2016	Number of policies submitted to Council by 30 June 2016	All	New KPI for 2015/16. No comparative audited results available.	0	0	0	5	5	6	G 2	User access Management Policy approved 29 September 2015 (Resolution 230/2015) Cell phone Policy 29 September 2015 (Resolution 230/2015) ICT Service Level Agreement Management Policy approved 31 March 2016 (Resolution 46/2016) ICT Service Level Agreement Management Policy approved 31 March 2016 (Resolution 46/2016) ICT Operating System Security Controls Policy approved 31 May 2016 (Resolution 10/2016) Data Backup and recovery policy approved 31 May 2016	None required.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16				
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Performance Comment	Corrective Measures
												(Resolution 10/2016)	
TL56	Development of a HR Strategy	HR Strategy submitted to Council by 30 June 2016	All	New KPI	0	0	0	1	1	0	R	The Province assisted the Municipality with the development of a HR Strategy and a preliminary draft was presented to Council by the Service Provider in February 2016. (Resolution 13 / 2016)The Council noted the progress on the strategy which was due for finalisation by mid - March. The HR Strategy was finalised by this date and submitted to the Project Steering Committee and Province for approval which was duly granted. Although complete the strategy could not be submitted to the Council before financial year end.	The final strategy will be submitted to Council for final approval early in the new financial year.

	<b>Summary of Results: Establishing a functional municipality that can deliver on the IDP priorities, implement policies that will facilitate transformation, effective staff structure, general management practices and training</b>	
	KPI Not Yet Measured	0
	KPI Not Met	3
	KPI Almost Met	1
	KPI Met	0
	KPI Well Met	2
	KPI Extremely Well Met	1
	<b>Total KPIs</b>	<b>7</b>

**3.5.2.3 STRATEGIC OBJECTIVE 3: STRATEGIC OBJECTIVE 3: PROMOTE SERVICE EXCELLENCE AND A CORRUPTION FREE ENVIRONMENT**

**TABLE 71 PROMOTE SERVICE EXCELLENCE AND A CORRUPTION FREE ENVIRONMENT**

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16				
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Performance Comment	Corrective Measures
TL19	Implement the RBAP for 2015/16 by 30 June 2016 {(Number of audits and tasks completed for the period/ Number of audits and tasks identified in the RBAP )x100}	% of audits and tasks completed in terms of the RBAP {(Number of audits and tasks completed for the period/ Number of audits and tasks identified in the RBAP )x100}	All	90.70%	10%	30%	50%	80%	80%	86.80%	G 2	86.8% of the Risk Based Audit Plan was completed for the 2015/16 financial year.	None required
TL20	Develop a Communication Strategy with an implementation plan and submit to Council by 31 March 2016	Communication Strategy with implementation plan developed and submitted to Council by 31 March 2016	All	0	0	0	1	0	1	1	G	Communication Strategy approved by Council on 28 June 2016 (Resolution 153 / 2016)	None required

<b>Summary of Results: Promote service excellence and a corruption free environment</b>		
	KPI Not Yet Measured	0
	KPI Not Met	0
	KPI Almost Met	0
	KPI Met	1
	KPI Well Met	1
	KPI Extremely Well Met	0
	<b>Total KPIs</b>	<b>2</b>

### 3.5.2.4 STRATEGIC OBJECTIVE 4: PROVISION OF QUALITY BASIC SERVICES SUCH AS WATER, ELECTRICITY, REFUSE REMOVAL AND SANITATION

TABLE 72 PROVISION OF QUALITY BASIC SERVICES SUCH AS WATER, ELECTRICITY, REFUSE REMOVAL AND SANITATION

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16				
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Performance Comment	Corrective Measures
TL15	Limit unaccounted for electricity to less than 12% by 30 June 2016 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} × 100}	% unaccounted electricity by 30 June 2016 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} × 100}	All	6.45%	0%	0%	0%	12%	12%	7.20%	B	Actual losses as at 30 June 2016: 7.20 % for the year.	None required.
TL16	95% of the electricity maintenance budget spent by 30 June 2016 {(Actual expenditure divided by the total approved maintenance budget) × 100}	% of electricity maintenance budget spent by 30 June 2016 {(Actual expenditure divided by the total approved maintenance budget) × 100}	All	96.50%	25%	50%	70%	95%	95%	96.28%	G 2	96.28% of the electricity maintenance budget spent. (R698221.14 spent from budget of R725210.00).	None required.
TL17	95% of the electricity capital budget spent by 30 June 2016 {(Actual expenditure divided by the total approved capital budget) × 100} as per	% of electricity capital budget spent by 30 June 2016 {(Actual expenditure divided by the total approved	All	99.36%	10%	30%	70%	95%	95%	99.43%	G 2	R 4 019 934,00 of R 4 042 783,00 spent. Project complete.	None required.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16				
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Performance Comment	Corrective Measures
	individual project plans	capital budget) x 100} as per individual project plans											
TL18	Upgrade the MV electricity overheadlines from P&B Limeworks substation to substation 5 by 30 June 2016 to supply 900 houses behind Liefdesnessie with electricity	Project completed by 30 June 2016	1	New KPI for 2015/16. No comparative audited results available.	0	0	0	1	1	1	G	Project completed and budget fully spent.	None required.
TL36	60% waste water discharge quality obtained as per SANS 242 parameters	% water quality of waste water discharge obtained	All	58.33%	60%	60%	60%	60%	60%	60%	G	Average waste water discharge quality for the year as per SANS 242 parameters is 60%.	Plant to be upgraded and provision made on the 2016/17 budget.
TL40	Limit unaccounted for water to less than 22% by 30 June 2016 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified × 100}	% unaccounted water by 30 June 2016 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (including Free basic water) / Number of Kilolitres Water Purchased or Purified × 100}	All	21%	0%	0%	0%	22%	22%	19.02%	B	Water losses as at 30 June 2016 were 19.02%.	None required.
TL41	95% water quality level obtained as per SANS 241 physical and micro parameters	% water quality level obtained	All	98.58%	95%	95%	95%	95%	95%	95.01%	G 2	Average compliance with SANS241 as measured over the year is 95.01%	None required.

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



**3.5.2.5 STRATEGIC OBJECTIVE 5: TO FACILITATE ECONOMIC DEVELOPMENT BY CREATING A CONDUCIVE ENVIRONMENT FOR BUSINESS DEVELOPMENT AND UNLOCK OPPORTUNITIES TO INCREASE PARTICIPATION AMONGST ALL SECTORS OF SOCIETY IN THE MAINSTREAM ECONOMY TO ULTIMATELY CREATE DECENT JOB OPPORTUNITIES**

**TABLE 73 TO FACILITATE ECONOMIC DEVELOPMENT BY CREATING A CONDUCIVE ENVIRONMENT FOR BUSINESS DEVELOPMENT AND UNLOCK OPPORTUNITIES TO INCREASE PARTICIPATION AMONGST ALL SECTORS OF SOCIETY IN THE MAINSTREAM ECONOMY TO ULTIMATELY CREATE DECENT JOB OPPORTUNITIES**

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16				
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Performance Comment	Corrective Measures
TL9	Create FTE's through government expenditure with the EPWP by 30 June 2016	Number of FTE's created by 30 June 2016	All	147	0	0	0	40	40	44	G 2	216 Work opportunities and 44 full time equivalents created.	None required
TL22	Review the LED strategy with an implementation plan and submit to Council by 30 June 2016	LED strategy reviewed with an implementation plan and submitted to Council by 30 June 2016	All	0	0	0	0	1	1	1	G	LED Strategy Review approved on 28 June 2016. (Resolution 136 / 2016)	None required

<b>Summary of Results: To facilitate economic development by creating a conducive environment for business development and unlock opportunities to increase participation amongst all sectors of society in the mainstream economy to ultimately create decent job opportunities</b>	
KPI Not Yet Measured	0
KPI Not Met	0
KPI Almost Met	0
KPI Met	1
KPI Well Met	1
KPI Extremely Well Met	0
<b>Total KPIs</b>	<b>2</b>

**3.5.2.6 STRATEGIC OBJECTIVE 6: TO FACILITATE THE HOLISTIC DEVELOPMENT OF PEOPLE, EXPAND THE SAFETY NET FOR VULNERABLE GROUPS AND IMPLEMENT SUSTAINABLE PROGRAMMES TO IMPROVE THEIR LIVELIHOODS**

**TABLE 74 TO FACILITATE THE HOLISTIC DEVELOPMENT OF PEOPLE, EXPAND THE SAFETY NET FOR VULNERABLE GROUPS AND IMPLEMENT SUSTAINABLE PROGRAMMES TO IMPROVE THEIR LIVELIHOODS**

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16				
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Performance Comment	Corrective Measures
TL1	Number of formal residential properties that receive piped water that is connected to the municipal water infrastructure network and is billed as at 30 June 2016	Number of formal residential properties which are billed for water or have pre-paid meters as at 30 June 2016	All	8 513	8,813	8,813	8,513	8,513	8,513	8,601	G 2	8601 formal residential properties receive piped water that is connected to the municipal water infrastructure network.	None required.
TL2	Number of formal residential properties connected to the municipal electrical infrastructure network billed and prepaid electrical metering)(Excluding Eskom areas) at 30 June 2016	Number of formal residential properties which are billed for electricity or have pre-paid meters (Excluding Eskom areas) at 30 June 2016	All	8 600	8,349	8,349	8,6	8,6	8600	8,536	O	8536 formal residential properties have electricity (conventional or pre-paid meters (Excluding Eskom areas)).	As part of the municipality's financial sustainability strategy, it has developed and adopted a revenue enhancement plan. This plan includes a data cleansing exercise.
TL3	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) at 30 June 2016	Number of formal residential properties which are billed for sewerage excluding septic tanks as at 30 June 2016	All	6 125	5,884	5,884	5,884	5,884	5,884	5,957	G 2	5957 formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service.	None required.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16				
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Performance Comment	Corrective Measures
TL4	Number of formal residential properties for which refuse is removed once per week at 30 June 2016	Number of formal residential properties which are billed for refuse removal at 30 June 2016	All	9 068	8,813	8,813	9,068	9,068	9,068	9,551	G 2	9551 formal residential properties receive weekly refuse removal.	None required.
TL5	Provide 6kl free basic water per month to all households	Number of HH receiving free basic water	All	8 513	8,813	8,813	8,513	8,513	8,513	8,601	G 2	8601 households receiving 6kl free basic water per month.	None required.
TL6	Provide 50kwh free basic electricity per month per indigent household in terms of the equitable share requirements	Number of indigent HH receiving free basic electricity	All	3 431	3,393	3,393	3,431	3,431	3,431	3,419	O	3419 Households are receiving free basic electricity.	As part of the municipality's financial sustainability strategy, it has developed and adopted a revenue enhancement plan which includes a data cleansing exercise
TL7	Provide free basic sanitation and refuse to indigent households in terms of the equitable share requirements	Number of indigent HH receiving free basic sanitation and refuse in terms of Councils indigent policy	All	3 431	3,393	3,393	3,431	3,431	3,431	3,419	O	3419 Indigent HH households are receiving free basic sanitation and refuse in terms of Councils indigent policy.	See TL 6 above
TL48	Construct the Thusong Centre (phase 2) by 30 June 2016	Thusong Centre (phase 2) completed by 30 June 2016	2	0	0	0	0	1	1	1	G	Project completed at a total cost of R2753790,96. Budget fully spent	None required.
TL49	Construct Phase 2 of the establishment of the Zwelitsha soccer grounds by 30 June 2016	Phase 2 of the establishment of the Zwelitsha soccer grounds	2	New KPI for 2015/16. No comparative audited results available.	0	0	0	1	1	1	G	Project completed and includes cloakrooms, ablution facilities	None required.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16					
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Performance Comment	Corrective Measures	
		completed by 30 June 2016											and the parking area. The full MIG budget of R1509 656.99 was spent as well as an additional R100 000 from a Provincial grant that was utilised for completion of the netball court.	
TL50	Upgrade ablution facilities at old Nostra site as per phase 1 by 30 March 2016	Phase 1 of the ablution facilities at old Nostra completed by 30 March 2016	3	New KPI for 2015/16. No comparative audited results available.	0	0	1	0	1	1	G	Project completed. R1 098 293.05 of the budgeted amount of R 1 200 000.00 spent.	None required.	
TL51	Compile a community profile of the Cape Agulhas area and submit to council by 30 June 2016	Community profile of the Cape Agulhas area compiled and submitted to council by 30 June 2016	All	New KPI for 2015/16. No comparative audited results available.	0	0	0	1	1	0	R	A draft Community Profile was compiled but referred back to ascertain whether there are additional data sources that could be consulted to make the profile more useful.	Review the necessity of this KPI on the 2016/17 SDBIP due to information from current data sources already being contained in other strategic documents of the Municipality.	

Summary of Results: To facilitate the holistic development of people, expand the safety net for vulnerable groups and implement sustainable programmes to improve their livelihoods	
KPI Not Yet Measured	0
KPI Not Met	1
KPI Almost Met	3
KPI Met	3
KPI Well Met	4

	KPI Extremely Well Met	0
	<b>Total KPIs</b>	<b>11</b>

**3.5.2.7 STRATEGIC OBJECTIVE 7: TO IMPLEMENT SOUND FINANCIAL MANAGEMENT SYSTEMS & PROCEDURES THAT WILL ENSURE THE FINANCIAL VIABILITY OF CAPE AGULHAS MUNICIPALITY**

**TABLE 75 TO IMPLEMENT SOUND FINANCIAL MANAGEMENT SYSTEMS & PROCEDURES THAT WILL ENSURE THE FINANCIAL VIABILITY OF CAPE AGULHAS MUNICIPALITY**

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16				
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Performance Comment	Corrective Measures
TL8	The percentage of the municipality's capital budget actually spent on capital projects by 30 June 2016	% of the municipal capital budget spent by 30 June 2016 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100}	All	104%	0%	0%	0%	95%	95%	93.83%	O	The deviation of 1,17% less than the target is mainly as a result of savings realised. The total projects not implemented amounted to R708 889 or 3,13% of the total capital budget.	An amount of R348 889 will be rolled over for implementation in the 2016/17 budget year in respect of Zipples -Traffic Department and the Rotating Broom under Streets & Storm water.
TL12	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations at 30 June 2016 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	Debt to Revenue at 30 June 2016 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	All	0.01	0%	0%	0%	70%	70%	0.01%	B	The actual results indicates that the municipality will be in a position to meets its service debt obligations.	None required
TL13	Financial viability measured in terms of the outstanding service debtors at 30 June 2016 (Total outstanding service	Service debtors to revenue at 30 June 2016 – (Total outstanding service debtors/	All	9.49%	0%	0%	0%	10%	10%	9.79%	B	The municipality performed within the set target ratio	None required

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16					
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Performance Comment	Corrective Measures	
	debtors/ revenue received for services)	revenue received for services)											service debtors to revenue	
TL14	Financial viability measured in terms of the available cash to cover fixed operating expenditure at 30 June 2016 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Cost coverage at 30 June 2016 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	All	1.03	0	0	0	1.50	1.50	0.79	R	The negative deviation is mainly due to the fact that all creditors were paid at financial year end instead of within 30 days from receipt of the invoice.	Manage creditor's payments to remain within the due date for payment and / or 30 day period since the date of receipt.	
TL21	Finalise the Long-term viability strategy and submit Council by 30 December 2016	Long-term viability strategy completed and submitted to Council by 30 December 2016	All	New KPI for 2015/16. No comparative audited results available.	0	1	0	0	1	1	G	The development of financial strategies was done as part of the Mayors Strategic Planning Session on 29 and 30 October 2015. The report on the Mayors Strategic Session was approved by Council on 8	None required.	

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Quarterly target				Overall Performance 2015/16				
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Performance Comment	Corrective Measures
												December 2015.	
TL44	Achieve a debtors payment percentage of at least 98% by 30 June 2016	% debtors payment ratio achieved {(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue} x 100}	All	107.70%	98%	98%	98%	98%	98%	100.75 %	G 2	The debtor's payment rate is 100.75 % which is above the set target ratio.	None required.
TL45	Compile the Revenue enhancement project plan (phase 1) and submit to council by 30 June 2016	Revenue enhancement project plan (phase 1) completed and submitted to council by 30 June 2016	All	New KPI for 2015/16. No comparative audited results available.	0	0	0	1	1	0	R	Consultants appointed and the project is still in progress. The appointment of the consultant was subject to the receipt of grant funding which was only received the end of March 2016.	Estimated dated of completion is towards the end of August 2016 in terms of the project plan.

Summary of Results: To implement sound financial management systems & procedures that will ensure the financial viability of Cape Agulhas Municipality		
	KPI Not Yet Measured	0
	KPI Not Met	2
	KPI Almost Met	1
	KPI Met	1
	KPI Well Met	1
	KPI Extremely Well Met	2
	<b>Total KPIs</b>	<b>7</b>



### 3.6 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 76 MUNICIPAL FUNCTIONS**

MUNICIPAL FUNCTION	MUNICIPAL FUNCTION (YES / NO)
<b>Constitution Schedule 4, Part B functions</b>	
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)
<b>Constitution Schedule 5, Part B functions:</b>	
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

### 3.7 OVERVIEW OF PERFORMANCE PER WARD

#### 3.7.1 BASIC SERVICE DELIVERY

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

**TABLE 77 BASIC SERVICE PROVISION PER TOWN**

SERVICE LEVEL	TOWN	WATER	SANITATION	ELECTRICITY	REFUSE
Formal Households with minimum service delivery	Bredasdorp	3 683	3 941	4615	4 286
	Napier	1 114	1 175	1220	1 276
	Struisbaai	2 382	2 389	1691	2 555
	L'Agulhas	645	642	632	645
	Waenhuiskrans	602	608	258	602
	Protem	19	23	0	36
	Klipdale	20	20	0	30
	Suiderstrand	136	121	120	121
Households without minimum service delivery		0	0	0	0
<b>Total Households</b>		<b>8 601</b>	<b>8 919</b>	<b>8536</b>	<b>9 551</b>

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

TABLE 78 CAPITAL PROJECTS OF WARD 1

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Upgrading of Napier Sport complex	February 2015	June 2015	799 800
Upgrading of Nuwerus Streets	July 2015	June 2016	736 842
Smartie Town roads	September 2014	June 2016	426 477
Tarring of Wouter street	September 2015	April 2016	150 000

TABLE 79 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 1

NO.	PRIORITY NAME AND DETAIL	PROGRESS DURING 2015/16
1	Installation of new public ablution facilities in main road and upgrading of the old facilities in the informal settlement in Napier	The new ablution facilities are not done yet but the old facilities are upgraded/maintained regularly
2	Installation of solar heating panels for houses in Napier and Elim	Application was forwarded to DOE.
3	Tarring of roads in Tamatiekraal and Bo-dorp, Napier	Roads in Tamatiekraal was re-gravelled.
4	Paving of all sidewalks, Napier	No budget was allocated. Will be addressed in future budgets.

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

TABLE 80 CAPITAL PROJECTS OF WARD 2

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Thusong centre upgrade	February 2016	July 2016	3 311 546
Upgrading of Ou Meule Pump station	July 2015	June 2016	1 315 789
RDP roads	September 2015	April 2016	425 368

TABLE 81 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 2

NO.	PRIORITY NAME AND DETAIL	PROGRESS DURING 2015/16
1	Paving of sidewalks in Bo-dorp, Bredasdorp	To be addressed in future budgets
2	Pedestrian crossing with handrails at Ou Meule street and Fabrieksweg as well as Ou Meule- and Lang street	To be addressed in future budgets
3	Speed calming mechanisms at Paddy's Park, Acacia Avenue	To be addressed in future budgets
4	Putting up of a play park in Park street, Bredasdorp	Playpark constructed in Sealy street (c/o Park street)

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

TABLE 82 CAPITAL PROJECTS OF WARD 3

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Establishing of new soccer field, ablution facilities, paved parking and netball field in Zwelitsha	May 2015	June 2016	2 284 057
Fencing of new waste cell Bredasdorp landfill	Jan 2015	June 2016	200 000
Replacement of Nelson Mandela Hall ceiling	May 2016	June 2016	120 000

TABLE 83 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 3

NO.	PRIORITY NAME AND DETAIL	PROGRESS DURING 2015/16
1	Installation of electricity in new area in Ward 3 and Pola Park	Installations completed
2	Putting up of covered pick-up points for taxis	Completed at Zwelitsha entrance
3	Dressing rooms for Nelson Mandela Hall	R500 000 budgeted for 2016/17 financial year
4	Upgrading of sidewalks	No budget was allocated. To be addressed in future budgets.

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

TABLE 84 CAPITAL PROJECTS OF WARD 4

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Replacement of domestic water meters	July 2015	June 2016	300 000
Storm water upgrading	September 2015	June 2016	180 000

TABLE 85 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 4

NO.	PRIORITY NAME AND DETAIL	PROGRESS DURING 2015/16
1	Upgrading of sidewalks in Ward 4	No budget allocated for project in 2015/16. To be addressed in future budgets.
2	Extension to Ons Huis for extra rooms, Bredasdorp	No budget allocated for project in 2015/16. To be addressed in future budgets.
3	Upgrading or resealing of streets, Bredasdorp	Reseal of roads are done but is an ongoing process.
4	Construction of ablution facilities in CBD (especially for tourists), Bredasdorp	No budget allocated for project in 2015/16. To be addressed in future budgets.

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

**TABLE 86 CAPITAL PROJECTS OF WARD 5**

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Struisbaai north Sewerage Pump station	July 2015	December 2015	1 315 789
Ablution facilities at Nostra	June 2015	December 2015	1 200 000
RDP roads Arniston	September 2015	April 2016	438 596

**TABLE 87 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 5**

NO.	PRIORITY NAME AND DETAIL	PROGRESS DURING 2015/16
1	Developing of the Struisbaai square, ablution facilities and Traders area	No budget allocated for 2015/16 financial year. Will be addressed in future budgets.
2	Completion of the promenade road between Struisbaai and L'Agulhas	No budget allocated for 2015/16 financial year. Will be addressed in future budgets.
3	New ablution facilities for Nostra parking area, Suiderstrand parking area, Camp B L'Agulhas and tidal pool	Ablution facilities at Nostra parking area is done.
4	Additional storm water in crisis areas	R230 000 was spent but is ongoing.

## 3.8 COMPONENT A: BASIC SERVICES

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

### 3.8.1 WATER

The Municipality's primary water sources are ground water from various boreholes in the area. Bredasdorp has, in addition, the Uitvlucht spring and the Sanddrift Dam. Water sources are, however, limited and additional sources need to be investigated in the near future. The peak water demand during summer season in coastal towns remains a challenge. The possibility of developing ground water RO-plants in Struisbaai is currently being investigated.

The Municipality's unaccounted for water has reduced from 21.39% in 2014/15 to 19.02% in 2015/16 and it is anticipated that there will be further reductions as 700 domestic water meters have been purchased for installation during the 2016/17 financial year, as part of the water meter replacement programme.

**TABLE 88 UNACCOUNTED FOR WATER**

YEAR	UNITS PURCHASED (KL)	LOSSES (KL)	%	RAND VALUE (APPROXIMATE)
2014/15	2 511 992	537 199	21.39*	R 886 379.00
2015/16	2 099 039	399 170	19.02	R 958 008.00

\*Previous years actual re-stated.

#### a) Service statistics

**TABLE 89 TOTAL USE OF WATER BY SECTOR (CUBIC METERS)**

YEAR	AGRICULTURE	FORESTRY	INDUSTRIAL, BUSINESS AND DOMESTIC
2013/14	0	0	1 798 871 cubic meters
2015/16	0	0	2 099 039 cubic meters

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 90 ACCESS TO WATER**

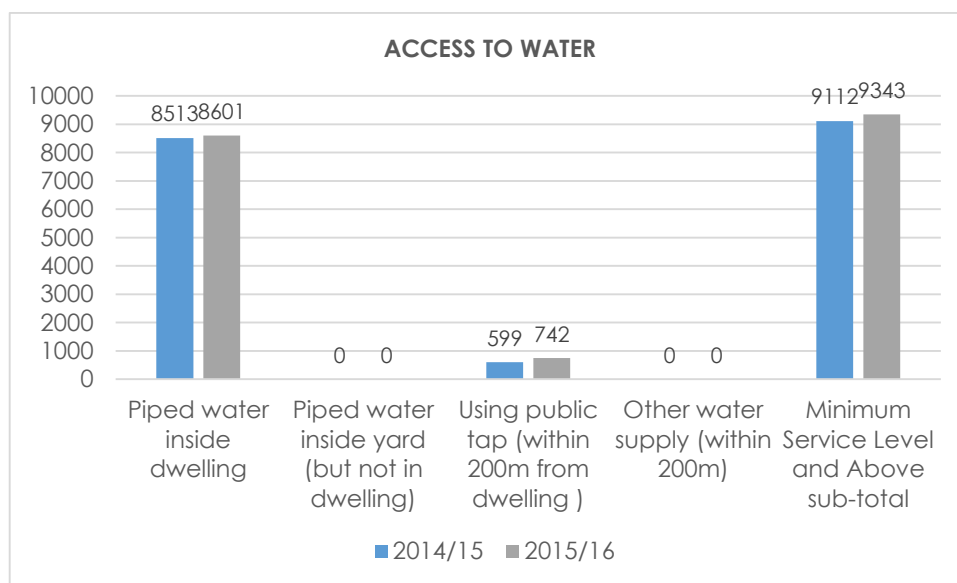
FINANCIAL YEAR	PROPORTION OF HOUSEHOLDS WITH ACCESS TO WATER POINTS*	PROPORTION OF HOUSEHOLDS WITH ACCESS TO PIPED WATER	PROPORTION OF HOUSEHOLDS RECEIVING 6 KL FREE
2014/15	1%	99%	100%

2015/16	8%	92%	100%
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**TABLE 91 WATER SERVICE DELIVERY LEVELS: HOUSEHOLDS**

DESCRIPTION	HOUSEHOLDS	
	2014/15	2015/16
	ACTUAL NO	ACTUAL NO
<b>Water: (above min level)</b>		
Piped water inside dwelling	8513	8601
Piped water inside yard (but not in dwelling)	0	0
Using public tap (within 200m from dwelling )	599	742
Other water supply (within 200m)	0	0
Minimum Service Level and Above sub-total	9112	9343
Minimum Service Level and Above Percentage	100%	100%
<b>Water: (below min level)</b>		
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
<b>Total number of households*</b>	<b>9112</b>	<b>9343</b>
*Includes informal settlements		

**FIGURE 8 WATER SERVICE DELIVERY LEVELS**



**b) Human resources**

**TABLE 92 EMPLOYEES WATER SERVICES**

JOB LEVEL	POSTS	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	19	16	3	15,79%
04 - 08	14	14	0	0,00%
09 - 13	7	7	0	0,00%
14 - 18	1	1	0	0,00%
18 - 20	0	0	0	0,00%
<b>Total</b>	<b>41</b>	<b>38</b>	<b>3</b>	<b>7,32%</b>

c) **Financial performance: Capital expenditure**

**TABLE 93 CAPITAL EXPENDITURE: 2015/16 WATER SERVICES**

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	ORIGINAL BUDGET VARIANCE (%)	ADJUSTMENT BUDGET VARIANCE (%)
Electrical panels pump station	R 100 000,00	R 100 000,00	R 0,00	0,00%	0,00%
Alum (Conversion to fluid)	R 140 000,00	R 140 000,00	R 19 500,00	-617,95%	-617,95%
Replace water meters	R 0,00	R 300 000,00	R 298 214,00	100,00%	-0,60%
Water pumps	R 0,00	R 20 260,00	R 20 260,00	100,00%	0,00%
<b>Total</b>	<b>R 240 000,00</b>	<b>R 560 260,00</b>	<b>R 337 974,00</b>		

### 3.8.2 SANITATION (WASTE WATER)

Bredasdorp has a full waterborne sewerage system in place. The lower income areas in Napier, Arniston and Struisbaai also have a full waterborne sewerage system, but the higher income areas are serviced with septic tanks. A sewer tanker is available for the rural areas.

Various waste water treatment plants are operational throughout the Municipal Area. Purified sewer water is used for irrigation of the public sports facilities in Bredasdorp. An additional sewer tanker truck has been purchased to cope with increased demands. The sewerage pump station in Ou Meule Street in Bredasdorp has been upgraded to handle the increased sewerage flow generated by the newly developed low cost housing schemes.

a) **Service statistics**

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.

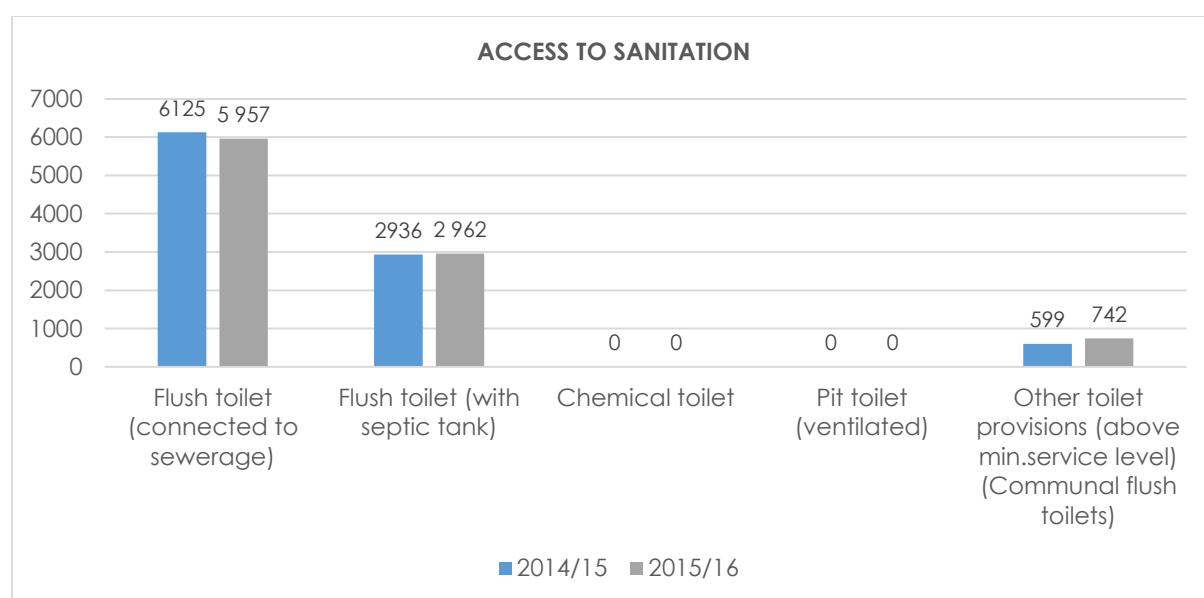
**TABLE 94 SANITATION SERVICE DELIVERY LEVELS**

DESCRIPTION	HOUSEHOLDS	
	2014/15	2015/16
	ACTUAL NO	ACTUAL NO
<b>Sanitation/sewerage: (above minimum level)</b>		
Flush toilet (connected to sewerage)	6125	5 957
Flush toilet (with septic tank)	2936	2 962
Chemical toilet	0	0
Pit toilet (ventilated)	0	0
Other toilet provisions (above min.service level) (Communal flush toilets)	599	742
Minimum Service Level and Above sub-total	9660	9 661
Minimum Service Level and Above Percentage	100%	100%
<b>Sanitation/sewerage: (below minimum level)</b>		
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
<b>Total number of households*</b>	<b>9660</b>	<b>9661</b>
*Includes informal settlements		

**FIGURE 9 SANITATION SERVICE DELIVERY LEVELS**



**b) Human resources**

**TABLE 95 EMPLOYEES SANITATION SERVICES**

JOB LEVEL	POSTS	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	13	13	0	0,00%
04 - 08	6	6	0	0,00%
09 - 13	2	2	0	0,00%
14 - 18	1	1	0	0,00%
18 - 20	0	0	0	0,00%
<b>Total</b>	<b>22</b>	<b>22</b>	<b>0</b>	<b>0,00%</b>

**c) Financial performance: Capital expenditure**

**TABLE 96 CAPITAL EXPENDITURE 2015/16: SANITATION SERVICES**

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	ORIGINAL BUDGET VARIANCE (%)	ADJUSTMENT BUDGET VARIANCE (%)
Upgrading of Ou Meule pumpstation	R 1 500 000,00	R 1 701 754,00	R 1 701 190,00	11,83%	-0,03%
Sewer truck	R 800 000,00	R 800 000,00	R 730 447,00	-9,52%	-9,52%
Struisbaai Sewerage pump station	R 1 500 000,00	R 1 399 344,00	R 1 359 334,00	-10,35%	-2,94%

Jet cleaner	R 250 000,00	R 250 000,00	R 183 097,00	-36,54%	-36,54%
<b>Total</b>	<b>R 4 050 000,00</b>	<b>R 4 151 098,00</b>	<b>R 3 974 068,00</b>		

### 3.8.3 ELECTRICITY

All formal households and households in informal settlements have access to electricity.

The Council receives a subsidy of R13 500 per RDP house from the Department of Energy (DOE) to provide electricity to all such houses, which means that owners of these houses get their electrical connection for free. Council also budgeted a further R100 000.00 to provide connections at no cost to informal households that were not connected.

The following capital projects were completed during the financial year:

- ▲ A R2, 000,000.00 grant was received from DOE for the upgrade to the electrical infrastructure needed to supply future RDP houses in the housing pipeline in Bredasdorp. The entire overhead line infrastructure was upgraded from the P&B Substation to the new substation (that was built with this grant) opposite the waste water treatment works in Bredasdorp, to Sub 5 near the police station. All this work was done internally with our own staff and equipment and only the building of the substation was contracted out via tender. The project was completed before 30 June 2016 and included all associated hardware and line protection equipment.
- ▲ R30,000.00 was spent on the repair of Christmas lights for the CAM area.
- ▲ R330 000. 00 was provided for the replacement of transformers was spent on electrifying the Tulip Street area in Bredasdorp.
- ▲ A R100 000.00 grant was received from the Municipal Infrastructure Grant (MIG) for community lighting and was used for installing street lights on poles in the informal area and Zwelitsha. The high mast lights were also repaired with these funds.
- ▲ R100 000.00 was provided on the budget for informal settlements, and was used to provide infrastructure and connections to the informal settlement near the landfill in Bredasdorp and new dwellings in Napier.
- ▲ R650,000.00 was provided on the budget for replacing overhead lines, and was used for the line infrastructure of the Tulip Street area of Bredasdorp, replacement of open lines with bundles in certain areas in Napier and the replacement of rusted poles and old lines in areas of Bredasdorp.
- ▲ R100 000.00 was provided for the quality of supply meters which were installed at strategic supply points within the Municipality to monitor the quality of supply as per regulations
- ▲ The following projects were undertaken with public funding (upgrades paid for by businesses / industries requiring enhanced levels of supply.
  - The mini sub in Sarel Cilliers Street opposite OK was upgraded
  - The overhead supply in Fabrieks Road was removed as it was insufficient for the demand and a cable and kiosks were installed.
  - A portion of Marine Drive Struisbaai was also converted from overhead to underground cable supply.
  - A Transformer and LV bundle supply was constructed for a feedlot at P&B Lime Bredasdorp.

The Municipality's electricity losses increased from 6.45% in 2014/15 to 7.20% in 2015/16, which is still well below the norm.

**TABLE 97 ELECTRICITY LOSSES**

YEAR	UNITS PURCHASED (kWh)	LOSSES (kWh)	%	RAND VALUE (APPROXIMATE)
2014/15	71 406 571	4 607 825	6.45%	2 580 382.00
2015/16	74 127 122	5 337 657	7.20%	3 416 100.00

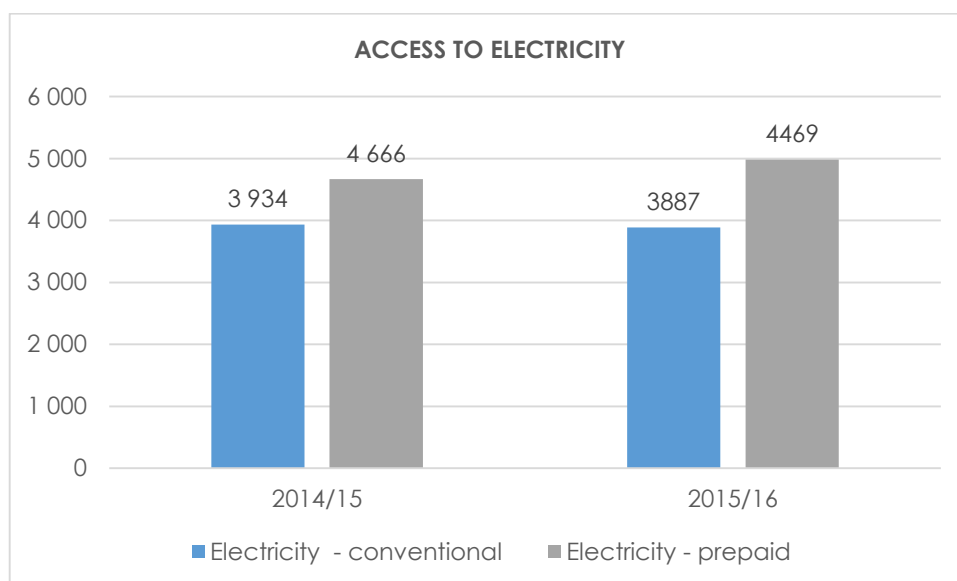
**a) Service statistics**

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 existing households within the Municipal supply area have access to minimum standards of electricity.

**TABLE 98 ELECTRICITY SERVICE DELIVERY LEVELS**

DESCRIPTION	HOUSEHOLDS	
	2014/15	2015/16
	ACTUAL NO	ACTUAL NO
<b>Energy: (above minimum level)</b>		
Electricity - conventional	3 934	3887
Electricity - prepaid	4 666	4469
Minimum Service Level and Above sub-total	8 600	8536
Minimum Service Level and Above Percentage	100%	100%
<b>Energy: (below minimum level)</b>		
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
<b>Total number of households</b>	<b>8 600</b>	<b>8536</b>

**FIGURE 10 ELECTRICITY SERVICE DELIVERY LEVELS**



**b) Human resources**

**TABLE 99 EMPLOYEES: ELECTRICITY SERVICES**

JOB LEVEL	POSTS	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	5	5	0	0,00%
04 - 08	5	5	0	0,00%
09 - 13	9	7	2	22,22%
14 - 18	1	1	0	0,00%
18 - 20	0	0	0	0,00%
<b>Total</b>	<b>20</b>	<b>18</b>	<b>2</b>	<b>10,00%</b>

**c) Financial performance: Capital expenditure**

**TABLE 100 CAPITAL EXPENDITURE 2015/16: ELECTRICITY SERVICES**

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	ORIGINAL BUDGET VARIANCE (%)	ADJUSTMENT BUDGET VARIANCE (%)
Streetlights	R 100 000,00	R 100 000,00	R 99 376,00	-0,63%	-0,63%
Electrification of informal settlements	R 100 000,00	R 100 000,00	R 99 574,00	-0,43%	-0,43%
Change transformers with mini-sub	R 330 000,00	R 311 000,00	R 310 515,00	-6,28%	-0,16%
Electricity project (Marine Drive cables)	R 0,00	R 76 813,00	R 76 812,00	100,00%	0,00%
Electrical infrastructure (grant)	R 2 000 000,00	R 2 000 000,00	R 1 991 998,00	-0,40%	-0,40%
Electricity project (OK Napier)	R 0,00	R 493 825,00	R 493 825,00	100,00%	0,00%

Christmas lights	R 30 000,00	R 26 000,00	R 25 098,00	-19,53%	-3,59%
Electricity project (betonmeesters)	R 0,00	R 165 145,00	R 162 495,00	100,00%	-1,63%
Replace medium and low voltage overhead lines - cam	R 650 000,00	R 650 000,00	R 648 214,00	-0,28%	-0,28%
Small hand tools	R 20 000,00	R 20 000,00	R 12 313,00	-62,43%	-62,43%
Quality of supply meters	R 100 000,00	R 100 000,00	R 99 714,00	-0,29%	-0,29%
<b>Total</b>	<b>R 3 330 000,00</b>	<b>R 4 042 783,00</b>	<b>R 4 019 934,00</b>		

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

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

The Municipality has a recycling programme in place and the separation of waste takes place at source. A two bag system has been implemented for collecting of waste. Material that can be recycled is placed in clear bags and other waste in black bags. 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).

The Municipality has a licensed landfill site in Bredasdorp and three Drop-Off areas (Napier, Waenhuiskrans and Struisbaai). There is also a licensed landfill site in Elim which is operated by the Elim "Opsieners Raad". The waste from the Drop-Off's is collected and transported to the Bredasdorp landfill site. Garden waste from Waenhuiskrans is transported to the Bredasdorp landfill. The data from the landfill and Drop-Off's are reported on the IPWIS system of the Department of Environmental Affairs.

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

Street cleaning takes place on a continuous basis throughout the year and done as part of the Municipalities EPWP programme which creates jobs.

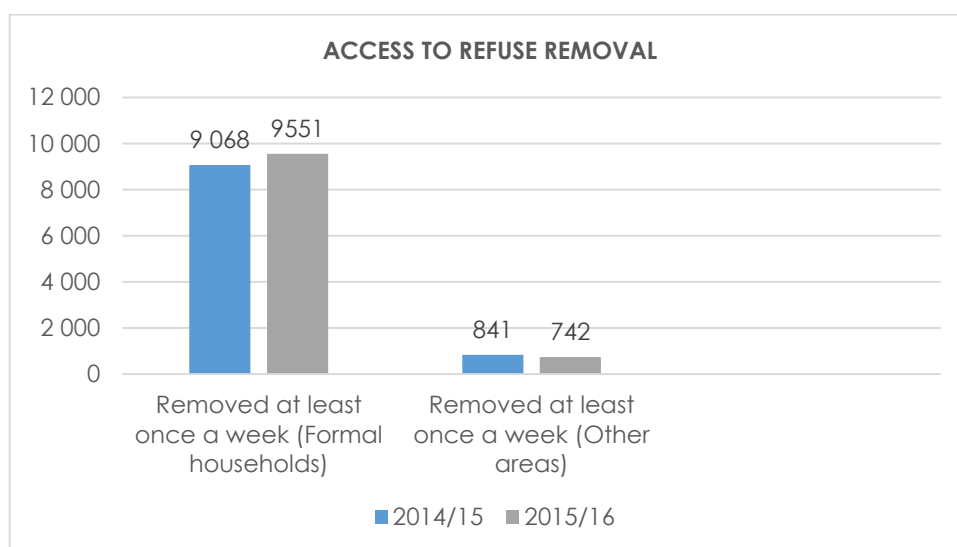
#### a) Service statistics

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

**TABLE 101 WASTE MANAGEMENT SERVICE DELIVERY LEVELS**

DESCRIPTION	HOUSEHOLDS	
	2014/15	2015/16
	ACTUAL NO	ACTUAL NO
<b>Solid waste removal (Minimum level)</b>		
Removed at least once a week (Formal households)	9 068	9551
Removed at least once a week (Other areas)	841	742
Minimum Service Level and Above sub-total	9 909	10 293
Minimum Service Level and Above percentage	100	100
<b>Solid waste removal (Below minimum level)</b>		
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
<b>Total number of households</b>	<b>9 909</b>	<b>10 293</b>

**FIGURE 11 WASTE MANAGEMENT SERVICE DELIVERY LEVELS**



**b) Human resources**

**TABLE 102 EMPLOYEES: WASTE MANAGEMENT**

JOB LEVEL	POSTS	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	23	20	3	13,04%
04 - 08	7	6	1	14,29%
09 - 13	4	3	1	25,00%
14 - 18	1	1	0	0,00%
18 - 20	0	0	0	0,00%
<b>Total</b>	<b>35</b>	<b>30</b>	<b>5</b>	<b>14%</b>

### c) Financial performance: Capital expenditure

TABLE 103 CAPITAL EXPENDITURE 2015/16: WASTE MANAGEMENT SERVICES

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	ORIGINAL BUDGET VARIANCE (%)	ADJUSTMENT BUDGET VARIANCE (%)
Refuse containers	R 60 000,00	R 60 000,00	R 51 500,00	-16,50%	-16,50%
Fence landfill	R 200 000,00	R 200 000,00	R 198 493,00	-0,76%	-0,76%
<b>Total</b>	<b>R 260 000,00</b>	<b>R 260 000,00</b>	<b>R 249 993,00</b>		

### 3.8.5 HOUSING

Housing is a concurrent National and Provincial competency in terms of Part A of Schedule 4, of the Constitution. Section 10 of the Housing Act, Act 107 of 1997, sets out the responsibilities of municipalities in relation to the provision of housing. There is a direct correlation between the provision of basic services and housing, which makes it a complex function that relies on high levels of cooperation between the Municipality and the Provincial and National Departments responsible for Housing.

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

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

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

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

The housing development process entails the following:

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

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

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

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

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



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

- ▲ A total of 250 low cost housing units were completed in Napier during the 2009/10 financial year.
- ▲ A total of 251 low cost housing sites were established in Bredasdorp (Africa Avenue) during 2010/11
- ▲ A total of 184 houses were also completed in Bredasdorp in 2011/12
- ▲ In the 2012/13 financial year a total of 168 houses and 47 serviced plots were completed in Zwelitsha using the Upgrading of Informal Settlements Programme (UISP)
- ▲ In Arniston a total of 67 houses were built but the GAP houses have not been built yet as Council is still exploring different options on how to dispose of existing plots and the type of development best suited in this area
- ▲ In Struisbaai 111 houses were completed in 2013/14
- ▲ In Bredasdorp the second phase of Zwelitsha (UISP) was completed with a total of 139 houses

### **Progress in the 2015/2016 financial year**

The department has been busy with planning for new housing projects in Bredasdorp and Struisbaai for possible implementation in September 2016. These projects will also address the issue of informal settlements like the relocation of Oukamp in Struisbaai. The planning processes are very lengthy due to public participation processes and outcomes such as objections from adjacent communities where projects are planned to be implemented.

Planning was done for the following projects:

- ▲ Area F in Bredasdorp with approximately 900 sites to be developed in 2016/17 financial year
- ▲ IRDP in Struisbaai of 441 houses
- ▲ Finance Linked Individual Subsidy Programme Projects (GAP) for 365 units in Bredasdorp, 16 units in Arniston and 33 units in Struisbaai for Middle Income earners

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

The biggest priority for Cape Agulhas Municipality is to reduce the number of households in the various informal settlements and also create better living conditions for back yard dwellers.

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

### **a) Service statistics**

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

**TABLE 104 PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING**

TOTAL HOUSEHOLDS (INCLUDING IN FORMAL AND INFORMAL SETTLEMENTS)	HOUSEHOLDS IN FORMAL SETTLEMENTS	PERCENTAGE OF HHS IN FORMAL SETTLEMENTS	HOUSEHOLDS IN INFORMAL SETTLEMENTS
10 161	9 562	94.1	599

Source: Statistics SA – Census 2011

There are currently approximately 3505 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 3411.

**TABLE 105 HOUSING WAITING LIST**

FINANCIAL YEAR	HOUSING APPLICANTS	% HOUSING WAITING LIST (INCREASE/DECREASE)
2013/14	3319	(21.4)
2014/15	3 411	2.77
2015/16	3 505	2.76

A total amount of R 6 668 620.00 was allocated by the Western Cape Provincial Government for the building of houses during the financial year under review. The total amount was spent at year-end. No houses were built, but the following was completed:

- ▲ UISP level 2 upgrading in Napier Informal Settlement
- ▲ Transfer and hand over of title deeds for 168 houses in Bredasdorp
- ▲ Transfer and hand over of title deeds for 67 houses in Amiston
- ▲ Planning fees for Area F Bredasdorp and Area A Struisbaai
- ▲ 20 Communal toilets in Napier

**TABLE 106 HOUSES BUILT IN 2015/16**

FINANCIAL YEAR	ALLOCATION R'000	AMOUNT SPENT R'000	% SPENT	NUMBER OF HOUSES BUILT	NUMBER OF SITES SERVICED
2014/15	24 436	16 083	100	179	0
2015/16	6 668	6 668	100	0	0

**b) Human resources**

**TABLE 107 EMPLOYEES: HOUSING SERVICES**

JOB LEVEL	POSTS	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	0	0	0	0,00%
04 - 08	2	2	0	0,00%
09 - 13	1	1	0	0,00%
14 - 18	1	1	0	0,00%
18 - 20	0	0	0	0,00%
<b>Total</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0,00%</b>

c) **Financial performance: Capital expenditure**

**TABLE 108 CAPITAL EXPENDITURE 2015/16: HOUSING**

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	ORIGINAL BUDGET VARIANCE (%)	ADJUSTMENT BUDGET VARIANCE (%)
Vehicle	R 0,00	R 150 000,00	R 144 360,00	100,00%	-3,91%
Vehicle Tracker	R 0,00	R 15 000,00	R 10 325,00	100,00%	-45,28%
<b>Total</b>	<b>R 0,00</b>	<b>R 165 000,00</b>	<b>R 154 685,00</b>		

### 3.8.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

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

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

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

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

In accordance with the approved Indigent Policy of the Municipality, all households earning less than R2 860 per month will receive the free basic services as prescribed by national policy.

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

**TABLE 109 FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS**

YEAR	TOTAL HH'S	HOUSEHOLDS EARNING LESS THAN R2 860 PER MONTH							
		FREE BASIC WATER		FREE BASIC SANITATION		FREE BASIC ELECTRICITY		FREE BASIC REFUSE	
		ACCESS	%	ACCESS	%	ACCESS	%	ACCESS	%
2014/15	8 826	3 429	38.85	3 429	38.85	3 429	38.85	3 429	38.85
2015/16	8 919	3419	38.33	3419	38.33	3419	38.33	3419	38.33

**TABLE 110 COST TO THE MUNICIPALITY OF FREE BASIC SERVICES DELIVERED**

Services Delivered	2013/14	2015/16			
	ACTUAL	BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000	R'000	R'000	R'000	R'000
Water	1 682	1 230	2 506	2 513	7

Waste Water (Sanitation)	2 898	2 756	2 155	2 161	6
Electricity	241	330	332	356	24
Waste Management (Solid Waste)	3 273	3 454	3 185	3 191	6
<b>Total</b>	<b>8 094</b>	<b>7 770</b>	<b>8 178</b>	<b>8 221</b>	<b>43</b>

Cape Agulhas Municipality supports the indigents with the following services:

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

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

The table above excludes 152 indigents from Elim who were subsidised to the amount of R300 000 for the financial year. Elim provides their own services but, since they reside in the Cape Agulhas Municipal Area the Council decided that all the residents must be treated equitably. Also not included in the table above are inhabitants in the informal area who received free services for community sanitation, refuse and water.

## 3.9 COMPONENT B: ROAD TRANSPORT

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

### 3.9.1 INTRODUCTION TO ROAD TRANSPORT

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

### 3.9.2 ROADS

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

The Roads and Storm water Department again established an outstanding EPWP record that complies with legislation and which resulted in the Municipality winning an award of excellence for the Kassiesbaai Roads project from the Concrete Manufacturers Association (CMA). The aim of the bi-annual awards is to recognise excellence in the use of precast concrete across numerous and varied applications and to honour those professionally associated with those applications.

In Napier, new engineering technology was used for the upgrading of gravel roads to labour based asphalt roads. This technology was a pilot project for labour based asphaltting. This resulted in additional MIG funds being allocated to the Municipality and the International Labour Organisation were so impressed that they are going to do a documentary on the best practices on the Napier Project early in the new financial year.

#### a) Service statistics

TABLE 111 GRAVEL ROAD INFRASTRUCTURE

YEAR	TOTAL GRAVEL ROADS KM	NEW GRAVEL ROADS CONSTRUCTED KM	GRAVEL ROADS UPGRADED TO TAR KM	GRAVEL ROADS GRADED/MAINTAINED KM
2014/15	30.33	1.3	2.5	30.33
2015/16	30.33	0	2.6	30.33

**TABLE 112 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
2014/15	174.62	2.5	0.5	1.2	174.62
2015/16	177.22	2.6	0.6	6.575	177.22

**TABLE 113 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)
2014/15	3 370	1 900	500	4 500	910	1 070
2015/16	3 400	2 000	580	4 600	940	1 100

**b) Human resources**

**TABLE 61 EMPLOYEES: ROADS AND STORMWATER**

JOB LEVEL	POSTS	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	17	16	1	5,88%
04 - 08	17	16	1	5,88%
09 - 13	8	8	0	0,00%
14 - 18	1	1	0	0,00%
18 - 20	0	0	0	0,00%
<b>Total</b>	<b>43</b>	<b>41</b>	<b>2</b>	<b>4,65%</b>

**c) Financial performance: Capital expenditure**

**TABLE 114 CAPITAL EXPENDITURE 2015/16: ROADS (INCLUDES STORMWATER)**

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	ORIGINAL BUDGET VARIANCE (%)	ADJUSTMENT BUDGET VARIANCE (%)
Capital Master Plan Implementation - Bredasdorp Stormwater	R 180 000,00	R 180 000,00	R 174 750,00	-3,00%	-3,00%
Capital Master Plan Implementation - Struisbaai Stormwater	R 150 000,00	R 150 000,00	R 150 000,00	0,00%	0,00%
Struisbaai-North Stormwater	R 250 000,00	R 250 000,00	R 0,00	0,00%	0,00%
Reseal roads	R 500 000,00	R 500 000,00	R 448 808,00	-11,41%	-11,41%
Teer Wouterstraat	R 150 000,00	R 150 000,00	R 142 470,00	-5,29%	-5,29%
Roller broom	R 300 000,00	R 300 000,00	R 1 111,00	-26902,70%	-26902,70%
Pedestrian Roller (1ton) X1	R 200 000,00	R 200 000,00	R 136 492,00	-46,53%	-46,53%

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	ORIGINAL BUDGET VARIANCE (%)	ADJUSTMENT BUDGET VARIANCE (%)
Re gravel streets Tamatiekraal	R 200 000,00	R 200 000,00	R 196 100,00	-1,99%	-1,99%
Tar Vd Byl Street	R 250 000,00	R 250 000,00	R 174 363,00	-43,38%	-43,38%
RDP Streets - Waenhuiskrans	R 500 000,00	R 438 596,00	R 438 830,00	-13,94%	0,05%
Office furniture	R 25 000,00	R 25 000,00	R 17 326,00	-44,29%	-44,29%
Smartie Town Streets Napier	R 486 184,00	R 426 477,00	R 425 758,00	-14,19%	-0,17%
Capital Master Plan Implementation - Napier Stormwater	R 100 000,00	R 100 000,00	R 94 949,00	-5,32%	-5,32%
Nuwerus Street	R 840 000,00	R 736 842,00	R 778 799,00	-7,86%	5,39%
RDP Streets Bredasdorp	R 484 920,00	R 426 686,00	R 426 686,00	-13,65%	0,00%
Rehabilitate Suiderstrand road	R 450 000,00	R 450 000,00	R 467 411,00	3,72%	3,72%
Capital Master Plan Implementation - Agulhas Stormwater	R 180 000,00	R 180 000,00	R 169 500,00	-6,19%	-6,19%
<b>Total</b>	<b>R 5 246 104,00</b>	<b>R 4 963 601,00</b>	<b>R 4 243 353,00</b>		

### 3.9.3 WASTE WATER (STORMWATER DRAINAGE)

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

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

In the 2015/16 financial year more storm water projects were undertaken to address backlogs, as well as alleviate poverty by job creation through utilisation of labour constructive methods as part of the EPWP.

#### a) Service statistics

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

**TABLE 115 STORMWATER INFRASTRUCTURE**

YEAR KM	TOTAL STORM WATER MEASURES KM	NEW STORM WATER MEASURES KM	STORM WATER MEASURES UPGRADED KM	STORM WATER MEASURES MAINTAINED KM
2014/15	74.9	1.6	0.4	76.5
2015/16	76.9	0.9	0.6	77.80

**TABLE 116 STORM WATER INFRASTRUCTURE COST**

YEAR	STORM WATER MEASURES		
	NEW (R'000)	UPGRADED (R'000)	MAINTAINED (R'000)
2014/15	950	300	650
2015/16	1 400	690	650

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

**b) Human resources**

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

**c) Financial performance: Capital expenditure**

Capital expenditure for roads includes storm water



## 3.10 COMPONENT C: PLANNING AND ECONOMIC DEVELOPMENT

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

### 3.10.1 INTEGRATED DEVELOPMENT PLANNING

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

Section 34(a) of the Local Government Municipal Systems Act (Act 32 of 2000) requires that: *“a municipal Council must review its integrated development plan annually in accordance with an assessment with its performance measurements and to the extent that changing circumstances so demand...”*

The 2015/16 review of the 2012 – 2016 Integrated Development Plan of the Cape Agulhas Municipality was prepared in compliance with Section 34(a) of the Municipal Systems Act as well as the Process Plan approved in terms of Section 29 of the same Act and the Time Schedule of Key Deadlines that was compiled in accordance with Sections 21 (1) (b) and 53(1) (b) of the Local Government Municipal Finance Management Act (Act 56 of 2003) (MFMA).

The Council adopted a new Time Schedule of Key Deadlines from the Process Plan on 28 July 2015 (Resolution 178/2015) for the 4th review of its 3rd Generation IDP which maps out the development path. Through this process the Council seeks to have meaningful public participation through several interactions with the different wards at large, the five ward committees and the Cape Agulhas Municipal Advisory Forum (CAMAF) which include stakeholders from business, government, civil society and organised labour sectors.

### 3.10.2 SPATIAL PLANNING

Spatial planning services are rendered by the Town Planning Department which resorts within the Corporate Services Directorate.

The functions of the Department are:

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

The following table sets out the highlights and challenges of the Town Planning Department during the financial year.

**TABLE 117 SPATIAL PLANNING HIGHLIGHTS AND CHALLENGES**

	<b>FOCUS AREA</b>	<b>DESCRIPTION</b>
<b>Highlights</b>	Training	<ul style="list-style-type: none"> <li>· Training takes place on a daily basis. Students assisting with the administration of the Department are trained.</li> <li>· New planning legislation also requires training on a continual basis which is provided by the Department of Environmental Affairs and Development Planning.</li> <li>· Tribunal members are trained and officials are being provided with new legislation.</li> <li>· The Minimum Municipal Competency course was completed by the Manager: Town and Regional Planning and two officials are in process of completing the course.</li> </ul>
	Electronic plan system	<ul style="list-style-type: none"> <li>· Electronic plan system – Filing of plans is done electronically.</li> </ul>
	Geographic Information System (GIS)	<ul style="list-style-type: none"> <li>· The GIS function is being dealt with by one of the Town Planning officials.</li> </ul>
	Implementation of LUPA and SPLUMA	<ul style="list-style-type: none"> <li>· LUPA, SPLUMA and the Cape Agulhas Municipal Land Use By-Law were successfully implemented.</li> </ul>
<b>Challenges</b>	Zoning scheme by-law	<ul style="list-style-type: none"> <li>· New planning legislation converting the integrated zoning scheme into By-Law has to take place to align it with National Legislation.</li> <li>· Funding is required to convert the Integrated Zoning Scheme and plan future high income housing projects and industrial areas.</li> </ul>
	House shop policy	<ul style="list-style-type: none"> <li>· The House Shop Policy has to be reviewed in order to make it compatible with current trends and future local economic development.</li> </ul>
	Liquor Trading by-law	<ul style="list-style-type: none"> <li>· The Liquor Trading Hours By-Law needs to be amended in order to make provision for the consideration of selling liquor on Sundays and Public holidays by tourist facilities.</li> </ul>
	Upgrading of GIS System	<ul style="list-style-type: none"> <li>· Available data like electronic CAD drawings of as built services and buildings within current and new development projects must be linked with the GIS system.</li> <li>· Updated Biodiversity, Estuary and Coastal Management Plans to be made available to upgrade GIS.</li> </ul>
	Interdepartmental co-operation	<ul style="list-style-type: none"> <li>· Co-operation between departments is required with future and current development of projects.</li> </ul>
	Knowledge and skills development	<ul style="list-style-type: none"> <li>· Knowledge and skills amongst new employees is limited and costly. Provision for funding has to be made available in order to equip officials with legislative changes and law enforcement policies</li> </ul>
	Illegal land use	<ul style="list-style-type: none"> <li>· Illegal activities require peace and law enforcement offices to ensure quicker response time</li> </ul>
	I-Pads/tablets	<ul style="list-style-type: none"> <li>· I-Pads/tablets are needed to capture information in the field and will have to be provided for on the budget</li> </ul>
	New Spatial Development Framework (SDF)	<ul style="list-style-type: none"> <li>· Alignment with the Human Settlement Plan and SPLUMA must be done to ensure alignment with the Human Settlement Plan and National Legislation</li> </ul>

There have been a number of legislative changes within the spatial planning environment that have had an impact on the functioning of the Department.

The Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985), hereafter referred to as "LUPO", as a 1985 piece of legislation, predates the current Constitution of the Republic of South Africa and was found to be unconstitutional in many respects. The Constitution confers "municipal planning" firmly as a municipal competency whilst in LUPO many of these powers vest with the Provincial Minister responsible for land use planning.

As a result of the Constitutional provisions in terms of planning, the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013), hereafter referred to as "SPLUMA", was introduced as a national framework act for land use planning. The Minister of Rural Development and Land Reform also published the Regulations in terms of SPLUMA on 23 March 2015.

Within the Western Cape Province, the Western Cape Government repealed LUPO and in April 2014 it passed the Western Cape Land Use Planning Act, 2014 (Act 3 of 2014), hereafter referred to as "LUPA".

Both SPLUMA and LUPA are "framework" legislation, meaning that it sets a framework and certain minimum standards in place which municipalities must comply with in terms of executing their own municipal land use planning functions. This means that municipalities must "give effect to" the provisions of SPLUMA and LUPA via their own legislative powers (i.e. a by-law).

In the past, there was no legislation on national level which made provision for the execution of municipal land use planning. This was done via old order legislation by means of provincial ordinances, such as LUPO.

LUPO did not recognise municipal land use planning as a municipal competency. Besides other matters, LUPO controlled many aspects of municipal land use planning such as:-

- ▲ The compilation and approval of town planning schemes and structure plans, which needed to be approved by the Minister;
- ▲ Approval of certain land use applications;
- ▲ The manner in which subdivision approvals are confirmed;
- ▲ Prescribing time frames and lapsing periods; and
- ▲ Consideration of appeals

These matters are not regulated in detail by the SPLUMA or LUPA as these are regarded as municipal planning competencies.

In terms of Section 156(2) of the Constitution, municipalities have 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. An effective means to regulate municipal planning would be to make, pass and implement municipal planning by-laws.

The effect of the two pieces of planning legislation is that Cape Agulhas Municipality has full responsibility for land use planning within its area of jurisdiction, which entails:

- ▲ drafting of municipal spatial development framework;
- ▲ drafting of integrated municipal zoning scheme;
- ▲ receiving and considering all land use applications;

- ⤴ decision-making on land use applications by the authorised official and the Municipal Planning Tribunal (MPT);
- ⤴ appeals against decisions of the authorised official or the MPT to the Council's appeal authority;
- ⤴ regulating time frames, notifications, confirmation of subdivision arrangements;
- ⤴ lapsing of rights; and
- ⤴ transgressions and enforcements.

The Cape Agulhas municipal land use planning by-law is regarded as compliant with the Constitution, SPLUMA, LUPA, MSA and other legislation.

**a) Service statistics**

**TABLE 118 APPLICATIONS FOR LAND USE DEVELOPMENT**

DESCRIPTION	FORMALIZATION OF TOWNSHIPS		REZONING		AUTHORISED OFFICIAL		PLANNING APPEAL COMMITTEE: MAYOR	
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Planning applications received	1	1	22	11	0	38	-	4
Determinations made in year of receipt	1	1	18	15	0	0	-	2
Determinations made in following year	0	0	0	15	0	0	-	0
Applications withdrawn	0	0	0	0	0	0	-	0
Applications outstanding at year end	0	0	2	1	0	10	-	2

**b) Human resources**

**TABLE 119 EMPLOYEES SPATIAL PLANNING**

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

**c) Financial performance: Capital expenditure**

None for the 2015/16 financial year.

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### 3.10.3 BUILDING CONTROL

Building Control services are rendered by the Building Control Department which resorts within the Corporate Services Directorate.

The functions of the Department are:

- ▲ Effective service delivery and networking with the public;
- ▲ Receiving building plans;
- ▲ Approval of building plans;
- ▲ Address illegal building work;
- ▲ Building inspections;
- ▲ Dealing with complaints;
- ▲ Providing info to the public;
- ▲ Issuing of occupancy certificates;
- ▲ Air quality control;
- ▲ Noise control.

The following are some of the achievements of the Building Control Department during the financial year.

- ▲ Systems work well;
- ▲ Staff are knowledgeable;
- ▲ Tasks are completed within the prescribed time framework;
- ▲ Complaints are dealt with immediately;
- ▲ Legal requirements and processes are adhered to;
- ▲ Energy efficiency is implemented in new buildings;
- ▲ Compliance to the Air Quality Management plan for CAM;
- ▲ Noise Control is implemented;
- ▲ Assisting the public with building plans where they cannot afford architects;
- ▲ Assisting with completion of building plan application forms;
- ▲ 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;
- ▲ Thusong Phase 2 project;
- ▲ Participation in the following forums:
  - Representation on new XA regulations working group;
  - Member of the National Steering Committee for Building Control SA;
  - Regional Tourism Liaison Committee (RTLCL) meetings;
  - Overberg Planning Forum;
  - Overberg Air Quality Control Forum;
  - Noise Control Forum;
  - Legislative Task Team Forum;
  - Climate Control Forum;
  - Provincial Air Quality and Noise Management Forum;
  - Park Forum with SANPARKS.

The following measures have been implemented to improve performance:

- ▲ Monthly meetings with staff;
- ▲ Workshops and training of staff in terms of new legislation and policies;

- ⤴ Access to user-friendly data and equipment, a case in point being the electronic building plan register which is in place and working well;
- ⤴ Consider building plans within two weeks of submission;
- ⤴ Addressing illegal building work;
- ⤴ Improving co-operation between departments;
- ⤴ Identifying potential air quality and noise risks.

**TABLE 120 ONGOING SERVICE DELIVERY PRIORITIES – BBUILDING SERVICES**

SERVICE DELIVERY PRIORITY	IMPACT DURING 2014/15	MEASURES TO IMPROVE PERFORMANCE
Training of staff	Improved quality service delivery	Illegal activities require peace and law enforcement officers to ensure quicker response time
Illegal building work enforcement	To address illegal building work	Make use of attorneys to enforce the requirements and take them to court.

**a) Service statistics**

**TABLE 121 BUILDING PLANS APPROVED 2015/16**

RESIDENTIAL	BUSINESS / INDUSTRIAL	TOTAL
351	13	364

**b) Human resources**

**TABLE 122 EMPLOYEES BUILDING CONTROL**

JOB LEVEL	POSTS	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	0	0	0	0,00%
04 - 08	0	0	0	0,00%
09 - 13	4	4	0	0,00%
14 - 18	1	1	0	0,00%
18 - 20	0	0	0	0,00%
<b>Total</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0,00%</b>

**c) Financial performance: Capital expenditure**

**TABLE 123 CAPITAL EXPENDITURE 2015/16: BUILDING CONTROL**

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	ORIGINAL BUDGET VARIANCE (%)	ADJUSTMENT BUDGET VARIANCE (%)
Chair	R 0,00	R 10 000,00	R 4 885,00	100,00%	-104,71%
<b>Total</b>	<b>R 0,00</b>	<b>R 10 000,00</b>	<b>R 4 885,00</b>		

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### 3.10.4 LOCAL ECONOMIC DEVELOPMENT

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#### 3.10.4.1 INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT

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

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

The role of the Municipality is to facilitate economic development by creating a conducive environment for business development and unlock opportunities to increase participation amongst all sectors of society in the mainstream economy. Government can obviously not plan or implement LED effectively if the private sector, who is the key driver of a local economy, is not included in such development processes.

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#### 3.10.4.2 LED STRATEGY

The Municipal Council approved a revised LED Strategy on 28 June 2016. This strategy focuses on initiatives that can be achieved within the short to medium term and is in essence a consolidation of the 2013 revision with updated with other internal and external strategic processes, initiatives and programmes relating to economic development namely:

- ▲ Internal
  - Cape Agulhas Municipality PACA Process (2014)
  - Comprehensive Rural Development Programme (2013)
  - Napier Small Town Re-generation Strategy (2016)
  - Cape Agulhas Municipality LED Maturity Assessment (2015)
- ▲ External
  - Overberg District Municipality PACA Process (2014)
  - Overberg Agri Parks Master Business Plan (2016)
  - Harbours Spatial and Economic Development Framework (2014)

Although each of the above was undertaken separately, there is a high level of confluence between the initiatives listed under each. The strategy identifies both town based and sector based strategic interventions which will be implemented from the new financial year onwards. The following table gives an overview of the key sector interventions that are in process / planned.

**TABLE 124 LED SECTOR STRATEGIC INTERVENTIONS**

SECTOR	INTERVENTION
Agriculture	Facilitate the implementation of the Agri - Park in the Municipal Area
	Transformation of the agriculture industry
	Emerging farmer development
Marine Enterprises	Facilitate the implementation of the Agri - Park in the Municipal Area

	Alternative economic opportunities for fishing communities
	Marine fishing
Manufacturing	Investment and product promotion
Tourism	Tourism development
	Tourism marketing
Natural Resource Economics	Cut flowers
	Natural resource conservation
Construction	Support emerging contractors
SMME / Informal Enterprise Development	Informal traders
Renewable and Alternative Energy	Investigate the potential of using alternative energy methods
Economic Infrastructure	Improve transport systems
	Facilitate the development of economic infrastructure facilities
Institutional Strategic Interventions	Develop internal capacity to drive LED
	Enhance strategic decision making
	Monitoring and evaluation of LED
	Build sustainable partnerships
	Develop internal capacity to drive LED

### 3.10.4.3 OTHER STRATEGIC INTERVENTIONS AND PROCESSES THAT CONTRIBUTED TO THE LED STRATEGY

#### i) Cape Agulhas Municipality PACA Process

The Western Cape Department of Economic Development and Tourism provided support to the Municipality to learn how to apply and facilitate a PACA (Participatory Appraisal of Competitive Advantage) process. The process aims to identify medium and short term catalytic projects or economic opportunities that will make a tangible contribution to economic growth, when implemented by motivated local stakeholders. Initiatives typically improve the business environment to stimulate and support competitiveness of organizations and individuals, which in turn contribute to improved sustainable business profitability, investment and job creation. PACA is a stakeholder driven process and local stakeholders participated actively in the process. The findings and economic opportunities identified, originated primarily from the approximately 60 persons who participated in the process.

#### ii) Comprehensive Rural Development Programme

This programme is aimed at being an effective response against poverty and food insecurity by maximizing the use and management of natural resources to create vibrant, equitable and sustainable rural communities. The program was implemented in various municipalities within the Western Cape and is presently being rolled out in Arniston and Struisbaai. (Currently Ward 5, but Wards 5 and 6 after elections). The table below identifies the economic projects identified by the Council of Stakeholders (COS).



**TABLE 125 COMPREHENSIVE RURAL DEVELOPMENT PROGRAMME PROJECTS**

<b>PROJECTS</b>	<b>DESCRIPTION</b>	<b>TOWN</b>	<b>RESPONSIBLE DRIVERS/GOVERNMENT DEPARTMENT</b>
Arniston Business Hive (Multi- Purpose)	Establishing of a business hive (Multi- Purpose Centre) on Erven 501&502	Arniston	Department Rural Enterprise & Infrastructure Development (REID)
Struisbaai Business Hive (Multi- Purpose)	Establishing of a multi-purpose centre next to the day clinic	Struisbaai North	DRD&LR/REID/ CAM
Fish Farm	Establishing of aquaculture Initiatives	Arniston or Struisbaai	DAFF
Abalone Farm	Establishing of aquaculture Initiatives	Arniston	Cape Agulhas Municipality, DAFF & Private sector investment
Vegetable Tunnels	Sustainable poverty relief & job creating programme	Arniston Struisbaai	Department of Agriculture
Eco-Sea Based Tourism	Grow eco-sea based tourism activities which require boat licences as alternatives to fishing, e.g. whale watching	Struisbaai & Arniston	Cape Agulhas Municipality, CRDP ( Rural Development)
Improve appearance of Towns	Establish a public private partnership to improve appearance of towns	Struisbaai/ Arniston	Cape Agulhas Municipality ( Community Services & Public Works) Private Sector( Business Chamber) Conservation Society
Fish processing / marketing infrastructure	Establish infrastructure for the marketing / processing of fish	Struisbaai/ Arniston	Department Rural Enterprise & Infrastructure Development (REID)

**iii) Napier Small Town Regeneration Strategy**

The Small Town Regeneration (STR) Programme was undertaken in Napier with the assistance of the South African Local Government Association (SALGA). The programme aims to develop and strengthen the vibrancy of small towns in South Africa.

Local residents of the identified town are at the core of the planning and implementation of the programme unlike other similar initiatives that are led by municipalities, sector departments or non-governmental agencies. The STR Programme being led by local residents (Supported by Cape Agulhas Municipality and SALGA) ensures local buy-in and most importantly long term sustainability of the programme.

The strategy development process commenced in September 2015 and concluded in May 2016 with the submission of the draft strategy and implementation framework at the Council Meeting on 31 May 2016 where it was adopted by Council. The Strategy sets out 3 strategic objectives with initiatives.

**TABLE 126 NAPIER STR STRTEGIC OBJECTIVES**

<b>STRATEGIC OBJECTIVE</b>	<b>INTERVENTION</b>
Provision of new economic opportunities and existing business support	<ul style="list-style-type: none"> <li>· Establish local weekend market infrastructure</li> <li>· Agricultural employment access</li> <li>· Small scale textile fabrication initiative – provision of facility and start production</li> <li>· Scaling of the "Patatfees" Festival</li> <li>· Identify the provision or creation of an artisan / entrepreneurship development facility / hub</li> </ul>
Tourism Development in Napier and surrounding area	<ul style="list-style-type: none"> <li>· Develop Tourism consciousness among local businesses</li> <li>· Capitalise on the National Heritage Buildings in Napier as Tourist attractions</li> <li>· Package existing Tourism products to capitalise on Napier as the 'gateway to Cape Agulhas'</li> </ul>
Build Partnerships towards a vibrant socially and environmentally secure community	<ul style="list-style-type: none"> <li>· Recreational activities for youth (especially sport)</li> <li>· Alien clearing project/s</li> <li>· Community safety structures</li> <li>· Napier Clinic and public health services</li> <li>· Access to dormant / unoccupied buildings owned by Public Institutions</li> <li>· Develop local skills &amp; employment opportunities in the 'care economy'</li> </ul>

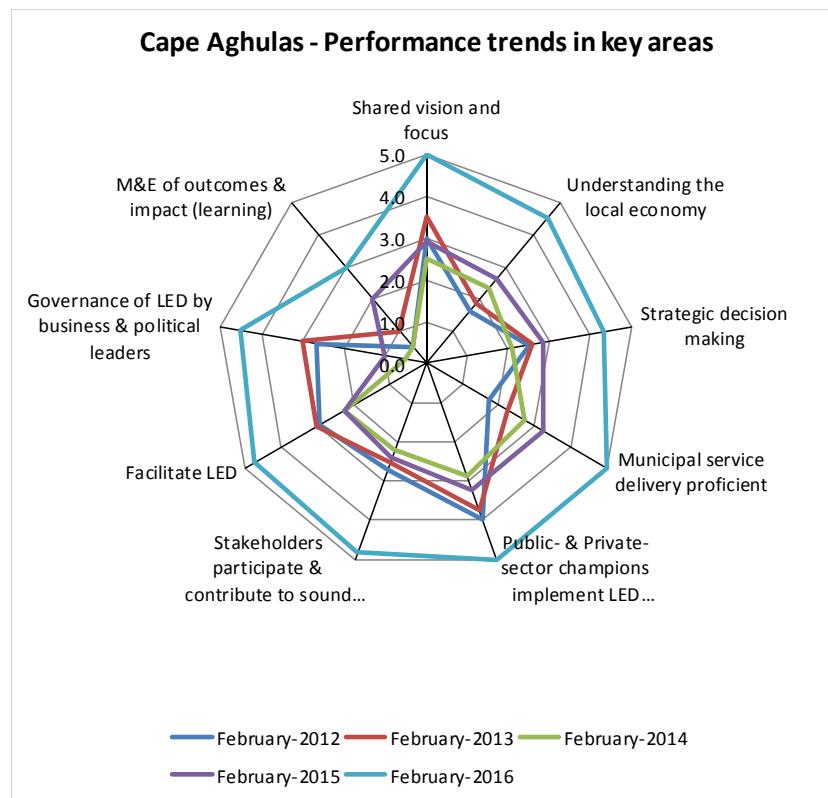
**iv) LED Maturity Assessment**

The Province conducts a LED Maturity Assessment annually. The Maturity Assessment is a practical way to rapidly assess the state of maturity of a municipality in the field of LED. The assessment method relies on information gathered by interviewing the chief LED decision makers in a municipality. The belief is that LED success depends ultimately on the way these leaders make decisions. Strategy and planning documents inform these subsequent decisions. The main benefits of such an assessment include:

- ▲ Creating an awareness of gaps in know-how and opportunities to learn,
- ▲ Creating an awareness of flaws in LED approaches that could otherwise take years to recognise (when LED repeatedly fails),
- ▲ Creating an awareness of relative strengths and weaknesses of LED at various municipalities,
- ▲ Identifying cases of good practice (in specific topics) to use as examples for others to learn from,
- ▲ Informing LED capacity development programmes, and
- ▲ Monitoring growth in LED maturity over successive years.

The 2015/16 assessment revealed an improvement in Cape Agulhas LED maturity levels as can be seen from the graph below.

FIGURE 12 LED MATURITY ASSESSMENT 2015 /2016



Recommendations were made in respect of two key areas namely:

- ▲ Strategic decision making
  - Improve selection of LED initiatives. Which will have best outcomes and impact by leveraging off capacity of existing partnerships.
  - Catalytic interventions: partnering with neighbouring municipalities for a regional impact.
  - Develop clear criteria for selection of initiatives.
- ▲ M&E of outcomes and impact (learning)
  - Develop M&E Framework – to measure outcomes and impact
  - Stakeholder participation is key to development of an effective M&E system.

These recommendations were incorporated into the revised LED Strategy.

**v) The Overberg District Municipality (ODM) PACA Process**

PACA processes were completed in all four local municipalities within the Overberg District Municipality. The District Strategy is informed by desk research as well as the local participatory processes which engaged 250 business leaders and other LED stakeholders. The aim of this bottom-up integrated strategy approach was to identify opportunity for complimentary and additional value addition by the District. The process enabled the identification of a strategy and a number of interventions that could be performed in a relatively short space of time.

**vi) The Overberg District Agri- Parks Master Business Plan**

The 2015 SoNA announced the implementation of Agri- Parks with a budget of R2bn. The Department of Rural Development and Land reform (DRDDL) is the custodian of the project.

An Agri-Park is not only physical buildings located in single locations (like ordinary industrial parks) per district but it is defined as: 'A networked innovation system of agro-production, processing, logistics, marketing, training and extension services located in District Municipalities' As a network it enables the growth of market-driven commodity value chains and contributes to the achievement of rural economic transformation (RETM).

An Agri -Park contains three service collections:

- ▲ Farmer Production Support Unit (FPSU) with a focus on primary production towards food security;
- ▲ Agri-Hub (AH); and
- ▲ The Rural Urban Market Centre (RUMC)'

The Department of Rural Development and Land Reform commissioned the development of an Agri-Parks Master Business Plan to provide high level guidance on the development of the Overberg District Agri-Park. This plan was signed off early this year. The Overberg has an agricultural and ocean economy. It was therefore decided on District level to include both of these economies into the Agri-Park concept and develop it as such The Agri- hub will be developed in Cape Agulhas Municipal Area and the Aqua- hub in the Overstrand Municipal Area. Each will support Farmer Support Units (FSU).

The Municipality participates in the District Agri Parks Operational Task Team (DAPPOT) who meet on a bi –monthly basis to co-ordinate the project.

#### **vii) Harbour Spatial and Economic Development Framework**

The Harbour SEDF Project aims to

- ▲ Ensure that DPW develops each harbour with a view to unlock the economic potential and in turn creating sustainable livelihoods for the local communities
- ▲ Develop a SEDF for each harbour which will provide a strategic, indicative forward planning tool to guide development and planning as well as decision making on land use that encourage an optimal tenant mix
- ▲ Facilitate a proactive planned approach to addressing all problems and issues currently experienced by the Harbour Steering Committee, DPW, DAFF as well as future management of the harbours
- ▲ Identifying sustainable socio-economic opportunities for each harbour.

The two fishing harbours in our Municipal Area earmarked for development are the Arniston and Struisbaai Harbours. The project forms part of Operation Phakisa (marine/aquaculture projects) and the intention is that the harbour precinct development proposals be integrated into the Municipality's Spatial Development Framework (SDF).

The harbours both have economic potential from both a fishing and tourism perspective and there is still room for development on both Public Works and Municipal Land in the immediate vicinity of the harbours. It is imperative that spatial and economic planning for these areas be done jointly and the proposed way forward is the establishment of a task team.

### 3.10.4.4 LED INITIATIVES AND JOB CREATION

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

- ▲ Through LED initiatives /projects
  - Municipal commonage is made available for agricultural activities, and municipal owned buildings for tourism related activities. The challenge is to facilitate sustainable participation in the sector by previously disadvantaged and small entrepreneurs.
- ▲ The Expanded Public Works Programme (EPWP)
  - 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

#### 3.10.4.4.1 JOB CREATION THROUGH LED INITIATIVES

**TABLE 127 LED INITIATIVES AND JOBS CREATED IN THE MUNICIPAL AREA**

DESCRIPTION OF PROJECT	NO OF MAN-DAYS CREATED	TOTAL INVESTMENT R	AMOUNT SPENT TO DATE R	PERFORMANCE HIGHLIGHTS
Health Gro emerging farming project	1680	0	0	Empowering of local women as emerging farmers, on commonage, to enter the main stream agricultural economy.
Agri Vennote	1300	0	0	Empowerment of emerging farmers on commonage through a partnership and mentorship agreement.
Agri Dwala and Amaqhawe Agri	5490	0	0	The project was registered as a land reform project on commonage. The business is profitable from the first year. They bought two farms during this time and are now mentoring a new group, the Amaqhawe Agri group who is farming on 98 ha of the commonage in year one and will gradually take over more hectares every year for the next 9 years 11 months lease period.

Umhlaba Wobiso	826	0	0	An agricultural empowerment initiative on commonage of Cape Agulhas Municipality.
Eish Innovations	576	0	0	Food security project run by mainly women on commonage of CAM to empower the beneficiaries as agricultural entrepreneurs
Southern Whales	260	0	0	Provides alternative economic opportunities for women entrepreneurs from the fishing village of Kassiesbaai. Establish a sustainable economic empowerment initiative in the Arniston tourism industry with a self-catering guest house. The property is rent from Cape Agulhas Municipality.
Hotagterklip B&B / Coffee shop	0	0	0	Due to difficulty of obtaining entrepreneurs to manage the project it became dormant. Langezandt Estates took over the lease of the premises recently and will start to renovate the infrastructure to revive the community project.
<b>Total</b>	<b>10132</b>	<b>0</b>	<b>0</b>	

#### 3.10.4.4.2 JOB CREATION THROUGH EPWP PROJECTS

**TABLE 128 JOBS CREATED THROUGH EPWP PROJECTS**

YEAR	EPWP PROJECTS NO	JOBS CREATED THROUGH EPWP PROJECTS NO	JOBS CREATED THROUGH FTE'S NO
2014/15	62	447	65
2015/16	38	216	44

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

#### 3.10.4.4.3 ENTREPRENEURSHIP DEVELOPMENT

Cape Agulhas Municipality supported SMME and Co-operative development by:

- Co-operative registrations via SEDA and funding applications via DTI (Department of Trade and Industry).
- Registering Companies [(PTY) LTD] via the internet with CIPC.
- Refer to and make appointments with SEDA for entrepreneurs for business advice for assistance coupons for marketing material, financial clean up and website design.

- Assist with SARS related matters and information on SARS visits.
- Assist with CIDB, COIDA and UIF registrations.
- Organising training workshops by SEFA (Small Enterprise Finance Agency) for funding of businesses, SEDA (Small Enterprise Development Agency) and Casidra (Cape Agency for Sustainable Integrated Development in Rural Areas) for business advice.
- Assist enterprises with land use applications.
- Register companies on Central Supplier data base (CSD), Western Cape Supplier Database, Overberg Supplier database, Cape Agulhas Supplier database, CASIDRA, SEDA, Denel, and SANDF etc.
- Registration for National Credit Regulator.
- Assist entrepreneurs (SMMES) in preparing quotations, tenders and invoices.
- Service on monitoring committees of LED projects.

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#### **3.10.4.5 TOURISM**

Cape Agulhas Tourism (CAT) manages the tourism function on behalf of the Cape Agulhas Municipality. The Municipality provided them with a grant to the amount of R820 000.00 to cover their operational costs during the 2015/16 financial year. The grant was fully spent.

CAT has the following Visitor's Information Centres and Local Tourism Bureaus;

- ▲ CAT Office Bredasdorp;
- ▲ Two Oceans Visitors Centre at L'Agulhas Lighthouse;
- ▲ Tip of Africa Information and Curio's in Struisbaai.

Cape Agulhas Tourism signed an agreement to rent a new premises which is much more visible than the previous one at the beginning of February 2016. The launch took place on Friday, 1st April at the new Cape Agulhas Tourism building in Long Street.

CAT actively markets the Municipal Area and branded brochure racks are placed at the following venues:

- ▲ Brochures are available at 3 places at Cape Town International Airport,
- ▲ Peregrine Farm Stall
- ▲ Lighthouse L'Agulhas
- ▲ Tip of Africa Information
- ▲ BP next to Flames
- ▲ Gunners – Napier
- ▲ Soetmuisberg Café Bredasdorp
- ▲ Shipwreck Museum
- ▲ The Dunes @ Arniston
- ▲ Julian's Bredasdorp

An A3 tear off map was also created with all the activities / things to do in the area, and advertisements were placed in the following media:

- ▲ Experience Overberg Magazine,
- ▲ Overberg Business Magazine
- ▲ The Agulhas A-Z magazine
- ▲ The Overberg – Gateway Guides
- ▲ The Tourist Guide – Gateway Guides

## 3.11 COMPONENT D: COMMUNITY AND SOCIAL SERVICES

This component includes libraries, cemeteries and human development.

### 3.11.1 LIBRARIES

The Municipal Library Service consists of nine libraries. The main library is situated in Bredasdorp, and there are also library facilities at Welverdiend (Bredasdorp) Struisbaai, Waenhuiskrans, Napier, Klipdale, Protém and Elim.

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

The internet that is now available in seven of these libraries, is a highly efficient tool especially for people who cannot afford their own personal computers and internet service. The usage of such facilities is free and costs are covered by the Provincial Library Services. The other 2 libraries have access through the Cape Access Programme.

The following table sets out the highlights and challenges of the library service during the financial year.

**TABLE 129 LIBRARIES HIGHLIGHTS AND CHALLENGES**

	LIBRARY	DESCRIPTION
<b>Highlights</b>	Elim library	Elim library is the newest addition to our libraries. Even though the accommodation is only temporary for now, it provides a much improved service to its people. The administration of the library had been "revamped" by a staff member who has 20 years' experience in the field. Even though they are still on the hand issue system, there are indications that the service has improved, as evidenced by more people wanting to join the library.
<b>Challenges</b>	Shortage of staff	There are not enough staff in the Cape Agulhas public libraries to elevate our service to the next level.

#### a) Service statistics

**TABLE 130 SERVICE STATISTICS FOR LIBRARIES**

TYPE OF SERVICE	2014/15	2015/16
Library members	8631	10896
Books circulated	103837 Wolverdiend was closed for a few months for upgrading	190572
Exhibitions held	217	211
Internet users	4 885	9420



	Wolverdiend only started rendering this service in January 2015	
Children programmes	137	110
Visits by school groups	41 group visits	80 group visits
Book group meetings for adults	22	23
Primary and Secondary book education sessions	18	18

## b) Human resources

**TABLE 131 EMPLOYEES: LIBRARIES**

JOB LEVEL	POSTS	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	0	0	0	0,00%
04 - 08	9	9	0	0,00%
09 - 13	3	3	0	0,00%
14 - 18	0	0	0	0,00%
18 - 20	0	0	0	0,00%
<b>Total</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>0,00%</b>

## c) Financial performance: Capital expenditure

**TABLE 132 CAPITAL EXPENDITURE 2015/16: LIBRARIES**

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	ORIGINAL BUDGET VARIANCE (%)	ADJUSTMENT BUDGET VARIANCE (%)
DVD Player (Wolverdiend)	R 1 000,00	R 1 000,00	R 350,00	-185,71%	-185,71%
Furniture	R 10 000,00	R 10 000,00	R 3 157,00	-216,76%	-216,76%
Building Extra Step (Wolverdiend)	R 5 000,00	R 5 000,00	R 3 750,00	-33,33%	-33,33%
TV (Wolverdiend)	R 4 500,00	R 4 500,00	R 3 061,00	-47,01%	-47,01%
<b>Total</b>	<b>R 20 500,00</b>	<b>R 20 500,00</b>	<b>R 10 318,00</b>		

### 3.11.2 CEMETERIES

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

**TABLE 133 CEMETERIES: HIGHLIGHTS AND CHALLENGES**

	FOCUS AREA	DESCRIPTION
Highlights	Ablution facilities	Construction of new Septic Tank at Napier Cemetery
Challenges	Vandalism	Limited funds to do repairs/replacements of equipment  The following items were stolen / damaged during the 2015/16 financial year and replaced several times: · Copper pipes

		<ul style="list-style-type: none"> <li>· Pad Locks</li> <li>· Taps</li> <li>· Gutters and gates were broken numerous times</li> <li>· The ablution facility was broken into and vandalized</li> </ul>
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**a) Service statistics**

**TABLE 134 SERVICE STATISTICS FOR CEMETERIES**

TYPE OF SERVICE	2014/15 NO	2015/16 NO
Pauper burials	14	15 Adults 4 Babies

**b) Human resources**

JOB LEVEL	POSTS	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	0	0	0	0,00%
04 - 08	2	2	0	0,00%
09 - 13	1	1	0	0,00%
14 - 18	0	0	0	0,00%
18 - 20	0	0	0	0,00%
<b>Total</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0,00%</b>

**c) Financial performance: Capital expenditure**

**TABLE 135 CAPITAL EXPENDITURE 2015/16: CEMETERIES**

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITUR E	ORIGINAL BUDGET VARIANCE (%)	ADJUSTMENT BUDGET VARIANCE (%)
Septic tank (Napier Cemetery)	R 10 000,00	R 10 000,00	R 9 800,00	-2,04%	-2,04%
<b>Total</b>	<b>R 10 000,00</b>	<b>R 10 000,00</b>	<b>R 9 800,00</b>		

### 3.11.3 HUMAN DEVELOPMENT

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

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

The following table sets out the highlights and challenges of the human development service during the financial year.

**TABLE 136 HUMAN DEVELOPMENT HIGHLIGHTS AND CHALLENGES**

	<b>FOCUS AREA</b>	<b>DESCRIPTION</b>
<b>Highlights</b>	Youth Employment	<ul style="list-style-type: none"> <li>Appointed 4 youth to implement youth development programmes on EPWP for the 2015/2016 financial year</li> </ul>
	Facilitation of sport development opportunities	<ul style="list-style-type: none"> <li>The Department facilitated opportunities for the sporting community to compete at Provincial and National level.</li> <li>Coordinated the process for sports codes to be enrolled on the club development programme.</li> <li>Established the after school soccer life skills programme</li> </ul>
	Established 7 soup kitchens	<ul style="list-style-type: none"> <li>Facilitated the implementation and monitoring of the 7 soup kitchens in the Municipal Area during the winter season</li> </ul>
	Women Empowerment project	<ul style="list-style-type: none"> <li>Facilitated the implementation process of the Safe House for victims of domestic violence.</li> </ul>
	Promoting Arts/Drama and Culture	<ul style="list-style-type: none"> <li>A cultural movement was established that is managed by youth who coordinate performances/activities for Arts/ drama.</li> </ul>
	Youth development Programmes	<ul style="list-style-type: none"> <li>Implemented a youth camp for youth in the rural areas.</li> <li>Leadership programmes were implemented to enhance the confidence levels amongst the youth</li> <li>Personal development program for peer educators</li> </ul>
	Bursary opportunities	<ul style="list-style-type: none"> <li>Facilitated the process for bursaries for tertiary studies for youth in the Municipal Area.</li> </ul>
	School holiday program	<ul style="list-style-type: none"> <li>Implemented school holiday programmes in partnership with other stakeholders</li> </ul>
<b>Challenges</b>	A lack of volunteers to facilitate programs in the neighbouring towns	<ul style="list-style-type: none"> <li>Employed a total of four skilled youths in the different towns where the EPWP operates, to facilitate youth and sports programs.</li> <li>Utilised the National Rural Youth Service Corps (NARYSEC) and Chrysalis Academy students to facilitate youth and sport development programs in conjunction with the Human Development Department</li> </ul>
	Resources to enhance the implementation of human development activities	<ul style="list-style-type: none"> <li>The Department has to partner with stakeholders with similar objectives to implement sustainable programmes.</li> <li>Public open spaces need to be environmentally safe so that they can be utilized for sport and recreation activities</li> <li>Sport facilities need to be accessible for sport and recreation activities</li> <li>Budget for human development to increase</li> <li>Infrastructure at community halls to be user friendly for indoor sport activities</li> <li>Bigger office space for needed for youth coordinators</li> </ul>

**a) Service Statistics**

**TABLE 137 SERVICE STATISTICS FOR HUMAN DEVELOPMENT PROGRAMMES**

<b>ACTIVITY</b>	<b>2014/15</b>	<b>2015/16</b>
Soup kitchens established or supported	4	7
Youngsters educated and empowered	<ul style="list-style-type: none"> <li>· Functional Youth Council</li> <li>· Leadership Workshop for Youth</li> <li>· Implementation of the 50/50 Youth Leadership Project</li> <li>· Information for employment and study opportunities distributed amongst the youth</li> </ul>	<ul style="list-style-type: none"> <li>· Establishment of the Youth Cultural Movement</li> <li>· Leadership Workshop for Youth</li> <li>· Implementation of the 50/50 Youth Leadership Project</li> <li>· Information for employment and study opportunities distributed amongst the youth</li> </ul>
Initiatives to increase awareness on disability	<ul style="list-style-type: none"> <li>· Functional Disability Forum</li> <li>· Disabled Awareness Programme</li> </ul>	<ul style="list-style-type: none"> <li>· Supported events for the disabled community</li> </ul>
Initiatives to increase awareness on women	<ul style="list-style-type: none"> <li>· My story telling session for abused women in conjunction with Gender Links</li> <li>· Economic empowerment programme for abused women</li> <li>· 16 days of activism</li> </ul>	<ul style="list-style-type: none"> <li>· Establishment of the Safe House for domestic violence victims</li> <li>· Conducted two women empowerment camps</li> <li>· 16 days of activism</li> </ul>
Initiatives to increase awareness on HIV/AIDS	<ul style="list-style-type: none"> <li>· 1 World Aids Day event</li> </ul>	<ul style="list-style-type: none"> <li>· 1 World Aids Day event</li> </ul>
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	<ul style="list-style-type: none"> <li>· Conducted a drug and safety summit</li> </ul>	<ul style="list-style-type: none"> <li>· Drug awareness campaign with stakeholders</li> </ul>
Special events hosted	<ul style="list-style-type: none"> <li>· National Day for the Aged</li> <li>· Youth Day</li> <li>· World AIDS Day</li> <li>· 16 days of activism against women</li> </ul>	<ul style="list-style-type: none"> <li>· National Day for the Aged</li> <li>· Youth Day</li> <li>· World AIDS Day</li> <li>· 16 days of activism against women</li> </ul>

**b) Human resources**

**TABLE 138 EMPLOYEES: HUMAN DEVELOPMENT**

<b>JOB LEVEL</b>	<b>POSTS</b>	<b>EMPLOYEES</b>	<b>VACANCIES</b>	<b>VACANCIES (%)</b>
01 - 03	0	0	0	0,00%
04 - 08	0	0	0	0,00%
09 - 13	3	3	0	0,00%
14 - 18	1	1	0	0,00%
18 - 20	0	0	0	0,00%

	<b>4</b>	<b>4</b>	<b>0</b>	<b>0,00%</b>
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**c) Financial performance: Capital expenditure**

**TABLE 139 CAPITAL EXPENDITURE 2015/16: HUMAN DEVELOPMENT**

<b>PROJECT</b>	<b>ORIGINAL BUDGET</b>	<b>ADJUSTMENT BUDGET</b>	<b>ACTUAL EXPENDITURE</b>	<b>ORIGINAL BUDGET VARIANCE (%)</b>	<b>ADJUSTMENT BUDGET VARIANCE (%)</b>
Sound system for social upliftment	R 10 000,00	R 4 962,00	R 4 692,00	-113,13%	-5,75%
Vehicle (Thusong)	R 150 000,00	R 150 000,00	R 150 000,00	0,00%	0,00%
Office furniture (Thusong)	R 6 000,00	R 6 000,00	R 5 836,00	-2,81%	-2,81%
Hydro Boil With Installation	R 8 000,00	R 8 000,00	R 7 017,00	-14,01%	-14,01%
Wooden blinds for front office	R 15 000,00	R 15 000,00	R 11 601,00	-29,30%	-29,30%
Photostat Machine	R 10 000,00	R 10 000,00	R 0,00	0,00%	0,00%
Computer (CDW)	R 0,00	R 10 000,00	R 9 741,00	100,00%	-2,66%
<b>Total</b>	<b>R 199 000,00</b>	<b>R 203 962,00</b>	<b>R 188 887,00</b>		

## 3.12 COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: air quality control; biodiversity and landscape; coastal protection. Environmental protection and management entails, inter alia, environmental impact management, ecosystems, sustainable development, and environmental research, state of the environment, environmental education, environmental resource economics, and coastal zone management.

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.

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### 3.12.2 AIR QUALITY CONTROL

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

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

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

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### 3.12.3 BIO-DIVERSITY AND LANDSCAPE

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

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

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.

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#### **3.12.4 COASTAL PROTECTION**

The Cape Agulhas Coast has several large bays of which 43% are sandy beaches, 39% rocky and 18% wave cut rocky 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".

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

## 3.13 COMPONENT F: SAFETY AND SECURITY

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

### 3.13.1 INTRODUCTION TO SAFETY AND SECURITY

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

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

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

### 3.13.2 TRAFFIC SERVICES AND LAW ENFORCEMENT

The purpose of the Traffic and Law Enforcement Service is to ensure the safety and security of everyone in the Cape Agulhas Municipal Area through the provision of efficient 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 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 safe keeping and caring for animals;
  - Protection of the Municipalities councillor's, employees and properties;
  - Ensure crime prevention by detecting and combating crime generators;
  - Community announcements;
  - Promote law and order in municipal area.
- ▲ Licensing
  - Drivers testing and licensing;
  - Vehicle fitness;
  - Motor vehicle registration/licensing;

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

The following table sets out the highlights and challenges of the Traffic and Law Enforcement Department during the financial year.

**TABLE 140 TRAFFIC AND LAW ENFORCEMENT HIGHLIGHTS AND CHALLENGES**

	<b>FOCUS AREA</b>	<b>DESCRIPTION</b>
<b>Highlights</b>	Appointment of EPWP Law Enforcement Officers	<p>14 Unemployed youth with matric were appointed as temporary Law Enforcement Wardens for a period of 24 months, under the auspices of the expanded public works program, (EPWP).</p> <p>Their responsibilities are:</p> <ul style="list-style-type: none"> <li>· Enforcing of by-laws.</li> <li>· Enforcing certain sections of the National Road Traffic Act.</li> <li>· Enforcing the National Building Regulations and Building Standards Act.</li> <li>· Enforcing the Land Use Planning Scheme.</li> <li>· Enforcing the Criminal Act when doing crime prevention.</li> <li>· Visible Policing – “Bobby on the beat” mostly during the day.</li> <li>· Vehicle patrolling - during the night.</li> </ul> <p>The following equipment was received as a donation towards the project:</p> <ul style="list-style-type: none"> <li>· Ten bicycles with the value of R14 000</li> <li>· One Safety Kiosk (mobile office) with the value of R49 000</li> </ul>
	Appointment of additional traffic officers	Two more traffic officers were appointed to the permanent staff which increases the number of operational traffic officers outside to thirteen (13).

	Appointment of an external Traffic Management Technician Service provider.	A three year contract was concluded for Traffic Management Technician Services to render speed control and fine management services including the provision of traffic law enforcement equipment, back office systems and related services.
	Training and skills development	Two administration clerks completed the Examiner of Driver's License Grade A diploma's at Gene Louw Traffic College.
<b>Challenges</b>	Uniforms and health and safety equipment	Uniforms and health and safety equipment are essential to ensure the visibility as well as safety of traffic and Law Enforcement Officers. The cost of this is extremely high and more resources are needed to address this need.
	Staff Shortage	The appointment of more Traffic Officers and Law Enforcement Officers will ensure a safer environment.
	Outdated skills and knowledge of top fleet law enforcement	Ongoing training is needed to ensure consistency in application of applicable legislation.
	Slow accident and incident assistance times.	Limited vehicles sometimes lead to slow response times to complaints and accidents.
	Weak radio communication	Improved vehicle mounted radio communication is need to ensure coverage throughout the Municipal Area.

#### a) Service statistics

**TABLE 141 TRAFFIC SERVICES AND LAW ENFORCEMENT AVAILABILITY**

DETAIL	2014/15	2015/16
Number of Traffic and Law Enforcement Officers in the field on an average day	9	13
Number of Traffic and Law Enforcement Officers on duty on an average day	9	13
Number of EPWP Law Enforcement Officers in the field on an average day	n/a	14
Number of K53 Examiners of Drivers Licenses and Examiners of Vehicles on duty on an average day	1	4

**TABLE 142 TRAFFIC SERVICES AND LAW ENFORCEMENT SERVICE STATISTICS**

SERVICE	DESCRIPTION	2014/15	2015/16
Traffic	Number of road traffic accidents during the year	330	345
	Fines issued for traffic offenses	7 476	25778
	R-value of fines	R 550 680*	R 10 589100**
	Roadblocks held	65	110
	Special Functions – Escorts	49	61
Law enforcement	Awareness initiatives on public safety	8	10
	Number of by-law infringements attended to	506	750
	Animals impounded	107	150
	Number of Animals handled	Not available	1704
Licensing	Motor vehicle licenses processed and registration	19 263	33361
	Learner driver licenses processed and issued	1 028	2491
	Driver licenses processed	6 564	6575
	Driver licenses issued	2 408	2317

\*Actual fines collected. \*\* Fines issued (Reported differently due to iGRAP Requirements)

## b) Human resources

TABLE 143 EMPLOYEES: TRAFFIC AND LAW ENFORCEMENT

JOB LEVEL	POSTS	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	1	1	0	0,00%
04 - 08	3	3	0	0,00%
09 - 13	21	20	1	4,76%
14 - 18	1	1	0	0,00%
18 - 20	0	0	0	0,00%
<b>Total</b>	<b>26</b>	<b>25</b>	<b>1</b>	<b>3,85%</b>

## c) Financial performance: Capital expenditure

TABLE 144 CAPITAL EXPENDITURE 2015/16: TRAFFIC AND LAW ENFORCEMENT

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	ORIGINAL BUDGET VARIANCE (%)	ADJUSTMENT BUDGET VARIANCE (%)
Alcohol Breathalyser Testers	R 8 000,00	R 8 000,00	R 6 498,00	-23,11%	-23,11%
Vehicle: X1 LDV (Animal Control)	R 180 000,00	R 180 000,00	R 180 000,00	0,00%	0,00%
Trailer (Bicycles And Equipment)	R 0,00	R 2 600,00	R 2 600,00	100,00%	0,00%
Vacuum Cleaner	R 0,00	R 3 250,00	R 2 800,00	100,00%	-16,07%
Fridge (Traffic)	R 0,00	R 5 000,00	R 4 079,00	100,00%	-22,58%
Zipples	R 50 000,00	R 50 000,00	R 0,00	0,00%	0,00%
Air conditioners (Traffic)	R 46 000,00	R 37 750,00	R 18 721,00	-145,71%	-101,65%
Office Furniture (Traffic)	R 3 800,00	R 3 020,00	R 3 017,00	-25,95%	-0,10%
Animal Control Unit	R 0,00	R 15 000,00	R 13 434,00	100,00%	-11,66%
Bicycles - Traffic	R 0,00	R 65 890,00	R 65 890,00	100,00%	0,00%
Hand radio's	R 18 400,00	R 30 400,00	R 29 952,00	38,57%	-1,50%
Urn 6l (Traffic)	R 1 050,00	R 990,00	R 982,00	-6,92%	-0,81%
<b>Total</b>	<b>R 307 250,00</b>	<b>R 401 900,00</b>	<b>R 327 973,00</b>		

### 3.13.3 DISASTER MANAGEMENT

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

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

The Municipality revised its Disaster Management Plan on 28 June 2016. The Disaster Management Plan confirms the arrangements for managing disaster risk and for preparing for and responding to disasters within the Cape Agulhas Municipality. It also provides officials, and other role players, with an effective guide as to what their roles and responsibilities are in the event of a disaster and also focuses on prevention of disasters and minimising the impact of hazards which cannot be avoided.

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

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

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

#### a) Service statistics

**TABLE 145 SOCIAL ASSISTANCE PROVISION STATISTICS**

<b>SOCIAL ASSISTANCE DESCRIPTION</b>	<b>2015/16</b>
Total number of families assisted during disasters / incidents	262
Number of people receiving social assistance	11
Number of people receiving assistance with accommodation	1
Number people receiving assistance with structure material after fires	11
Number people receiving assistance with plastic sheeting to mitigate leaking structures	251

### 3.13.4 FIRE SERVICES

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

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

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

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

- ▲ Ensure that the community is trained and informed regarding fire safety;
- ▲ Make fire safety information available to public.

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

### 3.14 COMPONENT G: SPORT AND RECREATION

This component deals with sport and recreation which also includes community parks, sports facilities, community halls and resorts which are collectively managed by the Public Services Department of the Community Services Directorate. The Municipal Area currently has 18 parks with playground equipment, as well as a community park in every ward. There are also Sports Grounds / Fields and Community Halls in every ward as well as Camp Sites / Resorts at Bredasdorp, Arniston, Struisbaai and L'Agulhas. Provision for maintenance and upgrading is budgeted for annually in terms of the maintenance plan but is limited to available funds.

The following table sets out the highlights and challenges of the Sports and Recreation Service during the financial year

**TABLE 146 SPORT AND RECREATION HIGHLIGHTS AND CHALLENGES**

	<b>FOCUS AREA</b>	<b>DESCRIPTION</b>
<b>Highlights</b>	Zwelitsha Sport Grounds	New Soccer field at Zwelitsha – Project is fully completed
	Napier Sport Grounds	Combined soccer / rugby goal posts
	Nelson Mandela Hall	Replacement of the ceiling of Nelson Mandela Hall
<b>Challenges</b>	Shortage of Sport Grounds / Fields to accommodate all sport codes	Possible utilization of MIG funds to create additional sports facilities
	Vandalism	Vandalism is continuously increasing and there is insufficient funding to undertake all the repairs.

#### a) Service statistics

**TABLE 147 SPORT AND RECREATION SERVICE STATISTICS**

<b>TYPE OF SERVICE</b>	<b>2014/15</b>	<b>2015/16</b>
<b>Community parks</b>		
Number of parks with play park equipment	20	18
Number of wards with community parks	5	6
<b>Camp sites / Resorts</b>		
Number of visitors per annum	90 500	95 000
R-value collected from visitation and/or accommodation fees	R 4 989 623.66	R 5 456 369.82
<b>Sport Grounds / Fields</b>		
Number of wards with sport fields	5	6
Number of sport associations utilizing sport fields	18	11
<b>Community halls</b>		
Number of wards with community halls	5	6
Number of sport associations utilizing community halls	11	11
R-value collected from rental of sport halls	R 346 139.18	R 221 602.48

#### b) Human resources

**TABLE 148 EMPLOYEES: SPORT AND RECREATION**

<b>JOB LEVEL</b>	<b>POSTS</b>	<b>EMPLOYEES</b>	<b>VACANCIES</b>	<b>VACANCIES (%)</b>
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01 - 03	16	16	0	0,00%
04 - 08	28	27	1	3,57%
09 - 13	10	9	1	10,00%
14 - 18	1	1	0	0,00%
18 - 20	0	0	0	0,00%
<b>Total</b>	<b>55</b>	<b>53</b>	<b>2</b>	<b>3,64%</b>

**c) Financial performance: Capital expenditure**

**TABLE 149 CAPITAL EXPENDITURE 2015/16: SPORT AND RECREATION**

<b>PROJECT</b>	<b>ORIGINAL BUDGET</b>	<b>ADJUSTMENT BUDGET</b>	<b>ACTUAL EXPENDITURE</b>	<b>ORIGINAL BUDGET VARIANCE (%)</b>	<b>ADJUSTMENT BUDGET VARIANCE (%)</b>
2 x brush cutter	R 14 000,00	R 23 930,00	R 10 735,00	-30,41%	-122,92%
Ms 381 with bar chain	R 7 000,00	R 5 500,00	R 5 434,00	-28,82%	-1,21%
Gate at Struisbaai Resort	R 15 000,00	R 11 700,00	R 11 700,00	-28,21%	0,00%
Furniture at resorts (Suikerbossie, Struisbaai, Agulhas & Arniston)	R 80 000,00	R 80 000,00	R 70 168,00	-14,01%	-14,01%
Blue Flag status	R 0,00	R 176 610,00	R 154 921,00	100,00%	-14,00%
Tile new ablution facilities at Arniston Resort	R 32 620,00	R 25 990,00	R 25 990,00	-25,51%	0,00%
Upgrade of ablution facilities at Old Nostra	R 1 200 000,00	R 1 200 000,00	R 1 098 293,00	-9,26%	-9,26%
<b>Total</b>	<b>R 1 348 620,00</b>	<b>R 1 523 730,00</b>	<b>R 1 377 241,00</b>		

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

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

#### 3.15.1 EXECUTIVE AND COUNCIL

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

##### a) Highlights and challenges

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

**TABLE 150 EXECUTIVE AND COUNCIL HIGHLIGHTS AND CHALLENGES**

	Type	Description
<b>Highlights</b>	Behaviour	Councillors maintain a high standard of ethics. No disciplinary procedures were instituted against any councillor during the financial year.
	Financial conduct	There were no actions instituted in terms of the Financial Misconduct Regulations during the financial year.
	Governance	All reports required in terms of legislation were submitted timeously.
	Service delivery	The stability of Council ensures effective and productive service delivery. The hands-on approach of councillors in terms of their oversight responsibility makes it easy for managers to understand and fulfil their responsibility.
	Public participation	Ward Councillors held quarterly feedback meetings and convened monthly meetings of their ward committees.
<b>Challenges</b>	Ward Committees	The functionality of ward committees needs to be reviewed and communication with ward committees improved.
	IDP and Budget process	The IDP and budgeting process need to be more transparent and better communicated to enhance meaningful participation.
	Municipal election	The uncertainty of the date of the pending municipal election placed a burden on planning processes.

##### b) Human resources

**TABLE 151 EMPLOYEES: EXECUTIVE AND COUNCIL**

JOB LEVEL	POSTS	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	0	0	0	0,00%
04 - 08	5	5	0	0,00%
09 - 13	6	6	0	0,00%
14 - 18	1	1	0	0,00%
18 - 20	0	0	0	0,00%
<b>Total</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>0,00%</b>



c) **Financial performance: Capital expenditure**

TABLE 152 CAPITAL EXPENDITURE 2015/16: EXECUTIVE AND COUNCIL

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	ORIGINAL BUDGET VARIANCE (%)	ADJUSTMENT BUDGET VARIANCE (%)
Gazebo's X2	R 0,00	R 7 800,00	R 7 800,00	100,00%	0,00%
Furniture (Council)	R 0,00	R 8 300,00	R 8 230,00	100,00%	-0,85%
<b>Total</b>	<b>R 0,00</b>	<b>R 16 100,00</b>	<b>R 16 030,00</b>		

### 3.15.2 FINANCIAL SERVICES

a) **Highlights and challenges**

TABLE 153 FINANCE HIGHLIGHTS AND CHALLENGES

	FOCUS AREA	DESCRIPTION
<b>Highlights</b>	Debt collection	The Municipality maintained a good debt collection rate of 100.75%
	Liquidity ratio	The Municipality's liquidity ratio improved from 1.40:1 (Restated Figure) in the previous financial year to 1.71:1 in the 2015/16 financial year to maintain a sound financial position
	Creditor payments	Creditors are being paid within the 30 day limit
	Long term financial viability	A Long Term Financial Plan Strategy with recommended targets was approved by Council in December 2015
	Establishment of a Budget & Treasury Office	A Budget & Treasury Office was established under the control of a Budget & Treasury Office Manager who was appointed in September 2015. Two vacant positions will be filled during the 2016/17 budget year to enhance the capacity within the division to fulfill its role.
<b>Challenges</b>	Manage the Increase in employee related costs	<p>Employee related costs are within the NT norm of between 30 -40% and are an indicator of productivity and / or efficiency within local municipalities. The LTFP proposes a target of 30% for the Municipality to remain financially viable in the long term. The LTFP also recommends a 2% reduction per annum i.t.o. the approved organogram structure and recommends only filling legislative / service delivery orientated positions.</p> <p>Our actual employee costs for the year are 39,55% inclusive of temporary workers funded from the Expanded Public Works Programme Grant, Financial Management Grant, Municipal Infrastructure Grant and internal funded job creation programmes over the festive season which not form part the permanent employee structure. The municipality also implemented TASK from 1 July 2015 which impacted on the increase of employee related costs.</p>

	Decline in reserves	In order to address the decline in reserves the Municipality introduced a mix of other sources of capital funding e.g. borrowing from the financial year under review
	Ensure financial viability	Maintain a debtors collection rate of above 95% and apply cost reduction measures to be more efficient aligned with the LTFP strategy
	Implementation of the Long Term Financial Plan	Development of an implementation plan
	Increasing costs of bulk purchases of electricity from ESKOM coupled with an inability of the Municipality to escalate these cost increases to consumers as a result of NERSA regulations and benchmark guidelines	Ongoing review and update of the current tariff structure for the various services to be more transparent, fair and equitable – provision was made on the 2016/17 financial year to review the current tariff structure.

## b) Human resources

TABLE 154 EMPLOYEES: FINANCE

JOB LEVEL	POSTS	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	0	0	0	0,00%
04 - 08	10	10	0	0,00%
09 - 13	22	22	0	0,00%
14 - 18	4	4	0	0,00%
18 - 20	0	0	0	0,00%
<b>Total</b>	<b>36</b>	<b>36</b>	<b>0</b>	<b>0,00%</b>

## c) Financial performance: Capital expenditure

TABLE 155 CAPITAL EXPENDITURE 2015/16: FINANCE

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	ORIGINAL BUDGET VARIANCE (%)	ADJUSTMENT BUDGET VARIANCE (%)
Furniture: Clerk Services	R 10 000,00	R 10 000,00	R 9 265,00	-7,93%	-7,93%
Stationery Steel Cupboard (X4)	R 6 500,00	R 6 500,00	R 6 200,00	-4,84%	-4,84%
Drawer Filing Cabinet (X3)	R 5 175,00	R 5 175,00	R 4 680,00	-10,58%	-10,58%
High Desk Chair	R 1 000,00	R 1 000,00	R 876,00	-14,16%	-14,16%
Visitor Chairs	R 1 350,00	R 1 350,00	R 1 283,00	-5,22%	-5,22%
Utility Trolley	R 1 800,00	R 1 800,00	R 1 667,00	-7,98%	-7,98%
Desk	R 1 850,00	R 1 850,00	R 1 317,00	-40,47%	-40,47%
<b>Total</b>	<b>R 27 675,00</b>	<b>R 27 675,00</b>	<b>R 25 288,00</b>		

### 3.15.3 HUMAN RESOURCE SERVICES

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

#### a) Highlights and challenges

TABLE 156 HUMAN RESOURCE HIGHLIGHTS AND CHALLENGES

	FOCUS AREA	DESCRIPTION
<b>Highlights</b>	Reduction in vacancy rates	The vacancy rate decreased to 4.41.% as at June 2016,
	Development of a HR Strategy	The Province assisted the Municipality with the development of a HR Strategy which is in draft form and which will be submitted to the Council for approval early in the new year.
	Sick leave	An electronic leave system was implemented to improve management of sick leave and it has played a big role in effectively and efficiently managing sick leave and annual leave. There were challenges in the beginning but through ongoing training and communication, users became familiar with the system.
<b>Challenges</b>	Achievement of employment equity targets	Through training and development initiatives we have created a pool of local internal employees for possible opportunities when there are vacancies. In future we will develop from within as per our training and development target groups, examples being MMC and Public Management courses at Boland College to create a pool of prospective candidates.

#### b) Human resources

TABLE 157 EMPLOYEES: HUMAN RESOURCES

JOB LEVEL	POSTS	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	0	0	0	0,00%
04 - 08	0	0	0	0,00%
09 - 13	9	9	0	0,00%
14 - 18	1	1	0	0,00%
18 - 20	0	0	0	0,00%
<b>Total</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0,00%</b>

#### c) Financial performance: Capital expenditure

None for the 2015/16 financial year.

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### 3.15.4 INFORMATION COMMUNICATION TECHNOLOGY

This year once again we saw a lot of changes happening in the ICT environment of Cape Agulhas Municipality, which in turn created a lot of challenges to accommodate these changes.

#### a) Service statistics

Over the past 5 years the immense growth and need for ICT and ICT services both inside and outside the Municipality, which includes management and information tools as well as systems to service ratepayers and clients, increased dramatically.

**TABLE 158 ICT GROWTH IN SERVICES**

TYPE	% GROWTH	DESCRIPTION
Users has increased	59%	110 to 175 users
Hardware and software	800%	A 2 Server environment grew to a 3 hosted server environment accommodating 15 virtual servers. A disaster recovery site was established hosting a backup and recovery environment for the main site, this includes applications growth in terms of the aforementioned 15 servers.
Phones	73%	150 to 260 phones
Sites	250%	8 to 28 Sites to be supported

Taking this growth into account and systems supporting this growth various measures had to be put in place to ensure the integrity of these systems.

Although maintenance and upkeep of existing infrastructure are important to ensure adequate service delivery, the focus of this financial year was on governance and security of the ICT infrastructure and systems. Five new governance policies were approved and are being implemented which include the following:

- ▲ User access Management Policy
- ▲ Cell phone Policy
- ▲ ICT Service Level Agreement Management Policy - External Service Provider
- ▲ ICT Service Level Agreement Management Policy - ICT and Municipality
- ▲ ICT Operating System Security Controls Policy

The growth of ICT users and therefore the growth in terms of personnel and system utilization, and the physical protection and safeguarding of the physical environment is as important as the governance of these systems and information. We have therefore started focusing on physical security which includes the server environment and the access to buildings of the Municipality. We established a new server room with industry standard conditions hosting all systems of the Municipality with security and backup protocols to safeguard information of both personnel and that of ratepayers.

Furthermore, we rolled out phase one of a two-year project to better manage the Municipal workforce. In the first phase we installed an access control system at all Municipal buildings within the surrounds of the main office in Bredasdorp. In the second phase in the 2016 / 2017 financial year the time and attendance system will be rolled out.

Governance and security systems and processes are one of the key focus areas relating to the ICT Strategy of the Municipality for the next financial year and the ICT Division will strive to provide the best available services to officials and the community in supporting services that are utilized by all stakeholders.

**a) Highlights and challenges**

**TABLE 159 ICT HIGHLIGHTS AND CHALLENGES**

	<b>FOCUS AREA</b>	<b>DESCRIPTION / ACTIONS</b>
<b>Highlights</b>	Server room	Establishment of a new server room added additional security and data integrity to the Municipal ICT Environment
	Access control system	Replacing the older systems ensured that more buildings are being secured in a managed manner.
	Backup generators	The lack of electricity at any given time may negatively affect the Municipalities means to deliver service to the community and ensuring the safe keeping of Municipal Information Systems and data.
<b>Challenges</b>	Growth	An increase of 25% of users has put a strain on the ICT infrastructure and services
	Municipal Corporate Governance of Information and Communication Technology Policy	Although most of these policies has been approved the biggest challenge will be in effectively ensuring implementation and compliance
	mSCOA	Planning and meeting with the relevant stakeholders to ensure that the change process can be done in a manageable manner relating to ICT infrastructure and services

**b) Human resources**

**TABLE 160 EMPLOYEES: ICT**

<b>JOB LEVEL</b>	<b>POSTS</b>	<b>EMPLOYEES</b>	<b>VACANCIES</b>	<b>VACANCIES (%)</b>
01 - 03	0	0	0	0,00%
04 - 08	0	0	0	0,00%
09 - 13	2	1	1	50,00%
14 - 18	1	1	0	0,00%
18 - 20	0	0	0	0,00%
Total	3	2	1	33,33%

**c) Financial performance: Capital expenditure**

**TABLE 161 CAPITAL EXPENDITURE 2015/16: ICT**

<b>PROJECT</b>	<b>ORIGINAL BUDGET</b>	<b>ADJUSTMENT BUDGET</b>	<b>ACTUAL EXPENDITURE</b>	<b>ORIGINAL BUDGET VARIANCE (%)</b>	<b>ADJUSTMENT BUDGET VARIANCE (%)</b>

Ups Nedbank Building	R 113 000,00	R 93 000,00	R 91 667,00	-23,27%	-1,45%
Buildings: Upgrade Of Server Room (FMG Funding)	R 220 000,00	R 121 400,00	R 121 397,00	-81,22%	0,00%
Computer Notebook - Laptops (X5 New)	R 60 000,00	R 60 000,00	R 57 000,00	-5,26%	-5,26%
Time And Attendance (Biometric / Access Control)	R 500 000,00	R 500 000,00	R 500 089,00	0,02%	0,02%
Screens Replacements	R 12 100,00	R 12 100,00	R 11 356,00	-6,55%	-6,55%
Computers - Pc's (Replacement / Upgrade)	R 84 500,00	R 84 500,00	R 81 941,00	-3,12%	-3,12%
Backup Device And HDD	R 60 000,00	R 80 000,00	R 76 109,00	21,17%	-5,11%
Generator	R 0,00	R 50 000,00	R 46 313,00	100,00%	-7,96%
Buildings: Upgrade Of Server Room (MSIG Funding)	R 280 000,00	R 280 000,00	R 280 000,00	0,00%	0,00%
UPS Small (Offices)	R 16 800,00	R 16 800,00	R 16 249,00	-3,39%	-3,39%
Disaster Recovery	R 0,00	R 18 000,00	R 17 994,00	100,00%	-0,03%
Shelves (Server Room)	R 0,00	R 30 000,00	R 25 882,00	100,00%	-15,91%
Switch Poe	R 25 000,00	R 25 000,00	R 22 476,00	-11,23%	-11,23%
SCM Printer Order And Remittance Printers For Creditors Division	R 16 000,00	R 16 000,00	R 15 140,00	-5,68%	-5,68%
Finance Leases	R 0,00	R 144 800,00	R 144 800,00	100,00%	0,00%
Firewall	R 0,00	R 50 000,00	R 50 000,00	100,00%	0,00%
UPS Small (Viop 2 Kva)	R 25 900,00	R 25 900,00	R 24 722,00	-4,76%	-4,76%
Computer - PC's (X9)	R 58 500,00	R 58 500,00	R 56 528,00	-3,49%	-3,49%
Printer Cashiers	R 0,00	R 6 320,00	R 6 315,00	100,00%	-0,08%
<b>Total</b>	<b>R 1 471 800,00</b>	<b>R 1 672 320,00</b>	<b>R 1 645 978,00</b>		

### 3.16 COMPONENT I: DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2016/17

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

TABLE 162 SERVICE DELIVERY PRIORITIES FOR 2016/17: DEVELOPMENT AND REGULAR MAINTENANCE OF BULK INFRASTRUCTURE SUCH AS ROADS, STORMWATER NETWORKS, POTABLE WATER NETWORKS, WASTE WATER TREATMENT PLANTS, LAND AND INTEGRATED HUMAN SETTLEMENTS

REF	KPI	UNIT OF MEASUREMENT	WARDS	ANNUAL TARGET
TL1	Review the Human Settlement Plan and submit to Council by 30 May 2017	Human Settlement Plan reviewed and submitted to Council for approval	All	1
TL2	Complete serviced sites for Phase 1 (300 erven) of the Bredasdorp IRDP Housing project by 30 June 2017	Number of serviced sites	5	300
TL3	Complete serviced sites for Phase 1 of the Struisbaai IRDP Housing project (80 erven) by 30 June 2017	Number of serviced sites	5	80
TL31	Reseal roads within the municipal area as per PMS 2009 by 30 June 2017	Number of square meters resealed	All	30
TL32	95% of the roads and storm water maintenance budget spent by 30 June 2017	% of roads and storm water maintenance budget spent	All	95%
TL33	95% of the roads and storm water capital budget spent by 30 June 2017	% of roads and storm water capital budget spent	All	95%
TL34	95% of the approved project budget spent by 30 June 2017 to upgrade roads in Arniston	% of approved project budget spent	5	95%
TL35	95% of the approved project budget spent by 30 June 2017 to upgrade of roads in Bredasdorp:(Zwelitsha / Sminuye / Bergsig	% of approved project budget spent	3	95%
TL36	Update the Stormwater Master Plan and submit to Council by 30 June 2017	Storm Water Master Plan submitted to Council	All	1
TL37	95% of the refuse removal maintenance budget spent by 30 June	% of refuse removal maintenance budget spent	All	95%
TL38	95% of the approved refuse removal capital budget spent by 30 June	% of refuse removal capital budget spent	All	95%
TL39	95% of the approved project budget spent by 30 June 2017 to	% of approved project budget spent	All	95%

REF	KPI	UNIT OF MEASUREMENT	WARDS	ANNUAL TARGET
	rehabilitate the Bredasdorp Landfill			
TL40	95% of the approved water maintenance budget spent by 30 June 2017	% of water maintenance budget spent	All	95%
TL41	95% of the approved water capital budget spent by 30 June 2017	% of water capital budget spent	All	95%
TL44	Develop a water source for Napier by 30 June 2017	Project completed	1	1
TL45	Update the Water Services Development Plan and submit to Council by 31 May 2017	Updated Water Services Development Plan submitted to Council	All	1
TL46	95% of the approved waste water maintenance budget spent by 30 June 2017	% of waste water maintenance budget spent	All	95%
TL48	Complete the planning processes for the rehabilitation of the Bredasdorp Waste Water Treatment Works by 31 May 2017	Project completed	3; 4; 5	1
TL49	Complete the upgrade of the Thusong Centre by 30 June 2017	Project completed	2	1
TL50	95% of the INEP funds received spent by 30 June 2017 for the electrification of 69 IRDP houses	% of the INEP funds received spent	2	95%

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

**TABLE 163 SERVICE DELIVERY PRIORITIES FOR 2016/17: ESTABLISHING A FUNCTIONAL MUNICIPALITY THAT CAN DELIVER ON THE IDP PRIORITIES, IMPLEMENT POLICIES THAT WILL FACILITATE TRANSFORMATION, EFFECTIVE STAFF STRUCTURE, GENERAL MANAGEMENT PRACTICES AND TRAINING**

REF	KPI	UNIT OF MEASUREMENT	WARDS	ANNUAL TARGET
TL4	Complete the staff area expansion of Bredasdorp Library by 30 June 2017	Bredasdorp Library staff area expansion completed	All	1
TL5	Obtain full Blue Flag status for Duiker Street Beach Struisbaai by 30 November 2016	Full Blue flag status received for Duiker Street Beach Struisbaai	All	1
TL6	Upgrade (new vibercrete wall, parking area paving, upgrade of ablution + kiosk) the Arniston Sport Complex by 30 June 2017	Complete the upgrade of the Arniston Sport Complex	5	1
TL7	Construction of a Cloakroom at Nelson Mandela Hall by 30 June 2017	Cloakroom at Nelson Mandela Hall completed	All	1



REF	KPI	UNIT OF MEASUREMENT	WARDS	ANNUAL TARGET
TL9	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people from employment equity target groups employed in vacancies that arise in the three highest levels of management	All	1
TL10	The percentage of the municipality's operational budget actually spent on implementing its workplace skills plan by 30 June 2017.	% of the operational budget spent on training	All	0.80%
TL11	Limit vacancy rate to less than 10% of budgeted post by 30 June 2017 $\{(Number\ of\ funded\ posts\ vacant / total\ number\ of\ funded\ posts) \times 100\}$	% Vacancy rate	All	10%
TL12	Implement the individual performance and Incentive Policy in respect of year-end and mid-year evaluations of all personnel by 30 September 2016 and 31 March 2017	% of personnel for whom the individual PMS and Incentive Policy was implemented in respect of year end and mid-year evaluations of all personnel	All	100%

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

TABLE 164 SERVICE DELIVERY PRIORITIES FOR 2016/17: PREPARE A BUDGET AND EXERCISE EFFECTIVE ASSET MANAGEMENT OVER THE RESOURCES OF THE MUNICIPALITY

REF	KPI	UNIT OF MEASUREMENT	WARDS	ANNUAL TARGET
TL22	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2017 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% Debt to Revenue	All	45%
TL23	Financial viability measured in terms of the outstanding service debtors as at 30 June 2017 (Total outstanding service debtors/ revenue received for services)	% Service debtors to revenue	All	10%
TL24	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2017 ((Cash and	Cost coverage	All	1

	Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))			
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### 3.16.4 PROMOTE SERVICE EXCELLENCE AND A CORRUPTION FREE ENVIRONMENT

**TABLE 165 SERVICE DELIVERY PRIORITIES FOR 2016/17: PROMOTE SERVICE EXCELLENCE AND A CORRUPTION FREE ENVIRONMENT**

REF	KPI	UNIT OF MEASUREMENT	WARDS	ANNUAL TARGET
TL55	Implement the RBAP for 2016/17 by 30 June 2017 {(Number of audits and tasks completed for the period/ Number of audits and tasks identified in the RBAP )x100}	% of audits and tasks completed in terms of the RBAP	All	85

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

**TABLE 166 SERVICE DELIVERY PRIORITIES FOR 2016/17: PROVISION OF QUALITY BASIC SERVICES SUCH AS WATER, ELECTRICITY, REFUSE REMOVAL AND SANITATION**

REF	KPI	UNIT OF MEASUREMENT	WARDS	ANNUAL TARGET
TL27	Limit unaccounted for electricity to less than 12% by 30 June 2016 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) × 100}	% unaccounted electricity	All	12%
TL28	95% of the electricity maintenance budget spent by 30 June 2017 {(Actual expenditure divided by the total approved maintenance budget) x 100}	% of electricity maintenance budget spent	All	95%
TL29	95% of the electricity capital budget spent by 30 June 2017 {(Actual expenditure divided by the total approved capital budget) x 100} as per individual project plans	% of electricity capital budget spent	All	95%

TL30	Upgrade the streetlights projects in Nuwerus, Struisbaai and Bredasdorp by 30 June 2017	Number of projects completed	All	3
TL42	Limit unaccounted for water to less than 22% by 30 June 2017 {(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	22%
TL43	95% average water quality level obtained as per SANS 241 on micro parameters for all water supply areas	% water quality level obtained	All	95%
TL47	60% waste water discharge quality obtained for Bredasdorp WWTW	% quality of waste water discharge obtained	All	60%

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

**TABLE 167 SERVICE DELIVERY PRIORITIES FOR 2016/17: TO FACILITATE ECONOMIC DEVELOPMENT BY CREATING A CONDUCIVE ENVIRONMENT FOR BUSINESS DEVELOPMENT AND UNLOCK OPPORTUNITIES TO INCREASE PARTICIPATION AMONGST ALL SECTORS OF SOCIETY IN THE MAINSTREAM ECONOMY TO ULTIMATELY CREATE DECENT JOB OPPORTUNITIES**

<b>REF</b>	<b>KPI</b>	<b>UNIT OF MEASUREMENT</b>	<b>WARDS</b>	<b>ANNUAL TARGET</b>
TL8	Create FTE's through government expenditure with the EPWP by 30 June 2017	Number of FTE's created	All	30
TL13	Review the Spatial Development Framework (SDF) of the municipality by 31 March 2017	SDF reviewed	All	1
TL51	Create temporary job opportunities (excl EPWP grant funded) by 30 June 2017	Number of opportunities created	All	510
TL52	Construct an informal trading area in Bredasdorp by 30 June 2017	Informal trading area constructed in Bredasdorp	All	1
TL56	95% of the EPWP training budget spent to create accredited training opportunities for EPWP workers by 30 June 2017 {(Total actual expenditure/total EPWP training budget)x100}	% of EPWP Training budget spent on accredited training	All	95%

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

**TABLE 168 SERVICE DELIVERY PRIORITIES FOR 2016/17:: TO FACILITATE THE HOLISTIC DEVELOPMENT OF PEOPLE, EXPAND THE SAFETY NET FOR VULNERABLE GROUPS AND IMPLEMENT SUSTAINABLE PROGRAMMES TO IMPROVE THEIR LIVELIHOODS**

REF	KPI	UNIT OF MEASUREMENT	WARDS	ANNUAL TARGET
TL14	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2017	Number of residential properties which are billed for water or have pre paid meters	All	8,55
TL15	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2017	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas)	All	8,8
TL16	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2017	Number of residential properties which are billed for sewerage	All	5,9
TL17	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2017	Number of residential properties which are billed for refuse removal	All	9,5
TL18	Provide 6kl free basic water per month to all households during the 2016/17 financial year	Number of HH receiving free basic water	All	8,55
TL19	Provide 50kwh free basic electricity per month per indigent household in terms of the equitable share requirements during the 2016/17 financial year	Number of indigent HH receiving free basic electricity	All	3,26
TL20	Provide free basic sanitation and refuse to indigent households in terms of the equitable share requirements during the 2016/17 financial year	Number of indigent HH receiving free basic sanitation and refuse in terms of Councils indigent policy	All	3,26

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

**TABLE 169 SERVICE DELIVERY PRIORITIES FOR 2016/17: TO IMPLEMENT SOUND FINANCIAL MANAGEMENT SYSTEMS & PROCEDURES THAT WILL ENSURE THE FINANCIAL VIABILITY OF CAPE AGULHAS MUNICIPALITY**

REF	KPI	UNIT OF MEASUREMENT	WARDS	ANNUAL TARGET
TL21	The percentage of the municipality's capital budget actually spent on capital projects by 30 June 2017 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100}	% of the municipal capital budget spent	All	95%
TL25	Achieve a debtors payment percentage of at least 98% by 30 June 2017{(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100}	% debtors payment ratio achieved	All	98%
TL26	Increase the maintenance budget to 6% of the total budget from 2016/17 to 2017/18 financial year {(Total maintenance budget for 2017/18 - Total maintenance budget for 2016/17) / Total maintenance budget for 2016/17] x 100}	% of total maintenance budget increased	All	6%

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

TABLE 170 SERVICE DELIVERY PRIORITIES FOR 2016/17: TO PROVIDE AN ADMINISTRATION THAT ENSURES PUBLIC PARTICIPATION IN A TRANSPARENT AND ACCOUNTABLE WAY AS WELL AS TO PROMOTE INTERGOVERNMENTAL RELATIONS

REF	KPI	UNIT OF MEASUREMENT	WARDS	ANNUAL TARGET
TL53	Draft and final five year IDP for 2017/18 - 2021/22 submitted to Council for adoption by 30 March 2017 and approval by 30 May 2017	Draft and final five year IDP for 2017/18 - 2021/22 submitted to Council	All	2
TL54	Develop a training and orientation plan for new Councillors by 30 September 2016	Training and orientation plan for new Councillors developed and approved	All	1

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

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

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

**TABLE 171 NATIONAL KEY PERFORMANCE INDICATORS: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT**

NATIONAL KEY PERFORMANCE INDICATOR	MUNICIPAL ACHIEVEMENT	
	2014/15	2015/16
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.81	0.42%

#### 4.1.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS AND CHALLENGES

**TABLE 172 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS**

HIGHLIGHT	DESCRIPTION
Full-time appointment of non-permanent contract workers	Contract workers have been permanently appointed in accordance with legislation, which contributes to the addressing of poverty and unemployment.
Skills development	The completion and official opening of the Anene Booysen Skills Centre in partnership with the Construction SETA and Boland College on the 23 July 2016 by the Minister of Department of Higher Education and Training, Minister Dr Blade Nzimande. This centre is already operational and managed by the Boland College and will service the Cape Agulhas Municipal Area as well as the region.
Human Resource Strategy	A Human Resource Strategy Document was completed which included a survey to establish what is expected of people management and identify areas of improvements to strengthen Human Resources as a Department and the Human Resource management of the Municipality. An action plan was compiled to monitor progress.
Reduction in vacancy rates	The vacancy rate decreased to 4.41.% as at June 2016,
Development of a HR Strategy	The Province assisted the Municipality with the development of a HR Strategy which is in draft form and which will be submitted to the Council for approval early in the new year.
Sick leave	An electronic leave system was implemented to improve management of sick leave and it has played a big role in effectively and efficiently managing sick leave and annual leave. There were challenges in the beginning but through ongoing training and communication, users became familiar with the system.

**TABLE 173 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES**

<b>CHALLENGE</b>	<b>ACTION TO ADDRESS</b>
Implementation of the Organisational Design	<p>Cape Agulhas is in the process of introducing new systems to better the effectiveness and efficiency of service delivery and to ensure that employees are capacitated to perform their duties by applying innovative and efficient ways of doing things.</p> <p>Due to budget constraints, we are gradually incorporating the recommendations of the Organizational Redesign exercise done in 2014/15 financial year as per proposed organogram.</p>
Implementation of the Employment Equity Plan	<p>A concerted effort was made to implement the Municipality's Employment Equity Plan and achieve the goals and targets contained therein.</p> <ul style="list-style-type: none"> <li>o The completion of the Job Evaluation process was one of these efforts, which enabled the Municipality to place their workforce, in a scientific well thought through process of determining remuneration at all levels. This process has been ongoing and anticipated by employees for a number of years. Cape Agulhas Municipality implemented its Tuned Assessment of Skills and Knowledge (TASK) in December 2015.</li> <li>o Through training and development initiatives we have created a pool of local internal employees for possible opportunities when there are vacancies. In future we will develop from within as per our training and development target groups, examples being MMC and Public Management courses at Boland College to create a pool of prospective candidates.</li> </ul>

## **4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE**

The Cape Agulhas Municipality currently employs 346 officials (excluding non-permanent employees), who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of the Human Resource Department is to render an innovative human resource service that addresses both human resource development and human resource administration.

Cape Agulhas Municipality embarked on a job creation exercise through the Expanded Public Works Programme (EPWP). The Municipality's target in terms of job opportunities was 174 job opportunities. We overachieved by creating 216 job opportunities to local unemployed persons which translates to 141%.

The Municipality embarked on an extensive training and skills development drive to ensure that there is a pool of skilled and semi-skilled workers internally and externally. This was done through funding received from various Sector Education and Training Authorities (SETA's) namely the Local Government SETA, Energy and Water SETA and the Construction SETA. The construction and opening of the Anene Booysen Skills Centre opened opportunities for technical and administrative training to our officials in various disciplines in terms of both academic and skills training.

## 4.2.1 EMPLOYMENT EQUITY

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

### a) Employment Equity targets

**TABLE 174 2015/16 EMPLOYMENT EQUITY TARGETS/ACTUAL BY RACIAL CLASSIFICATION FOR TOP THREE LEVELS OF MANAGEMENT**

AFRICAN			COLOURED			INDIAN			WHITE		
TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED
3	3	100%	0	0	0	0	0	0	0	0	0

### b) Employment Equity as measured against the population

**TABLE 175 2015/16 EMPLOYMENT EQUITY TARGETS/ACTUAL BY GENDER CLASSIFICATION**

MALE			FEMALE			DISABLED		
TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED
1	1	100%	2	2	100%	5	1	20%

### c) Occupational levels by race

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

**TABLE 176 EE POPULATION 2015/16**

DESCRIPTION	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
Population numbers	1 912 547	2 840 404	60 761	915 053	5 728 765
<b>% Population</b>	33.70	49.60	1.06	15.97	100
Number for positions filled	10	30	0	0	40
<b>Total workforce</b>	54	254	0	38	346
<b>% for Positions filled</b>	<b>18.51%</b>	<b>11.81%</b>	<b>0</b>	<b>0%</b>	<b>30.32%</b>

### d) Departments by race

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

**TABLE 177 OCCUPATIONAL LEVELS (INCLUDES COUNCILLORS)**



OCCUPATIONAL Levels	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Top Management	3	4	0	3	2	2	0	0	14
Senior management		2	0	1	1		0	1	5
Professionally qualified and experienced specialists and mid-management	1	8	0	10	3	3	0	0	25
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	37	0	6	4	37	0	15	104
Semi-skilled and discretionary decision making	11	67	0	3	2	25	0	1	109
Unskilled and defined decision making	20	52	0	0	5	21	0	0	98
<b>Total permanent</b>	<b>40</b>	<b>170</b>	<b>0</b>	<b>23</b>	<b>17</b>	<b>88</b>	<b>0</b>	<b>17</b>	<b>355</b>

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

**TABLE 178 DEPARTMENT – RACE (EXCLUDES COUNCILLORS)**

DEPARTMENT	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager		3		1	1	1		3	9
Corporate Services	3	9		5	5	19		3	44
Financial Services	1	13		3	1	10		7	35
Community Services	8	42		5	8	42		3	108
Technical Services	25	89		3		14		1	132
Electro-Technical Services	2	12		4					18
<b>Grand total</b>	<b>39</b>	<b>168</b>		<b>21</b>	<b>15</b>	<b>86</b>		<b>17</b>	<b>346</b>

#### 4.2.2 VACANCY RATE

The approved organogram for the Municipality had 393 posts for the 2015/16 financial year of which 362 were funded. The vacancy rate at the end of 2015/16 was 7.6% including unfunded posts but only 4.42% excluding unfunded posts. The vacancy rate per post level and functional level are indicated below:

**TABLE 179 ANNUAL VACANCY RATE**

POST LEVEL	PER POST LEVEL	
	FILLED	VACANT
MM & MSA section 57 & 56 (Top Management)	5	0
Senior Management	5	1
Professionally qualified and experienced specialists and middle management	24	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	105	12
Semi-skilled and discretionary decision making	109	2

Unskilled and defined decision making	98	1
<b>Total</b>	<b>346</b>	<b>16</b>
<b>PER FUNCTIONAL LEVEL</b>		
<b>FUNCTIONAL AREA</b>	<b>FILLED</b>	<b>VACANT</b>
Office of the Municipal Manager	9	3
Corporate Services	42	1
Financial Services	35	3
Community Services	110	5
Technical Services	132	2
Electro Technical	18	2
<b>Total</b>	<b>346</b>	<b>16</b>
*Excluding CDW posts		

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

**TABLE 180 VACANCY RATE PER MONTH**

MONTH	TOTAL FUNDED POSTS	FILLED POSTS	VACANCIES	% VACANCY RATE
July 2015	362	316	46	12.98
August 2015	362	317	45	12.43
September 2015	362	319	43	11.87
October 2015	362	317	45	12.43
November 2015	362	331	31	8.56
December 2015	362	342	20	5.52
January 2016	362	343	19	5.54
February 2016	362	346	16	4.42
March 2016	362	345	17	4.70
April 2016	362	343	19	5.24
May 2016	362	342	20	5.52
June 2016	362	346	16	4.42

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

**TABLE 181 VACANCY RATE PER SALARY LEVEL**

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	10	n/a	n/a
Chief Financial Officer	0	1	n/a	n/a
Other Section 57 Managers	0	4	n/a	n/a
Senior management	0	5	n/a	n/a
Highly skilled supervision	0	24	n/a	n/a
<b>Total</b>	<b>0</b>	<b>44</b>		<b>0%</b>

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### 4.2.3 STAFF TURNOVER RATE

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

The staff turnover rate showed an increase from 0.74% in 2014/15 to 6.94% in 2015/16. This is primarily due to a number of retirements and deaths of employees. The table below indicates the staff turnover rate over the last two years:

**TABLE 182: TURNOVER RATE**

FINANCIAL YEAR	TOTAL NUMBER OF APPOINTMENTS AT THE END OF EACH FINANCIAL YEAR	NEW APPOINTMENTS	NUMBER OF TERMINATIONS DURING THE YEAR	STAFF TURNOVER RATE
2014/15	316	47	2	0.74%
2015/16	346	54	24	6.94%

## 4.3 MANAGING THE MUNICIPAL WORKFORCE

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

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### 4.3.1 INJURIES

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

The injury rate shows an increase of 67.5% for the 2015/16 financial year compared to the 2014/15 financial year. This means that 19% of the workforce were injured on duty during the financial year.

The two departments with the highest number of injuries have workers in the field, namely Community Services and Technical Services. There is a decrease in occupational injuries in the Technical Services Department but Community Services has shown a marked increase in the number of occupational injuries.

The Municipality appointed a Health and Safety Officer in terms of the Occupational Health and Safety Act (OHSA), No 85 Of 1993 as well as Health and Safety Representatives to ensure that Cape Agulhas Municipality complies with the legislation. A lot of work has been done since the appointment of the Health and Safety Officer including signage at Municipal Buildings and the installation of first aid boxes. There is also a concerted attempt to create a culture and behaviour of safety within the Municipality. Occupational health and safety also features prominently on the Labour Forum agenda and risk assessment process.

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

**TABLE 183 INJURIES**

<b>DIRECTORATES</b>	<b>2014/15</b>	<b>2015/16</b>
Office of the Municipal Manager	0	0
Corporate Services	1	2
Financial Services	3	2
Community Services	11	22
Technical Services	21	36
Electro-Mechanical Services	4	4
<b>Total</b>	<b>40</b>	<b>67</b>

### 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 2015/16 financial year shows an overall reduction of sick leave by 21.9%. There is an increase in the sick leave of the administrative staff components, but a decrease in technical services when compared with the previous financial year.

The implementation of an electronic leave management system has assisted in ensuring good management of sick leave, as leave is accounted for in areas where it was previously difficult to obtain supporting documentation for leave reconciliations. This has enabled us to identify trends and improve leave management as can be seen by the overall reduction of sick leave by 21.9%.

**TABLE 184 SICK LEAVE**

<b>DEPARTMENT</b>	<b>2014/15</b>	<b>2015/16</b>
Office of the Municipal Manager	30	9
Corporate Services	338	400
Financial Services	350	405
Community Services	867	815
Technical Services	1480	851
Electro (electro mechanic are one Directorate added to Technical Services June 2016)	112	
<b>Total</b>	<b>3177</b>	<b>2480</b>

### 4.3.3 HUMAN RESOURCE POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to management of staff. No policies were reviewed during the 2015/16 financial year because we are still in the implementation phase of the policies that were revised in 2014/15 and earlier. Human Resource policies are reviewed when dictated by legislation or circumstances. The table below shows the Human Resource policies and plans that are approved.

**TABLE 185 HR POLICIES AND PLANS**

<b>POLICY</b>	<b>DATE APPROVED</b>	<b>REVISED</b>
Health, Safety and Environment	28 August 2012	30 September 2014
Overtime and Standard Operating Procedures (SOP)	30 September 2014	n/a
Safety Equipment and Protective Clothes	29 January 2013	30 September 2014
Fleet Management	26 May 2015	n/a
Induction and Orientation	26 May 2015	n/a
Outside / Private Work	26 May 2015	n/a
Probationary Period	26 May 2015	n/a
Leave Policy	30 September 2014	26 May 2015
Reward and Recognition	26 May 2015	n/a

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

#### **4.3.4 EMPLOYEE PERFORMANCE REWARDS**

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

- ▲ 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 performance after all performance evaluations were dealt with:

**TABLE 186 TABLE 1. PERFORMANCE REWARDS**

<b>RACE</b>	<b>GENDER</b>	<b>NUMBER OF BENEFICIARIES</b>	<b>TOTAL NUMBER OF EMPLOYEES RECEIVED PERFORMANCE REWARDS</b>	<b>% EMPLOYEES RECEIVED PERFORMANCE REWARDS</b>
African	Female	0	0	0
	Male	2	2	40
Asian	Female	0	0	0
	Male	0	0	0
Coloured	Female	0	0	0
	Male	2	2	40
White	Female	0	0	0
	Male	1	1	20
Disability	Female	0	0	0
	Male	0	0	0
<b>Total</b>		<b>5</b>	<b>5</b>	<b>100</b>

## 4.4 CAPACITATING THE MUNICIPAL WORKFORCE

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

### 4.4.1 SKILLS MATRIX

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

TABLE 187 SKILLS MATRIX

MANAGEMENT LEVEL	GENDER	NUMBER OF EMPLOYEES IDENTIFIED FOR TRAINING AT START OF THE YEAR	NUMBER OF EMPLOYEES THAT RECEIVED TRAINING
MM and S57	Female	0	0
	Male	5	4
Legislators, senior officials and managers	Female	2	2
	Male	8	7
Associate professionals and Technicians	Female	2	17
	Male	3	38
Professionals	Female	7	8
	Male	4	3
Clerks	Female	22	19
	Male	8	8
Service and sales workers	Female	5	9
	Male	10	11
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	0	11
	Male	12	12
Elementary occupations	Female	9	3
	Male	55	48
Sub total	Female	47	69
	Male	105	131
<b>Total</b>		<b>152</b>	<b>200</b>

### 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.

**TABLE 188 SKILLS DEVELOPMENT**

OCCUPATIONAL CATEGORY	GENDER	EMPLOYEE COUNT	LEARNERSHIP			SKILLS			OTHER			TOTAL ACTUAL	TOTAL TARGET
			ACTUAL PREVIOUS	ACTUAL CURRENT	TARGET	ACTUAL PREVIOUS	TARGET CURRENT	TARGET	ACTUAL PREVIOUS	TARGET CURRENT	TARGET		
MM and S57	Female	0	0	0	0	0	0	0	0	0	0	0	0
	Male	5	0	0	0	0	5	0	0	0	0	0	0
Councillors	Female	4	0	0	0	0	0	0	0	0	0	0	0
	Male	5	0	0	0	0	0	0	0	0	0	0	0
Managers	Female	6	0	0	0	6	2	0	0	0	0	0	0
	Male	15	0	0	0	4	3	0	0	0	0	0	0
Professionals	Female	14	0	0	0	4	8	0	0	0	0	0	0
	Male	11	0	0	0	6	3	0	0	0	0	0	0
Technicians and Trade workers	Female	1	0	0	0	0	2	0	0	0	0	0	0
	Male	25	0	0	0	0	8	0	0	0	0	0	0
Community and Personal Service Workers	Female	0	0	0	0	0	0	0	0	0	0	0	0
	Male	2	0	0	0	0	0	0	0	0	0	0	0
Clerical and Administrative workers	Female	65	0	0	0	8	38	0	0	0	0	0	0
	Male	19	0	0	0	5	17	0	0	0	0	0	0
Sales Service workers	Female	14	0	0	0	2	11	0	0	0	0	0	0
	Male	12	0	0	0	0	1	0	0	0	0	0	0
Machinery operators and drivers	Female	0	0	0	0	0	1	0	0	0	0	0	0
	Male	34	0	0	0	5	12	0	0	0	0	0	0
Elementary	Female	33	0	0	0	5	3	0	0	0	0	0	0
	Male	112	0	0	0	47	48	0	0	0	0	0	0

#### 4.4.3 SKILLS DEVELOPMENT – BUDGET ALLOCATION

An amount of R1 088 848.00 of the allocated budget of R1 438 000.00 was spent on training. A further R634 446.96 was also received from the Sector Education and Training Authority (SETA). All planned skills training was done and we utilised the funding received from the SETA to provide OHS, plumbing, roads construction, client services and computer training.

TABLE 189 BUDGET ALLOCATED AND SPENT FOR SKILLS DEVELOPMENT

TOTAL OPERATIONAL BUDGET	TOTAL ALLOCATED	TOTAL SPENT	% SPEND
R 257 854 210.00	1 438 000.00	R1 088 848.00	0.42%

#### 4.5 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

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

##### 4.5.1 PERSONNEL EXPENDITURE

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

TABLE 190 TOTAL PERSONNEL EXPENDITURE

FINANCIAL YEAR	TOTAL EXPENDITURE SALARY AND ALLOWANCES R'000	TOTAL OPERATING EXPENDITURE R'000	PERCENTAGE %
2014/15	81 687	233 335	35.01
2015/16	98 052	247 930	39.55

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 vacant positions, as well as the effort made during the year to reduce the vacancy rate.

TABLE 191 DETAIL OF PERSONNEL EXPENDITURE

FINANCIAL YEAR	2014/15	2015/16		
DESCRIPTION	ACTUAL R'000	ORIGINAL BUDGET R'000	ADJUSTED BUDGET R'000	ACTUAL R'000
<b>Councillors (Political Office Bearers plus Other)</b>				
Salary	2 119	2 302	2 302	2 218



Pension contributions	333	345	345	353
Medical aid contributions	0	0	0	0
Motor vehicle allowance	812	874	874	854
Cell phone allowance	188	239	239	199
<b>Sub Total</b>	<b>3 452</b>	<b>3 760</b>	<b>3 760</b>	<b>3 624</b>
<b>% increase/ (decrease)</b>	<b>4.98</b>			
Basic salaries and wages	3 838	4 094	4 137	4 167
Pension and medical aid and UIF contributions	881	960	932	959
Motor vehicle allowance	503	416	364	328
Cell phone allowance	0	0	12	42
Housing allowance	0	0	0	0
Performance bonus	513	629	629	785
Other benefits or allowances	125	80	81	68
<b>Sub Total</b>	<b>5 860</b>	<b>6 179</b>	<b>6 155</b>	<b>6 349</b>
<b>% increase/ (decrease)</b>	<b>20.2</b>			
Basic salaries and wages	48 358	57 383	59 019	52306
Pension and UIF contributions	7 770	10 066	10 363	7770
Medical aid contributions	2 543	2 557	2 451	2543
Motor vehicle allowance	4 006	4 172	4 223	4006
Cell phone allowance	0	237	237	208
Housing allowance	428	542	1 275	428
Overtime	3 093	2 434	3 361	3093
Performance bonus	0	0	0	0
Other benefits or allowances	5 472	7 039	7 745	5472
<b>Sub Total</b>	<b>71 670</b>	<b>84 430</b>	<b>88 674</b>	<b>75 826</b>
<b>Total Municipality</b>	<b>80 982</b>	<b>94 369</b>	<b>92 434</b>	<b>85 138</b>
<b>Total managers and staff</b>	<b>77 531</b>	<b>90 609</b>	<b>94 829</b>	<b>81 686</b>

#### 4.6 MFMA COMPETENCIES

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

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

The plan of action dated 29 August 2012 sent to Treasury (special merit cases), has been achieved over and above the requirement. Our first group of 26 completed their training in

January 2013 and the second group of 21 completed their training in July 2014. A third group started in September 2014 and a fourth group in April 2015 that are not part of special merit cases, and mainly comprise newly appointed officials, interns and non-financial officers.

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

**TABLE 192 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))
<b>Financial Officials</b>						
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	36	0	36	19	0	19
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units	1	0	1	1	0	1
Supply chain management senior managers	0	0	0	1	0	0
<b>TOTAL</b>	<b>42</b>	<b>0</b>	<b>42</b>	<b>25</b>	<b>5</b>	<b>25</b>

### 5.1 INTRODUCTION AND OVERVIEW BY THE CHIEF FINANCIAL OFFICER

The Cape Agulhas Municipality strives to provide affordable, quality and sustainable services according to its legislative mandate and was rated amongst the best performing municipalities in the country in terms of the “Municipal IQ release on the most Productive Municipality and Good Governance Africa’s research on performance for the past two financial years

The 2015 Medium Term Budget Policy Statement stated that the global economic outlook has been weaker than anticipated. The depreciation of the Rand, the current draught gripping many parts of the country and the persistent high unemployment rate remains one of South Africa’s most pressing challenges with the associated risk of higher inflation.

Due to the global economic challenges and the ripple effect it might have on local government to deliver in terms of its mandate, the Municipality finds itself under severe pressure to do more with less resources and seek supplementary funding from the National fiscus in an effort to protect the poor from the worst impacts of the economic downturn. The result is that the Municipality has been forced to reprioritise expenditure and implement stringent cost containment measures aligned with National Treasury directives and the Municipality’s Long Term Financial Plan targets. Notwithstanding the negative impact on revenue streams the Municipality continues to maintain a high debt collection rate and has demonstrated the ability to spend on key service delivery areas according to its Service Delivery and Budget Implementation Plan.

The development of infrastructure and other related projects in the year under review was successful in that most of the projects have been completed timeously with the exception of the development of a Revenue Enhancement Strategy and the purchase of a Rotating Broom to be completed early in the new financial year.

The Municipality’s financial position is very finely balanced and as a result the potential revenue needs to be correctly priced / collected whilst expenditure needs to be carefully managed within the Municipality’s financial capacity.

Cash and investments have drastically decreased over the past financial years and it is crucial to build up the liquidity profile of the Municipality by maintaining a credit score of A. This can only be done by managing credit risk factors such as collection levels, liquidity levels and operational management. The Long Term Financial Plan assessment indicates that the Municipality can only afford a 10-year capital investment programme of approximately R317 million. The demand exceeds this amount by R571 million and a clear prioritisation of future infrastructure projects must be undertaken by the Municipality. It is therefore imperative to develop a consolidated municipal infrastructure plan including a long term capital expenditure budget which must be updated annually with the latest information on asset replacement or provision of new infrastructure.

Despite the many challenges and obstacles the Cape Agulhas Municipality manages to improve its financial position through efficiency and sound financial practices to deliver on its

constitutional and developmental mandate as can be seen from the Municipality's Community Wealth (CRR and Unappropriated Surplus) which has increased from approximately R306,46 million to R310,90 million for the financial year under review mainly due to increased revenue not anticipated and cost containment measures implemented.

#### a) Operating results

The Municipality has achieved an operating surplus to the amount of R4,436 million. The positive results are mainly due to the disposal of identified properties not budgeted and savings realized in respect of bulk purchases – electricity, consultancy and other expenditure. The operating results for the year ended 30 June 2016 are as follows:

**TABLE 193 FINANCIAL OVERVIEW 2015/16**

DETAILS	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
<b>Income</b>			
Grants - Operational	30,289,850	36,912,559	36,456,206
Grants - Capital	13,464,150	13,902,794	13,929,863
Taxes, Levies and tariffs	175,472,400	175,010,030	175,199,130
Other	16,778,730	23,435,831	26,781,598
<b>Sub Total</b>	<b>236,005,130</b>	<b>249,261,214</b>	<b>252,366,797</b>
<b>Less: Expenditure</b>	236,596,669	257,854,210	247,930,233
<b>Net Total*</b>	<b>(591,539)</b>	<b>(8,592,996)</b>	<b>4,436,563</b>

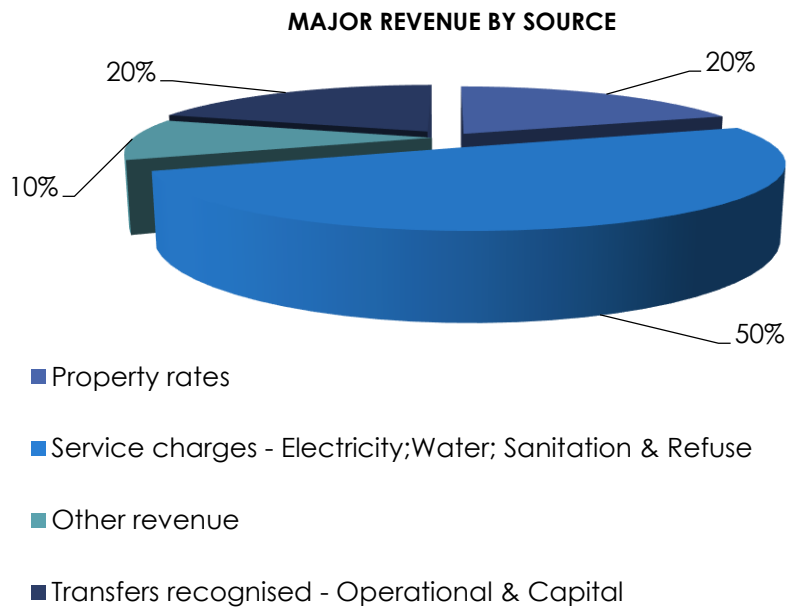
Council's performance, when compared to the budget, must be seen in the context of conservative budgeting practices and the application of strict expenditure control measures aligned with the municipality's budget and virement policy.

#### ▲ 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

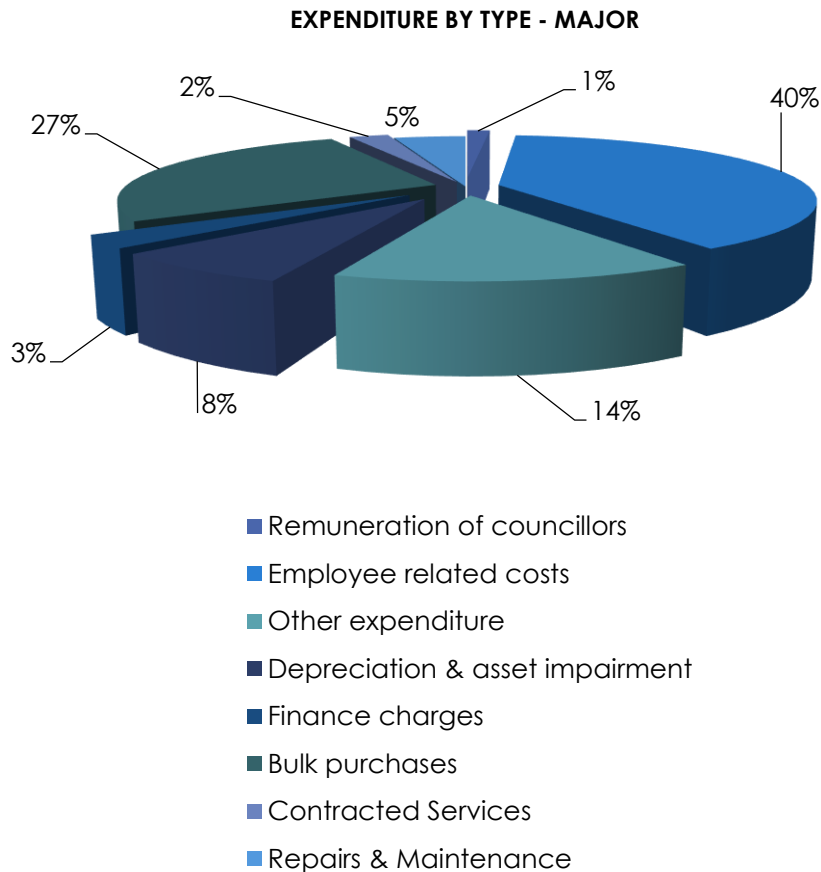
FIGURE 13 OPERATING REVENUE



The main sources of revenue (70%) are received by way of property rates and service charges (Own Funding) whilst 20% is received from grants & subsidies in terms of the Division of Revenue Act (DoRA). Conditional grant allocations from Government and other sources are only recognized as revenue to the extent that there has been compliance with the conditions associated with such amounts received.

▲ **Operating Expenditure**

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



**b) OPERATING RATIO'S**

**TABLE 194 OPERATING RATIOS**

<b>RATIOS</b>	
Employee cost (Excl. Councillor Remuneration)	39.55%
Bulk purchases	26.84%
Repairs & maintenance	4.52%
Finance charges	3.08%
Depreciation and debt impairment	7.65%

The Municipality's employee cost ratio of 39.55% (Excl. Councillors Remuneration) is considered high compared to the norm of 25%-40% set by National Treasury. The Long Term Financial Plan identifies employee costs as one of the key challenges for the Municipality that must be addressed in order to ensure future financial sustainability.

General maintenance costs are 4.52% and are less than the National Treasury norm of 8%. The Long Term Financial Plan Strategy target for maintenance and repairs is 6% for the 2016/17 budget year, to remedy the deviation from the norm. The amount spent on repairs and maintenance mainly covers asset infrastructure maintenance, support contracts for systems, equipment maintenance and other related services.

Finance charges increased by R2.91 million compared to the previous financial year due to an increase in the provision for the rehabilitation of landfill sites and post-retirement medical benefits applied in terms of the general recognized accounting practices. The Depreciation /

debt impairment increased by R3,64 million compared to the previous financial year mainly due to the increase in debt impairment for traffic fines as a result of the increased revenue.

### c) Appropriations ( Accumulated Surplus / Deficit)

Appropriations for the year amount to a net inflow of R8,686 million which can mainly be attributed to:

o Net surplus for the year	R4,436,563
o Transfer to capital replacement reserve	(R 446,261)
o Property, plant and equipment purchased	R4,696,261

### d) Capital expenditure

**TABLE 195 TOTAL CAPITAL EXPENDITURE: 2015/16**

FUNDING SOURCE	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
Grants & Subsidies	13,464,150	13,167,009	13,196,731
Public Contributions	-	743,583	799,022
Borrowing	2,930,000	3,074,800	2,573,190
Internally Funding - CRR	5,297,265	5,679,025	4,696,261
<b>Capital Expenditure</b>	<b>21,691,415</b>	<b>22,664,417</b>	<b>21,265,204</b>

Actual expenditure incurred on fixed assets represents an efficiency rate of 93, 83% mainly due to savings realized versus the budgeted amounts. Projects not implemented amounted to R708 889 or 3,13% of the total capital budget and an amount of R348 889 has been rolled over for implementation in the 2016/17 budget year in respect of Zipless -Traffic Department and the Rotating Broom under Streets & Storm water.

### e) Conditional Government Grants

Except for the Provincial Finance Management Support Grant and the Skills Development Grant (SETA) all other conditional grants were utilised in compliance with DoRA with a 100% expenditure rate for the financial year under review. The two unspent conditional grants have been rolled over to the new financial year for the finalization of the Revenue Enhancement Strategy and payment of study bursaries for unemployed youth to the value of R278k. Unspent grants at financial year end are fully cash backed as defined in the Municipality's accounting policy

### f) External Borrowings

The Municipality has external loans to the total amount of R2, 64 million from the Development Bank of Southern Africa and ABSA Bank as well as a finance lease for the rental of printers / photocopier machines to the value of R730k. An amount of R3, 37 million reflects as outstanding as at 30 June 2016 in terms of the external loan and finance lease liability agreements. Some financial ratios relevant to external borrowings are:

	<b>2014/15</b>	<b>2015/16</b>
Interest Bearing Debt to Own Revenue (Excluding Grants)	0.80%	1.66%

Although the ratio for external gearing remained low at 1,66% compared to the National Treasury norm of 45% the potential for Cape Agulhas' to borrow remains limited to 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 it has put measures in place in terms of the Long Term Financial Plan to address the declining cash position of the Municipality over the recent years.

**g) Cash and Investments**

The Municipality's cash and investments of R14,38 million reflect a decrease of R4,45 million compared to the previous financial year. The Municipality currently does not have adequate cash available to cover its operating requirements in accordance with National Treasury's norm of a three month average operational expenditure cash coverage of at least three months. At the moment the ratio reflects cost coverage of less than one month at 0,79 which has been identified as a risk to be mitigated. The Long Term Financial Plan contains recommendation on how to improve the Municipality's cash position which need to be implemented.

**h) Outstanding Receivables**

The total outstanding receivables increased by R9,46 million compares to the previous financial year mainly due to the sale of properties to the value of R5,14 million and the increase of unpaid traffic fines to the amount of R3,15 million. The reported debtor payment ratio of 100.75% is above the National Treasury norm of 95% for the financial year under review. The Long Term Financial Plan target is a debt collection rate of above 97%, which must be maintained for the Municipality to remain financially viable.

**i) Outstanding Payables**

The decrease of outstanding payables to the amount of R6,03 million can mainly be attributed to the fact that most of the creditors were paid at financial year end where the work was completed to the satisfaction of the Municipality irrespective of the due date on the invoice which allowed for 30 days to make payment. Unspent government grants reflect an increase of 62,03% to the amount of R106 000.00 compared to the previous financial year. The total value of unspent grants is R278 000.00 which is regarded as insignificant. Some financial ratios relevant to payables are:

<b>Creditor management</b>	<b>2014/15</b>	<b>2015/16</b>
Creditors system efficiency	100%	100%

A trademark of the Municipality is its commitment and ability to fully settle its creditors' accounts within the required terms of 30 days or as per applicable legislative requirement. This statement is supported by the constant 100% payment levels to creditors.



**j) Ratio Analysis / Benchmarks**

Financial viability and sustainability is one of the key performance areas of the Municipality as set out 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.

The Liquidity ratio increased from 1.40:1 in 2014/15 to 1.71:1 for the financial year under review which is mainly due to an increase in consumer debtors' which constitute 60% of current assets. The Municipality performed above the National Treasury norm of 1.5:1 and slightly under the Long Term Financial Plan Strategy target ratio of 2, 00:1.

<b>Liquidity</b>	<b>2014/15</b>	<b>2015/16</b>
Liquidity - Current Ratio	1,40:1	1,71: 1

**k) Conclusion**

Despite the worst economy climate experienced in this moment of time, the Municipality could still manage to sustain its healthy financial position and in some instances even improved compared to the previous financial year's ratio indicators. Based on the above mentioned information the financial position of the Municipality remains good although its cash position needs to improve for it to remain financially viable. The Municipality has a good ability to repay its debt in the short to medium term.

## 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 indicates the summary of the financial performance for the 2015/16 financial year:

TABLE 196 SUMMARY OF FINANCIAL PERFORMANCE

DESCRIPTION	2014/15	2015/16		2015/16 VARIANCE		
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	ORIGINAL BUDGET	ADJUST- MENTS BUDGET
	R'000			%		
<b>Financial Performance</b>						
Property rates	42 895	49 956	49 899	49 931	-0,05	0,06
Service charges	109 436	125 516	125 111	125 268	-0,20	0,13
Investment revenue	1 849	1 970	1 970	1 907	-3,31	-3,31
Transfers recognised - operational	50 234	30 990	36 913	36 456	14,99	-1,25
Other own revenue	15 674	14 109	21 466	24 809	43,13	13,48
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>220 088</b>	<b>222 541</b>	<b>235 358</b>	<b>238 371</b>	<b>6,64</b>	<b>1,26</b>
Employee costs	81 687	90 608	94 828	98 052	7,59	3,29
Remuneration of councillors	3 452	3 760	3 760	3 625	-3,73	-3,73
Depreciation & asset impairment	10 128	9 789	11 269	10 742	8,87	-4,90
Finance charges	4 731	2 883	7 682	7 636	62,24	-0,60
*Materials and bulk purchases	57 447	72 802	70 052	66 551	-9,39	-5,26
Transfers and grants	1 266	1 539	1 619	1 491	-3,20	-8,56
Other expenditure	74 624	55 214	68 645	59 833	7,72	-14,73
<b>Total Expenditure</b>	<b>233 335</b>	<b>236 597</b>	<b>257 854</b>	<b>247 930</b>	<b>4,57</b>	<b>-4,00</b>
<b>Surplus/(Deficit)</b>	<b>(13 248)</b>	<b>(14 056)</b>	<b>(22 496)</b>	<b>(9 559)</b>	<b>-47,05</b>	<b>-135,35</b>
Transfers recognised - capital	17 856	13 464	13 167	13 197	-2,03	0,23
Contributions recognised - capital & contributed assets			735,783	799		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>4 608</b>	<b>(592)</b>	<b>(8 593)</b>	<b>4 437</b>	<b>113,33</b>	<b>293,66</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>						
Transfers recognised - capital	17 856	13 464	13 167	13 197	-2,03	0,23
Public contributions & donations			744	799		
Borrowing	880	2 930	3 075	2 573	-13,87	-19,49
Internally generated funds	41 020	5 297	5 679	4 696	-12,80	-20,93
<b>Total sources of capital funds</b>	<b>59 755</b>	<b>21 691</b>	<b>22 664</b>	<b>21 265</b>	<b>-2,00</b>	<b>-6,58</b>
<b>Financial position</b>						
Total current assets	39 988	24 722	43 986	45 027	45,09	2,31
Total non-current assets	396 745	361 359	427 230	402 795	10,29	-6,07
Total current liabilities	28 652	22 454	33 488	26 365	14,83	-27,02
Total non-current liabilities	101 623	71 767	131 736	110 490	35,05	-19,23
Community wealth/Equity	306 459	291 860	305 992	310 966	6,14	1,60
<b>Cash flows</b>						

Net cash from (used) operating	19 933	8 418	10 930	9 922	15,17	-10,15
Net cash from (used) investing	(22 383)	(21 685)	(22 118)	(16 402)	-32,21	-34,85
Net cash from (used) financing	(123)	2 724	2 329	2 030	-34,22	-14,76
<b>Cash/cash equivalents at the year end</b>	<b>(2 573)</b>	<b>(10 543)</b>	<b>(8 859)</b>	<b>(4 450)</b>	<b>-136,91</b>	<b>-99,06</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	12 726	6 108	18 834	18 834	67,57	0,00
Application of cash and investments						
<b>Balance - surplus (shortfall)</b>	<b>12 726</b>	<b>6 108</b>	<b>18 834</b>	<b>18 834</b>	<b>67,57</b>	<b>0,00</b>
<b>Asset management</b>						
Asset register summary (WDV)		344 178	357 112		-	-
Depreciation & asset impairment	9 320	8 289	11 269	10 742	22,83	-4,90
Renewal of Existing Assets		8 745	9 212	8 501	-2,87	-8,37
Repairs and Maintenance	12 868	10 911	12 346	11 294	3,39	-9,32
<b>Free services</b>						
Cost of Free Basic Services provided	-	7 520	7 925	8 008	6,09	1,03
Revenue cost of free services provided	-	-	-	-	-	-
<b>Households below minimum service level</b>						
Water:	1	1	1	1	0,00	0,00
Sanitation/sewerage:	1	1	1	1	0,00	0,00
Energy:	1	1	1	1	0,00	0,00
Refuse:	1	1	1	1	0,00	0,00
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						
<i>Bulk purchases are inclusive of internal water usage to the amount of R498,904 and Internal electricity usage to the amount of R3,655,613.</i>						

The table below shows a summary of performance against budgets for the 2015/16 financial year:

**TABLE 197 PERFORMANCE AGAINST BUDGETS**

FINANCIAL YEAR	REVENUE (R'000)				OPERATING EXPENDITURE (R'000)			
	BUDGET	ACTUAL	DIFF.	%	BUDGET	ACTUAL	DIFF.	%
2014/15	230 104	237 944	7 840	3	245 689	233 335	12 354	5
2015/16	249 261	252 367	3 106	1	257 854	247 930	9 924	4

## 5.2.1 REVENUE COLLECTION BY VOTE

The table below indicates the revenue collection performance by vote for the 2015/16 financial year:

**TABLE 198 REVENUE BY VOTE**

VOTE DESCRIPTION	2014/15	2015/16			2015/16 VARIANCE	
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	ORIGINAL BUDGET	ADJUSTMENTS BUDGET
	R'000				%	
Vote 1 - Executive & Council	12 873	13 309	13 218	13 252	-0,43	0,26

Vote 2 - Budget & Treasury	48 012	55 423	56 446	60 456	8,33	6,63
Vote 3 - Corporate Services	2 910	1 951	2 013	1 322	-47,50	-52,19
Vote 4 - Community & Public Safety	41 824	16 696	28 130	27 333	38,92	-2,91
Vote 5 - Civil Engineering Services	43 811	46 740	46 740	48 212	3,05	3,05
Vote 6 - Electro-technical Services	77 394	89 511	90 247	89 128	-0,43	-1,26
Vote 7 - Other	11 119	12 376	12 468	12 664	2,28	1,54
<b>Total Revenue by Vote</b>	<b>237 943</b>	<b>236 005</b>	<b>249 261</b>	<b>252 367</b>	6,48	1,23
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

## 5.2.2 REVENUE COLLECTION BY SOURCE

The table below indicates the revenue collection performance by source for the 2015/16 financial year:

**TABLE 199 REVENUE BY SOURCE**

DESCRIPTION	2014/15	2015/16		2015/16 Variance		
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	ORIGINAL BUDGET	ADJUST- MENTS BUDGET
		R'000		%		
Property rates	42 895	49 956	49 899	49 931	-0,05	0,06
Property rates - penalties & collection charges						
Service Charges - electricity revenue	74 633	86 845	89 765	85 551	-1,51	-4,93
Service Charges - water revenue	19 004	20 408	19 132	19 424	-5,07	1,50
Service Charges - sanitation revenue	6 508	6 687	7 368	8 152	17,97	9,62
Service Charges - refuse revenue	9 290	11 576	11 846	12 142	4,66	2,43
Service Charges - other					-	-
Rentals of facilities and equipment	5 981	6 680	6 680	6 405	-4,29	-4,29
Interest earned - external investments	1 849	1 970	1 970	1 907	-3,31	-3,31
Interest earned - outstanding debtors	996	800	800	1 169	31,55	31,55
Dividends received						
Fines	3 049	1 836	8 651	7 308	74,88	-18,38
Licences and permits	1 077	880	880	1 019	13,63	13,63
Agency services	1 382	1 309	1 309	1 520	13,94	13,94
Transfers recognised - operational	50 234	30 990	36 913	36 456	14,99	-1,25
Other revenue	3 189	2 605	3 097	3 756	30,64	17,54
Gains on disposal of PPE		-	50	3 632	100,00	98,62
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>220 087,574</b>	<b>222 540,980</b>	<b>238 358,420</b>	<b>238 370,393</b>	<b>6,64</b>	<b>0,01</b>
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

## 5.2.3 OPERATIONAL SERVICES PERFORMANCE

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

TABLE 200 OPERATIONAL SERVICES PERFORMANCE

DESCRIPTION	2014/15		2015/16		2015/16 VARIANCE	
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	ORIGINAL BUDGET	ADJUST- MENTS BUDGET
	R'000			%		
<b>Operating Cost</b>						
Water	6 340	8 578	6 881	7 505	-14,30	8,32
Waste Water (Sanitation)	1 473	2 390	688	1 610	-48,42	57,26
Electricity	11 407	7 958	10 042	(67 397)	111,81	114,90
Waste Management	1 726	2 562	(581)	420	-510,26	238,29
Housing	(17)	(1 343)	(1 368)	(1 225)	-9,61	-11,72
<b>Component A: sub-total</b>	<b>20 928</b>	<b>20 146</b>	<b>15 662</b>	<b>(59 086)</b>	<b>134,10</b>	<b>126,51</b>
Roads and Stormwater	(11 654)	(11 532)	(12 347)	(11 622)	0,78	-6,23
Transport						
<b>Component B: sub-total</b>	<b>(11 654)</b>	<b>(11 532)</b>	<b>(12 347)</b>	<b>(11 622)</b>	<b>0,78</b>	<b>-6,23</b>
Planning	(2 574)	(4 535)	(4 354)	(4 205)	-7,87	-3,56
Local Economic Development						
<b>Component C: sub-total</b>	<b>(2 574)</b>	<b>(4 535)</b>	<b>(4 354)</b>	<b>(4 205)</b>	<b>-7,87</b>	<b>-3,56</b>
Libraries	1 267	139	230	172	19,22	-33,69
Social services & community development	-	(1 275)	(1 284)	(1 277)	0,16	-0,51
<b>Component D: sub-total</b>	<b>1 267</b>	<b>(1 136)</b>	<b>(1 054)</b>	<b>(1 105)</b>	<b>-2,81</b>	<b>4,66</b>
Environmental Protection (POLLUTION CONTROL, BIO-DIVERSITY, LANDSCAPE, OPEN SPACES, PARKS, AND COASTAL PROTECTION)	(346)	(445)	(622)	(622)	28,48	0,00
<b>Component E: sub-total</b>	<b>(346)</b>	<b>(445)</b>	<b>(622)</b>	<b>(622)</b>	<b>28,48</b>	<b>0,00</b>
Traffic & licensing	(3 599)	(4 244)	(88)	(431)	-883,81	79,49
Fire Serices and Disaster Management						
<b>Component F: sub-total</b>	<b>(3 599)</b>	<b>(4 244)</b>	<b>(88)</b>	<b>(431)</b>	<b>-883,81</b>	<b>79,49</b>
Holiday Resorts and Campsites	753	416	139	114	-264,02	-21,72
Swimming Pools, Stadiums and Sport Ground	(542)	(3 803)	(3 608)	(3 747)	-1,49	3,71
Community halls, facilities, Thusong centres	(2 929)	(1 275)	(1 284)	(1 277)	0,16	-0,51
<b>Component G: sub-total</b>	<b>(2 718)</b>	<b>(4 663)</b>	<b>(4 753)</b>	<b>(4 910)</b>	<b>5,05</b>	<b>3,21</b>
Financial Services	16 328	24 203	18 157	22 212	-8,97	18,25
Office of the MM	(6 658)	(2 415)	(2 423)	(2 372)	-1,81	-2,15
Administration	(11 150)	(1 917)	(1 708)	(1 722)	-11,29	0,81
HR	(4 397)	(5 045)	(5 180)	(5 049)	0,09	-2,60
<b>Component H: sub-total</b>	<b>(5 876)</b>	<b>14 826</b>	<b>8 845</b>	<b>13 068</b>	<b>-13,46</b>	<b>32,31</b>
<b>Total Expenditure</b>	<b>(4 572)</b>	<b>8 417</b>	<b>1 290</b>	<b>(68 914)</b>	<b>112,21</b>	<b>101,87</b>

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

## 5.3 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

### 5.3.1 WATER SERVICES

TABLE 201 FINANCIAL PERFORMANCE: WATER SERVICES

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				
<b>Total Operational Revenue</b>	<b>20 690</b>	<b>21 853</b>	<b>21 853</b>	<b>22 384</b>	<b>2,37</b>
<b>Expenditure:</b>					
Employees	6 723	7 011	7 838	7 944	11,75
Repairs and Maintenance	1 689	1 343	2 422	2 011	33,20
Other	5 938	4 921	4 712	4 924	0,07
<b>Total Operational Expenditure</b>	<b>14 349</b>	<b>13 274</b>	<b>14 972</b>	<b>14 879</b>	<b>10,78</b>
<b>Net Operational (Service)</b>	<b>6 340</b>	<b>8 578</b>	<b>6 881</b>	<b>7 505</b>	<b>-14,30</b>

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

### 5.3.2 WASTE WATER (SANITATION)

TABLE 202 FINANCIAL PERFORMANCE: WASTE WATER (SANITATION) SERVICES

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				
<b>Total Operational Revenue</b>	<b>9 769</b>	<b>9 577</b>	<b>9 577</b>	<b>10 459</b>	<b>8,44</b>
<b>Expenditure:</b>					
Employees	3 672	4 017	4 737	4 451	9,75
Repairs and Maintenance	897	810	850	798	-1,47
Other	3 728	2 360	3 303	3 600	34,45
<b>Total Operational Expenditure</b>	<b>8 297</b>	<b>7 187</b>	<b>8 889</b>	<b>8 849</b>	<b>18,78</b>
<b>Net Operational (Service)</b>	<b>1 473</b>	<b>2 390</b>	<b>688</b>	<b>1 610</b>	<b>-48,42</b>

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

### 5.3.3 ELECTRICITY

TABLE 203 FINANCIAL PERFORMANCE: ELECTRICITY

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				
<b>Total Operational Revenue</b>	<b>77 394</b>	<b>89 511</b>	<b>90 247</b>	<b>8 928</b>	<b>-902,62</b>
<b>Expenditure:</b>					
Employees	4 900	5 922	6 528	6 001	1,32
Repairs and Maintenance	775	1 170	1 170	1 027	-13,87
Other	60 312	74 461	72 507	69 296	-7,45
<b>Total Operational Expenditure</b>	<b>65 987</b>	<b>81 553</b>	<b>80 204</b>	<b>76 324</b>	<b>-6,85</b>
<b>Net Operational (Service)</b>	<b>11 407</b>	<b>7 958</b>	<b>10 042</b>	<b>(67 397)</b>	<b>111,81</b>

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

### 5.3.4 WASTE MANAGEMENT

TABLE 204 FINANCIAL PERFORMANCE: WASTE MANAGEMENT

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
<b>Total Operational Revenue</b>	<b>13 352</b>	<b>15 311</b>	<b>15 311</b>	<b>15 369</b>	<b>0,38</b>
<b>Expenditure:</b>					
Employees	4 334	4 493	4 261	5 195	13,51
Repairs and Maintenance	1 823	1 094	1 587	1 516	27,85
Other	5 469	7 162	10 043	8 239	13,07
<b>Total Operational Expenditure</b>	<b>11 626</b>	<b>12 749</b>	<b>15 891</b>	<b>14 949</b>	<b>14,72</b>
<b>Net Operational (Service)</b>	<b>1 726</b>	<b>2 562</b>	<b>(581)</b>	<b>420</b>	<b>-510,26</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

### 5.3.5 ROADS AND STORMWATER

TABLE 205 FINANCIAL PERFORMANCE: ROADS AND STORMWATER

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
<b>Total Operational Revenue</b>	<b>96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditure:</b>					
Employees	5 493	6 674	7 294	6 779	1,56
Repairs and Maintenance	2 225	1 875	1 969	1 764	-6,31
Other	4 033	2 983	3 084	3 079	3,12
<b>Total Operational Expenditure</b>	<b>11 751</b>	<b>11 532</b>	<b>12 347</b>	<b>11 622</b>	<b>0,78</b>
<b>Net Operational (Service)</b>	<b>(11 654)</b>	<b>(11 532)</b>	<b>(12 347)</b>	<b>(11 622)</b>	<b>0,78</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

### 5.3.6 LIBRARIES

TABLE 206 FINANCIAL PERFORMANCE: LIBRARIES

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
<b>Total Operational Revenue</b>	<b>5 150</b>	<b>4 335</b>	<b>4 335</b>	<b>4 347</b>	<b>0,29</b>
<b>Expenditure:</b>					
Employees	3 432	2 975	2 799	3 762	20,91
Repairs and Maintenance	47	30	30	15	-100,45
Other	404	1 190	1 275	398	-198,83
<b>Total Operational Expenditure</b>	<b>3 883</b>	<b>4 195</b>	<b>4 104</b>	<b>4 175</b>	<b>-0,49</b>
<b>Net Operational (Service)</b>	<b>1 267</b>	<b>139</b>	<b>230</b>	<b>172</b>	<b>19,22</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

### 5.3.7 ENVIRONMENTAL PROTECTION

TABLE 207 FINANCIAL PERFORMANCE: ENVIRONMENTAL PROTECTION

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
<b>Total Operational Revenue</b>	-	-	-	-	
<b>Expenditure:</b>					
Employees	258	336	513	506	33,59
Repairs and Maintenance	7	16	16	10	-60,77
Other	81	93	93	107	12,29
<b>Total Operational Expenditure</b>	<b>346</b>	<b>445</b>	<b>622</b>	<b>622</b>	<b>28,48</b>
<b>Net Operational (Service)</b>	<b>(346)</b>	<b>(445)</b>	<b>(622)</b>	<b>(622)</b>	<b>28,48</b>

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

### 5.3.8 SOCIAL SERVICES AND COMMUNITY DEVELOPMENT

TABLE 208 FINANCIAL PERFORMANCE: SOCIAL SERVICES AND COMMUNITY DEVELOPMENT

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
<b>Total Operational Revenue</b>		<b>391</b>	<b>387</b>	<b>482</b>	<b>18,95</b>
<b>Expenditure:</b>					
Employees		1 229	1 251	1 521	19,20
Repairs and Maintenance		4	4	2	-61,96
Other		434	416	236	-83,48
<b>Total Operational Expenditure</b>	<b>-</b>	<b>1 666</b>	<b>1 671</b>	<b>1 760</b>	<b>5,31</b>
<b>Net Operational (Service)</b>	<b>-</b>	<b>(1 275)</b>	<b>(1 284)</b>	<b>(1 277)</b>	<b>0,16</b>

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

### 5.3.9 TRAFFIC AND LAW ENFORCEMENT

TABLE 209 PERFORMANCE: TRAFFIC AND LAW ENFORCEMENT

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
<b>Total Operational Revenue</b>	<b>5 306</b>	<b>3 999</b>	<b>10 814</b>	<b>9 878</b>	<b>59,52</b>
<b>Expenditure:</b>					
Employees	6 016	6 266	5 924	5 956	-5,21
Repairs and Maintenance	184	118	118	53	-122,65
Other	2 705	1 858	4 860	4 301	56,79
<b>Total Operational Expenditure</b>	<b>8 905</b>	<b>8 243</b>	<b>10 902</b>	<b>10 310</b>	<b>20,05</b>
<b>Net Operational (Service)</b>	<b>(3 599)</b>	<b>(4 244)</b>	<b>(88)</b>	<b>(431)</b>	<b>-883,81</b>

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



### 5.3.10 HOLIDAY RESORTS AND CAMPSITES

TABLE 210 FINANCIAL PERFORMANCE: HOLIDAY RESORTS AND CAMPSITES

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
<b>Total Operational Revenue</b>	<b>4 993</b>	<b>5 396</b>	<b>5 345</b>	<b>5 456</b>	<b>1,12</b>
<b>Expenditure:</b>					
Employees	2 656	2 921	3 153	3 995	26,87
Repairs and Maintenance	552	698	640	615	-13,42
Other	1 032	1 360	1 413	732	-85,83
<b>Total Operational Expenditure</b>	<b>4 239</b>	<b>4 980</b>	<b>5 206</b>	<b>5 342</b>	<b>6,79</b>
<b>Net Operational (Service)</b>	<b>753</b>	<b>416</b>	<b>139</b>	<b>114</b>	<b>-264,02</b>

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

### 5.3.11 SWIMMING POOLS AND SPORT GROUNDS

TABLE 211 FINANCIAL PERFORMANCE: SWIMMING POOLS AND SPORT GROUNDS

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
<b>Total Operational Revenue</b>	<b>17</b>	<b>20</b>	<b>220</b>	<b>222</b>	<b>91,16</b>
<b>Expenditure:</b>					
Employees	469	2 864	2 499	3 088	7,26
Repairs and Maintenance	60	321	479	483	33,53
Other	29	638	850	399	-60,20
<b>Total Operational Expenditure</b>	<b>559</b>	<b>3 823</b>	<b>3 828</b>	<b>3 969</b>	<b>3,68</b>
<b>Net Operational (Service)</b>	<b>(542)</b>	<b>(3 803)</b>	<b>(3 608)</b>	<b>(3 747)</b>	<b>-1,49</b>

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

### 5.3.12 COMMUNITY FACILITIES AND THUSONG CENTRES

TABLE 212 FINANCIAL PERFORMANCE: COMMUNITY FACILITIES AND THUSONG CENTRES

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
<b>Total Operational Revenue</b>	<b>443</b>	<b>391</b>	<b>387</b>	<b>482</b>	<b>18,95</b>
<b>Expenditure:</b>					
Employees	2 432	1 229	1 251	1 521	19,20
Repairs and Maintenance	308	4	4	2	-61,96
Other	632	434	416	236	-83,48
<b>Total Operational Expenditure</b>	<b>3 372</b>	<b>1 666</b>	<b>1 671</b>	<b>1 760</b>	<b>5,31</b>
<b>Net Operational (Service)</b>	<b>(2 929)</b>	<b>(1 275)</b>	<b>(1 284)</b>	<b>(1 277)</b>	<b>0,16</b>

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

### 5.3.13 OFFICE OF THE MUNICIPAL MANAGER

TABLE 213 FINANCIAL PERFORMANCE: OFFICE OF THE MUNICIPAL MANAGER

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
<b>Total Operational Revenue</b>	<b>764</b>				
<b>Expenditure:</b>					
Employees	3 428	1 928	1 926	2 016	4,33
Repairs and Maintenance	0	2	2	-	-
Other	3 994	486	496	357	-36,11
<b>Total Operational Expenditure</b>	<b>7 422</b>	<b>2 415</b>	<b>2 423</b>	<b>2 372</b>	<b>-1,81</b>
<b>Net Operational (Service)</b>	<b>(6 658)</b>	<b>(2 415)</b>	<b>(2 423)</b>	<b>(2 372)</b>	<b>-1,81</b>

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

### 5.3.14 ADMINISTRATION

TABLE 214 FINANCIAL PERFORMANCE: ADMINISTRATION

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
<b>Total Operational Revenue</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditure:</b>					
Employees	7 291	1 651	1 435	1 477	-11,75
Repairs and Maintenance	27	4	4	-	-
Other	3 863	262	269	245	-6,83
<b>Total Operational Expenditure</b>	<b>11 181</b>	<b>1 917</b>	<b>1 708</b>	<b>1 722</b>	<b>-11,29</b>
<b>Net Operational (Service)</b>	<b>(11 150)</b>	<b>(1 917)</b>	<b>(1 708)</b>	<b>(1 722)</b>	<b>-11,29</b>

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

### 5.3.15 HUMAN RESOURCES

TABLE 215 FINANCIAL PERFORMANCE: HUMAN RESOURCES

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
<b>Total Operational Revenue</b>	<b>1 956</b>	<b>700</b>	<b>762</b>	<b>428</b>	<b>-63,64</b>
<b>Expenditure:</b>					
Employees	2 610	3 213	3 441	3 896	17,55
Repairs and Maintenance	0	3	3	-	-
Other	3 742	2 530	2 499	1 581	-60,02
<b>Total Operational Expenditure</b>	<b>6 352</b>	<b>5 745</b>	<b>5 942</b>	<b>5 477</b>	<b>-4,89</b>
<b>Net Operational (Service)</b>	<b>(4 397)</b>	<b>(5 045)</b>	<b>(5 180)</b>	<b>(5 049)</b>	<b>0,09</b>

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

### 5.3.16 FINANCIAL SERVICES

TABLE 216 FINANCIAL PERFORMANCE: FINANCIAL SERVICES

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
<b>Total Operational Revenue</b>	<b>48 012</b>	<b>55 423</b>	<b>56 446</b>	<b>60 456</b>	<b>8,33</b>
<b>Expenditure:</b>					
Employees	14 041	16 972	16 886	16 888	-0,50
Repairs and Maintenance	559	989	989	940	-5,24
Other	17 084	13 258	20 413	20 416	35,06
<b>Total Operational Expenditure</b>	<b>31 684</b>	<b>31 219</b>	<b>38 288</b>	<b>38 244</b>	<b>18,37</b>
<b>Net Operational (Service)</b>	<b>16 328</b>	<b>24 203</b>	<b>18 157</b>	<b>22 212</b>	<b>-8,97</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

## 5.4 GRANTS

### 5.4.1 GRANT PERFORMANCE

The Municipality received a total amount of R49 760 000.00 in grants from the National and Provincial Governments during the 2015/16 financial year for infrastructure development and other projects.

TABLE 217 GRANT PERFORMANCE

DESCRIPTION	2014/15	2015/16			2015/16 VARIANCE	
	ACTUAL (AUDITED OUTCOME)	BUDGET	ADJUST- MENTS BUDGET	ACTUAL	ORIGINAL BUDGET	ADJUST- MENTS BUDGET
	R'000			%		
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>36 043</b>	<b>37 343</b>	<b>37 343</b>	<b>37 343</b>	<b>0,00</b>	<b>0,00</b>
Equitable Share	19 386	20 679	20 679	20 679	0,00	0,00
Financial Management Grant	1 450	1 450	1 450	1 450	0,00	0,00
Municipal Systems Improvement Grant	934	930	930	930	0,00	0,00
Municipal Infrastructure Grant	10 532	10 787	10 787	10 787	0,00	0,00
Expanded Public Works Program	1 120	1 000	1 000	1 000	0,00	0,00
Integrated National Electricity program	2 000	2 000	2 000	2 000	0,00	0,00
Seta Eise (Opleiding)	621	497	497	497	0,00	0,00
<b>Provincial Government:</b>	<b>25 280</b>	<b>6 892</b>	<b>12 417</b>	<b>12 417</b>	<b>44,50</b>	<b>0,00</b>
Library Grant	4 373	4 270	4 270	4 270	0,00	0,00
Thusong Centre	222	211	211	211	0,00	0,00
Housing	20 575	2 300	6 669	6 669	65,51	0,00
Subsidie PAWK	57	57	57	57	0,00	0,00
CDW Grant	52	54	54	54	0,00	0,00
FMG Provincial	-	-	857	857	100,00	0,00

Municipal Infrastructure Support grant	-	-	300	300	100,00	0,00
Prov Contribution acceleration of housing	-	-	-	-	-	-
RDP Housing - Electricity	-	-	-	-	-	-
Proclaimed Roads	-	-	-	-	-	-
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operating Transfers and Grants</b>	<b>61 323</b>	<b>44 234</b>	<b>49 760</b>	<b>49 760</b>	<b>11,10</b>	<b>0,00</b>

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

#### 5.4.2 CONDITIONAL GRANTS: EXCLUDING MIG

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

TABLE 218 CONDITIONAL GRANT (EXCL. MIG)

DETAILS	2014/15	2015/16			2015/16 VARIANCE	
	ACTUAL	BUDGET	ADJUST- MENTS BUDGET	ACTUAL	VARIANCE	
	ACTUAL (AUDITED OUTCOME)				BUDGET	ADJUST- MENTS BUDGET
	R'000				%	
Equitable Share	19 386	20 679	20 679	20 679	0,00	0,00
Financial Management Grant	1 450	1 450	1 450	1 450	0,00	0,00
Municipal Systems Improvement Grant	934	930	930	930	0,00	0,00
Municipal Infrastructure Grant	10 532	10 787	10 787	10 787	0,00	0,00
Expanded Public Works Program	1 120	1 000	1 000	1 000	0,00	0,00
Integrated National Electricity program	2 000	2 000	2 000	2 000	0,00	0,00
Seta Eise (Opleiding)	621	497	497	497	0,00	0,00
Library Grant	4 373	4 270	4 270	4 270	0,00	0,00
Thusong Centre	222	211	211	211	0,00	0,00
Housing	20 575	2 300	6 669	6 669	65,51	0,00
Subsidie PAWK	57	57	57	57	0,00	0,00
CDW Grant	52	54	54	54	0,00	0,00
FMG Provincial		-	857	857	100,00	0,00
Municipal Infrastructure Support grant		-	300	300	100,00	0,00
<b>Total</b>	<b>61 323</b>	<b>44 234</b>	<b>49 760</b>	<b>49 760</b>	<b>11,10</b>	<b>0,00</b>

\* 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 this report. Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.

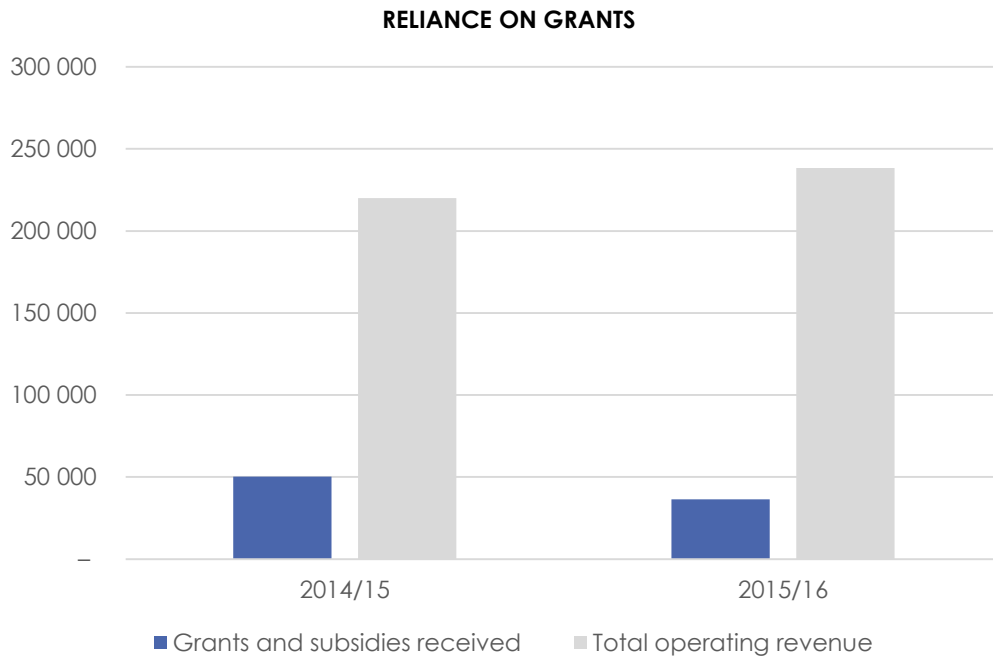
#### 5.4.3 LEVEL OF RELIANCE ON GRANTS & SUBSIDIES

TABLE 219 RELIANCE ON GRANTS

FINANCIAL YEAR	TOTAL GRANTS AND SUBSIDIES RECEIVED	TOTAL OPERATING REVENUE	PERCENTAGE
	R'000		%
2014/15	50 234	220 088	22,82
2015/16	36 456	238 370	15,29

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

**FIGURE 14 GRANTS AND SUBSIDIES RECEIVED COMPARED TO THE TOTAL OPERATING REVENUE**



## 5.5 REPAIRS AND MAINTENANCE

Repair and maintenance expenditure is used for the repair and maintenance of the Municipality's infrastructure, buildings and vehicles

**TABLE 220 REPAIRS AND MAINTENANCE EXPENDITURE**

DESCRIPTION	2014/15	2015/16			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	BUDGET VARIANCE
		R' 000			
Repairs and Maintenance Expenditure	12 868	10 911	12 365	11 194	-9,47

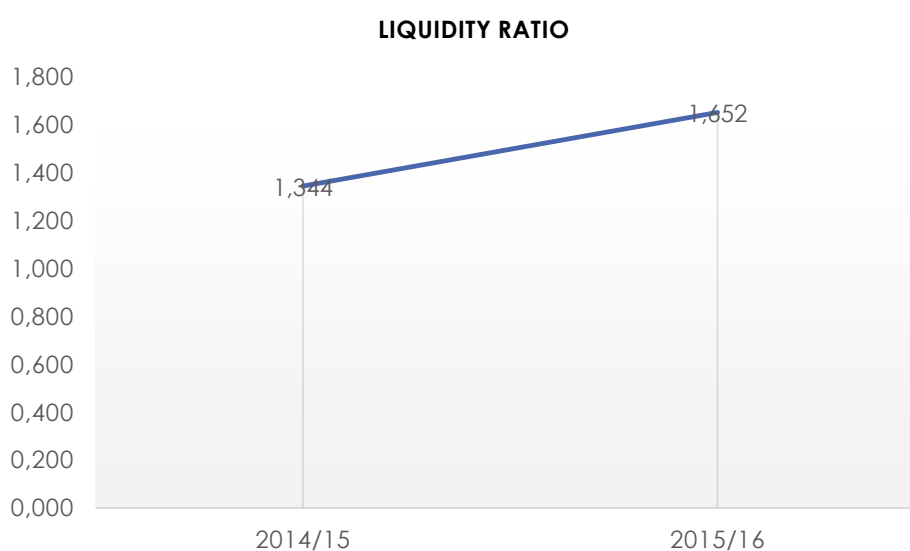
## 5.6 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

### 5.6.1 LIQUIDITY RATIO

TABLE 221 LIQUIDITY FINANCIAL RATIO

DESCRIPTION	BASIS OF CALCULATION	2014/15	2015/16
		AUDITED OUTCOME	PRE-AUDIT OUTCOME
Current Ratio	Current assets/current liabilities	1,396	1,708
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,192	1,399
Liquidity Ratio	Monetary Assets/Current Liabilities	1,344	1,652

FIGURE 15 LIQUIDITY RATIO

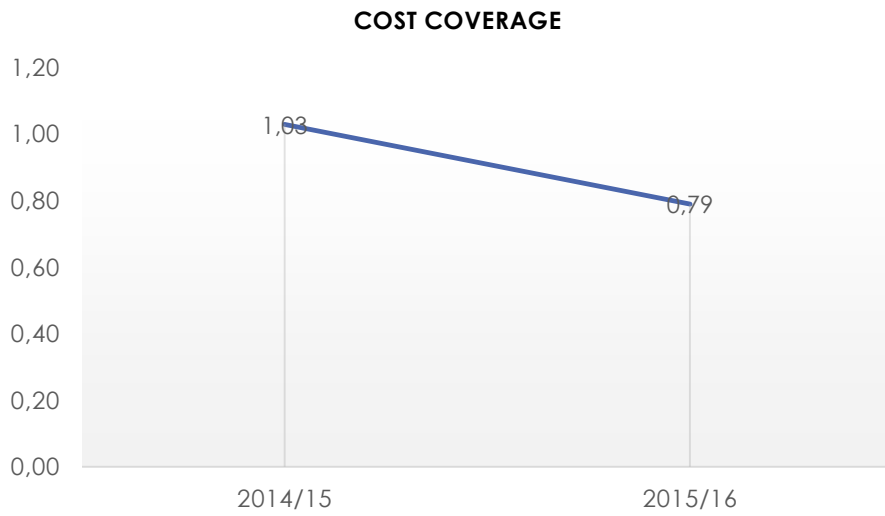


### 5.6.2 NATIONAL FINANCIAL VIABILITY INDICATORS

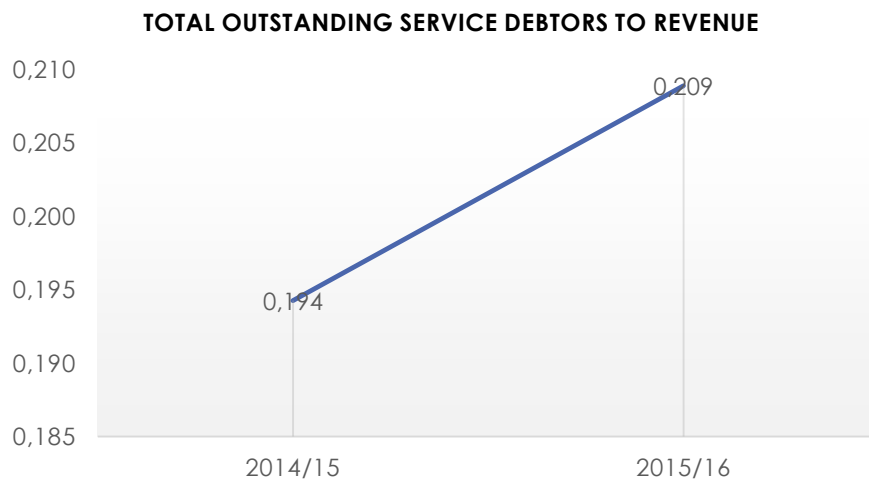
TABLE 222 NATIONAL FINANCIAL VIABILITY KPI's

DESCRIPTION	BASIS OF CALCULATION	2014/15	2015/16
		AUDITED OUTCOME	PRE-AUDIT OUTCOME
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.03	0.79
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0,194	0,209
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	328,55	232,06

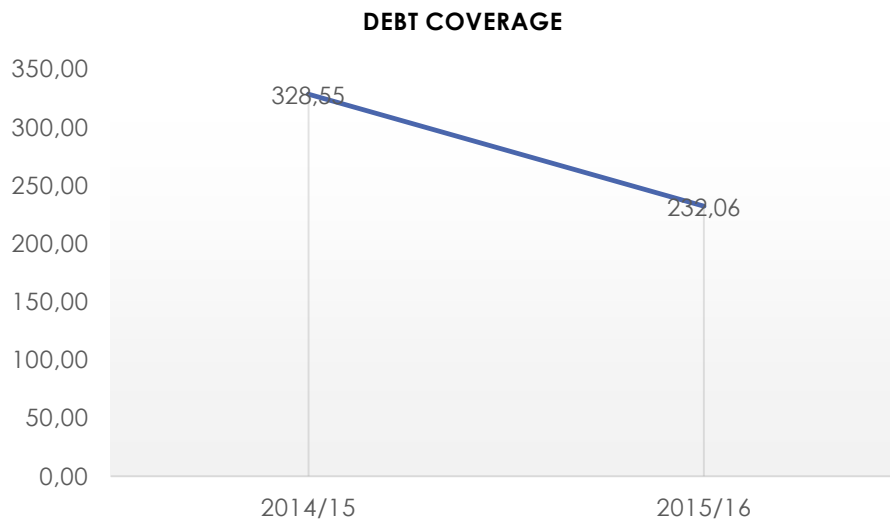
**FIGURE 16 COST COVERAGE**



**FIGURE 17 OUTSTANDING SERVICE DEBTORS**



**FIGURE 18 DEBT COVERAGE**

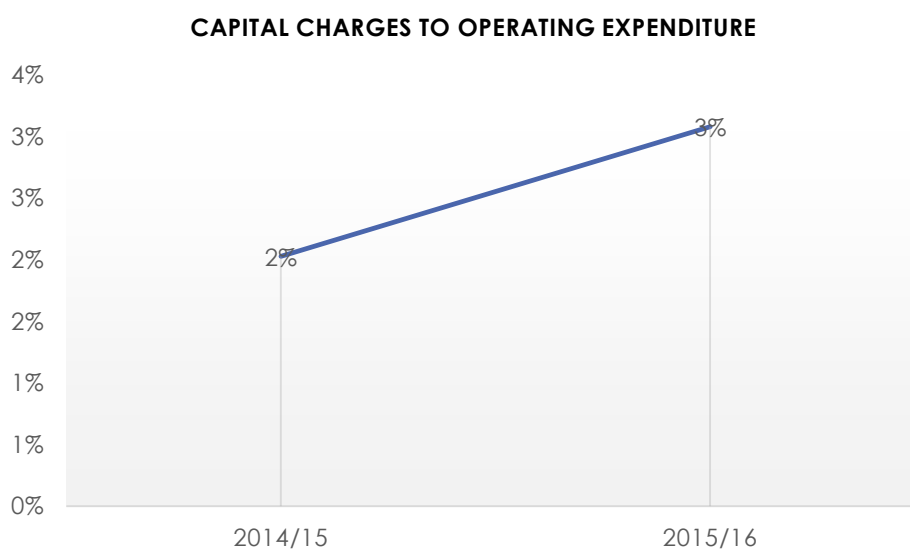


### 5.6.3 BORROWING MANAGEMENT

TABLE 223 BORROWING MANAGEMENT

DESCRIPTION	BASIS OF CALCULATION	2014/15	2015/16
		AUDITED OUTCOME	PRE-AUDIT OUTCOME
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2%	3%

FIGURE 19 BORROWING MANAGEMENT



### 5.6.4 EMPLOYEE COSTS

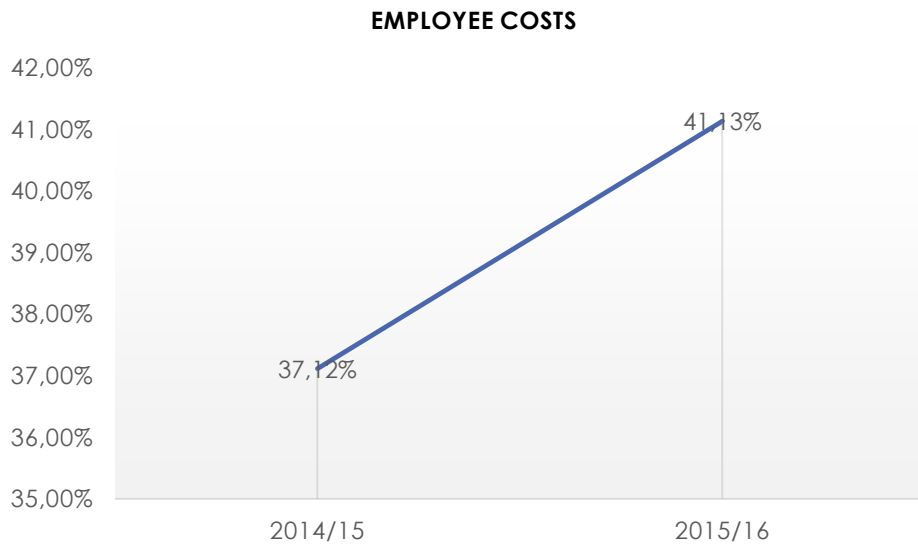
TABLE 224 EMPLOYEE COSTS

DESCRIPTION	BASIS OF CALCULATION	2014/15	2015/16
		AUDITED OUTCOME	PRE-AUDIT OUTCOME
Employee costs	Employee costs/(Total Revenue - capital revenue)	37,12%	39,55% (41,13%*)

\*Includes Councillors



FIGURE 20 EMPLOYEE COSTS



## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.7 CAPITAL EXPENDITURE BY NEW ASSET PROGRAM

TABLE 225 CAPITAL EXPENDITURE BY NEW ASSET PROGRAM

DESCRIPTION	2014/15	2015/16			PLANNED CAPITAL EXPENDITURE		
	AUDITED OUTCOME	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	2016/17	2017/18	2018/19
<b>R'000</b>							
<b>Capital expenditure by Asset Class</b>							
<b>INFRASTRUCTURE - TOTAL</b>	<b>5 822</b>	<b>5 661</b>	<b>5 936</b>	<b>5 822</b>	<b>5 027</b>	<b>12 540</b>	<b>4 100</b>
<b>Infrastructure: Road transport - Total</b>	<b>2 659</b>	<b>2 921</b>	<b>2 637</b>	<b>2 659</b>	<b>1 300</b>	<b>850</b>	<b>-</b>
Roads, Pavements & Bridges	2 659	2 921	2 637	2 659	1 300	850	
Storm water	-	-	-	-	-	-	-
<b>Infrastructure: Electricity - Total</b>	<b>3 123</b>	<b>2 300</b>	<b>2 859</b>	<b>2 924</b>	<b>1 200</b>	<b>2 100</b>	<b>2 100</b>
Transmission & Reticulation	2 924	2 300	2 859	2 924	1 100	2 100	2 100
Street Lighting	198				100		
<b>Infrastructure: Water - Total</b>	<b>40</b>	<b>240</b>	<b>240</b>	<b>40</b>	<b>2 527</b>	<b>3 500</b>	<b>-</b>
Dams & Reservoirs	40	240	240	40	2 527	3 500	
<b>Infrastructure: Sanitation - Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 090</b>	<b>2 000</b>
Sewerage purification						1 090	2 000
<b>Infrastructure: Other - Total</b>	<b>-</b>	<b>200</b>	<b>200</b>	<b>198</b>	<b>-</b>	<b>5 000</b>	<b>-</b>
Waste Management		200	200	198			
<b>Community - Total</b>	<b>4 401</b>	<b>4 876</b>	<b>4 970</b>	<b>4 401</b>	<b>1 450</b>	<b>2 950</b>	<b>1 500</b>
Parks & gardens		10	10	10			
Sports fields & stadia	1 611	1 522	1 622	1 611		1 700	1 500
Swimming pools							
Community halls	2 754	3 312	3 338	2 754	500		
Recreational facilities	26	33		26	950	500	
Other	10					750	
<b>Capital expenditure by Asset Class</b>	<b>2 541</b>	<b>2 510</b>	<b>2 692</b>	<b>2 541</b>	<b>3 833</b>	<b>3 247</b>	<b>4 953</b>
Other assets	2 491	2 510	2 642	2 491	3 685	3 247	4 953
General vehicles	330	330	330	330	150	250	180
Specialised vehicles							
Plant & equipment	591	945	1 047	591	708	577	4 020
Furniture and other office equipment	338	269	251	338	752	257	54
Civic Land and Buildings		965	1 014	908	650	800	
Other Buildings	908					748	200
Other Land							
Other	324			324	1 425	615	499
<b>Intangibles</b>	<b>50</b>	<b>-</b>	<b>50</b>	<b>50</b>	<b>148</b>	<b>-</b>	<b>-</b>
Computers - software & programming	50		50	50	148		

## 5.8 SOURCES OF FINANCE

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

**TABLE 226 CAPITAL EXPENDITURE BY FUNDING SOURCE**

DETAILS	2014/15	2015/16				
	AUDITED OUTCOME	ORIGINAL BUDGET (OB)	ADJUSTMENT BUDGET	ACTUAL	ADJUSTMENT TO OB VARIANCE	ACTUAL TO OB VARIANCE
DESCRIPTION	R'000				%	
<b>Source of finance</b>						
External loans	880	2 930	3 075	2 573	4,94	-17,12
Public contributions and donations			744	799		
Grants and subsidies	17 856	13 464	13 167	13 197	-2,21	0,22
Own funding	41 020	5 297	5 679	4 696	7,21	-18,55
Total	59 755	21 691	22 664	21 265	4,49	-6,45
<b>Percentage of finance</b>						
External loans	1	14	14	12	0,44	-10,85
Public contributions and donations	0	0	3	4		
Grants and subsidies	30	62	58	62	-6,41	6,38
Own funding	69	24	25	22	2,60	-12,17
<b>Capital expenditure</b>						
Description	R'000				%	
Water and sanitation	36 841		540	3 597	-	-
Electricity	2 751	3 330	4 043	4 020	21,40	-0,69
Housing			165	155		
Roads and storm water	10 094	5 246	4 964	4 243	-5,39	-13,73
Other	10 068	13 115	12 953	9 250	-1,24	-28,24
Total	59 755	21 692	22 665	21 265	4,49	-6,45
<b>Percentage of expenditure</b>						
Water and sanitation	62	0	2	17	-	-
Electricity	5	15	18	19	16,19	6,95
Housing	0	0	1	1	-	-
Roads and storm water	17	24	22	20	-9,45	-8,04
Other	17	60	57	43	-5,48	-22,58

## 5.9 TREATMENT OF THE THREE LARGEST ASSETS

TABLE 227 TREATMENT OF THE THREE LARGEST ASSETS

ASSET 1: ROADS AND STORMWATER		
Name	Roads and Storm water	
Description	Provision of road infrastructure	
Asset Type	Infrastructure	
Key Staff Involved	Manager: Roads	
Staff Responsibilities	Management of road infrastructure	
Asset Value as at 30 June 2016	2014/15 R million	2015/16 R million
	88 679	75 366
Capital Implications		
Future Purpose of Asset	Provision of basic services	
Describe Key Issues	Not applicable	
Policies in Place to Manage Asset	Infrastructure masterplans	

ASSET 2: SEWERAGE NETWORK		
Name	Sewerage Network	
Description	Provision of sewerage infrastructure	
Asset Type	Infrastructure	
Key Staff Involved	Mr W Linnert	
Staff Responsibilities	Manage the sewerage network	
Asset Value as at 30 June 2016	2014/15 R million	2015/16 R million
	54 798	45 275
Capital Implications		
Future Purpose of Asset	Provision of basic services	
Describe Key Issues	Not applicable	
Policies in Place to Manage Asset	Infrastructure masterplans	

ASSET 3: ELECTRICITY NETWORK		
Name	Electricity Network	
Description	Provision of electricity infrastructure	
Asset Type	Infrastructure	
Key Staff Involved	Mr S Cooper	
Staff Responsibilities	Manage the electricity network	
Asset Value as at 30 June 2016	2014/15 R million	2015/16 R million
	54 794	42 518
Capital Implications		
Future Purpose of Asset	Provision of basic services	
Describe Key Issues	Not applicable	
Policies in Place to Manage Asset	Infrastructure masterplans	

## 5.10 CAPITAL SPENDING ON THE LARGEST PROJECTS

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

TABLE 228 CAPITAL SPENDING ON LARGEST PROJECTS

NAME OF PROJECT	2015/16				
	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	ORIGINAL VARIANCE	ADJUSTMENT VARIANCE
	R'000			%	

A	Ablution facilities Zwelitsha Soccer Field.	1 510	1 510	1 510	-	(0)
B	Upgrading - Ou Meule pump station	1 702	1 701	1 701	(0)	(0)
C	Struisbaai: sewer pump station	1 399	1 399	1 359	(0)	(0)
D	Nuwerus Streets	737	737	779	0	(0)
E	Thusong Centre	2 754	2 754	2 754	-	(0)

<b>Name of Project - A</b>	Ablution facilities Zwelitsha Soccer Field.
<b>Objective of Project</b>	Provision of Sport facilities
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	Recreational facilities

<b>Name of Project - B</b>	Upgrading - Ou Meule pump station
<b>Objective of Project</b>	Provision of Infrastructure
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	upgraded infrastructure

<b>Name of Project - C</b>	Struisbaai: sewer pump station
<b>Objective of Project</b>	Provision of Infrastructure
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	upgraded infrastructure

<b>Name of Project - D</b>	Nuwerus Streets
<b>Objective of Project</b>	Provision of Infrastructure
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	upgraded infrastructure

<b>Name of Project - E</b>	Thusong Centre
<b>Objective of Project</b>	Provision of community facilities
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	Improve access to services

## 5.11 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.

### 5.11.1 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

TABLE 229 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

DETAILS	BUDGET	ADJUST- MENTS BUDGET	ACTUAL	VARIANCE	
				BUDGET	ADJUST- MENTS BUDGET
				R'000	
Infrastructure - Roads	2 028 600	2 028 600	2 070 042	2,00	2,00
Roads	2 028 600	2 028 600	2 070 042	2,00	2,00
Infrastructure - Sanitation	3 101 098	3 101 098	3 060 524	-1,33	-1,33
Sewerage purification	3 101 098	3 101 098	3 060 524	-1,33	-1,33
Infrastructure - Electricity	100 000	100 000	99 377	-0,63	-0,63
Street Lighting	100 000	100 000	99 377	-0,63	-0,63
Other Specify:	4 263 446	4 263 446	4 263 446	0,00	0,00
Outdoor Sport facilities	1 509 656	1 509 656	1 509 656	0,00	0,00
Community facilities	2 753 790	2 753 790	2 753 790		
<b>Total</b>	<b>9 493 144</b>	<b>9 493 144</b>	<b>9 493 389</b>	<b>0,00</b>	<b>0,00</b>

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.12 CASH FLOW

The following table shows the Municipality's Cash flow from operating activities for the 2015/16 financial year.

TABLE 230 CASH FLOW

DESCRIPTION	2013/14	2014/15		
	AUDITED OUTCOME	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
R'000				
<b>Receipts</b>				
Ratepayers and other	159 467	181 552	185 954	178 311
Government - operating	46 207	30 290	36 704	36 735
Government - capital	16 526	13 464	12 575	13 025
Interest	2 845	2 740	2 747	3 076
Dividends	-			
<b>Payments</b>				
Suppliers and employees	(203 745)	(216 532)	(225 070)	(219 592)
Finance charges	(99)	(1 558)	(361)	(141)
Transfers and Grants	(1 266)	(1 539)	(1 619)	(1 491)
<b>Net cash from/(used) operating activities</b>	<b>19 933</b>	<b>8 418</b>	<b>10 930</b>	<b>9 922</b>
<b>Cash flows from investing activities</b>				
Receipts				
Proceeds on disposal of PPE			50	4 623
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables	41	6	4	29
Decrease (increase) in non-current investments				
Payments				
Capital assets	(22 425)	(21 691)	(22 173)	(21 055)
<b>Net cash from/(used) investing activities</b>	<b>(22 383)</b>	<b>(21 685)</b>	<b>(22 118)</b>	<b>(16 402)</b>
<b>Cash flows from financing activities</b>				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Payments				
Repayment of borrowing				
Increase in Consumer Deposits				
<b>Net cash from/(used) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/ (decrease) in cash held</b>	<b>(2 450)</b>	<b>(13 268)</b>	<b>(11 188)</b>	<b>(6 480)</b>
<b>Cash/cash equivalents at the year begin:</b>				<b>21 407</b>
<b>Cash/cash equivalents at the year-end:</b>	<b>(2 450)</b>	<b>(13 268)</b>	<b>(11 188)</b>	<b>14 927</b>

## 5.13 GROSS OUTSTANDING DEBTORS PER SERVICE

TABLE 231 GROSS OUTSTANDING DEBTORS PER SERVICE

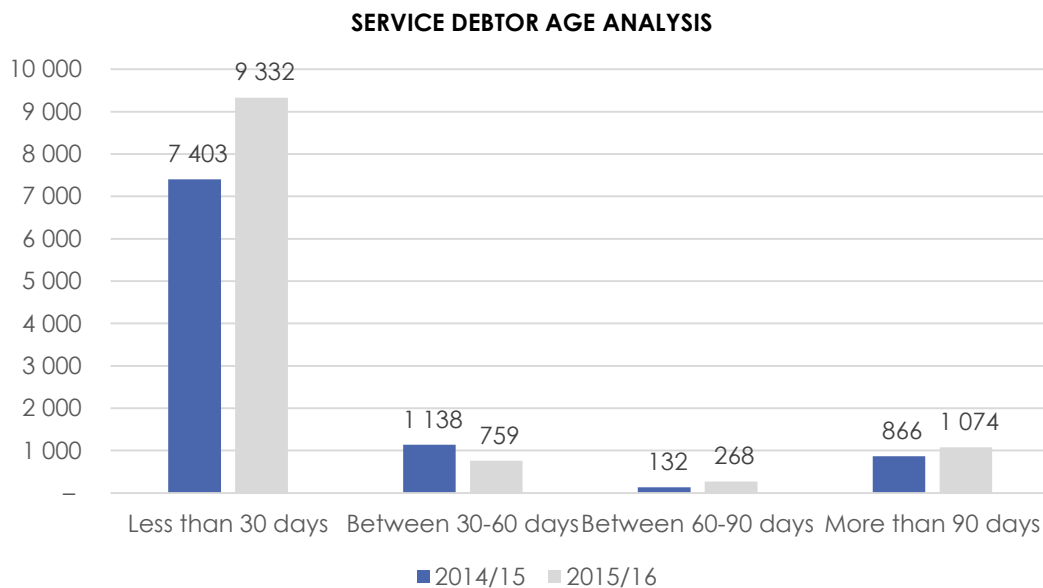
FINANCIAL YEAR	RATES (R'000)	TRADING SERVICES	ECONOMIC SERVICES	HOUSING RENTALS (R'000)	OTHER (R'000)	TOTAL (R'000)
		(ELECTRICITY AND WATER) (R'000)	(SANITATIO N AND REFUSE) (R'000)			
2014/15	2 188	10 615	986		2 169	15 958
2015/16	2 484	12 741	1 929		2 356	19 510
Difference	296	2 126	943	–	187	3 552
<b>% growth year on year</b>	<b>14</b>	<b>20</b>	<b>96</b>		<b>9</b>	<b>0</b>

## 5.14 TOTAL DEBTORS AGE ANALYSIS

TABLE 232 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)				
2014/15	7 403	1 138	132	866	9 539
2015/16	9 332	759	268	1 074	11 432
Difference	1 928	(379)	136	208	1 893
<b>% growth year on year</b>	<b>26</b>	<b>-33</b>	<b>103</b>	<b>24</b>	<b>20</b>

FIGURE 21 SERVICE DEBTORS AGE ANALYSIS FOR THE 2013/14 AND 2014/15 FINANCIAL YEARS





## 5.15 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.

### 5.15.1 ACTUAL BORROWINGS

TABLE 233 ACTUAL BORROWINGS

INSTRUMENT	2014/15	2015/16
	R'000	
Long-Term Loans (annuity/reducing balance)	845	2 504
<b>Total</b>	<b>845</b>	<b>2 504</b>

### 5.15.2 INVESTMENTS

TABLE 234 INVESTMENTS

INVESTMENT	2014/15 R'000	2014/15 R'000
Deposits - Bank	16 000	0
<b>Total</b>	<b>16 000</b>	<b>0</b>

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.16 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was revised and adopted by Council in June 2015 to fully comply with the SCM Regulations. The SCM Policy has been reviewed by incorporating the legislative amendments and recommendations by the Auditor-General and Provincial Treasury to give effect to the compliance aspect. Standard operating procedures for SCM were developed during the 2014/15 financial year. This has enabled the Supply Chain Management Unit (SCMU) to further streamline procedures and processes to promote more efficient and effective service delivery to all internal and external stakeholders. Monitoring of internal processes is an ongoing process.

No Councillors are members of any committee handling the supply chain processes. The supply chain officials received ongoing training and have completed the prescribed MFMA Competency Regulations. Provincial Treasury quarterly working forum meetings are attended regularly in order to promote the professional development of SCM practitioners within the municipalities in the Western Cape and create a culture of cohesion between municipalities and the Directorate: Local Government Supply Chain Management.

There are six officials in the supply chain section of which two are store officials. The organogram will be amended as the need arises and provision will be made to strengthen the capacity within the unit.

### 5.17 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance ensures that municipal accounts are comparable and more informative for the municipality. It also ensure that the municipality is more accountable to its citizens and other stakeholders. GRAP was fully implemented in the Municipality in the 2010/11 financial year and the financial statements of 2015/16 are fully GRAP compliant.

### 5.18 SOUTHERNMOST DEVELOPMENT AGENCY (PTY) LTD

It must be noted that, during 2012, the Council took a decision to establish a Local Development Agency (Southernmost Development Agency (Pty) Ltd) to assist the Municipality in the establishment and implementation of local economic development projects. This entity was duly established and the Board of Directors appointed from October 2012. However, during the process of establishment and the development phase, it was found that the establishment and running of the entity will create additional expenses for the Municipality which cannot be afforded due to its very strict budget. After various meetings with all role-players and considering all possible options, the Council resolved on 28 May 2013 to liquidate and disestablish the agency. We are in process of de-registering the agency.

## CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

### COMPONENT A: AUDITOR-GENERAL OPINION 2014/15

#### 6.1 AUDITOR-GENERAL REPORT 2014/15

TABLE 235 AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE 2014/15

<b>AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE 2014/15</b>	
Audit Report Status:	Unqualified with no other matters
Non-Compliance Issues:	Remedial Action Taken
There were some non-reportable items highlighted during the audit which required non-material changes to the annual financial statements	The issues were corrected during the audit and the necessary changes made and submitted to the auditors during the audit

TABLE 236 AG AUDITOR-GENERAL ON SERVICE DELIVERY PERFORMANCE 2014/15

<b>AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE: 2014/15</b>	
Audit Report Status:	Unqualified with no other matters
Non-Compliance Issues	Remedial Action Taken
There were a number of errors found during the audit which required changes to the performance report (which forms part of the Municipality's annual report) as well as issues raised by the auditors on the adequacy of supporting documentation	<ul style="list-style-type: none"> <li>o The corrections were made during the audit and submitted to the auditors</li> <li>o A workshop was held with all management where the audit findings were analysed and appropriate corrective actions developed to improve correct performance reporting and adequate supporting documentation. The progress with implementation of the plan was tabled in council on a monthly basis</li> </ul>

### COMPONENT B: AUDITOR-GENERAL OPINION 2015/16

#### 6.2 AUDITOR-GENERAL REPORT 2015/16

TABLE 237 AUDITOR-GENERAL ON FINANCIAL PERFORMANCE 2015/16

<b>AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE 2015/16</b>	
Audit Report Status:	Unqualified with no other matters
Non-Compliance Issues	Remedial Action Taken
There were some non-reportable items highlighted during the audit which required non-material changes to the annual financial statements	<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</p>

There were also other findings that was material and not included in the audit report	corrections. The progress on the implementation of the corrective measures will be reported to Council on a monthly basis
---	---

**TABLE 238 AUDITOR-GENERAL ON SERVICE DELIVERY PERFORMANCE 2015/16**

<b>AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE: 2015/16</b>	
Audit Report Status:	Unqualified with no other matters
Non-Compliance Issues	Remedial Action Taken
There were some findings regarding the accuracy of the reported 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"> <li>o The corrections were made during the audit and submitted to the auditors</li> <li>o A further workshop was held with all role-players to analyse the findings and determine the root cause of the errors for the development of appropriate corrective measures. The progress with the implementation of the plan will be tabled in council on a monthly basis</li> </ul>

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