

Umsobomvu Municipality

Annual Report

2015/16



UMSOBOMVU LOCAL MUNICIPALITY

Continuously Rising

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Chapter 1: Mayor's Foreword and Summary Executive

CHAPTER 1

COMPONENT A: MAYOR'S FOREWORD

During this oversight period the Municipality addressed the issues as identified in the Integrated Development Plan (IDP).

WATER & SANITATION: Noupoort Bulk Water Supply, Norvalspont Bulk Water and Internal Sewerage project.

ROADS: In Noupoort, paving of Louisa Street, N9 access road and Voortrekker Street. In Colesberg the paving of Ring Road and Kemper Street.

ELECTRICITY: Energy efficiency-retro-fitting and electrification of New Ouboks.

Out of all these projects the Noupoort Bulk Water Supply paving of Louisa Street, N9 access road in Noupoort and Ring road in Colesberg has been completed. The Norvalspont Bulk Water and Internal Sewerage was concluded by the end of 2016.

The Department of Energy awaiting approved 2016/2017 Business plan for funding of Retro-Fitting of Municipal infra structure.

FUTURE ACTIONS

In Norvalspont the servicing of sites has started. In Noupoort the Sports Stadium are at tender stage. The 50 houses Tyoksville project and outstanding houses of the 100 houses EurekaVille project would be starting soon. In Colesberg the paving of the main street in New Ouboks would start soon. In Colesberg the project on the replacing of internal water network in old areas are waiting for approval of funding from the Accelerated Community Infra- structure Projects (ACIP). Umsobomvu Industrial Development City is at an advanced stage. We are calling on investors support because this project would be able to bring sustainable jobs in Umsobomvu.

PUBLIC PARTICIPATION

Umsobomvu Municipality is committed to the development of a culture of community participation. The municipality encourages and creates conditions for the local community to participate in the affairs of the municipality through the following processes:

- The preparation implementation and review of its integrated development plan
- The establishment implementation and review of its performance management system
- Determination consideration and adoption of by-laws
- The monitoring and review of its performance including the outcome and impact of such performance
- The preparation of its budget
- Strategic decisions relating to the provision of services

Ward committees are from different sectors of the community. They are very useful for;

- Consulting the community and picking up local problems with service delivery
- Assessing needs
- Building partnerships

Chapter 1: Mayor's Foreword and Summary Executive

- Spreading information

AGREEMENTS/PARTNERSHIPS

The Municipality continuing the Shared Service Agreement with the Pixley Ka Seme District Municipality.

BUDGETS

Due to irregular expenditure (proper procurement processes not followed) that occurred at year end I submitted a special draft budget in terms of the MFMA and Budget Circular 74 for approval by council. As required by legislation the Special Adjustment budget with detailed explanations is included as an addendum to this report and all figures and tables submitted in this report represent the special adjusted figures.

CONCLUSION

I want to appreciate the good working relationship with the political leadership and management of Umsobomvu Municipality that ensured the local interests of our communities within the national priority of endeavoring to create a better life for all.

MS TOTO

MAYOR

Chapter 1: Mayor's Foreword and Summary Executive

COMPONENT B: EXECUTIVE SUMMARY

1.1 Municipal Manager's Overview



In the heart of any development there are three distinctive characteristics in individual's, institutions and societies in solving their problems and taking informed decisions and those are clear organisational culture and climate principles and systematic capacitation of employees and staff members. Dealing with organisational culture is a long-term exercise as you inevitable dealing with human conduct morals and values. The same is evident when one should be engaged in capacitation of employees and staff members it like looking after a garden. Gardens by their nature they need to prepare for ploughing then ploughing can take place. Once that has been completed the next is to remove weeds and water your plants regularly and then after sometime you then can expect to reap what you planted. Dealing with human beings in any institution or organisation you are bound to observe this exercise for any development and service delivery excellence.

It is in this spirit and understanding that as a municipality we need to pause and annually review our past year activities namely; failures and achievements. The past four years as a municipality we have embarked in a vigorous path to instil an organisational culture which is characterised by strong organisational values with incentives to best performing teams and individuals within the municipality. Therefore, achievement of the performance of the year under review is the direct product of these efforts. The year under review has been a hectic one as the country had to once again go through local government elections and as usual we have seen sporadic incidents like service delivery protests by political parties posturing for positions in the communities and indications of community dissatisfactions. This indeed had some negative effects in the functioning of the municipality and the staff morale. The pressures in service delivery coupled by lack of sufficient funding to undertake some community identified programs and willingness the commitment the readiness and the capacity of employees to undertake such programs.

As part of municipal function local economic development is but one of those numerous functions the municipality has to perform. In the effort to grow the local economy the municipality is involved in a huge investment drive which if realised will drastically change the face of the municipality particularly Colesberg. As a municipality, we have started partnership with private sector and our main role has been to provide them with land to enable them to lobby and attract potential investors to the municipality. The project is progressing very well and currently is in the advanced stage.

CONCLUSION

In concluding my foreword, I would want to express my sincere gratitude to all Umsobomvu municipal employees and staff members for being resilient and committed to excellence in service delivery task bestowed on us during the year under review despite the difficulties which accompanied this year.

I also want to express my appreciation to the outgone political leadership for their unwavering support to the municipal administration and smooth political interface and I also would like to welcome the new political leadership elected in August 2016 and wish them all the best for their 5-year term of office.

Chapter 1: Mayor's Foreword and Summary Executive

A MPELA

MUNICIPAL MANAGER

MSB

Chapter 1: Mayor's Foreword and Summary Executive

1.2 Municipal Overview

This report addresses the performance of the Umsobomvu Municipality in the Northern Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2015/16 Annual Report reflects on the performance of the Umsobomvu Municipality for the period 1 July 2015 to 30 June 2016. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA) in terms of which the Municipality must prepare an Annual Report for each financial year.

1.2.1 Vision and Mission

The Umsobomvu Municipality committed itself to the following vision and mission:

Vision:

"Our Vision is to be the Fastest Economically Developing Municipality in South Africa."

Mission:

"Our Mission is to serve our community by delivering quality services and customer care through dedicated staff for the upliftment of our community socially and economically."

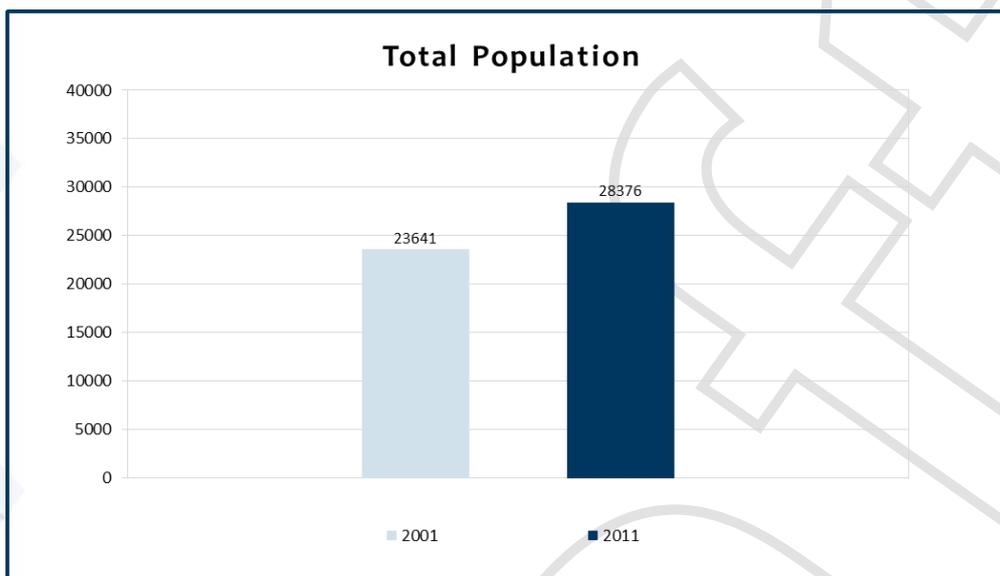
1.3 Municipal Functions Population and Environmental Overview

1.3.1 Population

a) Total Population

As per Census 2011 Umsobomvu Municipality's population has risen from 23 641 in 2001 to 28 376 in 2011 and it accounts for about 15% of the total population of Pixley ka Seme District Municipality.

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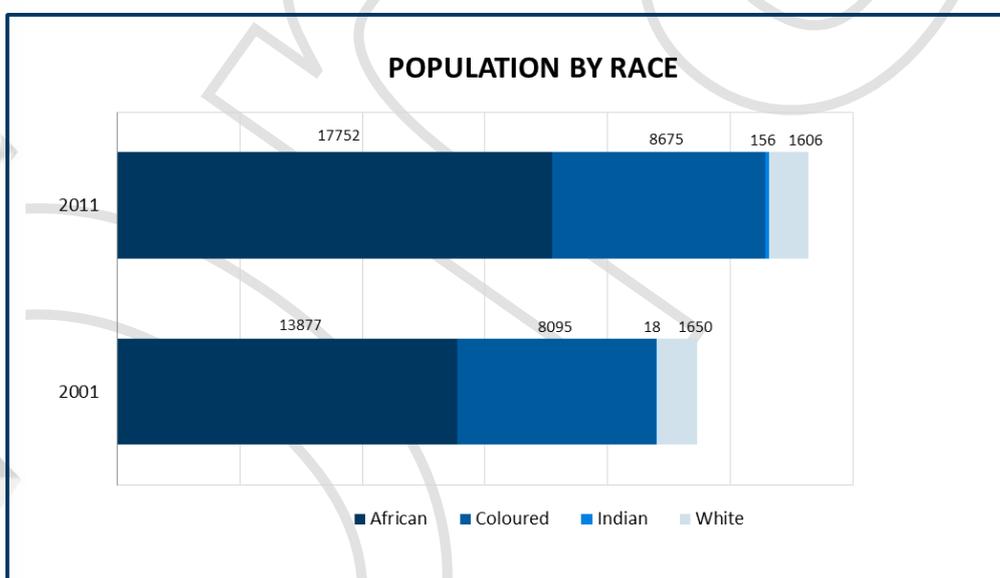
Graph 1: Total Population

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

Year	African	Coloured	Indian/Asian	White
2001	13 877	8 095	18	1 650
2011	17 752	8 675	156	1 606

Source: Census 2001 & 2011

Table 1: Population



Graph 2: Population by Race

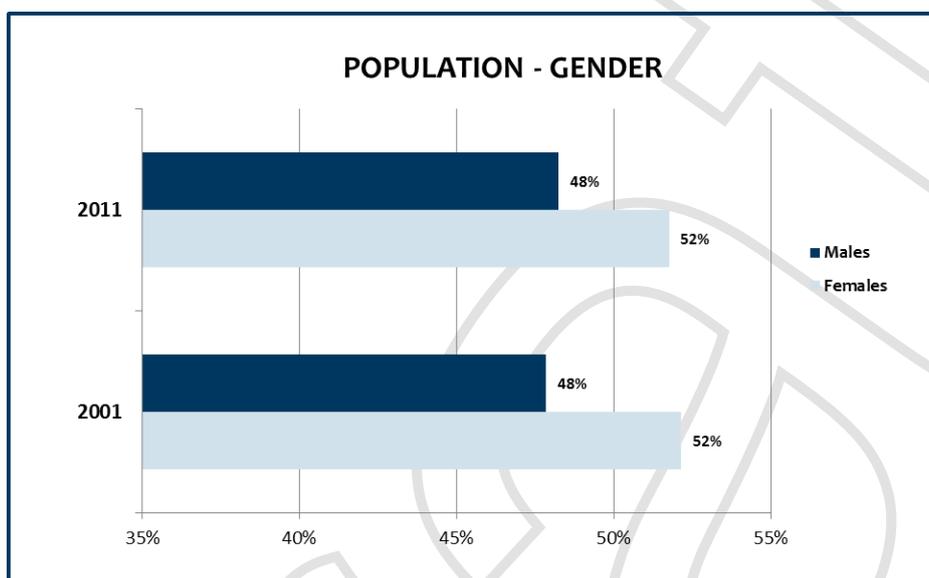
In 2011 the Umsobomvu's population showed that females represent 52% and males 48% of the total population of Umsobomvu.

Chapter 1: Mayor's Foreword and Summary Executive

Population - Gender	2001	2011
Females	12 329	14 687
Males	11 312	13 689
Total	23 641	28 376

Source: Census 2001 & 2011

Table 2: Gender Statistics



Graph 3: Gender Statistics

a) Population Profile

Age	2001			2011		
	Male	Female	Total	Male	Female	Total
Age: 0-4	1 234	1 171	2 405	1 451	1 573	3 024
Age: 5-9	1 359	1 363	2 722	1 474	1 542	3 016
Age: 10-14	1 415	1 415	2 829	1 482	1 392	2 874
Age: 15-19	1 352	1 328	2 681	1 395	1 294	2 689
Age: 20-24	1 034	1 035	2 069	1 179	1 225	2 404
Age: 25-29	857	814	1 671	1 280	1 228	2 508
Age: 30-34	787	881	1 667	1 065	1 060	2 125
Age: 35-39	686	769	1 455	839	807	1 646
Age: 40-44	548	723	1 271	766	833	1 599
Age: 45-59	513	687	1 201	699	838	1 537
Age: 50-54	436	548	984	540	735	1 275
Age: 55-59	363	415	778	483	654	1 137
Age: 60-64	261	395	657	397	499	896
Age: 65-69	184	262	446	279	338	617

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Age	2001			2011		
	Male	Female	Total	Male	Female	Total
Age: 70-74	117	194	311	155	293	448
Age: 75-79	88	134	222	113	142	255
Age: 80-84	54	107	161	50	105	155
Age: 85+	25	89	114	43	127	170
Total	11 312	12 329	23 641	13 689	14 687	28 376

Census 2001 & 2011

Table 3: Population Profile

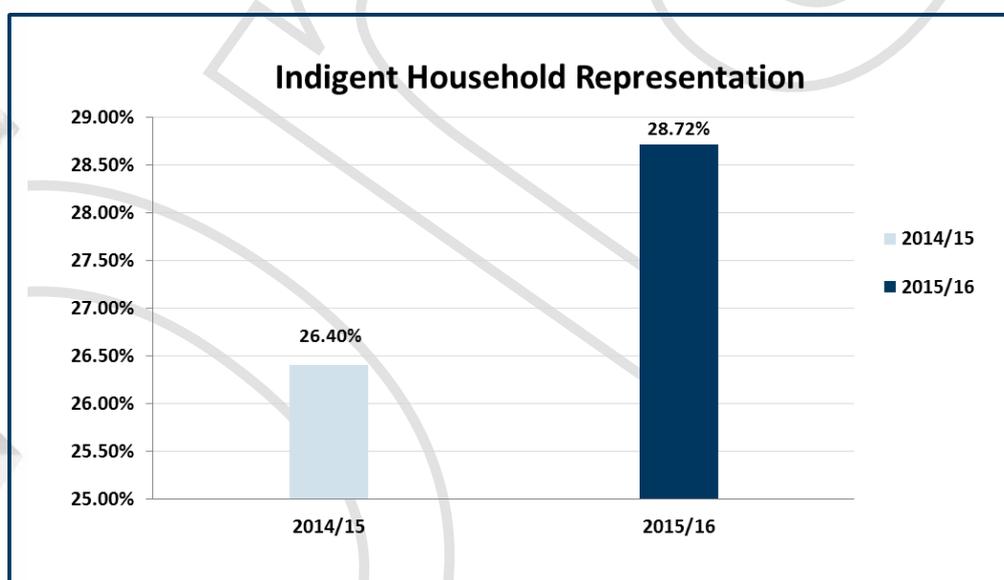
1.3.2 Households

The total number of households within the municipal area increased from 8 806 households in the 2014/15 financial year to a total of 8 812 households in the 2015/16 financial year.

Households	2014/15	2015/16
Number of households in municipal area	8 806	8 812
Number of indigent households in municipal area	2 325	2 531

Table 4: Total Number of Households

The graph below shows that the total number of indigent households increased from 2 325 households in 2014/15 to 2 531 households in the 2015/16 financial year.



Graph 4: Indigent Households

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1.3.4 Demographic Information

a) Municipal Geographical Information

Umsobomvu Municipality was established to manage and provide services to the local management area NC 072 which is 6 819 square km in size. The Municipality forms part of the Pixley Ka Seme District Municipality which is located in the south-eastern part of the Northern Cape Province and is a Category B Municipality. It consists of three main entities namely Colesberg, Noupoort and Norvalspont which is also known as Kwa-Masizakhe.

Farming in the area is dedicated almost entirely to horses and merino sheep, which spreads over half-a-million hectares. The greater Colesberg breeds many of the country's top merinos and it is also renowned for producing high-quality racehorses. Many stud farms, including one owned by legendary golfer Gary Player, are nearby. The ostrich-feather boom of the early 1900's which left many farmers rich is forgotten.

The District Municipality is neighboured by 3 provinces namely Free State on the northern side, Eastern Cape on the eastern side and the Western Cape on the southern side. Within the Northern Cape the district is neighboured by Frances Baard Siyanda and the Namakwa Districts. Umsobomvu Local Municipality's economical activities are dominated by agricultural services and tourism. The locality of the Municipality in relation to other municipalities and provinces in the region is depicted in Figure 1. Major road transport corridors are within the boundaries of the Municipality for example the N1 that links Cape Town in the south with Johannesburg/Pretoria in the north the N9 which links Port Elizabeth and the Eastern Cape with Johannesburg/Pretoria in the north.

Below is a map that indicates the Municipal Area in the Pixley Ka Seme District Area:

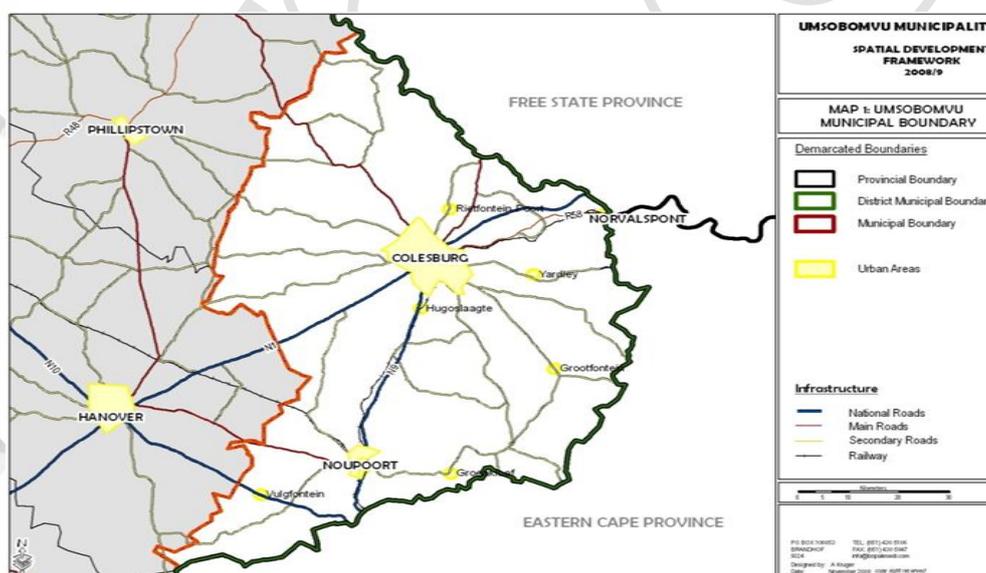


Figure 1.: Umsobomvu Area Map

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b) Wards

The municipality is structured into the following 5 wards:

Ward	Areas
1	Kwazamuxolo and Noupoot
2	Eurekaville and Norvalspont
3	Bongweni, Kayalitha, Masiphakame, New Ouboks
4	Lowryville, Towervallei and Operation Vula
5	Colesberg town and Ouboks

Table 5: Municipal Wards

Colesberg

Colesberg is the “capital” of the Municipality and was named after Sir Lowry Cole - Governor of the Cape of Good Hope, 1828 - 1833. The town of Colesberg is situated in the Great Karoo in the Northern Cape. It is located at the junction of the national roads from Johannesburg to Cape Town and Port Elizabeth in the south. It is approximately 25 kilometres south of the Orange River and 284 kilometres southeast of Kimberley the provincial capital.

Noupoot

Noupoot is situated along the N9 route from Colesberg to Middelburg on the way to Cradock and Port Elizabeth. It is 56 kilometres south of Colesberg. Noupoot experienced dramatic economic decline after the closure of the Spoornet station.

Norvalspont

The smallest of the three entities Norvalspont is a settlement situated 40 kilometres east of Colesberg on the way to the Gariep Dam. It rests on the banks of the Orange River and is a small black settlement also called Kwa-Masizakhe.

c) Natural Resources

The following table shows the natural resources within the Umsobomvu Local Municipality

Major Natural Resource	Relevance to Community
Orange River	Water source for human consumption, agriculture recreation, industries and businesses and electricity generation
Abundance of land	Housing and business development
Major transport routes	Business opportunities effective and efficient marketing of area
Unpolluted areas	Healthy population attractive to metropolitan residents
Doornkloof Nature Reserve	Recreation and tourist attraction

Table 6: Natural Resources

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1.4 Service Delivery Overview

1.4.1 Basic Service Delivery Highlights

The table below indicates the highlights for basic service delivery during the year:

Highlights	Description
Replacement of asbestos pipe with uPVC pipe in Murray Street	A problematic 75 mm diameter section of asbestos pipe was replaced with uPVC pipe in Murray Street
Replacement of asbestos pipe in Bell Street	The whole section of 75 mm diameter asbestos pipe was replaced after experiencing frequent pipe bursts
Replacement of supply pipe from the Bell Street borehole to the storage reservoir	The 160 mm diameter asbestos supply pipe from the Bell Street borehole to the storage reservoir was replaced. The reservoir was also cleaned and the leakage on the booster pump outlet valve fixed
Installation of water meters	97% of households in Norvalpont is now fitted with water meters. The outstanding meters will be installed in the new financial year
New sewer connections	Seven new sewer connections were completed and the service were upgraded to water borne services
Replacement of the pump at New Ouboks	A problematic pump at the New Ouboks sewer pump station was replaced to address the overflowing of the pump station
Addressing overflow problem at Reguit Street pump station	A problematic pump at Reguit Street Pump Station was repaired to address the overflowing of the pump station
Repair of backup generators	The backup generators at Reguit Street and Eureka has been repaired
Collection of solid waste	Solid waste is collected from households on a weekly basis
Re-building of 33 houses	33 pre-1994 houses were demolished due to poor quality and rebuild
Municipal Housing Allocation Policy	The Municipal Housing Allocation Policy were adopted by Council

Table 7: Basic Service Delivery Highlights

1.4.2 Basic Service Delivery Challenges

The table below indicates the challenges for basic service delivery during the year:

Challenges	Actions to address
The replacement of asbestos pipe in Murray Street has been partially completed and it is recommended that the whole section of asbestos pipe should be replaced in order to address pipe bursts	Asbestos pipe must be replaced with uPVC pipe
Replacement of asbestos pipe in Kort Street in order to address pipe bursts	Asbestos pipe must be replaced with uPVC pipe
Replacement of 1 000 household water meters in Noupoort and 317 in Colesberg	The meters will be replaced in the new financial year
A new non-return valve chamber must be constructed on the 315 mm rising main from the Water Treatment Works (WTW) to the Reservoir. This will allow the water to flow backward and supply areas which receive water through the pump lines from the WTW	The necessary budgetary provision must be made

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Challenges	Actions to address
Repair/replace section of sewer pipe from Lowryville under small bridge past the clinic	New galvanised pipe (above ground) must be laid
Non-functional sewer jet machine resulting in grit/sand causing blockage of sewer pipes	The sewer jet machine will be repaired
There are still a number of VIP's in the Kuyasa Township that needs to be upgraded to water borne toilets	The necessary budgetary provision must be made to upgrade the VIP's
The Noupoort 6.6 kV electrical network is outdated	Budgetary provision must be made to upgrade the electrical network to a 22 kV electrical supply network
Bulk metering in Lowryville, Towervallej, New Ouboks and Colesberg	Funding must be sourced for the implementation of bulk metering
Difficulty to determine electrical network losses	Funding must be sourced for the implementation of bulk metering
Breakdown of waste trucks	An additional truck must be acquired to address the 6 192 units that must be serviced
Shortage of personnel and equipment at landfill sites	The necessary budgetary provision must be made in order to address the shortage of personnel and equipment

Table 8: Basic Services Delivery Challenges

1.4.3 Households with Access to Basic Services

Description	2014/15	2015/16
Electricity - service connections	8 076	8 156
Water - available within 200 m from dwelling	8 806	8 812
Sanitation - Households with at least VIP service	7 904	7 905
Waste collection - kerbside collection once a week	7 454	7 454

Table 9: Households with Minimum Level of Basic Services

1.5 Financial Health Overview

1.5.1 National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the Municipal Systems Act (MSA). These key performance indicators are linked to the National Key Performance Area (KPA) namely Municipal Financial Viability and Management.

KPA & Indicator	2015/16
Debt to Revenue as at 30 June 2016 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant	0.01
Service debtors to revenue as at 30 June 2016 – (Total outstanding service debtors/ revenue received for services)	95%
Cost coverage as at 30 June 2016 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure	2.34

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KPA & Indicator	2015/16
excluding (Depreciation, Amortisation and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	

Table 10: National KPI's for Financial Viability and Management

1.5.2 Financial Overview

Details	Original budget	Adjustment Budget	Actual
	R'000		
Income	173 656	204 315	162 839
Less Expenditure	135 259	147 390	147 957
Net surplus/(deficit)	38 398	56 925	14 882

Table 11: Financial Overview

1.5.3 Total Capital Expenditure

Detail	2015/16
	R'000
Original Budget	57 273
Adjustment Budget	78 179
Actual	64 579
% Spent	82.6%

Table 12: Total Capital Expenditure

1.6 Organisational Development Overview

1.6.1 Municipal Transformation and Organisational Development Highlights

The table below indicates the highlights for municipal transformation and organisational development during the year:

Highlights	Description
Regular Council meetings were conducted	Council have met its legislative requirement by meeting quarterly and was able to have a quorum at every meeting to discuss and resolve items on the agenda
Ward committees established and functional	All ward committees were established and functioned properly. Ward committee members were representative of various sectors in the community

Table 13: Municipal Transformation and Organisational Development Highlights

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1.6.2 Municipal Transformation and Organisational Development Challenges

The table below indicates the challenges for municipal transformation and organisational development during the year:

Description	Actions to address
Skills of councillors have been addressed with various training interventions, but still require further training to fully comprehend the tasks and duties of councillors pertaining to high level documents and policies	Additional training opportunities will be provided to councillors
Skills of employees have been addressed with various training interventions but further skills development is required	Additional training opportunities will be provided to employees

Table 14: Municipal Transformation and Organisational Development Challenges

1.7 Auditor General Report

1.7.1 Audited Outcomes

Year	2012/13	2013/14	2014/15	2015/16
Opinion received	Unqualified with matters	Unqualified with matters	Unqualified with matters	Unqualified with matters

Table 15: Audit Outcomes

1.8 2015/16 IDP/Budget Process

The table below provides details of the key deadlines for the 2015/16 IDP/Budget process:

Activity	Responsible person	Date
IDP Process Plan	Dionne Visagie & Birtus Kapp	30 August 2014
Budget, IDP and Performance Management Time Table	Dionne Visagie & Birtus Kapp	30 August 2014
Approved Draft 2015/16 IDP	Birtus Kapp	31 March 2015
Approved Draft Budget 2015/16	Dionne Visagie	31 March 2015
21 Days Public Comments on IDP and Budget	Dionne Visagie & Birtus Kapp	April 2015
IDP & Budget Roadshow	Dionne Visagie & Birtus Kapp	April 2015
Approved Final 2015/16 IDP	Birtus Kapp	May 2015
Approved Final Budget 2015/16	Dionne Visagie	May 2015
Approved SDBIP 2015/16	Dionne Visagie	July 2015

Table 16: 2015/16 IDP/Budget Process

CHAPTER 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

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

2.1 National Key Performance Indicators - Good Governance and Public Participation

The following table indicates the municipality's performance in terms of the National Key Performance Indicator 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 - Good Governance and Public Participation.

Indicator	Municipal Achievement
	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 (After roll over projects)	82.70%

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

2.2 Introduction to Good Governance

The political leadership of the Municipality comprises of elected councillors through both the ward system and proportional representation and is led by the Mayor. On the other side the administration of the Municipality is composed of executive management appointed in terms of Sections 54A and 56 of the MSA as amended. The Municipal Manager is the head of administration. In order to realise the constitutional mandate of the Municipality these two components, including the community, have to work together.

2.3 Governance Structure

2.3.1 Political Governance Structure

The Council performs both legislative and executive functions. They focus on legislative oversight and participatory roles and have delegated its executive function to the Mayor. Their primary role is to debate issues publicly and to facilitate political

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debate and discussion. Apart from their functions as decision makers councillors are also actively involved in community work and the various social programmes in the municipal area.

a) Council

The Council comprise of 10 elected councillors as at 30 June 2016 made up from 5 ward councillors and 5 proportional representation (PR) councillors. The portfolio committees are made up of councillors drawn from all political parties. Below is a table that categorise the councillors within their specific political parties and wards for the 2015/16 financial year:

Council Members	Capacity	Political Party	Ward representing or proportional	Number of meetings attended
N Hermans	Mayor	ANC	Proportional	10
N Mdala	Councillor	ANC	Ward Councillor	10
E Humphries	Councillor	ANC	Ward Councillor	10
M Sestile	Councillor	ANC	Proportional	9
S Ngalimani	Councillor	ANC	Ward Councillor	8
S Mlenzana	Councillor	ANC	Ward Councillor	10
A Fritz	Councillor	ANC	Ward Councillor	10
S Siko	Councillor	COPE	Proportional	6
N Reyners	Councillor	COPE	Proportional	10
C Gronum	Councillor	DA	Proportional	9

Table 18: Council

Below is a table which indicates the Council meeting attendance for the 2015/16 financial year:

Meeting dates	Council Meeting Attendance	Apologies for non-attendance
28 July 2015	10/10	N/A
28 August 2015	10/10	N/A
28 September 2015	9/10	1
17 December 2015	8/10	2
11 January 2016	9/10	1
29 January 2016	8/10	2
3 March 2016	8/10	2
31 March 2016	9/10	1
31 March 2016	9/10	1
31 May 2016	10/10	N/A
28 July 2015	10/10	N/A
28 August 2015	10/10	N/A

Table 19: Council Meetings

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b) Portfolio Committees

The Council of the Umsobomvu Local Municipality has established Portfolio Committees. Each of these committees is chaired by a member of Council and the allocation is as follows:

Name of member	Capacity
E Humphries	Chairperson: Financial Services
A Fritz	Deputy Chairperson: Financial Services
S Mlenzana	Chairperson: Corporate Services
N Reyners	Deputy Chairperson: Corporate Services
N Mdala	Chairperson: Technical Services
A Fritz	Deputy Chairperson: Technical Services

Table 20: Portfolio Committee

c) Municipal Public Accounts Committee (MPAC)

Name of member	Capacity
M Sestile	Chairperson: MPAC
S Ngaliman	Member of MPAC
S Siko	Member of MPAC
C Gronum	Member of MPAC

Table 21: Municipal Public Accounts Committee

2.3.2 Administrative Governance Structure

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reporters, which constitutes the management team whose structure is outlined in the table below:

Name of Official	Department	Performance agreement signed
		Yes/No
A Mpela	Office of the Municipal Manager	Yes
D Visagie	Financial Services	Yes
B Kapp	Corporate Services	Yes
P Mosompha	Technical Services	Yes

Table 22: Administrative Governance Structure

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COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.4 Intergovernmental Relations

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must cooperate 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, adhering to agreed procedures and avoid legal proceedings against one another.

2.4.1 Intergovernmental Structures

To adhere to the principles of the Constitution as mentioned above the municipality participates in the following intergovernmental structures:

Name of Structure	Outcomes of Engagements/Topics Discussed
Local Intergovernmental Relations Forum	Intergovernmental Relations Framework Act
	The establishment of committees from participants per joint programmes
	Schedule of Local Intergovernmental Relations meetings
	Schedule of programme co-ordinating committees

Table 23: Intergovernmental Structures

a) Intergovernmental Relations Forum

Department Name	Member
Mayor's Office	S Smith
Umsobomvu Municipality	A Mpela
Love Life Centre	A Xhashimba
Department of Social Development - Colesberg	N Selani
Department of Social Development – Noupoot	G Lotriet
Department of Home Affairs	P Nikani
Department of Correctional Services	VB Mashego
Department of Agriculture	Ms Mkhontwana
SASSA - Colesberg	D Mentoor
SASSA – Noupoot	B Mekile
Government Communication and Information System (GCIS)	T Konono
Independent Electoral Committee (IEC)	Mr Loko
Colesberg South African Police Service	Mr Veli
Kuyasa South African Police Service	Ms Bolintaba
Noupoot South African Police Service	Warrant Officer Stander

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Department Name	Member
Norvalspont	Mr Thibane
Provincial Traffic	F Malgas
Manne Dipico Hospital	Mr Links
Noupoort Hospital	Ms Grobbelaar

Table 24: Members of the IGR Forum

b) Intergovernmental Relations Steering Committee

Department Name	Member
Mayor's Office	S Smith
Umsobomvu Municipality	G Mgcineni
Department of Social Development - Colesberg	N Selani / Z Ndumiso
Department of Social Development – Noupoort	G Lotriet / N Tutuse (N Magadla)
Department of Justice - Colesberg	Z Matebese
Department of Justice - Noupoort	S Mamkili
Department of Home Affairs	P Nikani
Department of Correctional Services	V Mashego / Masuku
Department of Agriculture	Mrs Mkhontwana
SASSA - Colesberg	D Mentoer / A Solani
SASSA – Noupoort	B Mekile / I Lukas
Government Communication and Information System (GCIS)	T Konono
Independent Electoral Committee (IEC)	Mr Loko
Colesberg South African Police Service	R Van Heerden / Ms Mkhontwana
Kuyasa South African Police Service	H Dyantyi / S Lubaxa
Noupoort South African Police Service	Warrant Officer Stander
Norvalspont South African Police Service	TR Maliti
Provincial Traffic	X Lubaxa
Manne Dipico Hospital	J Alexander /U Keet
Noupoort Hospital	Ms Grobbelaar
Legal Aid Board	L Du Toit

Table 25: Members of the IGR Steering Committee

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COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

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

- The preparation implementation and review of the IDP
- Establishment implementation and review of the performance management system
- Monitoring and review of the performance including the outcomes and impact of such performance
- Preparation of the municipal budget

2.5.1 Public Meetings

Nature and purpose of meeting	Date of events	Number of Community members attending
Council Meets the People	26 October 2015	179
Council Meets the People	18 November 2015	260
Council Meets the People	23 November 2015	289

Table 26: Public Meetings

2.5.2 Ward Committees

The ward committees support the ward councillor who receives reports on development, participate in development planning processes and facilitate wider community participation. To this end the municipality constantly strives to ensure that all ward committees function optimally with community information provision, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

Ward 1: Kwazamuxolo and Noupoort

Name of representative	Capacity representing	Dates of meetings held during the year
D Bokland	Community	22 July 2015
M Kei	Health	18 August 2015
A Barendse	Disable	22 September 2015
M Maseti	CDW	14 October 2015
T Thibane	Sports	24 November 2015
N Gwatyu	Women Empowerment	25 November 2015
		14 January 2016
		26 January 2016
		17 February 2016
		22 March 2016
		13 April 2016

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Table 27: Ward 1 Committee Meetings

Ward 2: EurekaVille and Norvalspont

Name of representative	Capacity representing	Dates of meetings held during the year
L Bebeza	Health	14 July 2015 17 August 2015 15 September 2015 21 October 2015 17 November 2015 26 January 2016 16 February 2016 16 March 2016 7 April 2016
B Khetwa	Women	
M Gontsana	Farmers	
L Dyonkile	Business	
M Afrika	Disability	
N Mdunyelwa	CDW	
B Bikland	Youth	
T Nofemele	Women	
R Reed	Sport	
M Stofile	Farmers	
W Mieni	Church	
H van Mbilo	CDW	

Table 28: Ward 2 Committee Meetings

Ward 3: Bongweni, Kayalitha, Masiphakame, New Ouboks

Name of representative	Capacity representing	Dates of meetings held during the year
T Tshabalala	NGO	16 July 2015
J Konono	Farmers	19 August 2015
M Nyekendala	Sports	15 September 2015
A Phololo	Youth Forum	21 October 2015
S Charlie	Sports	17 November 2015
L Gusha	Youth Forum	9 December 2015
J Matanzima	Women	21 January 2016
M Kafi	Churches	23 February 2016
F Nomvete	CBO	10 March 2016
M Nyekendala	Business	19 April 2016
		17 May 2016
		18 May 2016

Table 29: Ward 3 Committee Meetings

Ward 4: Lowryville, Towervallei and Operation Vula

Name of representative	Capacity representing	Dates of meetings held during the year
N Manoto	Women	7 July 2015
G Louw	Community Member	18 August 2015
V Trooi	Youth	9 September 2015
J Nazo	Farmer	8 October 2015
W Pienaar	Religious	10 November 2015
		20 January 2016

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Name of representative	Capacity representing	Dates of meetings held during the year
S Booï	Community Member	4 February 2016
T Gononda	Women	
E Reed	Health	
M Steenbok	Education	
F Minnar	Business	

Table 30: Ward 4 Committee Meetings

Ward 5: Colesberg Town and Ouboks

Name of representative	Capacity representing	Dates of meetings held during the year
K Mayekiso	Women	1 December 2015 8 December 2015 24 February 2016
T Retyu	Sport	
B Retyu	Youth	
J Taljaard	Churches	
J Le Roux	Business	
A Badenhorst	Women	
J Mathee	CBO	
A Kula	Churches (secretary)	
L Mynhardt	Women	

Table 31: Ward 5 Committee Meetings

2.5.3 Functionality of Ward Committee

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
- to assist the ward councillor with consultation and report-backs to the community

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers they advise the ward councillor who makes specific submissions directly to the administration. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

The table below provides information on the establishment of ward committees and their functionality:

Ward Number	Committee established Yes / No	Number meetings held during the year	Committee functioning effectively (Yes / No)
1	Yes	11	Yes
2	Yes	9	Yes

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Ward Number	Committee established Yes / No	Number meetings held during the year	Committee functioning effectively (Yes / No)
3	Yes	12	Yes
4	Yes	7	Yes
5	Yes	3	No

Table 32: Functioning of Ward Committees

2.5.4 Representative Forums

a) Labour Forum

The table below specifies the members of the Labour Forum for the 2015/16 financial year:

Name of representative	Capacity	Meeting dates
M Sestile	Councillor – Employer Representative	26 October 2015 8 December 2015 29 February 2016 22 April 2016
A Fritz	Councillor – Employer Representative	
S Siko	Councillor – Employer Representative	
A Mpela	Municipal Manager – Employer Representative	
D Visagie	CFO – Employer Representative	
M Chenge	SAMWU	
L Gedezana	SAMWU	
T Ntoni	SAMWU	
A Poni	SAMWU	
M Booi	IMATU	

Table 33: Labour Forum

b) IDP Forum

The table below specifies the members of the IDP Forum for the 2015/16 financial year:

Name of representative	Capacity
A Mpela	Municipal Manager
D Visgie	Chief Financial Officer
B Kapp	Manager Corporate Services
P Mosompha	Manager Technical Services
N Thiso	Deputy Chief Financial Officer
S Diokpala	Senior Manager Shared Services
N Mdala	Portfolio Chair Technical Services
E Humphries	Portfolio Chair Finance
S Mlenzana	Portfolio Chair Corporate Services

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Name of representative	Capacity
M Sestile	Chairperson MPAC
N Hermans	Mayor

Table 34: IDP Forum

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.

2.6 Risk Management

In terms of Section 62 (1)(c)(i) “the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure- that the municipality has and maintains effective, efficient and transparent systems – of financial and risk management and internal control;”...

The table below include the top 5 risks of the municipality:

Risk	Department
1. Delay in infrastructural development	Technical Services
2. Unavailability of operations and maintenance plan	Technical Services
3. Failure to attract and retain staff that are properly trained and experienced	Corporate Services
4. Apathy on a side of community members	Corporate Services
5. High expectations on service delivery	Corporate Services

Table 35: Top Five Risks

2.7 Anti-Corruption and Anti-Fraud

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

Umsobomvu Municipality has the following strategies in place to prevent corruption, fraud and theft:

- Presidential Hotline on fraud prevention and corruption, and service delivery matters
- Risk Management Policy
- Internal Audit reviews the effectiveness of the systems of internal control, governance and risk management on a continuous basis
- Disciplinary procedures to discipline employees who transgress the stipulations of the Act, procedures and policies

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- Disciplinary Board as envisaged by the MFMA: Municipal Regulations on Financial Misconduct

A Risk Management Committee is also in place to assist the Accounting Officer in addressing oversight requirements of risk management and evaluating and monitoring the municipality's performance with regards to risk management, fraud prevention and corruption.

2.8 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
 - effective governance

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

2.8.1 Functions of the Audit Committee

- To advise the Council on all matters related to compliance and effective governance
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation
 - Respond to the council on any issues raised by the Auditor-General in the audit report
 - To review the quarterly reports submitted to it by the internal audit
 - To evaluate audit reports pertaining to financial, administrative and technical systems
 - The compilation of reports to Council, at least twice during a financial year
 - To review the performance management system and make recommendations in this regard to Council
 - To identify major risks to which Council is exposed and determine the extent to which risks have been minimised
 - To review the annual report of the municipality
 - Review the plans of the internal audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available
 - Provide support to the internal audit function
 - Ensure that no restrictions or limitations are placed on the Internal Audit section
 - Evaluate the activities of the internal audit function in terms of their role as prescribed by legislation

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2.8.2 Members of the Audit Committee

The table below indicates the members of the audit committee:

Name of representative	Capacity	Meeting dates
J Blair	Chairperson	25 August 2015
M Mnyamana	Member	20 November 2015
M Puley	Member	22 April 2016
		23 June 2016

Table 36: Members of the Audit Committee

2.9 Performance Audit Committee

The Municipal Planning and Performance Management Regulation, GNR796, require that the performance audit committee is comprised of a minimum of three members, the majority of whom are external (neither a councillor nor an employee) of the municipality. Section 14(2)(b) of the R Municipal Planning and Performance Management Regulation further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is also a requirement of the Municipal Planning and Performance Management Regulation in Section 14(2)(d) that the Council of a municipality designate neither a member of the performance audit committee who is neither a councillor nor an employee of the municipality as the chairperson of the committee.

Section 14(3)(a) of the Municipal Planning and Performance Management Regulation requires that the performance audit committee of a municipality must meet at least twice during each financial year. However, additional special meetings of the performance audit committee may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3)(b) of the Regulations.

2.9.1 Functions of the Performance Audit Committee

In terms of Section 14(4)(a) of the Municipal Planning and Performance Management Regulation 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
- at least twice during each financial year submit a performance audit report to the council of the municipality

2.9.2 Members of the Performance Audit Committee

The table below indicates the members of the performance audit committee:

Name of representative	Capacity
A Mpela	Municipal Manager
I Visser	Municipal Manager: Emthanjeni
M Puley	Audit Committee Member

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Name of representative	Capacity
N Hermans	Mayor
M Sestile	Chairperson MPAC
E Humphries	Chairperson Finance Portfolio Committee
S Mlenzana	Chairperson Corporate Services Portfolio Committee
N Mdala	Chairperson Technical Services Portfolio Committee

Table 37: Members of the Performance Audit Committee

2.10 Internal Auditing

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

The internal audit unit of a municipality must –

- prepare a risk based audit plan and an internal audit program for each financial year
- advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
 - internal audit
 - internal controls
 - accounting procedures and practices
 - risk and risk management
 - performance management
 - loss control
 - compliance with this Act, the annual DoRA and any other applicable legislation
- perform other duties as may be assigned to it by the accounting officer

The municipality concluded a Shared Service Agreement with the Pixley ka Seme District Municipality to render legal, planning and internal audit services.

2.11 By-Laws and Policies

Section 11 of the MSA gives a Council the executive and legislative authority to pass and implement by-laws and policies. No by-laws were developed and/or reviewed during the year under review. Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy Yes/No
Advances and Micro Loans	28 September 2015	Yes
Bad Debt Write-off Policy	31 May 2016	Yes
Bulk Services Contribution Policy	17 December 2015	Yes

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Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy Yes/No
Cash and Investment Policy	31 May 2016	Yes
Commonage Policy	17 December 2015	Yes
Communication Policy	28 September 2015	Yes
Credit Control, Customer Care and Revenue Management	31 May 2016	Yes
Disaster Management Plan	28 September 2015	Yes
Economic Revitalization and Incentive Policy	28 September 2015	Yes
Impoundment of Animals By-Law	31 March 2016	Yes
Indigent Policy	31 May 2016	Yes
Law Enforcement Strategy	28 September 2015	Yes
LED Policy	17 December 2015	Yes
MFMA Delegations	31 May 2016	Yes
Rates Amendment By-Law	28 September 2015	Yes
Rates Policy	31 May 2016	Yes
Reviewed Disaster Management Plan	17 December 2015	Yes
Reviewed Indigent Policy	28 September 15	Yes
Reviewed Occupational Health and Safety Policy	17 December 2015	Yes
Reviewed Performance Management Policy	28 September 2015	Yes
Reviewed Ward Committee Policy	28 September 2015	Yes
Spatial Planning and Land Management By-Law	28 September 2015	Yes
Supply Chain Management Policy	31 May 2016	Yes
Tariff Policy	31 May 2016	Yes
TASK Job Evaluation Policy	17 December 2015	Yes
Training Policy	17 December 2015	Yes
Travel and Subsistence Policy	31 May 2016	Yes
Unauthorised, Irregular, Wasteful and Fruitless Expenditure	31 May 2016	Yes
Virement Policy	31 May 2016	Yes

Table 38: Policies Developed and Reviewed

2.12 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa, 1996 and other statutory enactments all impose an obligation on local government and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Good customer care is clearly of fundamental importance to any organisation. A successful communication strategy therefore links the people to the municipality's programme for the year.

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Below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Communication Strategy	Yes
Communication Policy	No
Functional complaint management systems	Yes
Customer satisfaction surveys	No

Table 39: Communication Activities

Newsletters

Newsletters distributed are as follows:

Type of Newsletter	Distributed
Internal	None
External	Quarterly

Table 40: Newsletter

Awareness Campaigns

The table below indicates awareness campaigns conducted:

Topic	Description	Dates	Target Groups	Number of People Reached
The power of a book	Book clubs; exhibitions and displays in day care centres in Noupoort	17 February 2016 22 February 2016 17 May 2016 19 May 2016	Day Care Centres	512
Language	Language barrier session	17 March 2016 18 March 2016	Day Care Centres	491
Women: The rock of the nation	Women's Month celebration	August 2015	Entire Community	Municipal Area
Walk on fire	How to fight fire – conducted in Noupoort and Colesberg	18 May 2016 19 May 2016	Fire Fighting Volunteers	35

Table 41: Awareness Campaigns

2.13 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 S21A 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.

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

The table below gives an indication about the information and documents that are published on our website:

Description of information and/or document	Yes/No and/or Date Published
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the Municipal Finance Management Act)	
Draft Budget 2015/16	Yes
Adjusted Budget 2015/16	Yes
Asset Management Policy	Yes
Customer Care Credit control & Debt collection Policy	Yes
Indigent Policy	Yes
Unauthorised Irregular Fruitless and Wasteful Expenditure Policy	Yes
Cash and Investment Policy	Yes
Rates Policy	Yes
Supply Chain Management Policy	Yes
Tariff Policy	Yes
Virement Policy	Yes
Travel and Subsistence Policy	Yes
SDBIP 2015/16	Yes
Budget and Treasury Office Structure	Yes
MFMA Delegations	Yes
Integrated Development Plan and Public Participation (Section 25(4)(b) of the Municipal Systems Act and Section 21(1)(b) of the Municipal Finance Management Act)	
Reviewed IDP for 2015/16	Yes
IDP Process Plan for 2015/16	Yes
Supply Chain Management (Sections 14(2), 33, 37 & 75(1)(e) & (f) and 120(6)(b) of the Municipal Finance Management Act and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed – No disposals	N/A
Long term borrowing contracts	Yes
SCM contracts above R200 000	Yes
Section 37 of the MFMA,; No 56 of 2003 (Unsolicited Bids/Contracts)	None
Public invitations for formal price quotations	Yes

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Description of information and/or document	Yes/No and/or Date Published
Reports (Sections 52(d), 71, 72 & 75(1)(c) and 129(3) of the Municipal Finance Management Act)	
Annual Report of 2014/15	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
Monthly Budget Statement	Yes
Performance Management (Section 75(1)(d) of the Municipal Finance Management Act)	
Performance Agreements for employees appointed as per S57 of Municipal Systems Act	Yes

Table 42: Website Checklist

2.14 Supply Chain Management

The Supply Chain Management Policy of the Umsobomvu Local Municipality is deemed to be fair, equitable, transparent, competitive and cost-effective as required by Section 217 of the Constitution.

2.14.1 Competitive Bids in Excess of R200 000

a) Bid Committee Meetings

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

Bid Evaluation Committee	Bid Adjudication Committee
11	11

Table 43: Bid Committee Meetings

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

Member	Percentage attendance
S Nkcithiso	100%
N Mgcineni	80%
M Toto	100%
M Mostert	80%
N Thiso	100%

Table 44: Attendance of Members of Bid Evaluation Committee

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

Member	Percentage attendance
D Visagie	100%
B Kapp	100%
T Mosompha	100%

Table 45: Attendance of Members of Bid Adjudication Committee

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

b) Awards Made by the Bid Adjudication Committee

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

Bid number	Date of award	Title of bid	Successful Bidder	Value of bid awarded (R)
September 2015	30/9/2015	Request for price leasing of photocopier machines (4)	N.R.G Office Solution(Pty)Ltd	298 192.31
December 2015	2/12/2015	Project no 1/8/2015 Upgrading of the sewer reticulation in Norvalspont	Ruwacon (Pty) Ltd	9 910 000.00
December 2015	2/12/2015	Upgrading of Kemper Street from gravel to concrete block paved road project no 01/10/2015	Yirha Construction (Pty) Ltd	290 870.00
December 2015	11/12/2015	Review IDP 2015/2016 bid no 2/11/2015	Ignite Advisory	124 000.00
February 2016	5/02/2016	Implement energy efficiency & demand side management programme	Basia Environmental Services	7 707 307.21
March 2016	7/03/2016	MSCOA assistance with alignment between IDP SDBIP and budget completion updating project register validation	Fujitsu	223 440.00
June 2016	10/6/2016	Upgrading of social infrastructure in Noupoort : contract no 02/02/2016 Upgrading of Noupoort sports grounds	Engineering Aces (Pty) Ltd	329 479.86
June 2016	10/6/2016	Upgrading of gravel street in Colesberg: New Ouboks contract no 03/02/2016: Upgrading of existing 3km gravel arterial to concrete block paved street.	CICAM Project Agency cc	336 335.00
June 2016	20/6/2016	R.F.P: Supply of medium heavy chassis-cab: contract no 01/04/2016	Shorts Commercial Vehicles	702 315.63

Table 46: Highest Bids Awarded by the Bid Adjudication Committee

c) Appeals Lodged by Aggrieved Bidders

There were no appeals lodged by aggrieved bidders in the 2015/16 financial year.

2.14.2 Deviation from Normal Procurement Processes

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

Type of deviation	Value of deviations	Percentage of total deviations value
Emergency	R408 383	9%
Sole Provider	R2 866 185.94	63.23%
Exceptional Cases	R1 258 483.78	27.77%
Total	R4 533 052.72	100%

Table 47: Deviations Approved for the Year 2015/16

2.15 Disclosures of Financial Interests

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Schedule 1, Section 7 as well as Schedule 2, Section 5A of the MSA states that when a councillor is elected or appointed or a person appointed in terms of section 56 or a municipal manager, he or she must within 60 days declare in writing to the municipal manager or the chairperson of the municipal council the following financial interests held:

- shares and securities in any company
- membership of any close corporation
- interest in any trust
- directorships
- partnerships
- other financial interests in any business undertaking
- employment and remuneration
- interest in property
- pension
- subsidies, grants and sponsorships by any organisation

Any change in the nature or detail of the financial interests of any councillor or official must be declared in writing to the municipal manager or to the chairperson of the municipal council annually. The municipal council must determine which of the financial interests referred in the abovementioned list must be made public, having regard to the need for confidentiality and the public interest for disclosure.

The following table lists the disclosure of financial interests of the administrative and strategic role players of the Municipality which were deemed to be disclosed for public interest:

Disclosures of Financial Interests	
2015/16	
Name	Description of Financial interests*
Executive Mayor	
N Hermanus	Member of Woman in Property and Facilities Management cc
Councillors	
S Ngalimani	Member of Vukuzenzele Tuck Shop cc
M Sestile	Member of Kwazamuxolo Building and Maintenance Construction cc
S Mlenzana	Member of Amachule Akwantu Art and Craft
Municipal Manager	
A Mpela	Director of Mthombo Sediba Development Agency (Article 21) and Member of Pride and Grace Trading and Projects cc
Directors	
P Mosompha	Member of World Focus 684 cc
B Kapp	Birtus Kapp Beleggings CC; Kapp Family Trust
<i>* Financial interests to be disclosed even if they incurred for only part of the year</i>	

CHAPTER 3

This chapter provides an overview of the key service achievements of the municipality that came to fruition during 2015/16 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP.

3.1 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 the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

3.1.1 Legislative Requirements

The Constitution of the RSA, 1996, Section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of Section 195 (1) are also linked with the concept of performance management, with reference to the principles of *inter alia*:

- 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
- to facilitate a culture of public service and accountability amongst staff

The MSA, 2000 requires municipalities to establish a performance management system. Further, the MSA and the MFMA requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

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.

The municipality continues to implement performance in terms of the performance management framework that was approved by Council on 23 September 2014.

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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 the performance of 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 following financial year and measures that were or are to be taken to improve performance.

3.1.2 Organisational Performance

Strategic performance indicates how well the municipality is meeting its objectives and whether policies and processes are working effectively. All government institutions must measure and report on their strategic performance to ensure that service delivery is done in an efficient, effective and economical manner. Municipalities must therefore develop strategic plans and allocate resources for the implementation. The implementation of the plans must be monitored on an on-going 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 highlight the strategic performance in terms of the municipality's Top Layer SDBIP, high level performance in terms of the Strategic Objectives and performance on the National Key Performance Indicators as prescribed in terms of Section 43 of the MSA.

3.1.3 Performance Management System used in the Financial Year 2015/16

a) The IDP and the Budget

The IDP and the main budget for 2015/16 was approved by Council on 26 May 2015. As the IDP process and the performance management process are integrated, the IDP fulfils the planning stage of performance management whilst performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

In terms of the performance management framework, the Mayor approved the Top Layer SDBIP on 12 June 2015. The Top layer SDBIP indicators are aligned with the budget which was prepared in terms of the reviewed IDP. The indicators in the Top layer SDBIP include indicators required by legislation, indicators that will assist to achieve the objectives adopted in the IDP and indicators that measure service delivery responsibilities.

The actual performance achieved in terms of the KPI's was reported on quarterly. The indicators and targets were adjusted after the finalisation of the previous year budget and mid-year budget assessment. The Top Layer SDBIP was revised with the adjustments budget in terms of Section 26 (2)(c) of the Municipal Budget and Reporting Regulations and an amended Top Layer SDBIP was approved by the Council on 24 February 2016.

The performance agreements of the senior managers were compiled and revised in terms of the SDBIP indicators and the portfolio of evidence that support the actual targets reported.

Chapter 3: Service Delivery Performance

3.1.4 Actual 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
- A performance comment
- 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.

3.1.5 Monitoring of the SDBIP

Municipal performance is measured as follows:

- Quarterly reports were submitted to Council on the actual performance in terms of the Top Layer SDBIP
- Mid-year assessment and submission of the mid-year report to the Mayor in terms of Section 72(1) (a) and 52(d) of the MFMA to assess the performance of the municipality during the first half of the financial year

3.1.6 Individual Performance Management

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

The MSA prescribes that the municipality must enter into performance based agreements with all the 557-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the Municipal Manager and applicable directors for the 2015/16 financial year was signed on 15 June 2015.

The appraisal of the actual performance in terms of the signed agreement takes place twice per annum as regulated. The final evaluation of the 2014/15 financial year (1 January 2015 to 30 June 2015) took place on 14 October 2015 and the mid-year performance of 2015/16 (1 July 2015 to 31 December 2015) took place on 11 March 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 Councillor
- Municipal Manager
- Chairperson of the Audit Committee

Chapter 3: Service Delivery Performance

3.2 INTRODUCTION TO STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2015/16

This section provides an overview of the key service achievements of the municipality that came to fruition during 2015/16 in terms of the deliverables achieved against the strategic objectives of the IDP.

3.2.1 Strategic SDBIP (Top Layer)

This section provides an overview on the achievement of the municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer SDBIP assists with documenting and monitoring of the municipality’s strategic plan and shows the strategic alignment between the IDP, budget and performance plans.

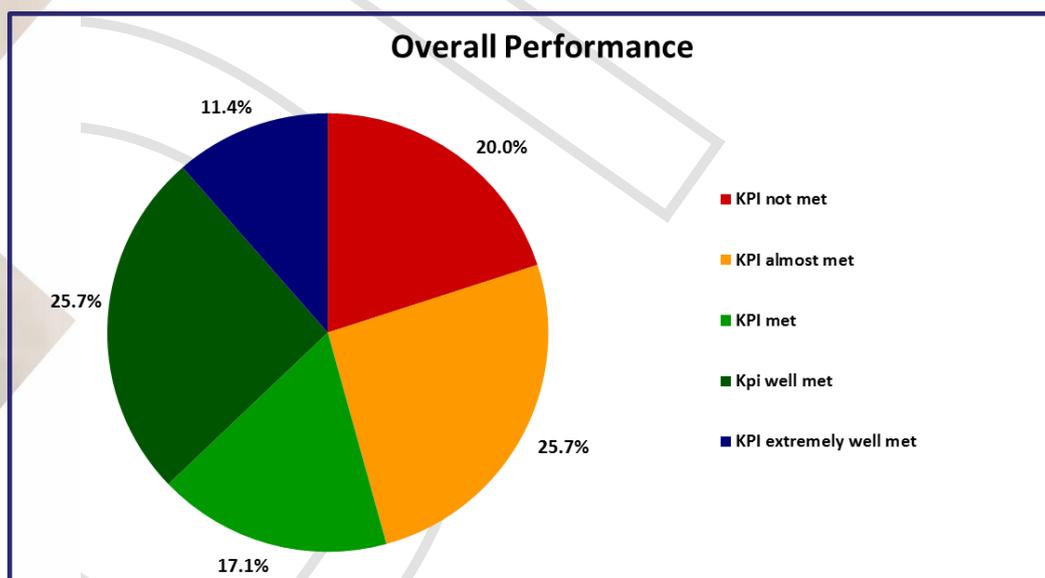
In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP KPI’s applicable to 2015/16 in terms of the IDP strategic objectives.

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

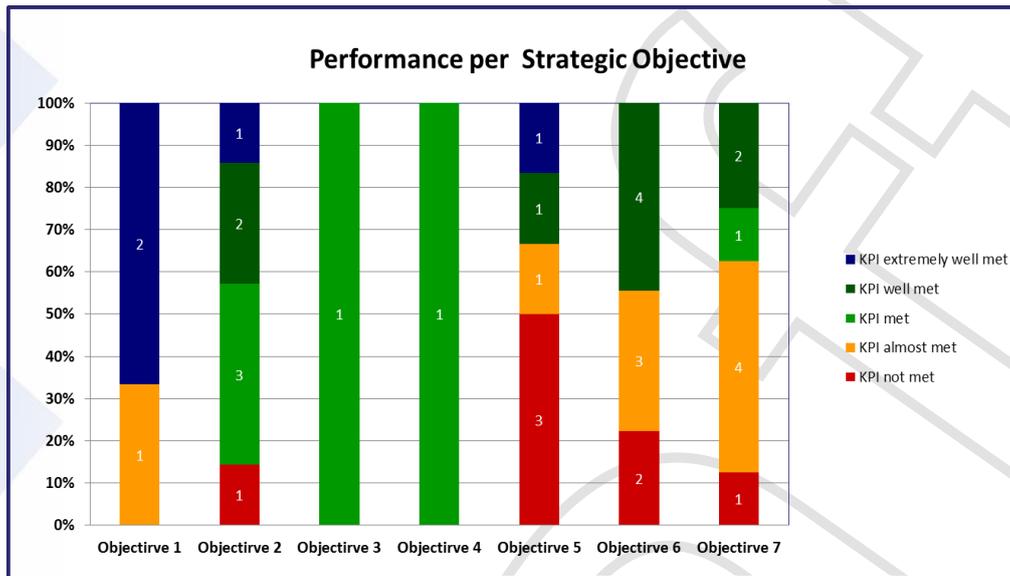
Category	Colour	Explanation
KPI Not Yet Measured	Grey	KPI’s with no targets or actuals in the selected period
KPI Not Met	Red	0% > = Actual/Target < 75%
KPI Almost Met	Orange	75% > = Actual/Target < 100%
KPI Met	Green	Actual/Target = 100%
KPI Well Met	Dark Green	100% > Actual/Target < 150%
KPI Extremely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

Figure 1: SDBIP Measurement Criteria

The graph below displays the overall performance per Strategic Objectives for 2015/16:



Chapter 3: Service Delivery Performance



Measurement Category	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Objective 6	Objective 7	Total
	Develop a capable and capacitated institution to respond to community needs	Ensure that the municipality is financially viable	Establish and strengthen governance structures	Facilitate economic growth in the municipal area	Ongoing maintenance of municipal infrastructure	Provide appropriate services to all households	Provide quality and sustainable municipal infrastructure	
KPI Not Met	0	1	0	0	3	2	1	7
KPI Almost Met	1	0	0	0	1	3	4	9
KPI Met	0	3	1	1	0	0	1	6
KPI Well Met	0	2	0	0	1	4	2	9
KPI Extremely Well Met	2	1	0	0	1	0	0	4
Total	3	7	1	1	6	9	8	35

Graph 5: Top Layer SDBIP per Strategic Objectives

a) Actual strategic performance and corrective measures that will be implemented

i) Top Layer SDBIP - Develop a capable and capacitated institution to respond to community needs

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance 2015/2016						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL11	The number of people from employment equity target groups employed in the three highest levels of management in compliance with the equity plan	Number of people employed	All	1	0	0	0	1	1	2	B

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Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance 2015/2016						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL12	The percentage of the municipality's personnel 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	1.26%	0%	0%	0%	0.50%	0.50%	0.43%	O
Corrective action		Training programmes scheduled did not take place due to unavailability of providers on specific dates. Training should be scheduled well ahead of time an reliable services providers must be appointed									
TL17	Limit the vacancy rate to less than 10% of budgeted posts by 30 June 2016 ((Number of posts filled/Total number of budgeted posts)x100)	(Number of posts filled/Total number of budgeted posts)x100	All	8.08%	0%	0%	0%	10%	10%	9.40%	B

Table 48: Top Layer SDBIP – Develop a capable and capacitated institution to respond to community needs

ii) Top Layer SDBIP - Ensure that the municipality is financially viable

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance 2015/2016						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL13	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2016	Debt to Revenue as 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	28.46	0	0	0	24.6	24.6	0.01	B
TL14	Financial viability measured in terms of the outstanding service debtors as at 30 June 2016	Service debtors to revenue as at 30 June 2016 – (Total outstanding service debtors/ revenue received for services)	All	46%	0%	0%	0%	28%	28%	95%	R
TL15	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2016	Cost coverage as 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	2.29	0	0	0	2	2	2.34	G2

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Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance 2015/2016							
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Annual			
TL19	Submit the annual financial statements for 2014/15 to AGSA by 31 August 2015	Annual financial statements for 2014/15 submitted by 31 August 2015 to AGSA	All	1	1	0	0	0	0	1	1	G
TL20	Compile Plan to address audit findings of the 2014/15 audit report and submit to MM by 31 January 2016	Plan completed and submitted to MM by 31 January 2016	All	1	0	0	1	0	0	1	1	G
TL21	Submit the main budget for 2016/17 to Council for consideration by 31 March 2016	Main budget for 2016/17 submitted to Council by 31 March 2016	All	1	0	0	1	0	0	1	1	G
TL22	Achieve a debtor payment percentage of 75% ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100	((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100	All	112%	75%	75%	75%	75%	75%	75%	98.45%	G2

Table 49: Top Layer SDBIP – Ensure that the municipality is financially viable

iii) Top Layer SDBIP - Establish and strengthen governance structures

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance 2015/2016							
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Annual			
TL16	Compile and submit the Risk Based Audit Plan (RBAP) for 2016/17 to the Audit committee by 30 June 2016	Compile and submit the Risk Based Audit Plan (RBAP) for 2016/17 to the Audit committee by 30 June 2016	All	1	0	0	0	1	0	1	1	G

Table 50: Top Layer SDBIP – Establish and strengthen governance structures

iv) Top Layer SDBIP - Facilitate economic growth in the municipal area

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance 2015/2016							
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Annual			
TL10	Create temporary jobs - FTE's in terms of EPWP by 30 June 2016	Number of FTE's created by 30 June 2016	All	New performance indicator for 2015/16. No audited comparatives available	0	0	0	28	0	28	28	G

Table 51: Top Layer SDBIP – Facilitate economic growth in the municipal area

v) Top Layer SDBIP - Ongoing maintenance of municipal infrastructure

Chapter 3: Service Delivery Performance

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance 2015/2016						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL24	Limit unaccounted for electricity to less than 25% by 30 June 2016 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated} × 100}	% of unaccounted electricity	All	27%	0%	0%	0%	25%	25%	16.56%	B
TL25	90% of the electricity maintenance budget spent by 30 June 2016 {(Actual expenditure on maintenance divided by the total approved maintenance budget) × 100}	% of the maintenance budget spent	All	92%	25%	40%	60%	90%	90%	43%	R
Corrective action		Spending should be monitored more closely									
TL26	90% of the roads and stormwater maintenance budget spent by 30 June 2016 {(Actual expenditure on maintenance divided by the total approved maintenance budget) × 100}	% of the maintenance budget spent	All	98%	25%	40%	60%	90%	90%	116%	G2
TL28	90% of the sewerage maintenance budget spent by 30 June 2016 {(Actual expenditure on maintenance divided by the total approved maintenance budget) × 100}	% of the maintenance budget spent	All	100%	25%	40%	60%	90%	90%	68%	O
Corrective action		Spending should be monitored more closely									
TL30	90% of the water maintenance budget spent by 30 June 2016 {(Actual expenditure on maintenance divided by the total approved maintenance budget) × 100}	% of the maintenance budget spent	All	100%	25%	40%	60%	90%	90%	43%	R
Corrective action		Spending should be monitored more closely									
TL31	Limit unaccounted for water to less than 40% by 30 June 2016 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100}	% of water unaccounted	All	43%	0%	0%	0%	40%	40%	57.36%	R
Corrective action		All bulk meters are not being read and the water used by the municipal facilities such as the municipal building community halls and stadiums are taken as water losses									

Table 52: Top Layer SDBIP – Ongoing maintenance of municipal infrastructure

Chapter 3: Service Delivery Performance

vi) Top Layer SDBIP – Provide appropriate services to all households

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance 2015/2016						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL1	Number of formal residential properties that receive piped water (credit) that is connected to the municipal water infrastructure network as at 30 June 2016	Number of residential properties which are billed for water	All		0	0	0	6 900	6 900	6 164	O
Corrective action		Target must be adjusted to be more realistic									
TL2	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) as at 30 June 2016	Number of residential properties which are billed for sewerage	All	5 530	0	0	0	5 608	5 608	4 619	O
Corrective action		Target must be adjusted to be more realistic									
TL3	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) as at 30 June 2016	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2016	All	2 784	0	0	0	2 557	2 557	2 743	G2
TL4	Number of formal residential properties for which refuse is removed once per week as at 30 June 2016	Number of residential properties which are billed for refuse removal as at 30 June 2016	All	6 223	0	0	0	6 192	6 192	6 419	G2
TL5	Provide free basic water to indigent households as at 30 June 2016	Number of households receiving free basic water as at 30 June 2016	All	2 325	0	0	0	2 600	2 600	1 940	R
Corrective action		Target must be adjusted as per registered indigent households									
TL6	Provide free basic sanitation to indigent households as at 30 June 2016	Number of households receiving free basic sanitation as at 30 June 2016	All	2 325	0	0	0	2 600	2 600	1 873	R
Corrective action		Target must be adjusted as per registered indigent households									
TL7	Provide free basic electricity to indigent households as at 30 June 2016	Number of households receiving free basic electricity as at 30 June 2016	All	2 752	0	0	0	2 600	2 600	3 290	G2
TL8	Provide free basic refuse removal to indigent households as at 30 June 2016	Number of households receiving free basic refuse removal as at 30 June 2016	All	2 325	0	0	0	2 600	2 600	1 956	O

Chapter 3: Service Delivery Performance

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance 2015/2016						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
Corrective action		Target must be adjusted as per registered indigent households									
TL9	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2016 [(Actual amount spent on capital projects /Total amount budgeted for capital projects)X100]	(Actual amount spent on capital projects /Total amount budgeted for capital projects)X100	All	84.70%	0%	0%	0%	70%	70%	82.70%	G2

Table 53: Top Layer SDBIP – Provide appropriate services to all households

vii) Top Layer SDBIP - Provide quality and sustainable municipal infrastructure

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance 2015/2016						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL18	Develop a policy on the contribution of developers towards bulk services and submit to Council by 30 June 2016	Policy on the contribution of developers towards bulk services and submitted to Council by 30 June 2016	All	New performance indicator for 2015/16. No audited comparatives available	0	0	0	1	1	1	G
TL29	Achieve an outflow quality of 70% by 30 June for waste water in terms of SANS 242	% quality of outflow in terms of SANS 242 by 30 June	All	43.62%	0%	0%	0%	70%	70%	28%	R
Corrective action		Outflow quality should be monitored more closely and remedies must be investigated									
TL32	90% spent of the approved budget for the Noupoot Bulk Water supply Upgrade by 30 June 2016 {(Actual expenditure divided by the total approved project budget)x100}	% of total approved project budget spent	2	31%	0%	0%	0%	90%	90%	81%	O
Corrective action		Spending should be monitored more closely									
TL33	90% spent of the approved budget for the Norvalspont Bulk Water supply Upgrade by 30 June 2016 {(Actual expenditure divided by the total approved project budget)x100}	% of total approved project budget spent	1	New performance indicator for 2015/16. No audited comparatives available	0%	0%	0%	90%	90%	88%	O
Corrective action		Spending should be monitored more closely									
TL34	50% spent of the approved budget for the upgrading of Norvalspont Sewer Network by 30 June	% of total approved project budget spent	1	New performance indicator for 2015/16. No audited	0%	0%	0%	50%	50%	69%	G2

Chapter 3: Service Delivery Performance

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance 2015/2016						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
	2016 {(Actual expenditure divided by the total approved project budget)x100}			comparatives available							
TL35	50% spent of the approved budget for the retrofitting of street lights with energy saving technology by 30 June 2016 {(Actual expenditure divided by the total approved project budget)x100}	% of total approved project budget spent	All	New performance indicator for 2015/16. No audited comparatives available	0%	0%	0%	50%	50%	53%	G2
TL36	90% spent of the approved budget for the upgrading of Louisa Street from gravel to tar by 30 June 2016 {(Actual expenditure divided by the total approved project budget)x100}	% of total approved project budget spent	All	New performance indicator for 2015/16. No audited comparatives available	0%	0%	0%	90%	90%	87%	O
Corrective action		Spending should be monitored more closely									
TL37	Achieve an average 95% water quality as per SANS 241 criteria	% water quality level	All	100%	95%	95%	95%	95%	95%	72%	O
Corrective action		Recent upgrades were completed to increase the quality of water. The water quality will be monitored more closely									

Table 54: Top Layer SDBIP - Provide quality and sustainable municipal infrastructure

Chapter 3: Service Delivery Performance

b) Service Providers Strategic Performance

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

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

During the year under review the municipality did not appoint any service providers who provided municipal services to or for the benefit of the local community on behalf of the municipality and therefore this report contains no such details. All other contract appointments are regularly monitored and ensured that the requirements of the contract are complied with.

3.2.2 Municipal Functions

a) Analysis of Functions

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function Yes / No
Constitution Schedule 4 Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons ferries jetties piers and harbours excluding the regulation of international and national shipping and matters related thereto	No
Storm Water management systems in built-up areas	Yes

Chapter 3: Service Delivery Performance

Municipal Function	Municipal Function Yes / No
Trading regulations	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5 Part B functions:	
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 55: Functional Areas

Chapter 3: Service Delivery Performance

3.3 COMPONENT A: BASIC SERVICES

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

3.3.1 Water Provision

a) Introduction to Water Services

The Constitution of the South Africa assigns the responsibility of ensuring access to water services to Local Government. Furthermore the Water Services Act entrust the local municipality with provision of affordable, efficient, effective on-going water services which is sustainable.

The Water Section within the Technical Services Department of Umsobomvu Municipality is tasked and responsible for:

- potable drinking water distribution
- waste water collection and treatment
- water quality management
- water and sewer infrastructure maintenance and upgrade
- water conservation and demand management

Water provisioning is about providing quality water supply to consumers sustainably and affordable. There are seven pump stations working around the clock to pump water to four reservoirs. These pump stations forms part of municipal assets that must be maintained to function properly. There are 8 812 water connections in the municipality requiring maintenance and pipe network totaling around 182 kilometers.

b) Highlights: Water Services

The table below specifies the highlights for the year:

Highlight	Description
Replacement of asbestos pipe with uPVC pipe in Murray Street	A problematic 75 mm diameter section of asbestos pipe was replaced with uPVC pipe in Murray Street
Replacement of asbestos pipe in Bell Street	The whole section of 75 mm diameter asbestos pipe was replaced after experiencing frequent pipe bursts
Replacement of supply pipe from the Bell Street borehole to the storage reservoir	The 160 mm diameter asbestos supply pipe from the Bell Street borehole to the storage reservoir was replaced. The reservoir was also cleaned and the leakage on the booster pump outlet valve fixed
Installation of water meters	97% of households in Norvalpont is now fitted with water meters. The outstanding meters will be installed in the new financial year
Repositioning of water meters	40 water meters have been repositioned from the inside to the outside of yards to make meters more accessible for reading and monitoring

Table 56: Water Services Highlights

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c) Challenges: Water Services

The challenges that are experienced are as follows:

Description	Actions to address
The replacement of asbestos pipe in Murray Street has been partially completed and it is recommended that the whole section of asbestos pipe should be replaced in order to address pipe bursts	Asbestos pipe must be replaced with uPVC pipe
The replacement of asbestos pipe in Kort Street to address pipe bursts	Asbestos pipe must be replaced with uPVC pipe
Replacement of 1 000 household water meters in Noupoort and 317 in Colesberg	The meters will be replaced in the new financial year
A new non-return valve chamber must be constructed on the 315mm rising main from the water treatment works (WTW) to the Reservoir. This will allow the water to flow backward and supply areas which receive water through the pump lines from the WTW. It will also ensure the water pumped to the reservoir will not flow back to the WTW	The necessary budgetary provision must be made

Table 57: Water Services Challenges

d) Service Delivery Levels: Water Services

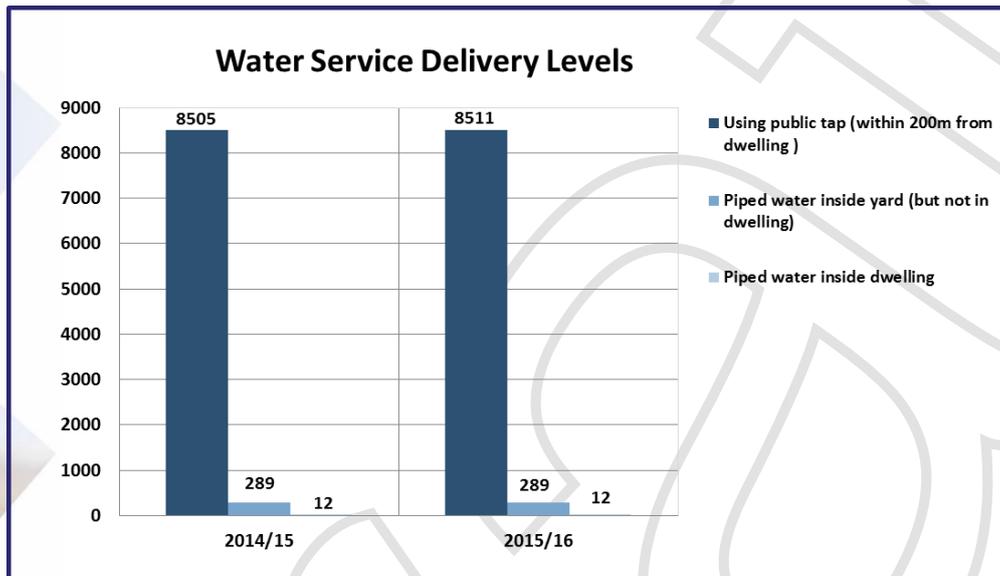
The table below specifies the different water service delivery levels per households for the financial years 2014/15 and 2015/16 in the areas in which the municipality is responsible for the delivery of the service:

Description	Households	
	2014/15	2015/16
	Actual No.	Actual No.
Water: (above min level)		
Piped water inside dwelling	8 505	8 511
Piped water inside yard (but not in dwelling)	289	289
Using public tap (within 200m from dwelling)	12	12
Other water supply (within 200m)	0	0
Minimum Service Level and Above sub-total	8 806	8 812
Minimum Service Level and Above Percentage	100%	100%
Water: (below min level)		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0%	0%
Total number of households	8 806	8 812

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Households		
Description	2014/15	2015/16
	Actual	Actual
	No.	No.
Include informal settlements		

Table 58: Water Service Delivery Levels: Households



Graph 6: Water Service Delivery Levels

e) Employees: Water Services

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	1	1	1	0	0
7 - 9	8	8	5	3	37.5
10 - 12	0	0	0	0	0
13 - 15	14	14	14	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	24	24	21	3	12.5

Table 59: Employees: Water Services

Chapter 3: Service Delivery Performance

f) Capital: Water Services

The following table indicates the capital expenditure for this division:

Water Services					
R'000					
Capital Project	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Bulk water - Noupoort	36 872	54 000	47 936	11 064	47 936

Table 60: Capital Expenditure 2015/16: Water Services

3.3.2 Waste Water (Sanitation) Provision

a) Introduction to Waste Water (Sanitation) Provision

This Section deals with sanitation provision, unblocking of sewer lines, emptying of buckets and VIP toilets, new connections and bulk sewer services. It is also responsible for the maintenance of sewer pump stations in the three towns and cleaning of the oxidation ponds.

Colesberg is situated on a hard rock bed and this causes a challenge regarding the basic sanitation services in the municipal area. As a result, the shallow excavated pit latrines reaches capacity in a short space of time. The municipality also attempted to provide ventilated improved pit (VIP) toilets to residence in the Old Ouboks area, however, some of the households refused the VIP toilets. It is however the aim of the municipality to provide all households with waterborne toilets to meet the appropriate service levels.

Another top priority of the municipality is to upgrade the Waste Water Treatment Works (WWTW) in Colesberg. The project was implemented and completed during the financial year. This eliminated the pollution of the natural stream passing through the town and the farms downstream. The municipality also prioritised the upgrade of the sewer pump station in Norvalspont and the replacement of internal sewer network.

A jet vacuum truck was procured to deal with the 794 VIPs during the financial year. More than a hundred unusable VIP toilets were cleaned. The municipality does not use any entity in the provision of sanitation services. Sanitation trends in the municipality includes VIP's, septic drains, french drains and a below service bucket system.

The municipality's policies provide for waterborne (full) sanitation services to all formal urban settlements, however the policies are not clear on the level of sanitation services to be provided in informal settlements.

The municipality is currently providing limited sanitation services (VIP toilets) in some of the formal settlements and the ultimate goal is to provide these households with full water borne sewerage systems. In agricultural holdings the owners are responsible for providing their own sanitation services. This is due to the fact that the Municipality's bulk infrastructure does not reach those areas.

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b) Highlights: Waste Water (Sanitation) Provision

The table below specifies the highlights for the year:

Highlight	Description
Replacement of manhole covers	Ten cast iron manhole covers that were stolen have been replaced with concrete covers and lids. This prevented foreign materials to be thrown down the manholes causing blockages
New sewer connections	Seven new sewer connections were completed and the service were upgraded to water borne
Replacement of the pump at New Ouboks	A problematic pump at the New Ouboks Sewer Pump Station was replaced to address the overflowing of the pump station
Addressing overflow problem at Reguit Street Pump Station	A problematic pump at Reguit Street Pump Station was repaired to address the overflowing of the pump station
Repair of backup generators	The backup generators at Reguit Street and Eureka has been repaired
Replacement of sludge pump	The sludge pump at the Colesberg WWTW was replaced as it was unable to de-sludge the primary pond

Table 61: Waste Water (Sanitation) Provision Highlights

c) Challenges: Waste Water (Sanitation) Provision

The challenges that are experienced are as follows:

Description	Actions to address
Lifting of manhole covers	Concrete manhole covers must be lifted with 1 or 2 bricklayers depending on the ground level
Repair/replace section of sewer pipe from Lowryville under small bridge past the clinic	New galvanised pipe (above ground) must be laid
Non-functional sewer jet machine resulting in grit/sand causing blockage of sewer pipes	The sewer jet machine will be repaired
Theft of iron lids that are covering the valve openings and the pump access	The fence around New Ouboks Pump Station must be replaced with razor wire to increase security
There are still several VIP's in the Kuyasa Township that needs to be upgraded to water borne toilets	The necessary budgetary provision must be made to upgrade the VIP's

Table 62: Waste Water (Sanitation) Provision Challenges

d) Services Delivery levels: Waste Water (Sanitation) Provision

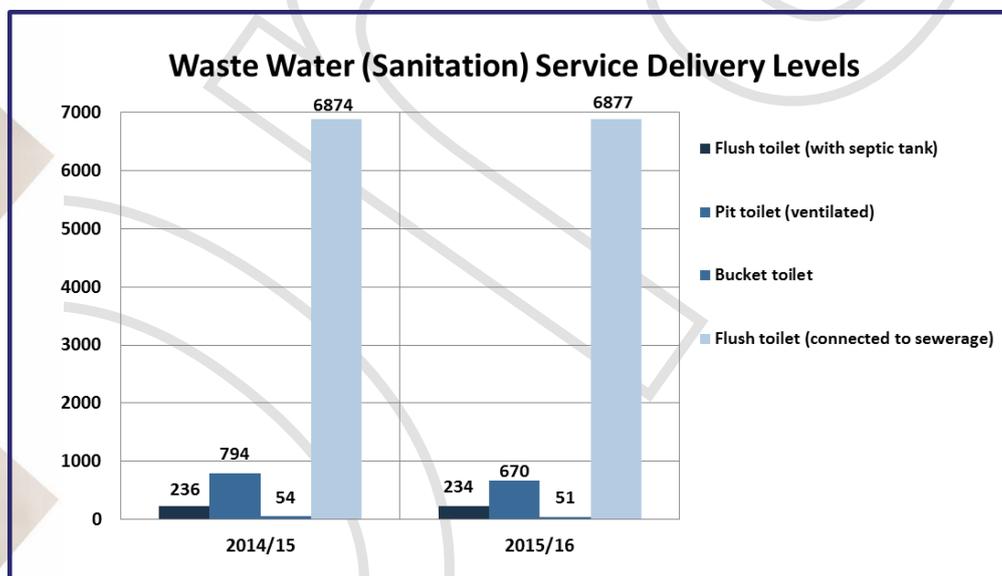
The table below specifies the different sanitation service delivery levels per households for the financial years 2014/15 and 2015/16 in the areas in which the municipality is responsible for the delivery of the service:

Description	Households	
	2014/15	2015/16
	Outcome No.	Actual No.
Sanitation/sewerage: (above minimum level)		

Chapter 3: Service Delivery Performance

Households		
Description	2014/15	2015/16
	Outcome	Actual
	No.	No.
Flush toilet (connected to sewerage)	6 874	6 877
Flush toilet (with septic tank)	236	234
Chemical toilet	0	0
Pit toilet (ventilated)	794	670
Other toilet provisions (above min.service level)	0	0
Minimum Service Level and Above sub-total	7 904	7 905
Minimum Service Level and Above Percentage	99.32%	99.33%
Sanitation/sewerage: (below minimum level)		
Bucket toilet	54	51
Other toilet provisions (below min.service level)	0	0
No toilet provisions	0	0
Below Minimum Service Level sub-total	54	51
Below Minimum Service Level Percentage	0.68%	0.64%
Total households	7 958	7 958
<i>Including informal settlements</i>		

Table 63: Waste Water (Sanitation) Provision Service Delivery Levels



Graph 7: Sanitation/Sewerage Service Delivery Levels

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e) Employees: Waste Water (Sanitation) Provision

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	1	1	1	0	0
7 - 9	4	4	3	1	25
10 - 12	4	4	2	2	50
13 - 15	14	14	11	3	21
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	24	24	18	6	25

Table 64: Employees Waste Water (Sanitation) Provision

f) Capital: Waste Water (Sanitation) Provision

The following table indicates the capital expenditure for this division:

Capital Project	R'000				
	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Sewerage purification	10 691	7 651	3 647	(6 687)	10 892

Table 65: Capital Expenditure 2015/16: Waste Water (Sanitation) Provision

3.3.3 Electricity

a) Introduction to Electricity

The Electrical Section within the Department Technical Services is responsible for the provision of quality and sustainable electrical services to all customers within the Umsobomvu electrical distribution area. Some areas, for example Kuyasa in Colesberg, Masizakhe in Norvalspont and Kwazamuxolo and Eurekaville in Noupoort are supplied by Eskom.

The municipality is supplied with electricity by Eskom via 2 main intake substations on an eleven kV network.

Formal Households

Umsobomvu Municipality supplies electricity to domestic and business consumers in the greater Umsobomvu area consisting of Colesberg, Noupoort and agricultural holdings in Noupoort. There are limited backlogs within the Umsobomvu Local Municipality electrical distribution area.

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The Electrical Section of the municipality is guided by the following Act/Standards:

- Electricity Regulation Act. 4 of 2006
- Eskom Standards
- National Energy Regulator Regulations
- Electrical By-Laws
- MFMA
- Occupational Health and Safety Act. (Act.85 of 1993)

The section deals with maintenance of electrical infrastructure and construction. There are 20 mini-sub and 28 transformers with varying capacity in the network. New electrical connections and upgrading of existing ones to three phases are handled by this section.

b) Challenges: Electricity

The challenges that are experienced are as follows:

Description	Actions to address
The Noupoot 6.6 kV electrical network is outdated	Budgetary provision must be made to upgrade the electrical network to a 22 kV electrical supply network
Bulk metering in Lowryville, Towervallei, New Ouboks and Colesberg	Funding must be sourced for the implementation of bulk metering
Difficulty to determine electrical network losses	Funding must be sourced for the implementation of bulk metering

Table 66: Electricity Challenges

c) Service Delivery Levels: Electricity

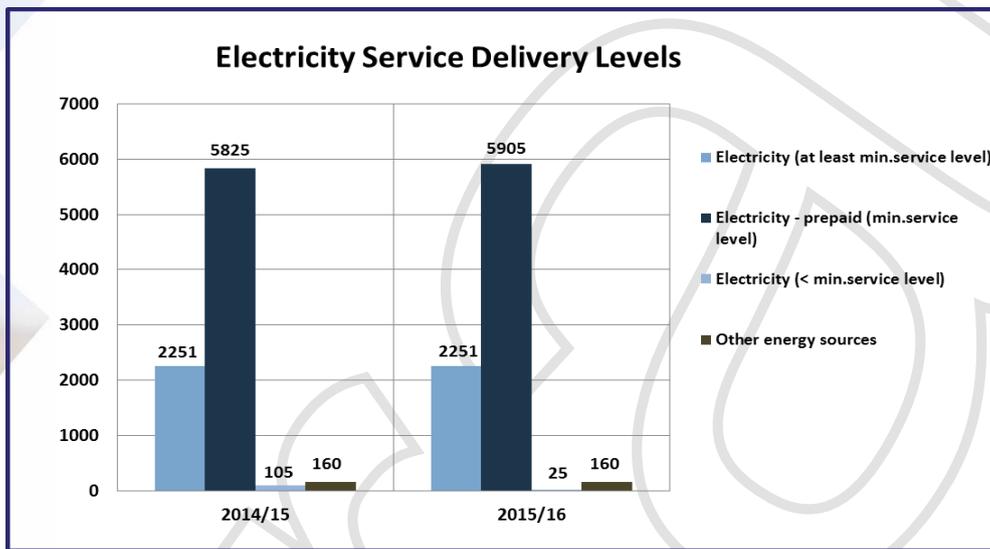
The table below specifies the different electricity service delivery levels per households for the financial years 2014/15 and 2015/16 in the areas in which the municipality is responsible for the delivery of the service:

Description	Households	
	2014/15	2015/16
	Actual No.	Actual No.
Energy: (above minimum level)		
Electricity (at least min.service level)	2 251	2 251
Electricity - prepaid (min.service level)	5 825	5 905
Minimum Service Level and Above sub-total	8 076	8 156
Minimum Service Level and Above Percentage	96.82%	97.78%
Energy: (below minimum level)		
Electricity (< min.service level)	105	25
Electricity - prepaid (< min. service level)	0	0

Chapter 3: Service Delivery Performance

Households		
Description	2014/15	2015/16
	Actual	Actual
	No.	No.
Other energy sources	160	160
Below Minimum Service Level sub-total	265	185
Below Minimum Service Level Percentage	3.18%	2.22%
Total number of households	8 341	8 341

Table 67: Electricity Service Delivery Levels



Graph 8: Electricity Service Delivery Levels

d) Employees: Electricity

The following table indicates the staff composition for this division:

Job Level	2014/15		2015/16		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	2	2	2	0	0
7 - 9	2	2	2	0	0
10 - 12	0	0	0	0	0
13 - 15	2	2	2	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	6	6	6	0	0

Table 68: Employees: Electricity

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e) Capital: Electricity

The following table indicates the capital expenditure for this division:

Capital Projects	R'ooo				
	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Electricity Reticulation	7 000	8 350	6 162	(838)	7 806

Table 69: Capital Expenditure 2015/16: Electricity

3.3.4 Waste Management (Refuse collections waste disposal street cleaning and recycling)

a) Introduction to Waste Management

Section 84(1)(e) of the Municipal Structures Act (Act 117 of 1998) mandate the Waste Management Department of the Umsobomvu Municipality to make provision for the disposal of waste which includes:

- determining and implementing its waste management strategy i.e. refuse collection, waste recycling, transportation, disposal etc
- regulating the disposal of waste within its area of jurisdiction
- establishing, operating and controlling waste disposal facilities including waste transfer station

In order to achieve its legislative mandate, the section is subdivided into the following functional sub-units, namely:

- Refuse removal services
- Street cleaning & litter-picking
- Illegal dumping removal
- Waste minimization
- Landfill operations and management of sub-units

The municipality in terms of the Constitution is the authority in providing solid waste services. The service is not rendered to farmers, but only to households within the municipal area. Solid waste is collected from households on a weekly basis and buried at the land fill site. There are currently three land fill sites of which two are licensed.

b) Highlights: Waste Management

The table below specify the highlight for the year:

Highlight	Description
Collection of solid waste	Solid waste is collected from households on a weekly basis

Table 70: Waste Management Highlights

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c) Challenges: Waste Management

The challenges that are experienced are as follows:

Description	Actions to address
Breakdown of waste trucks	An additional truck must be acquired to address the 6 192 units that must be serviced
Shortage of personnel and equipment at landfill sites	The necessary budgetary provision must be made in order to address the shortage of personnel and equipment
Lack of fencing other infrastructure such as a weigh bridge and shelter at landfill sites	Additional funding must be sourced to address these needs

Table 71: Waste Management Challenges

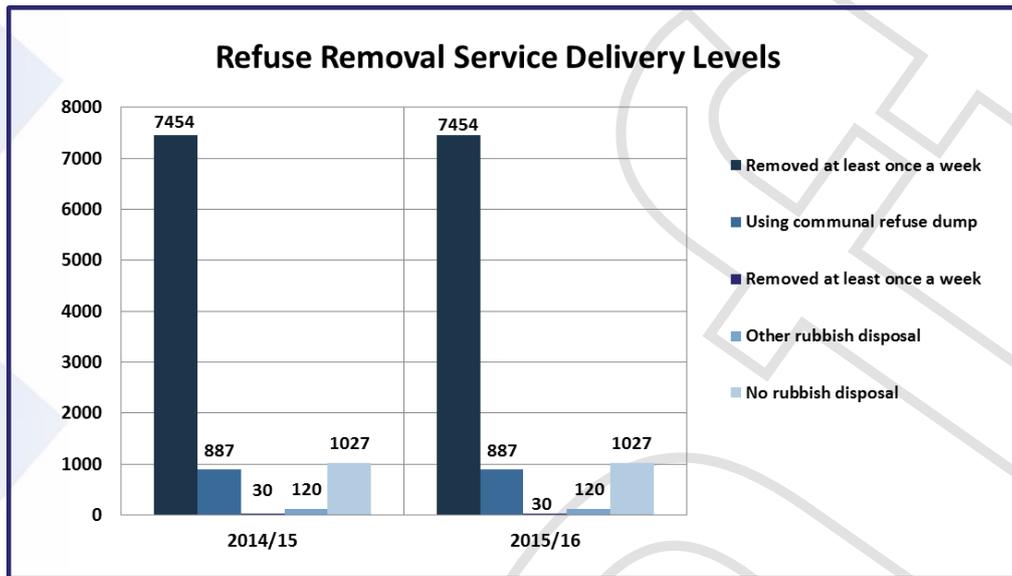
d) Service Delivery Levels: Waste Management

The table below specifies the different refuse removal service delivery levels per households for the financial years 2014/15 and 2015/16 in the areas in which the municipality is responsible for the delivery of the service:

Description	Households	
	2014/15	2015/16
	Actual	Actual
	No.	No.
Solid Waste Removal: (Minimum level)		
Removed at least once a week	7 454	7 454
Minimum Service Level and Above sub-total	7 454	7 454
Minimum Service Level and Above percentage	87.8%	87.8%
Solid Waste Removal: (Below minimum level)		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	887	887
Other rubbish disposal	30	30
No rubbish disposal	120	120
Below Minimum Service Level sub-total	1 027	1 027
Below Minimum Service Level percentage	12.2%	12.2%
Total number of households	8 491	8 491

Table 72: Waste Management Service Delivery Levels

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Graph 9: Waste Management Service Delivery Levels

e) Employees: Waste Management

The following table indicates the staff composition for this division:

Job Level	2014/15		2015/16		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	0	0	0	0	0
7 - 9	2	2	2	0	0
10 - 12	0	0	0	0	0
13 - 15	13	16	13	3	18.8
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	16	19	16	3	15.8

Table 73: Employees: Waste Management

3.3.5 Housing

a) Introduction to Housing

The Housing and Property Administration Section of the Umsobomvu Local Municipality is entrusted with overseeing facilitation of integrated human settlements, management of Council owned property, management of informal settlements and ensuring security of tenure through issuing of title deeds.

The following housing programmes are currently being prioritised by the Umsobomvu Local Municipality:

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- Sustainable human settlements
- Formalisation of informal settlements
- Essential services/consolidation
- Urban renewal
- Social housing
- Land reform projects
- Rural development
- Capturing of beneficiaries on the National Housing Needs Register (NHNR)
- Transferring of pre 1994 houses

The municipality's housing initiatives are aligned with the provincial agenda which is in turn based on the Sustainable Human Settlement Plan adopted by National Government in 2004. The plan has the following objectives:

- Progressive informal settlement upgrading: This ranges from the provision of basic services to the development of formal housing. The main focus of this programme is on in situ upgrading. (Ouboks In-Situ Upgrading Programme)
- Promoting densification and integration: Preventing urban sprawl by locating housing within the urban core
- Enhancing the location of new housing projects: Well-located land owned by the municipality will be identified for housing
- Urban renewal programmes e.g Ouboks Informal Settlement Upgrading Projects (ISUP)
- Developing social and economic infrastructure: This intervention is aimed at facilitating the provision of community facilities such as crèches, community halls, taxi ranks, hawker stalls, etc
- Promoting rental housing: after 1994 the development of public rental stock was not regarded as a high priority for government. The directorate has discovered that there are people who come to the Umsobomvu municipal area to work who are not interested in home ownership

b) Highlights: Housing

The table below specifies the highlights for the year:

Highlights	Description
Re-building of 33 houses	33 pre-1994 houses were demolished due to poor quality and rebuild
Business plan: Norvalspont	A business plan for 105 serviced sites in Norvalspont were completed and are currently pending approval
Business plan for 410 sites in Norvalspont	The business plan for the town planning plan of 410 sites in Norvalspont are approved
Business plan for 400 sites in Noupoort	A business plan for the development of 400 sites in Noupoort was submitted to the Department of Housing
Municipal Housing Allocation Policy	The Municipal Housing Allocation Policy were adopted by Council
National Housing Needs Register	Officials are capturing beneficiaries on the National Housing Needs Register to determine the housing need

Table 74: Housing Highlights

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c) Challenges: Housing

The challenges that are experienced are as follows:

Description	Actions to address
The Noupoot housing project of 100 units has made no progress since the 2013/14 financial year	Additional funding must be sourced to complete the project
The Ouboks housing project has made no progress since the 2014/15 financial year	Address administration difficulties with the district municipality to complete the project

Table 75: Housing Challenges

d) Services Delivery Levels: Housing

The table below indicates the service statics for the division:

Number of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in informal settlements	Percentage of HHs in informal settlements
2014/15	4 902	129	2.62
2015/16	4 902	129	2.62

Table 76: Households with Access to Basic Housing

The following table shows the increase in the number of people on the housing waiting list. There are currently approximately 1 726 housing units on the waiting list.

Financial year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2014/15	1 376	84.20
2015/16	1 726	20.28

Table 77: Housing Waiting List

The table below indicates the number of houses built and sites serviced:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2014/15	25 415	20 145	79	279	279
2015/16	4 435	4 435	100	33	33

Table 78: Houses Built and Sites Serviced

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3.3.6 Free Basic Services and Indigent Support

a) Introduction

Indigent applications are processed annually but new applications are assessed and updated monthly. The indigent register was reconciled with the Financial System (Abakus) and the Pre-paid Electricity System. Credit Control officials are continuously updating Indigent Households (IHH) on the Pre-paid Electricity System.

New indigent household applications were processed and approved, so that these households received their levied Free Basic Services (FBS) during the month. Indigent households will receive their FBS in the first of the month following the approval of their applications.

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than **R2 000** per month will receive the free basic services as prescribed by national policy.

The tables below indicates that **32.3%** of the total number of households received free basic services in 2015/16 if compared to **30%** in 2014/15.

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

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2014/15	2 752	2 325	100	2 325	100	2 325	100	2 325	100
2015/16	2 531	2 531	100	2 531	100	2 531	100	2 531	100

Table 79: Free Basic Services to Indigent Households

Financial year	Electricity		
	Indigent Households		
	No. of HH	Unit per HH (kwh)	Value R'000
2014/15	2 325	50	1 191
2015/16	2 531	50	1 296

*Figures as at 30 June

Table 80: Free Basic Electricity Services to Indigent Households

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Water			
Financial year	Indigent Households		
	No. of HH	Unit per HH (kwh)	Value
			R'ooo
2014/15	2 325	6	847
2015/16	2 531	6	921
*Figures as at 30 June 2016			

Table 81: Free Basic Water Services to Indigent Households

Sanitation			
Financial year	Indigent Households		
	No. of HH	Unit per HH (kwh)	Value
			R'ooo
2014/15	2 325	92.68	2 948
2015/16	2 531	92.68	3 209
*Figures as at 30 June 2016			

Table 82: Free Basic Sanitation Services to Indigent Households

Refuse Removal			
Financial year	Indigent Households		
	No. of HH	Unit per HH	Value
			R'ooo
2014/15	2 325	71.44	2 272
2015/16	2 531	71.44	2 473
*Figures as at 30 June 2016			

Table 83: Free Basic Refuse Removal Services to Indigent Households

3.4 COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

3.4.1 Roads

a) Introduction to Roads

The core function of the roads section is:

- Re-gravelling and blading of the unpaved roads/streets
- Construction, maintenance and rehabilitation of roads/streets
- Installing and upgrading of stormwater
- Maintenance of surfaced and un-surfaced roads/streets in general

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The main challenges faced are the ageing infrastructure and the inadequate budget for both capital projects and the maintenance of existing infrastructure.

The roads section also handles:

- The maintenance of road infrastructure, both gravel and surface, within the municipality
- Cleaning of stormwater channels and opening of the inlets
- Reconstruction of damaged inlets and constructing new stormwater where needed

b) Challenges: Roads

The challenges that are experienced are as follow:

Description	Actions to address
Ageing infrastructure	Additional funding must be sourced to repair and replace ageing infrastructure

Table 84: Roads Challenges

c) Services Delivery Levels: Roads

The tables below indicates the service statics for the division:

Gravel Road Infrastructure: Kilometres				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2014/15	38.263	0	1	37.263
2015/16	37.263	0	4.75	32.513

Table 85: Gravel Roads Infrastructure

Tarred Road Infrastructure: Kilometres					
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2014/15	27.518	1	0	0	28.518
2015/16	28.518	4.75	0	0	33.268

Table 86: Tarred Road Infrastructure

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

Financial year	New & Replacements	Resealed	Maintained
	R'ooo		
2014/15	596	157	1 348
2015/16	10 936	0	16 272

The cost for maintenance include stormwater

Table 87: Cost of Construction/Maintenance of Roads

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d) Employees: Roads

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	0	0	0	0	0
7 - 9	7	7	2	5	71
10 - 12	0	0	0	0	0
13 - 15	23	23	20	3	13
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	31	31	23	8	26

Table 88: Employees: Roads

e) Capital: Roads

The following table indicates the capital expenditure for this division:

Roads					
R'000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Roads Infrastructure	1 000	7 944	16	(984)	16

Table 89: Capital Expenditure 2015/16: Roads

3.4.2 Waste Water (Stormwater)

a) Introduction to Waste Water (Stormwater)

It is common practice to provide a formal drainage system of pipes or channels to convey Stormwater away from erven and streets and to discharge this water into natural watercourses. The stormwater system must be cleaned and maintained on a regular basis to ensure a proper working drainage system.

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b) Challenges: Waste Water (Stormwater)

The challenges that are experienced are as follow:

Description	Actions to address
Silted stormwater pipes in Noupoot and Colesberg	Funding must be sourced to replaced and/or clean silted pipes
Manpower is being shared between surface roads and stormwater section	The necessary budget must be allocated to create stormwater team in the department
Lack of a Stormwater Master Plan	Funding must be sourced to develop a Stormwater Master Plan

Table 90: Waste Water (Stormwater) Challenges

c) Services Delivery Statistics: Waste Water (Stormwater)

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

Stormwater Infrastructure: Kilometres			
Year	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2014/15	23.7	0	1
2015/16	4	0	49 (inlets)

Table 91: Stormwater Infrastructure

3.5 COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT

3.5.1 Planning

a) Introduction to Planning

The Town Planning Section renders a strategic spatial planning and economic area regeneration programs for the municipality with its focus on the following development aspects as part of its key performance area:

- Development of a Spatial Planning and Land Use By-Law in terms of the approved Spatial Planning and Land Use Act
- Land Use Scheme where the municipality is compiling a new Land Use Scheme to incorporate all areas into one scheme as part of an updated Land Use Management System
- Development facilitation which facilitates and encourage residential, business and industrial development

Over the last two years Umsobomvu Municipality has experienced enormous growth with the approval of Ouboks, ISUP and township establishment. The integration of our previously distorted spatial settlement patterns is still an enormous challenge due to the physical geography of the areas. Special focus has also been redirected to the rural communities where the Municipality has also facilitated the development of a residential township known as Ouboks. Its target is to provide housing to our displaced rural community, as well as informal settlements and backyard dwellers.

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The Planning Section also handles the building control function, which includes regulation of all building control activities within the municipal area of jurisdiction, undertaking of inspections for new buildings, alternation and drainage inspections.

b) Challenges: Planning

The challenges that is experienced is as follow:

Description	Actions to address
There is a low investment rate in rural towns	The municipality must create a conducive environment for developers

Table 92: Planning Challenges

c) Statistics: Planning

The table below indicates the service statics for the division:

Type of service	2014/15	2015/16
Building plans application processed	17	33
Total surface (m ²)	3 151	5 652
Residential extensions	287	1 195
Business extensions	281	4 457
Land use applications processed	7	1

Table 93: Additional Performance Town Planning and Building Control

d) Employees: Planning

The following table indicates the staff composition for this division:

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

Table 94: Employees: Planning

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3.5.2 Local Economic Development (Including Tourism and Market Places)

a) Introduction to LED

The economy of Umsobomvu Local Municipality relies to a great extent on the performance of agriculture, trade, financial services, hospitality industry and transport. Sectors that can provide future growth include:

- Construction - Infrastructure investment by government in terms of transport and electricity, as well as the provision of houses and services to rural areas are the main potential for local residents to benefit
- Trade - An important sector that is currently showing signs of increasing in the economy of Umsobomvu and pro-active measures have to be implemented in order to retain the stability and future growth of the sector
- Transport and Business & Financial Services - These essential service providers are becoming increasingly important for this service orientated economy
- Tourism - This sector's influence spans over a multitude of economic sectors and has a significantly important multiplier effect
- Agriculture - This sector has a comparative advantage, as well as the potential to expand into more niche markets like essential oils, aquaculture and horticulture

Sectoral Employment

The recent growth in the South African economy has direct implications for formal employment levels. While informal or second economy employment also plays an important role in providing access to household income, accurate data only exists for the trends in the formal employment levels.

b) Highlights: LED

The table below specifies the highlights for the year:

Highlights	Description
LED Strategy	A new LED Strategy has been developed
Economic Revitalization and Investment Policy	An Economic Revitalization and Investment Policy was drafted to attract new investments in Umsobomvu
Umsobomvu Industrial Development City (UIDC)	The UIDC concept was introduced to the Council and management. The final draft of the lease agreement will be signed with the developer

Table 95: LED Highlights

c) Challenges: LED

The challenge that is experienced is as follow:

Description	Actions to address challenges
Low investment rate in rural towns	The municipality will aim to create a conducive environment for developers

Table 96: Challenges LED

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d) LED Strategy

Local Economic Development (LED) includes all activities associated with economic development initiatives:

Objectives	Strategies
To build up the economic capacity of the local area to improve its economic future and the quality of life for all	<ul style="list-style-type: none"> • Agriculture and agro-processing • Tourism development • Enterprise development • Infrastructure & industrial development
It is a process by which public business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation to advance the economic identity based on a local competitive and comparative economic profiles	

Table 97: LED Objectives and Strategies

e) Job Creation: EPWP

Within a limited budget for LED projects and one official to assist with LED implementation the following initiatives have been initiated in the municipal area:

Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2014/15	3	210
2015/16	1	25

Table 98: Job Creation Through EPWP Projects

3.6 COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.6.1 Libraries and Museums

a) Introduction to Libraries and Museums

The Libraries Section focus on the following areas:

- To provide accelerated, effective, efficient, quality social development services for the community of Umsobomvu through sport, recreation, arts and culture and library and information programs
- To ensure the community have access to information as prescribed by the South African Constitution
- To promote employment equity and skills development
- To position libraries as centres for the dissemination of information and knowledge
- To position libraries as places where people from all backgrounds can find each other (promoting social cohesion)

The Museum Section focuses on the following areas:

- To accommodate visiting school groups

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- To develop shared understandings
- Introducing students to original works of art
- Providing museum tour exhibitions
- Offering visitors to the museum's website additional ways to interact with the museum and its collections
- Using social media to promote the museum and its events and investigate the development of applications for smartphone devices that allows for virtual tours of exhibitions

The museum in Colesberg is quite a popular destination for tourists looking for information on establishment and rich history of the region, especially the displays on the Khoisan, Karretjie People and the Anglo Boer War. The museum in Noupoort is not staffed permanently and visitors are accommodated upon appointments.

b) Highlights: Libraries and Museums

The table below specifies the highlights for the year:

Highlight	Description
School visits to museums	School visits were conducted during the year to view displays on the Khoisan Karretjie People and the Anglo Boer War
Museum/Tourism workshops conducted	A sustainable tourism and customer care workshop was conducted as well as the hosting of the Provincial Tourism Marketers meeting
Tours conducted throughout the year	<ul style="list-style-type: none"> • The School of War visited the Anglo Boer War sites e.g. Coleskop Mountain Kruite Huise Suffolk Hill Monument and Norvalspont Concentration Camp • Township tours were conducted to view old heritage houses and the struggle route tour • Hiking tours were conducted to view Plateau Camp and unmarked old Jewish cemeteries

Table 99: Libraries and Museums Highlights

c) Challenges: Libraries and Museums

The challenge that is experienced is as follow:

Description	Actions to address
Funding of library activities	Constant engagements with the Department of Sport Arts and Culture to fully fund their mandate

Table 100: Libraries and Museums Challenges

d) Service Statistics for Libraries and Museums

The table below indicates the service statics for the division:

Type of service	2014/15	2015/16
Number of libraries	3	5
Library members	4 680	6 222

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Type of service	2014/15	2015/16
Books circulated	99 972	10 8000
Exhibitions held	16	24
Internet users	9 000	10 800
New library service points or Wheelie Wagons	2	2
Children programmes	24	26
Visits by school groups	11 000	16 000
Book group meetings for adults	7	5

Table 101: Service Statistics for Libraries and Museums

e) Employees: Libraries and Museums

The following table indicates the staff composition for this division:

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

Table 102: Employees: Libraries and Museums

3.6.2 Cemeteries

a) Introduction to Cemeteries

The Community Development Section is the custodian for cemetery management within the municipality. The section provides burial services and cemetery maintenance. The department manages and maintains twelve municipal owned cemeteries within the municipal boundaries. Out of the twelve cemeteries, only five cemeteries are still active and the rest are passive. The passive cemeteries are currently maintained on a needs basis. Umsobomvu Local Municipality is currently faced with a challenge of shortage of burial space and the Colesberg and Kwazamuxolo cemeteries are already running out of space for new burials.

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b) Highlights: Cemeteries

The table below specifies the highlights for the year:

Highlights	Description
Fencing of Noupoot cemetery	The Department of Public Works financed the fencing of Noupoot cemetery

Table 103: Cemeteries Highlights

c) Challenges: Cemeteries

The challenges that are experienced are as follows:

Description	Actions to address
Most of our cemeteries are not fenced especially in Colesberg and some in Noupoot. Those that were fenced the fence was stolen	A report was sent to Caps on the state of our cemeteries with the hope that they will intervene in this regard. Also a proposal was made by Caps that our communities must be engaged on the possibility of cremation.
Limited burial space	The municipality is in process to acquire additional land in Colesberg for the extension of cemeteries by purchasing private land

Table 104: Cemeteries Challenges

d) Service Statistics for Cemeteries

The table below indicates the service statics for the division:

Type of service	2014/15	2015/16
Burials	226	223

Table 105: Service Statistics for Cemeteries

3.6.3 Child Care; Aged Care; Social Programmes

a) Introduction to Child Care; Aged Care; Social Programmes

The Special Development Section in the Mayor's Office focuses mainly on community awareness and outreach programmes. The section focus on promotion of social wellness and implementation of programmes to prevent social illness.

Three main priority service delivery

- Poverty alleviation programme, implement training programme and substance abuse programme
- Implementation of training programmes
- The social, children, woman, disability and elderly programmes

Child and aged care are predominantly ran by private institutions with government subsidies. HIV/AIDS, woman and youth programmes are initiated by the municipality through the Office of the Mayor. This includes:

- Social programmes

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- Elderly programmes
- Children’s programmes
- HIV/AIDS: Door-to-door educational programme
- Health programmes
- 16 Days of Activism and awareness on World Aids Day

3.7 COMPONENT E: SECURITY AND SAFETY

This component includes: traffic; law enforcement; fire and disaster management

3.7.1 Public Safety

a) Introduction to Public Safety

Roads in Umsobomvu are becoming safer and this has been confirmed by many motorists from other parts of the province using our route. In partnership with the South African Police Service and community members through community policing forums, crime was reduced. Umsobomvu Municipality has successfully conducted arrive alive campaigns during the December holidays. In addition to this campaign, the municipality offers to do roadworthy checks free of charge during December for vehicle owners who go on holiday.

Zero-tolerance approach towards transgressors of laws

In reducing the rate of accidents on our roads, the municipality has replaced road signs, erected speed humps in various communities and re-painted road marks.

In promotion of legal trading and enforcement of our by-laws, the municipality has issued trading licences to hawkers and are in a process of identifying adequate space for trading.

b) Highlights: Public Safety

The table below specifies the highlight for the year:

Highlight	Description
Appointment of additional traffic officers	During 2015/16 the municipality has managed to appoint two additional traffic officers to do speed law enforcement. These appointments enabled the municipality to be more visible on the roads thereby enhancing road safety

Table 106: Public Safety Highlights

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c) Challenges: Public Safety

The challenge that is experienced is as follow:

Challenges	Actions to overcome
The municipality operated a fire brigade service without full-time personnel which is a challenge due to the proximity of the municipality being on the N1 –Johannesburg to Cape Town and the N9/10 From Johannesburg to Port Elizabeth – where huge volumes of different types of flammable substances and hazardous chemicals are transported	Additional funding must be sourced to employ full time personnel

Table 107: Public Safety Challenges

d) Service statistics for Public Safety

The table below indicates the service statics for the division:

Details	2014/15	2015/16
Motor vehicle licenses processed	3 210	4 63
Learner driver licenses processed	1 180	1 134
Driver licenses processed	690	1 514
Driver licenses issued	473	125
Fines issued for traffic offenses (number)	1 254	1 231
Operational call-outs	6	3
Roadblocks held	15	13
Complaints attended to by Traffic Officers	18	36
Awareness initiatives on public safety	6	3
Operational call-outs: Fire Services	101	75
Awareness initiatives on fire safety	4	2
Reservists and volunteers trained on fire fighting	0	10

Table 108: Additional Performance Service Statistics for Public Safety

e) Employees: Public Safety

The following table indicates the staff composition for this division:

Job Level	2014/15		2015/16		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	3	9	9	0	0
7 - 9	1	2	2	0	0
10 - 12	0	0	0	0	0
13 - 15	1	1	1	0	0

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Job Level	2014/15		2015/16		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	5	12	12	0	0

Table 109: Employees: Public Safety

3.8 COMPONENT F: SPORT AND RECREATION

3.8.1 Sport and Recreation

a) Highlights: Sport and Recreation

The table below specifies the highlights for the year:

Highlights	Description
Noupoort Sport Complex	The municipality could secure an amount of R5.5m from the LOTTO to erect a sports facility in Noupoort
Outdoor Gymnasium	An outdoor gymnasium was sponsored by the Department of Sport Arts and Culture in Noupoort to get the public to do exercises for a healthier community

Table 110: Sport and Recreation Highlights

b) Challenges: Sport and Recreation

The challenge that is experienced is as follow:

Description	Actions to address
The municipality is experiencing more and more incidents of vandalism of facilities whereby infrastructure is broken down and sold for scrap metal	The upgrading of security at facilities will be investigated

Table 111: Sport and Recreation Challenges

c) Service statistics for Sport and Recreation

The table below indicates the service statics for the division:

Type of service	2014/2015	2015/2016
Community parks		
Number of parks with play park equipment	0	0
Number of wards with community parks	3	3
Sport fields		

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Type of service	2014/2015	2015/2016
Community parks		
Number of wards with sport fields	4	4
Number of sport associations utilizing sport fields	2	3
R-value collected from utilization of sport fields	6 185.06	3 547.96
Sport halls		
Number of wards with sport halls	2	2
Number of sport associations utilizing sport halls	2	2
R-value collected from rental of sport halls	0	0

Table 112: Additional Performance Information for Sport and Recreation

d) Employees: Sport and Recreation

The following table indicates the staff composition for this division:

Employees: Sport and Recreation					
Post Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	1	1	1	0	0
10 - 12	0	0	0	0	0
13 - 15	5	5	3	2	40
16 - 18	0	0	0	0	0
19 – 20	0	0	0	0	0
Total	6	6	4	2	33.33%

Table 113: Sport and Recreation

3.9 COMPONENT G: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: executive and council; financial services; human resource services; ICT services; legal services; and procurement services.

3.9.1 Executive and Council

This component includes: Executive office (mayor; councilors; and municipal manager).

Umsobomvu Municipality is committed to the development of a culture of community participation. The municipality encourages and creates conditions for the local community to participate in the affairs of the municipality through the following processes:

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- The preparation, implementation and review of its IDP
- The establishment, implementation and review of its performance management system
- Determination, consideration and adoption of by-laws
- The monitoring and review of its performance, including the outcome and impact of such performance
- The preparation of its budget
- Strategic decisions relating to the provision of services

a) Highlights: Executive and Council

The table below specifies the highlights for the year:

Highlights	Description
Regular Council Meetings were conducted	Council met its legislative requirement by meeting quarterly and was able to have a quorum at every meeting to discuss and resolve items in the agenda
Ward committees established and functional	All ward committees are established and functioned properly. Ward committee members are elected from various sectors of the community

Table 114: Executive and Council Highlights

b) Challenges: Executive and Council

The challenges that are experienced are as follow:

Description	Actions to address
Skills of councillors have been addressed by various training interventions but still require further training to fully comprehend the tasks and duties of councillors pertaining to high level documents and policies	Additional training opportunities will be provided to Councillors
Skills of employees have been addressed by various training interventions but further skills development is required	Additional training opportunities will be provided to employees

Table 115: Executive and Council Challenges

c) Employees Corporate Services

The following table indicates the staff composition for this division:

Job Level	2015/16			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	7	7	0	0
4 - 6	23	22	1	4.4
7 - 9	10	10	0	0
10 - 12	1	1	0	0

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Job Level	2015/16			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
13 - 15	34	29	5	14.7
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	75	69	6	8

Table 116: Employees: Corporate Services

3.9.2 Financial Services

a) Debt Recovery

The following table indicates the debt recovery:

Details of the types of account raised and recovered	Debt Recovery				
	R'ooo				
	2014/15		2015/16		
	Billed In Year	Actual for accounts billed in year	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected %
Property Rates	8 313	8 313	8 160	8 160	74%
Electricity	23 156	23 156	27 767	27 767	98%
Water	12 259	12 259	8 449	8 449	44%
Sanitation	7 816	7 816	8 648	8 648	44%
Refuse	5 974	5 974	6 450	6 450	25%

Table 117: Debt Recovery

b) Employees: Financial Services

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	8	4	4	50
4 - 6	0	12	6	6	50
7 - 9	19	9	9	0	
10 - 12	6	1	1	0	0
13 - 15	0	0	0	0	0

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Job Level	2014/15		2015/16		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	29	30	20	10	33.3

Table 118: Employees: Financial Services

3.9.3 Human Resource Services

a) Introduction to Human Resource Services

The Umsobomvu Municipality currently employs **208** officials 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 HR service that addresses both skills development and administrative functions.

b) Highlights: Human Resources

The table below specifies the highlights for the year:

Highlights	Description
Job descriptions in progress	The municipality embarked on the writing of job description for personnel. Four members of staff received training by SALGA to do job evaluations. The municipality will continue with this project in the new financial year
Appointment of a Deputy CFO	On 1 July 2015, the municipality appointed a Deputy CFO to assist with the management of the Finance Department
Management of the vacancy rate	The municipality managed to keep the vacancy rate within the parameters set in the SDBIP for the duration of the financial year
Turnover of personnel	The municipality experienced a very low staff turnover rate of 8% during the year and the biggest contributor to this rate was employees who went on pension

Table 119: Human Resources Highlights

c) Challenges: Human Resources

The challenge that is experienced is as follow:

Description	Actions to address
Lack of a Human Resource Developmental Plan	The municipality must develop of a 5-year Human Resource Developmental Plan

Table 120: Human Resources Challenges

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d) Employees: Human Resources

The following table indicates the staff composition for this division:

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

Table 121: Employees: Human Resources

3.9.4 Procurement Services

a) Challenges: Procurement Services

The challenge that is experienced is as follow:

Description	Actions to address
Service providers not registered on the central service database (CSD)	Training sessions with services provider must be conducted by Treasury

Table 122: Procurement Services Challenges

b) Service Statistics for Procurement Services

The table below indicates the service statics for the division:

Description	Total No	Monthly Average
Orders processed	0	0
Bids received (number of documents)	123	10.25
Bids awarded	9	0.75
Bids awarded ≤ R200 000	9	0.75
Appeals registered	0	0
Successful Appeals	0	0

Table 123: Service Statistics for Procurement Services

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c) Details of Deviations for Procurement Services

The table below indicates the details of deviations:

Type of deviation	Value of deviations	Percentage of total deviations value
Clause 36(1)(a)(i)- Emergency	408 383.04	9%
Clause 36(1)(a)(ii)-Sole Supplier	2 866 285.90	63.2%
Clause 36(1)(a)(v)- Impractical / impossible	1 258 483.78	27.8%
Total	4 533 152.72	100%

Table 124: Statistics of Deviations from the SCM Policy

3.10 COMPONENT G: SERVICE DELIVERY PRIORITIES FOR 2016/17

The main development and service delivery priorities for 2016/17 forms part of the Municipality's top layer SDBIP for 2016/17 and are indicated in the table below:

3.10.1 Development and Service Delivery Priorities for 2016/17

a) Develop a capable and capacitated institution to respond to community needs

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL33	The number of people from employment equity target groups employed in the three highest levels of management in compliance with the equity plan	Number of people employed	All	1
TL34	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2017 [(Actual amount spent on training/total operational budget)x100]	% of the municipality's personnel budget (Actual amount spent on training/total operational budget)x100	All	0.50%
TL35	Limit the vacancy rate to less than 10% of budgeted posts by 30 June 2017 ((Number of posts filled/Total number of budgeted posts)x100)	% vacancy rate of budgeted posts (Number of posts filled/Total number of budgeted posts)x100	All	10%
TL36	Appoint a Fire Fighting Officer by 31 December 2016 in order to establish a fire fighting unit	Fire Fighting Officer appointed by 31 December 2016	All	1
TL37	Purchase land for the extension of Colesberg cemetery by 30 June 2017	Land purchased for the extension of Colesberg cemetery	5	1
TL38	Spent 90% of the maintenance budget for municipal buildings by 30 June 2017 ((Actual expenditure divided by the approved budget)x100)	% of the budget spent ((Actual expenditure divided by the approved budget)x100)	All	90%
TL39	Spent 90% of the maintenance budget for parks and recreation facilities by 30 June 2017 ((Actual expenditure divided by the approved budget)x100)	% of the budget spent ((Actual expenditure divided by the approved budget)x100)	All	90%

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Ref	KPI	Unit of Measurement	Ward	Annual Target
TL40	Spend 100% of the library grant by 30 June 2017 ((Actual expenditure divided by the approved budget)x100)	% of the library grant spent ((Actual expenditure divided by the approved budget)x100)	All	100%

Table 125: Service Delivery Priorities - Develop a capable and capacitated institution to respond to community needs

b) Ensure that the municipality is financially viable

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL25	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2017 ((Total operating revenue-operating grants received)/debt service payments due within the year))	% of debt coverage	All	24%
TL26	Financial viability measured in terms of the outstanding service debtors as at 30 June 2017 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors	All	43%
TL27	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2017 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation and Provision for Bad Debts Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	All	2
TL28	Submit the annual financial statements for 2015/16 to AGSA by 31 August 2016	Annual financial statements for 2015/16 submitted	All	1
TL29	Compile Plan to address audit findings of the 2015/16 audit report and submit to MM by 31 January 2017	Plan completed and submitted to MM	All	1
TL30	Submit the main budget for 2017/18 to Council for consideration by 31 March 2017	Main budget for 2017/18 submitted to Council	All	1
TL31	Achieve a debtor payment percentage of 80% by 30 June 2017 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100	% debtor payment achieved	All	80%
TL32	Purchase a new financial system by 31 March 2017	Number of new financial systems purchased	All	1

Table 126: Services Delivery Priorities - Ensure that the municipality is financially viable

c) Establish and strengthen governance structures

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL15	Compile and submit the Risk Based Audit Plan (RBAP) for 2016/17 to the Audit committee by 30 June 2016	Compile and submit the Risk Based Audit Plan (RBAP) for 2016/17 to the Audit committee	All	1

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Table 127: Service Delivery Priorities - Establish and strengthen governance structures

d) Facilitate economic growth in the municipal area

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL1	Create temporary jobs - FTE's in terms of EPWP by 30 June 2017 (Person days / FTE (230 days))	Number of FTE's created	All	0

Table 128: Services Delivery Priorities - Facilitate economic growth in the municipal area

e) Ongoing maintenance of municipal infrastructure

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL2	Limit unaccounted for electricity to less than 25% by 30 June 2017 $\{(Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated - Number\ of\ Electricity\ Units\ Sold) / Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated\} \times 100\}$	% of unaccounted electricity	All	25%
TL3	90% of the electricity maintenance budget spent by 30 June 2017 $\{(Actual\ expenditure\ on\ maintenance\ divided\ by\ the\ total\ approved\ maintenance\ budget) \times 100\}$	% of the maintenance budget spent	All	90%
TL4	90% of the roads and stormwater maintenance budget spent by 30 June 2017 $\{(Actual\ expenditure\ on\ maintenance\ divided\ by\ the\ total\ approved\ maintenance\ budget) \times 100\}$	% of the maintenance budget spent	All	90%
TL5	90% of the sewerage maintenance budget spent by 30 June 2017 $\{(Actual\ expenditure\ on\ maintenance\ divided\ by\ the\ total\ approved\ maintenance\ budget) \times 100\}$	% of the maintenance budget spent	All	90%
TL7	90% of the water maintenance budget spent by 30 June 2017 $\{(Actual\ expenditure\ on\ maintenance\ divided\ by\ the\ total\ approved\ maintenance\ budget) \times 100\}$	% of the maintenance budget spent	All	90%
TL8	Limit unaccounted for water to less than 40% by 30 June 2017 $\{(Number\ of\ Kiloliters\ Water\ Purchased\ or\ Purified - Number\ of\ Kiloliters\ Water\ Sold) / Number\ of\ Kiloliters\ Water\ Purchased\ or\ Purified\} \times 100\}$	% of water unaccounted	All	40%
TL14	Upgrade 21000 square meters gravel road to paved street in New Ouboks by 30 June 2017	Square meters street paved	4	21 000

Table 129: Service Delivery Priorities - Ongoing maintenance of municipal infrastructure

f) Provide appropriate services to all households

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL16	Number of formal residential properties that receive piped water (credit) that is connected to	Number of residential properties which are billed for water	All	6 500

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Ref	KPI	Unit of Measurement	Ward	Annual Target
	the municipal water infrastructure network and billed for the service as at 30 June 2017			
TL17	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	5 950
TL18	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) as at 30 June 2017	All	2 750
TL19	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	6 500
TL20	Provide free basic water to indigent households as at 30 June 2017	Number of households receiving free basic water	All	2 100
TL21	Provide free basic sanitation to indigent households as at 30 June 2017	Number of households receiving free basic sanitation services	All	2 100
TL22	Provide free basic electricity to indigent households as at 30 June 2017	Number of households receiving free basic electricity	All	2 00
TL23	Provide free basic refuse removal to indigent households as at 30 June 2017	Number of households receiving free basic refuse removal services	All	2 100
TL24	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2017 [(Amount actually spent on capital projects/ Amount budgeted for capital projects)x100]	% of capital budget spent on capital projects	All	70%

Table 130: Service Delivery Priorities - Provide appropriate services to all households

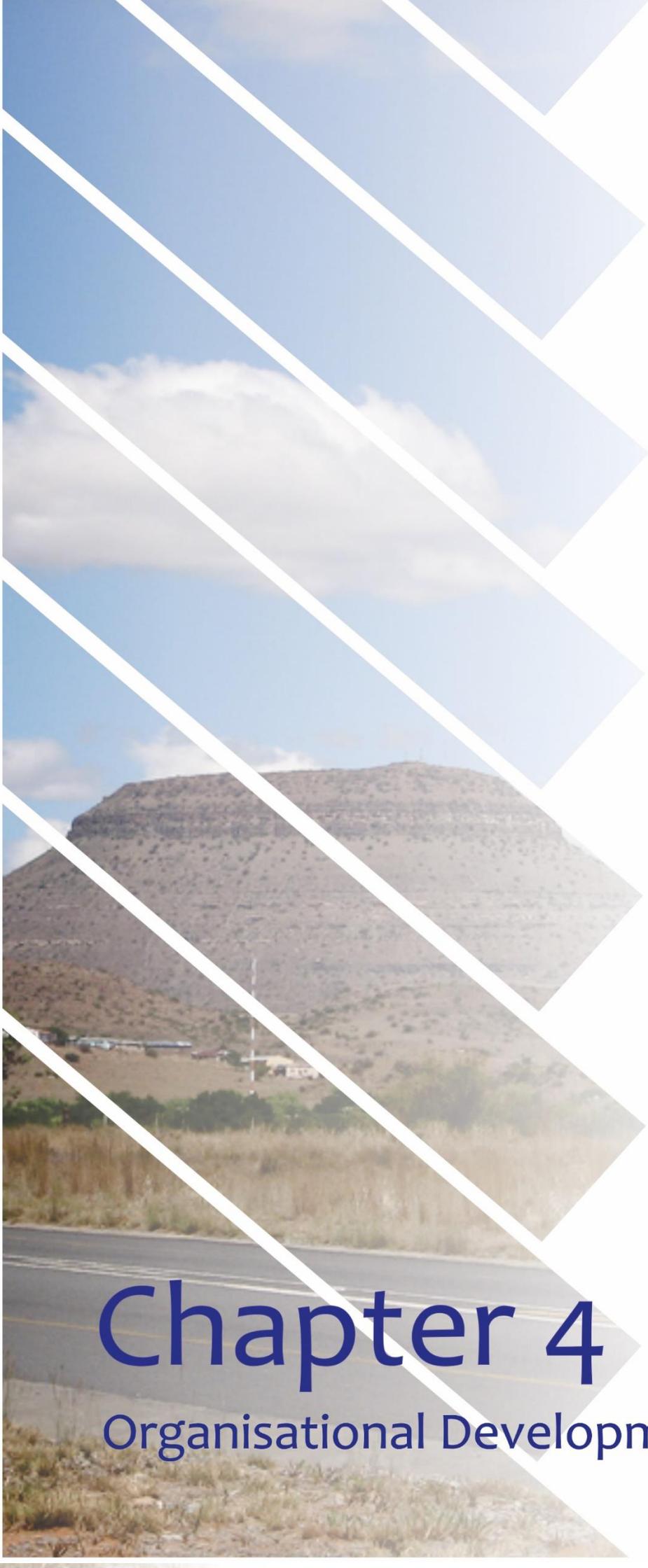
g) Provide quality and sustainable municipal infrastructure

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL6	Achieve a 70% average effluent quality for Colesberg by 30 June 2017	% effluent quality	All	70%
TL9	90% spent of the approved budget for the upgrade of Norvalspont Sewer Network by 30 June 2017 {(Actual expenditure divided by the total approved project budget)x100}	% of total approved project budget spent	1	90%
TL10	90% spent of the approved budget for the retrofitting of street lights with energy saving technology by 30 June 2017 {(Actual expenditure divided by the total approved project budget)x100}	% of total approved project budget spent	All	90%
TL11	Achieve a 95% average drinking water quality as per SANS 241 criteria for all sampling points	% water quality level	All	95%

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Ref	KPI	Unit of Measurement	Ward	Annual Target
TL12	90% spent of the approved budget for the construction of a new internal electrical network for New Ouboks phase 4 by 30 June 2017 {(Actual expenditure divided by the total approved project budget)x100}	% of total approved project budget spent	4	90%
TL13	90% spent of the approved budget for the Energy Demand Management Programme by 30 June 2017 {(Actual expenditure divided by the total approved project budget)x100}	% of total approved project budget spent	All	90%

Table 131: Service Delivery Priorities - Provide quality and sustainable municipal infrastructure



Chapter 4

Organisational Development Performance

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CHAPTER 4

4.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

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

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2014/15	2015/16
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	1	2
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	1.26%	0.43%

Table 132: National KPIs– Municipal Transformation and Organisational Development

4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Municipality currently employs 195 (excluding non-permanent positions) and 208 (including non-permanent positions) officials who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.2.1 Employment Equity

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

a) Employment Equity targets/actual

The tables below indicates the employment equity targets/actual:

African		Coloured		Indian		White	
Target June	Actual June						
54.40%	50.60%	34.27%	11.85%	0.16%	0%	7.67%	4 67%

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Table 133: 2015/16 EE Targets/Actual by Racial Classification

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
96.18%	69.08%	69.08%	106.84%	55.76%	55.76%	10%	-0.10%	0%

Table 134: 2015/16 EE Targets/Actual by Gender Classification

b) Specific Occupational Categories - Race

The table below indicates the number of employees by race within the specific occupational categories:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators senior officials and managers	2	1	0	1	0	0	0	0	4
Professionals	4	2	0	0	3	0	0	1	10
Technicians and associate professionals	12	2	0	0	1	0	0	1	16
Clerks	9	1	0	0	1	4	0	1	16
Service and sales workers	10	8	0	0	12	5	0	0	35
Craft and related trades workers	8	5	0	0	0	0	0	0	13
Plant and machine operators and assemblers	9	3	0	0	0	0	0	0	12
Elementary Occupations	56	22	0	0	21	3	0	0	102
Total	110	44	0	1	38	12	0	3	208

Table 135: Occupational Categories

c) Specific Occupational Levels - Race

The table below categories the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	2	1	0	1	0	0	0	0	4
Senior Management	4	1	0	0	1	0	0	0	6
Professionally qualified and experienced specialists and mid-management	16	3	0	0	3	3	0	3	28
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	13	9	0	0	6	2	0	0	30
Semi-skilled and discretionary decision making	17	8	0	0	7	4	0	0	36
Unskilled and defined decision making	58	22	0	0	21	3	0	0	104
Total	110	44	0	1	38	12	0	3	208

Table 136: Occupational Levels

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Departments - Race

The following table categories the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Municipal Manager	6	2	0	0	0	0	0	0	8
Corporate Services	37	10	0	1	21	7	0	2	78
Financial Services	14	7	0	0	7	2	0	1	31
Technical Services/Electricity	53	25	0	0	10	3	0	0	91
Total	110	44	0	1	38	12	0	3	208

Table 137: Department – Race

4.2.2 Vacancy Rate

The approved organogram for the municipality had 212 posts for the 2015/16 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. 20 posts were vacant at the end of 2015/16, resulting in a vacancy rate of 9.4%.

Below is a table that indicates the vacancies within the municipality:

Per Post Level		
Post level	Filled	Vacant
MM & MSA section 57 & 56	4	0
Middle management	13	1
Admin Officers	111	5
General Workers	101	14
Total	212	20
Per Functional Level		
Functional area	Filled	Vacant
Executive and Council	16	2
Finance and Administration	84	10
Technical Services	112	8
Total	212	20

Table 138: Vacancy Rate per Post and Functional Level

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

Salary Level	Number of current critical vacancies	Total posts as per organogram	Vacancy job title	Vacancies (as a proportion of total posts per category)
Municipal Manager	0	1	0	0

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Salary Level	Number of current critical vacancies	Total posts as per organogram	Vacancy job title	Vacancies (as a proportion of total posts per category)
Chief Financial Officer	0	1	0	0
Other Section 57 Managers	0	2	0	0
Senior management	0	64	0	0
Highly skilled supervision	1	140	Unit Head: Budget and Treasury	12.5
Total	1	212	0	12.5

Table 139: Vacancy Rate per Salary Level

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/organizational knowledge. Below is a table that shows the staff turnover rate within the municipality. The staff turnover rate shows a slight increase from 3% in 2014/15 to 3.13% in 2015/16.

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

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2014/15	203	32	12	30%
2015/16	196	9	16	8%

Table 140: Turnover Rate

4.3 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analyzing and coordinating employee behavior.

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

Directorates	2014/15	2015/16
Executive and Council	0	0
Finance and Administration	1	0
Public Safety	0	0
Technical Services	1	5
Total	2	5

Table 141: Injuries

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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 employees that have taken sick leave during the 2015/16 financial year shows an increase when comparing it with the 2014/15 financial year.

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

Year	Total number of sick leave days taken within the year
2014/15	1 098
2015/16	1 142

Table 142: Sick Leave

4.3.3 HR Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved and that still needs to be developed:

Approved policies	
Name of policy	Date approved/ revised
Recruitment Selection and Appointment	27 September 2007
Leave Policy	27 September 2007
Study Assistance Policy	27 September 2007
Employee Wellness Policy	27 September 2007
Staff performance Policy	27 September 2007
Health and Safety Policy	27 September 2007
Union Support and Facilities Policy	27 September 2007
Sexual Harassment Policy	27 September 2007
Attendance and Punctuality Policy	27 September 2007
Termination of Contract Policy	27 September 2007
Training and skills development Policy	27 September 2007
Retrenchment Policy	27 September 2007
Management and Use of Internet Policy	27 September 2007
Bonus Policy	27 September 2007
Private Work Policy	27 September 2007
Family Responsibility Leave	27 September 2007
Job Evaluation Policy	27 September 2007
Family Responsibility	27 September 2007
Acting Policy	27 September 2007

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Approved policies	
Communication Policy	9 February 2010
Communication Strategy	31 March 2015
Law Enforcement Strategy	8 January 2015
PMS Framework	8 January 2015
Travelling and Subsistence Allowance Policy	3 May 2015

Table 143: HR Policies and Plans

4.4 CAPACITATING THE MUNICIPAL WORKFORCE

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

4.4.1 Skills Matrix

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

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training (2015/16)
MM and S57	Female	0	0
	Male	4	4
Legislators senior officials and managers	Female	4	4
	Male	6	6
Associate professionals and Technicians	Female	2	2
	Male	4	2
Professionals	Female	2	2
	Male	2	2
Clerks	Female	4	3
	Male	5	2
Service and sales workers	Female	4	2
	Male	6	1
Craft and related trade workers	Female	5	2
	Male	5	1
Plant and machine operators and assemblers	Female	0	0
	Male	5	3
Elementary occupations	Female	5	2
	Male	4	1
Sub total	Female	26	17

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Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training (2015/16)
	Male	41	22
Total		76	67

Table 144: Skills Matrix

4.4.2 Skills Development – Training Provided

The Skills Development Act (1998) and the MSA require employers to supply employees with the necessary training 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.

Occupational categories	Gender	Training provided within the reporting period 2015/16						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% Variance
MM and S56	Female	0	0	0	0	0	0	0%
	Male	4	4	4	4	4	4	100%
Legislators senior officials and managers	Female	10	5	10	6	20	16	80%
	Male	10	9	5	3	15	12	80%
Professionals	Female	5	3	5	2	10	5	50%
	Male	10	5	3	2	13	7	54%
Technicians and associate professionals	Female	3	1	1	1	4	2	50%
	Male	4	2	3	2	7	4	57%
Clerks	Female	2	1	3	1	5	2	40%
	Male	0	0	0	0	0	0	0%
Service and sales workers	Female	10	3	7	2	17	5	29.4%
	Male	10	2	6	2	16	4	25%
Craft and related trade workers	Female	10	3	7	3	17	6	35.2%
	Male	10	2	6	2	16	4	25%
Plant and machine operators and assemblers	Female	4	2	3	2	7	4	57.1%
	Male	5	2	3	1	8	3	38%
Elementary occupations	Female	5	3	3	2	8	5	63%
	Male	4	2	3	2	7	4	57.1%
Sub total	Female	49	21	43	19	88	45	51.1%
	Male	57	28	34	20	64	42	66%
Total		106	49	77	39	152	87	57.2%

Table 145: Skills Development

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4.4.3 Skills Development - Budget Allocation

The table below indicates that a total amount of R271 296 were allocated to the workplace skills plan and of that 60% of the total amount was spent in the 2015/16 financial year:

Year	Total Allocated (R)	Total Spend (R)	% Spent
2014/15	546 000	660 000	120%
2015/16	271 296	162 950	60%

Table 146: Budget Allocated and Spent for Skills Development

4.4.4 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 Municipal Finance Management Act. 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 outcomes-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, 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."

6 Employees were identified to obtain the abovementioned qualification and prescribed competencies.

From the abovementioned it is clear that most of our staff will comply with the requirements of the Government Notice 493 of June 2007.

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

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting officer	1	1	1	1
Chief financial officer	1	1	1	1
Senior managers	2	2	2	2
Any other financial officials	1	0	0	1
Supply Chain Management Officials				
Heads of supply chain management units	1	0	0	0

Chapter 4: Organisational Development Performance

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Supply chain management senior managers	0	0	0	0
Total	6	4	4	5

Table 147: Budget Allocated and Spent for Skills Development

4.5 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

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

4.5.1 Personnel Expenditure

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

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	
2014/15	34 412	129 321	26.6%
2015/16	37 645	139 164	27%

Table 148: Personnel Expenditure

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

Financial year	2014/15		2015/16	
	Actual	Original Budget	Adjusted Budget	Actual
Description	R'000			
Councillors (Political Office Bearers plus Other)				
Salary	2 563	2 659	2 689	2 700
Pension Contributions	0	0	0	0
Medical Aid Contributions	0	0	0	0
Motor vehicle allowance	224	224	224	186
Cell phone allowance	209	209	209	209
Housing allowance	0	0	0	0
Other benefits or allowances	0	0	0	0
In-kind benefits	0	0	0	0

Chapter 4: Organisational Development Performance

Financial year	2014/15	2015/16		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Sub Total	2 996	3 092	3 122	3 095
% increase/ decrease	1.73	3.2	4.21	3.31
Senior Managers of the Municipality				
Salary	3 179	2 850	2 888	3 431
Pension Contributions	0	0	0	0
Medical Aid Contributions	0	0	0	0
Motor vehicle allowance	445	513	513	834
Cell phone allowance	0	0	0	0
Housing allowance	12	13	13	12
Performance Bonus	292	336	336	457
Other benefits or allowances	7	0	0	7
In-kind benefits	0	0	0	0
Sub Total	3 935	3 712	3 750	4 741
% increase/ decrease	(1.63)	(5.67)	(4.7)	20.5
Other Municipal Staff				
Basic Salaries and Wages	21 809	27 361	27 723	21 484
Pension Contributions	3 668	4 770	4 937	3 942
Medical Aid Contributions	736	847	806	758
Motor vehicle allowance	904	0	(3)	841
Cell phone allowance	0	0	0	0
Housing allowance	48	0	5	372
Overtime	1 307	1 050	2 126	1 459
Other benefits or allowances	2 005	2 889	2 968	4 049
Sub Total	30 477	36 917	38 562	32 905
% increase/ decrease	(13.13)	21.13	26.53	8.0
Total Municipality	34 412	40 629	42 312	37 646
% increase/ decrease	(11.95)	18.07	23	9.4

Table 149: Personnel Expenditure

Chapter 5: Financial Performance

CHAPTER 5

This chapter provides details regarding the financial performance of the municipality for the 2015/16 financial year.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

5.1 Financial Summary

5.1.1 Overall Financial Summary

The table below indicates the summary of the financial performance for the 2015/16 financial year:

Financial Summary						
R'000						
Description	2014/15	2015/16			2015/16 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	8 521	8 295	8 613	8 361	0.79	(3.02)
Service charges	49 213	58 979	61 506	38 893	(51.65)	(58.14)
Investment revenue	532	422	471	538	21.60	12.57
Transfers recognised - operational	35 708	52 391	66 861	60 850	13.90	(9.88)
Other own revenue	16 573	10 477	16 032	54 197	80.67	70.42
Total Revenue (excluding capital transfers and contributions)	110 547	130 565	153 483	162 839	19.82	5.75
Employee costs	34 412	40 680	42 312	37 333	(8.96)	(13.34)
Remuneration of Councillors	2 996	3 092	3 122	3 095	0.11	(0.88)
Depreciation & asset impairment	28 622	29 302	35 677	59 801	51.00	40.34
Finance charges	384	310	344	1 814	82.91	81.06
Materials and bulk purchases	18 731	21 284	21 284	21 065	(1.04)	(1.04)
Transfers and grants	0	0	0	0	0	0
Other expenditure	44 165	40 590	44 651	24 847	(63.36)	(79.70)
Total Expenditure	129 310	135 258	147 390	147 956	8.58	0.38
Surplus/(Deficit)	(18 763)	(4 693)	6 094	14 883	131.53	59.05
Transfers recognised - capital	38 236	43 091	50 832	38 942	(10.65)	(30.53)
Contributions recognised - capital & contributed assets	0	0	0	0	0	0
Surplus/(Deficit) for the year	19 473	38 398	56 925	53 825	28.66	(5.76)

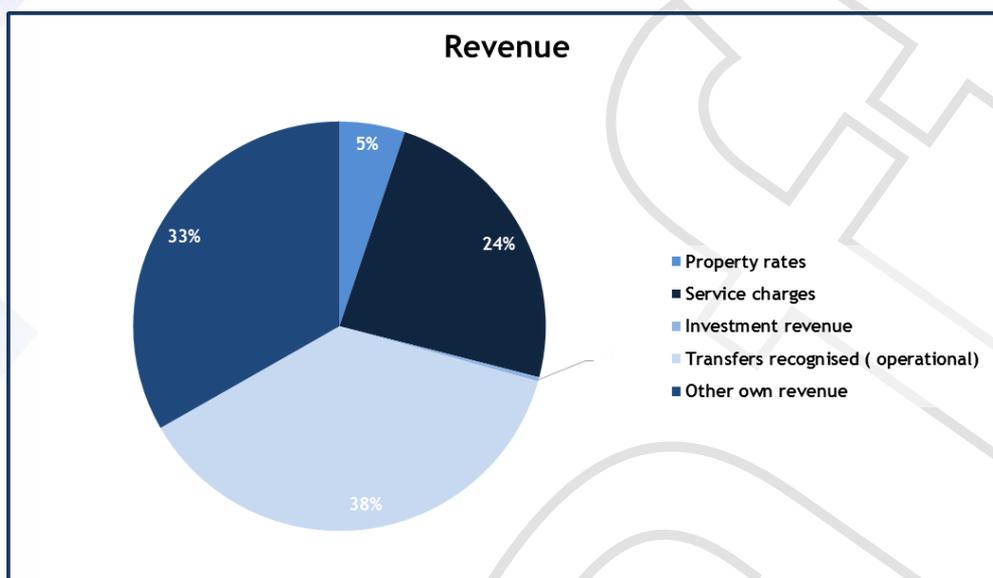
Chapter 5: Financial Performance

Financial Summary						
R'000						
Description	2014/15	2015/16			2015/16 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised – capital	38 938	55 563	77 945	63 780	12.88	(22.21)
Public contributions & donations	50	0	0	0	0	0
Borrowing	0	0	0	0	0	0
Internally generated funds	707	1 710	234	799	(114.05)	70.74
Total sources of capital funds	39 695	57 273	78 179	64 579	11.31	(21.06)
Financial position						
Total current assets	46 624	68 499	68 499	35 097	(95.17)	(95.17)
Total non-current assets	500 466	602 823	602 823	533 089	(13.08)	(13.08)
Total current liabilities	36 152	800	800	42 321	98.11	98.11
Total non-current liabilities	17 788	36 893	36 893	17 833	(106.88)	(106.88)
Community wealth/Equity	493 149	633 628	633 628	508 031	(24.72)	(24.72)
Cash flows						
Net cash from (used) operating	38 833	58 818	77 057	66 072	10.98	(16.63)
Net cash from (used) investing	(39 289)	(50 007)	(71 001)	(64 579)	22.56	(9.95)
Net cash from (used) financing	(1 043)	(670)	(781)	(693)	3.32	(12.67)
Cash/cash equivalents at the year end	18 448	26 589	23 723	19 248	(38.14)	(23.25)
Cash backing/surplus reconciliation						
Cash and investments available	18 448	26 040	23 723	19 248	(35.29)	(23.25)
Application of cash and investments	0	(3 062)	(23 059)	0	0	0
Balance - surplus (shortfall)	18 448	22 979	664	19 248	(19.38)	96.55
Asset management						
Asset register summary (WDV)	515 047	602 823	609 014	515 047	(17.04)	(18.24)
Depreciation & asset impairment	28 622	23 834	23 834	28 622	16.73	16.73
Renewal of Existing Assets	0	0	0	0	0	0
Repairs and Maintenance	3 932	2 275	3 678	3 932	42.14	6.46
Free services						
Cost of Free Basic Services provided	8 329	8 967	8 967	6 771	(32.43)	(32.43)
Revenue cost of free services provided	859	910	910	670	(35.89)	(35.89)
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 150: Financial Performance 2015/16

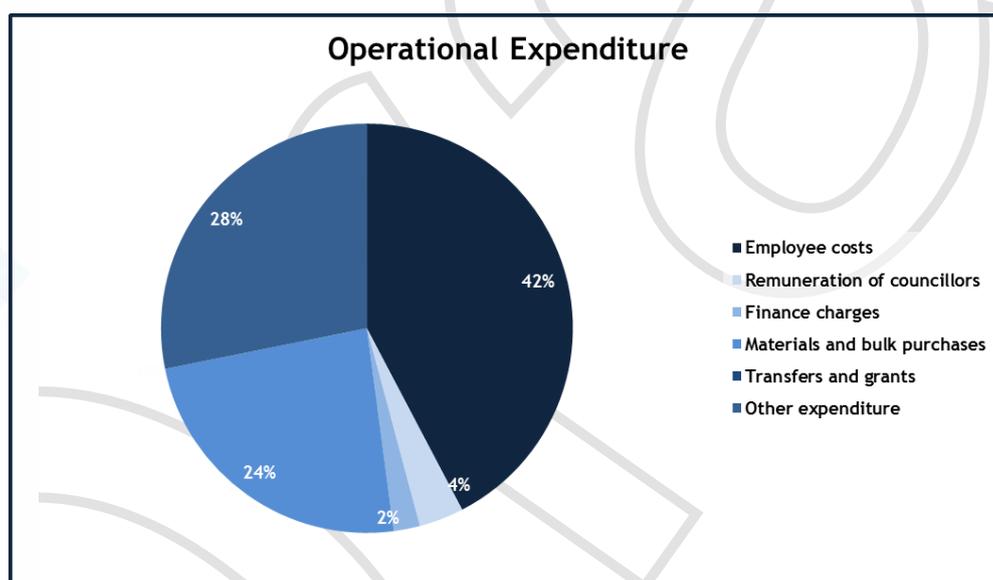
Chapter 5: Financial Performance

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



Graph 10: Revenue

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



Graph 11: Operating Expenditure

5.1.2 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote:

Vote Description	2014/15	2015/16			2015/16 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'ooo					
Executive & Council	32 382	34 931	34 931	35 034	0.29	0.29

Chapter 5: Financial Performance

Vote Description	2014/15	2015/16			2015/16 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Finance & Admin	19 923	15 669	17 198	12 668	(23.69)	(35.76)
Community Services	8 849	6 087	10 187	5 776	(5.39)	(76.38)
Technical Services	87 629	116 969	141 999	109 362	(6.96)	(29.84)
Total Revenue by Vote	148 783	173 656	204 315	162 839	(6.64)	(25.47)

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

Table 151: Revenue by Vote

5.1.3 Revenue Collection by Source

The table below indicates the revenue collection performance by source for the 2015/16 financial year:

Description	2014/15	2015/16			2015/16 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Property rates	8 313	8 117	8 406	8 144	0.34	(3.21)
Property rates - penalties & collection charges	208	179	208	217	17.77	4.35
Service Charges - electricity revenue	23 150	31 276	33 549	27 767	(12.64)	(20.82)
Service Charges - water revenue	12 274	13 110	13 110	8 449	(55.16)	(55.16)
Service Charges - sanitation revenue	7 816	8 259	8 492	8 648	4.49	1.80
Service Charges - refuse revenue	5 974	6 333	6 355	6 450	1.81	1.47
Service Charges - other	0	0	0	(12 422)	100	100
Rentals of facilities and equipment	1 046	1 103	887	759	(45.32)	(16.85)
Interest earned - external investments	532	422	471	538	21.60	12.57
Interest earned - outstanding debtors	1 980	1 806	2 055	2 169	16.70	5.25
Dividends received	0	0	0	0	0	0
Fines	4 685	2 521	5 321	672	(275.40)	(692.37)
Licences and permits	2 774	757	2 413	0	0	0
Agency services	0	0	0	0	0	0
Transfers recognised - operational	41 830	52 391	53 109	84 507	32.45	28.09
Other revenue	6 089	4 290	5 357	12 058	64.42	55.57
Gains on disposal of PPE	0	0	0	0	0	0
Total Revenue (excluding capital transfers and contributions)	116 669	130 565	139 731	147 957	8.58	0.38

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

Table 152: Revenue by Source

Chapter 5: Financial Performance

5.1.4 Operational Services Performance

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

Financial Performance of Operational Services						
R'000						
Description	2014/15	2015/16			2015/16 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Operating Cost						
Water	23 604	22 094	26 652	32 990	33.03	19.21
Waste Water (Sanitation)	8 935	9 814	9 289	14 016	29.98	33.73
Electricity	23 576	27 466	26 438	25 542	(7.53)	(3.51)
Waste Management	6 130	5 073	6 223	11 315	55.17	45.00
Component A: sub-total	62 245	64 446	68 601	83 863	23.15	18.20
Roads	0	0	0	0	0	0
Transport	16 286	11 080	16 521	17 688	37.36	6.60
Component B: sub-total	16 286	11 080	16 521	17 688	37.36	6.60
Planning	0	0	0	0	0	0
Local Economic Development	0	0	0	0	0	0
Component C: sub-total	0	0	0	0	0	0
Housing	518	661	741	578	(14.43)	(28.23)
Social services & community development	0	0	0	0	0	0
Component D: sub-total	518	661	741	578	(14.43)	(28.23)
Environment Protection (Pollution Control Bio(Diversity Landscape Open Spaces Parks And Coastal Protection)	0	0	0	0	0	0
Component E: sub-total	0	0	0	0	0	0
Traffic & licensing	7 034	4 135	7 067	2 140	(93.20)	(230.19)
Fire Services and Disaster Management	0	0	0	0	0	0
Component F: sub-total	7 034	4 135	7 067	2 140	(93.20)	(230.19)
Sport and Recreation	925	2 745	2 831	932	(194.50)	(203.72)
Cemeteries	1 242	671	1 972	1 441	53.46	(36.89)
Libraries	1 044	2 605	1 542	1 209	(115.57)	(27.59)
Museum	482	558	512	515	(8.32)	0.60
Community halls facilities Thusong centres	2 717	2 039	3 286	1 641	(24.27)	(100.27)
Component G: sub-total	6 411	8 617	10 143	5 737	(50.21)	(76.80)
Budget and Treasury Office	13 658	20 270	17 587	17 813	(13.79)	1.27
Executive and Council	17 470	20 464	20 998	12 887	(58.79)	(62.94)
Corporate Services	5 687	5 584	5 732	7 249	22.97	20.93

Chapter 5: Financial Performance

Financial Performance of Operational Services						
R'000						
Description	2014/15	2015/16			2015/16 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Operating Cost						
Component H: sub-total	36 815	46 319	44 316	0	0	0
Total Expenditure	129 310	135 258	147 390	37 950	(22.05)	(16.78)
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 153: Operational Services Performance

5.2 Financial Performance per Municipal Function

5.2.1 Water Services

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	39 030	51 252	68 210	50 384	(1.72)
Expenditure:					
Employees	3 109	4 004	3 452	3 415	(17.25)
Repairs and Maintenance	413	430	471	255	(68.44)
Other	17 207	17 660	20 847	29 320	39.77
Total Operational Expenditure	20 730	22 094	24 771	32 990	33.03
Net Operational (Service) Expenditure	18 300	29 158	43 439	17 394	(67.63)
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 154: Financial Performance: Water Services

Chapter 5: Financial Performance

5.2.2 Waste Water (Sanitation)

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	8 182	19 209	16 536	14 503	(32.45)
Expenditure:					
Employees	2 703	2 983	3 163	2 684	(11.16)
Repairs and Maintenance	320	392	374	285	(37.67)
Other	7 393	4 815	5 751	10 357	53.51
Total Operational Expenditure	10 415	8 190	9 289	13 325	38.54
Net Operational (Service) Expenditure	(2 233)	11 019	7 248	1 178	(835.14)
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 155: Financial Performance: Waste Water (Sanitation) Services

5.2.3 Electricity

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	24 837	29 831	29 957	33 486	10.92
Expenditure:					
Employees	1 255	1 518	1 545	1 464	(3.72)
Repairs and Maintenance	1 095	490	525	617	20.60
Other	21 603	25 457	24 368	23 461	(8.51)
Total Operational Expenditure	23 952	27 466	26 438	25 542	(7.53)
Net Operational (Service) Expenditure	885	2 365	3 520	7 944	70.23
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 156: Financial Performance: Electricity

Chapter 5: Financial Performance

5.2.4 Waste Management

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	6 309	6 521	6 651	6 773	3.73
Expenditure:					
Employees	3 090	1 893	2 108	3 344	43.39
Repairs and Maintenance	135	114	149	99	(14.78)
Other	5 511	3 065	3 967	7 872	61.06
Total Operational Expenditure	8 735	5 073	6 223	11 315	55.17
Net Operational (Service) Expenditure	(2 426)	1 448	427	(4 542)	131.88
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 157: Financial Performance: Waste Management

5.2.5 Housing

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	406	0	0	0	0
Expenditure:					
Employees	483	725	684	521	(39.16)
Repairs and Maintenance	0	2	15	0	0
Other	36	30	42	57	46.62
Total Operational Expenditure	518	757	741	578	(30.96)
Net Operational (Service) Expenditure	(112)	(757)	(741)	(578)	(30.96)
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 158: Financial Performance: Housing

Chapter 5: Financial Performance

5.2.6 Roads and Stormwater

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	7 719	1 060	8 043	10 174	89.58
Expenditure:					
Employees	4 294	4 597	4 649	4 703	2.24
Repairs and Maintenance	799	881	959	999	11.88
Other	10 944	5 602	10 914	11 986	53.26
Total Operational Expenditure	16 037	11 080	16 521	17 688	37.36
Net Operational (Service) Expenditure	(8 318)	(10 020)	(8 478)	(7 515)	(33.34)
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 159: Financial Performance: Roads and Stormwater

5.2.7 Libraries

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	992	1 685	1 543	1 543	(9.22)
Expenditure:					
Employees	508	1 019	1 064	574	(77.52)
Repairs and Maintenance	2	4	4	0	0
Other	535	1 583	474	635	(149.33)
Total Operational Expenditure	1 044	2 605	1 542	1 209	(115.57)
Net Operational (Service) Expenditure	(52)	(920)	1	334	375.35
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 160: Financial Performance: Libraries

Chapter 5: Financial Performance

5.2.8 Traffic and Law Enforcement

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	7 441	3 253	7 709	3 902	16.63
Expenditure:					
Employees	1 907	2 228	2 663	1 771	(25.83)
Repairs and Maintenance	179	94	122	83	(12.94)
Other	4 899	1 813	4 283	287	(532.69)
Total Operational Expenditure	6 985	4 135	7 067	2 140	(93.20)
Net Operational (Service) Expenditure	455	(882)	642	1 762	150.06
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 161: Financial Performance: Traffic and Law Enforcement

5.2.9 Office of the Municipal Manager

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	0	0	0	0	0
Expenditure:					
Employees	1 179	1 755	1 765	1 296	(35.45)
Repairs and Maintenance	0	0	0	0	0
Other	778	834	739	717	(16.33)
Total Operational Expenditure	1 956	2 589	2 504	2 012	(28.64)
Net Operational (Service) Expenditure	(1 956)	(2 589)	(2 504)	(2 012)	(28.64)
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 162: Financial Performance: Office of the Municipal Manager

Chapter 5: Financial Performance

5.2.10 Administration

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	12	20	11	10	(111.06)
Expenditure:					
Employees	4 846	4 609	4 627	6 342	27.33
Repairs and Maintenance	23	55	63	48	(13.34)
Other	818	921	1 042	859	(7.25)
Total Operational Expenditure	5 687	5 584	5 732	7 249	22.97
Net Operational (Service) Expenditure	(5 676)	(5 564)	(5 721)	(7 240)	23.14
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 163: Financial Performance: Administration

5.2.11 Finance

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue (excluding tariffs)	6 603	15 649	17 187	12 349	(26.72)
Expenditure:					
Employees	6 279	7 991	8 073	6 912	(15.60)
Repairs and Maintenance	16	30	38	26	(14.75)
Other	6 589	12 250	9 476	10 875	(12.64)
Total Operational Expenditure	12 884	20 270	17 587	17 813	(13.79)
Net Operational (Service) Expenditure	(6 281)	(4 621)	(399)	(5 465)	15.43
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 164: Financial Performance: Finance

5.3 Grants

5.3.1 Grant Performance

The municipality had a total amount of **R41** million for infrastructure and other projects available that was received in the form of grants from the national and provincial governments during the 2015/16 financial year. The performance in the spending of these grants is summarised as follows:

Chapter 5: Financial Performance

Grant Performance						
R'000						
Description	2014/15	2015/16			2015/16 % Variance	
	Actual	Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Capital Transfers and Grants						
National Government:	35 498	38 234	38 074	38 074	(0.42)	0
Equitable share	31 655	34 931	34 931	34 931	0	0
Municipal Systems Improvement	618	940	940	940	0	0
INEP	0	0	0	0	0	0
Expanded Public Works Programme	1 000	0	0	0	0	0
EPWP: ROADS	0	0	0	0	0	0
MIG - Project Management Unit	557	563	403	403	(39.73)	0
Electricity Demand Side Grant	0	0	0	0	0	0
Finance Management Grant	1 668	1 800	1 800	1 800	0	0
Provincial Government:	991	1 685	1 542	1 542	(9.27)	0
Library Grant	991	1 685	1 542	1 542	(9.27)	0
Total Capital Transfers and Grants	36 489	39 919	39 616	39 616	(0.76)	0

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

Table 165: Grant Performance for 2015/16

5.3.2 Conditional Grants (Excluding MIG)

Grant Performance						
R'000						
Description	2014/15	2015/16			2015/16 % Variance	
	Actual	Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Financial Management Grant (FMG)	1 668	1 800	1 800	1 800	0	0
Municipal Systems Improvement Grant	618	940	940	940	0	0
Integrated National Electrification Programme	1 415	0	1 350	1 350	100	0
Expanded Public Works Program(EPWP)	4 508	1 000	7 944	1 000	0	(694.40)
Library Grant	991	1 685	1 542	1 542	(9.27)	0
Regional Bulk Infrastructure Grant: Water Affairs	25 849	36 872	54 000	48 306	23.67	(11.79)
Equitable share	32 382	34 931	34 931	34 931	0	0
Electricity Demand Side Management Grant	0	7 000	7 000	7 000	0	0
Total	67 431	84 228	109 507	96 869	13.05	(13.05)

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

Table 166: Conditional Grant (excl. MIG)

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5.3.3 Level of Reliance on Grants & Subsidies

Financial year	Total grants	Total	Percentage
	and subsidies received	Operating Revenue	
	R'000	R'000	%
2014/15	73 944	148 783	49.70
2015/16	60 447	142 038	42.56

Table 167: Reliance on Grants & Subsidies

5.4 Asset Management

5.4.1 Repairs and Maintenance

The table below indicates the repairs and maintenance as a % of total revenue:

Description	2014/15	2015/16			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			
Repairs and Maintenance Expenditure	3 932	3 325	4 088	2 916	(28.66)

Table 168: Repairs & Maintenance

5.5 Financial Ratios Based on Key Performance Indicators

5.5.1 Liquidity Ratio

Description	Basis of calculation	2014/15	2015/16
		Audited outcome	Pre-audit outcome
Current Ratio	Current assets/current liabilities	1.91	1.89
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.87	0.78
Liquidity Ratio	Cash and equivalents/Trade creditors and short term borrowings	0.51	0.46

Table 169: Liquidity Financial Ratio

5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2014/15	2015/16
		Audited outcome	Pre-audit outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.21	0.21
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.70	0.70

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Description	Basis of calculation	2014/15	2015/16
		Audited outcome	Pre-audit outcome
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	59.77	59.77

Table 170: Financial Viability National KPAs

5.5.3 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	0.03%	0.02%

Table 171: Borrowing Management

5.5.4 Employee Costs

Description	Basis of calculation	2014/15	2015/16
		Audited outcome	Pre-audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	23.10%	27%

Table 172: Employee Costs

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 Capital Expenditure: Sources of Finance

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

Details	2014/15	2015/16				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
	R'ooo				%	
External loans	717	0	0	0	0	0
Public contributions and donations	50	0	0	0	0	0
Grants and subsidies	38 938	55 563	77 945	63 780	40.28	(25.49)
Own funding	707	1 710	234	799	(86.33)	33.05
Total	39 695	57 273	78 179	64 579	36.50	(23.75)
Percentage of finance (%)						
External loans	0	0	0	0	0	0
Public contributions and donations	0	0	0	0	0	0

Chapter 5: Financial Performance

Details	2014/15	2015/16				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
	R'000				%	
Grants and subsidies	0	0	0	0	0	0
Own funding	0	0	0	0	0	0
Capital expenditure						
Water and sanitation	28 791	47 563	61 651	48 279	29.62	(28.11)
Electricity	1 298	7 000	8 350	6 162	19.29	(31.26)
Housing	0	0	0	0	0	0
Roads and stormwater	0	0	0	0	0	0
Other	9 606	2 710	8 178	10 138	201.77	72.31
Total	39 695	57 273	78 179	64 579	36.50	(23.75)
Percentage of expenditure (%)						
Water and sanitation	73	83	79	75	(5.04)	(4.94)
Electricity	3	12	11	10	(12.61)	(9.32)
Housing	0	0	0	0	0	0
Roads and stormwater	0	0	0	0	0	0
Other	24	5	10	16	121.07	110.69

Table 173: Capital Expenditure by Funding Source

5.7 Capital Spending

The table below indicates the capital spending of the 5 largest projects:

Name of Project	2015/16				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
Noupoort Water Supply network	36 872	54 000	43 198	0	0
Sewerage Purification Norvalspont	10 691	7 651	5 081	0	0
Electricity Reticulation	7 000	8 350	6 162	0	0
Roads Infrastructure	1 000	7 944	9 093	1	0

Table 174: Capital Spending of the 5 Largest Projects

Chapter 5: Financial Performance

5.8 Municipal Infrastructure Grant (MIG)

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

Municipal Infrastructure Grant (MIG)* Expenditure 2015/16					
R					
Details	Original Budget	Adjustments Budget	Actual	% Variance	
				Original Budget	Adjustments Budget
Infrastructure - Sanitation	11 254 000	8 054 000	5 969 436	(88.53)	(34.92)
Sewerage purification	11 254 000	8 054 000	5 969 436	(88.53)	(34.92)
Infrastructure – Roads	0	6 944 000	8 214 402	100.00	15.47
Roads	0	6 944 000	8 214 402	100	15.47
Other Specify: Recreational Facilities	0	0	850 436	100	100
Norvalspont Community Hall	0	0	850 436	100	100
Total	11 254 000	14 998 000	15 034 274	25.14	0.24

* MIG is a government grant program designed to fund a reduction in service backlogs mainly: Water; Sanitation; Roads; Electricity. Expenditure on new upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 175: Municipal Infrastructure Grant (MIG)

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is critical to the municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

5.9 Cash Flow

Cash Flow Outcomes				
R'000				
Description	2014/15	2015/16		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Cash flow from operating activities				
Receipts				
Ratepayers and other	55 747	58 391	61 047	66 679
Government - operating	34 264	52 391	66 861	57 574
Government - capital	38 942	43 091	50 832	41 393
Interest	2 512	2 228	2 996	2 707
Dividends	50	0	0	0

Chapter 5: Financial Performance

Cash Flow Outcomes				
R'000				
Description	2014/15	2015/16		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Payments				
Suppliers and employees	(91 962)	(96 678)	(102 401)	(101 944)
Finance charges	(384)	(310)	(344)	(336)
Transfers and Grants	(336)	(8 967)	(8 967)	0
Net cash from/(used) operating activities	38 833	50 147	70 024	66 072
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	0	0	0	0
Decrease (Increase) in non-current debtors	0	0	0	0
Decrease (increase) other non-current receivables	0	0	0	0
Decrease (increase) in non-current investments	0	0	0	0
Payments				
Capital assets	(39 289)	(50 007)	(71 001)	(64 579)
Net cash from/(used) investing activities	(39 289)	(50 007)	(71 001)	(64 579)
Cash flows from financing activities				
Receipts				
Short term loans	0	0	0	0
Borrowing long term/refinancing	0	0	0	0
Increase (decrease) in consumer deposits	0	0	0	0
Payments				
Repayment of borrowing	(1 043)	(800)	(911)	(693)
Net cash from/(used) financing activities	(1 043)	(800)	(911)	(693)
Net increase/ (decrease) in cash held	(1 499)	(660)	(1 888)	800
Cash/cash equivalents at the year begin:	19 947	18 448	18 448	18 448
Cash/cash equivalents at the year-end:	18 448	26 589	23 723	19 248

Table 176: Cash Flow

5.10 Gross Outstanding Debtors per Service

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
R'000						
2014/15	2 856	11 588	7 181	0	0	21 625

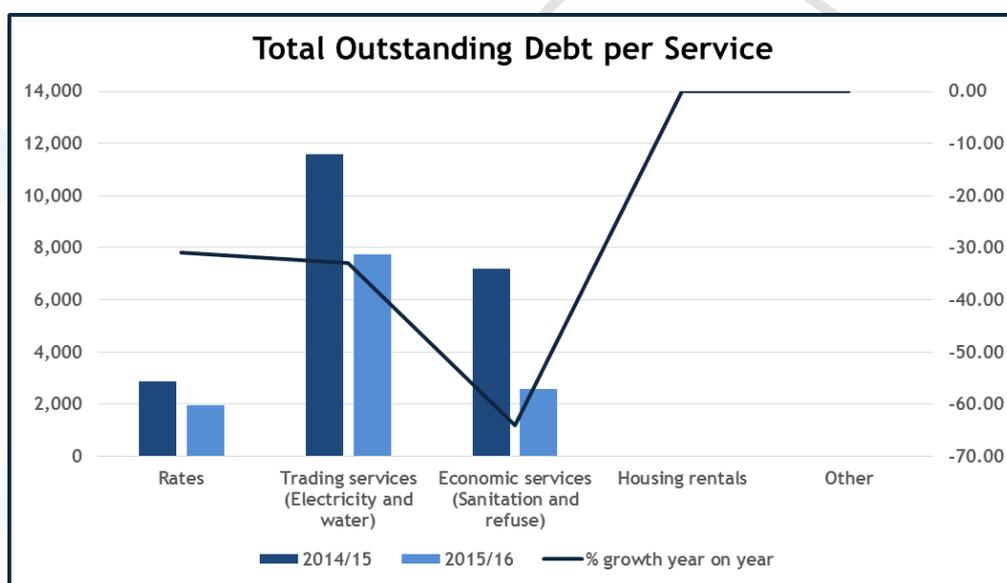
Chapter 5: Financial Performance

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
R'ooo						
2015/16	1 963	7 746	2 583	0	0	12 292
Difference	(893)	(3 841)	(4 598)	0	0	(9 333)
% growth year on year	(31)	(33)	(64)	0	0	(43)

Note: Figures exclude provision for bad debt

Table 177: Gross Outstanding Debtors per Service

The following graph indicates the total outstanding debt per type of service for 2015/16



Graph 12: Outstanding Debt per Type of Service

5.11 Total Debtors Age Analysis

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'ooo	R'ooo	R'ooo	R'ooo	R'ooo
2014/15	3 043	1 124	917	16 736	21 819
2015/16	3 781	983	604	7 005	12 373
Difference	738	(141)	(313)	(9 731)	(9 446)
% growth year on year	24	(13)	(34)	(58)	(43)

Note: Figures exclude provision for bad debt

Table 178: Outstanding Debtor Age Analysis

Chapter 5: Financial Performance

5.12 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.

5.12.1 Actual Borrowings

Actual Borrowings		
R' 000		
Instrument	2014/15	2015/16
Long-Term Loans (annuity/reducing balance)	3 162	2 161
Total	3 162	2 161

Table 179: Actual Borrowings

5.12.2 Municipal Investments

Actual Investments		
R'000		
Investment type	2014/15	2015/16
	Actual	Actual
Deposits - Bank	5 943	6 292
Total	5 943	6 292

Table 180: Municipal Investments

Chapter 6: Auditor-General Findings

CHAPTER 6

COMPONENT A: AUDITOR-GENERAL OPINION 2014/15

6.1 Auditor-General Report 2014/15

Details	
Audit Report Status:	Unqualified with other matters
Issue raised	Corrective steps implemented
Expenditure management	Prevent irregular and unauthorised expenditure by implementing the SCM Policy and Regulation strictly
Procurement	Prevent irregular and unauthorised expenditure by implementing the SCM Policy and Regulation strictly
Predetermined objectives	Ensure the alignment of the IDP, Budget, SDBIP and the Annual Performance Report

Table 181: AG Report 2014/15

COMPONENT B: AUDITOR-GENERAL OPINION 2015/16

6.2 Auditor-General Report 2015/16

Details	
Audit Report Status:	Unqualified with other matters
Issue raised	Corrective steps implemented
Unauthorised expenditure	Prevent unauthorised expenditures by implementing correct measures in determining provisions for impairment on trade debtors and depreciations when the budget is compiled. This should be submitted to council for approval
Irregular expenditure	Prevent irregular expenditure by implementing the SCM Policy and Regulation strictly
Material losses and impairment	Investigation will be conducted to address the water- and electricity losses
Restatement of corresponding figures	Corresponding figures for 30 June 2015 have been restated as a result of an error discovered during 2016 in the financial statements relating to various financial statement line items

Table 182: AG Report 2015/16

Abbreviations

LIST OF ABBREVIATIONS

AG	Auditor-General
CAPEX	Capital Expenditure
CBP	Community Based Planning
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
FET	Further Education and Training
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
GDPR	Growth Domestic Product of Region
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
UADAAG	Umsobomvu Anti-Drug and Alcohol Action Group
LASBA	Umsobomvu Small Business Association
LED	Local Economic Development
MAYCOM	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MM	Municipal Manager

Abbreviations

MMC	Member of Mayoral Committee
MSA	Municipal Systems Act No. 32 of 2000
MTECH	Medium Term Expenditure Committee
NGO	Non-governmental organisation
NT	National Treasury
OPEX	Operating expenditure
PACA	Participatory Appraisal Competitive Advantage
PMS	Performance Management System
PRV	Pressure Reducing Valve
PT	Provincial Treasury
PVC	Polyvinyl Chloride
SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
uPVC	Unplasticised Polyvinyl Chloride
VCP	Vehicle Check Point