

SOL PLAATJE LOCAL MUNICIPALITY



Annual Report 2018/2019

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Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

1.1 MAYOR’S FOREWORD

Greetings and Felicitations

This year we as the people of Sol Plaatje Municipality have experienced the worst of times and best of times. As a diverse people and as a united nation we celebrate 25 years of democracy as well some of the greatest human achievements.

We, the people of South Africa and particularly the citizens of Sol Plaatje Local Municipality have journeyed far since the long lines of our first democratic elections on 27 April 1994, when we elected a government for the people, by the people.

During this year the Sol Plaatje Municipality and its residents have experienced service delivery protests, which has forced us as leaders of political parties, parents of the city, ordinary men and women, youth and young children to take a hard look at what kind of future we want to build.

It is against this backdrop that the municipality has embarked an approach that has seen a more caring and attentive spirit renewed in us.

The South African economy has experienced slow growth and the GDP remained under pressure with very low growth potential. The Sol Plaatje Municipality in particular, has felt the pinch as revenue collection for this year is below estimated targets. It is for reason that we as municipality have concluded to conduct an in-depth analysis on way to improve service delivery, increasing our revenue collection rate and create an economic enabling environment where business can thrive and create much needed jobs that is directly linked to the sustainability of the municipality.

This year the county, as well as Northern Cape and Eastern Cape provinces have experienced severe drought cycles that has seen our water resources brought under tremendous pressure. This will result in water becoming a scarce commodity and water conservation will become a daily reality. We therefore plead with our residents and business communities to use water sparingly and conserve where possible.

Despite all these challenges we as a council are committed to the objectives of delivering basic services to our people in a sustainable manner. The municipality has also embarked on an extensive bulk infrastructure programme which has seen the overhaul of our current infrastructure and lay-out of a new storm water system as well as upgrading of the sewer system.

- The Riverton New Pump Station Building project
- The Galeshewe storm water project
- The Lerato Park bulk water and sewer provision to nearly 4,600 households
- Bulk Augmentation project in Ritchie
- Upgrade of the Gogga Pump station
- Upgrading the De Beers and Galeshewe stadiums
- Upgrading of roads in Galeshewe
- The upgrade of the Florianville swimming pool; and
- The anticipated Homevale Satellite Fire Station

The mushrooming of informal settlements and illegal occupation of municipal and privately-owned land is a grave concern for the municipality and the council. As a result, various sites have been identified to manage the housing challenge through a more effective and co-ordinated plan.

Numerous meetings and Mayoral Imbizos were held with the community of Sol Plaatje Municipality to engage on issues faced by residents and to outline sustainable solutions to these challenges.

We will continuously work with all community members and stakeholders as we eagerly anticipate that the year ahead will yield better outcomes.

Thank you.

Yours in Community Service

(Signed)

.....
SP Mabilo
Executive Mayor

COMPONENT B: EXECUTIVE SUMMARY

1.2 MUNICIPAL MANAGER'S OVERVIEW

The 2018/2019 financial year, marking the second year of the 2017 – 2022 Integrated Development Plan (IDP) implementation, has stood out to be a real litmus test for the municipality – both in terms of governance and service delivery. The municipality has had to keep afloat, notwithstanding many obstacles with which it was dealt. This has to be, as Sol Plaatje Municipality has a fiduciary and social responsibility to respond to its mandate of service delivery – especially as we strive to move **towards our vision of becoming a leading and modern city.**

Local government, being at the coalface of service delivery, must always ensure that there is adequate and fair public consultation in the implementation of its objectives and strategies; hence the existence of the IDP. We have been able to implement certain projects contained therein, with measurable success on some. As we commenced our financial year, we had already spent close to R80 million on the increase in bulk electricity – from 120MVA to 200MVA (launched at the Carters Glen sub-station; the transformer is the first in the region to be built locally in South Africa). R385 million was spent on the waterworks treatment (sewer) plant in Homevale; increasing its capacity from 33ML/day to 45ML/day. A further R26 million was spent in the upgrade of other sewer plants in Beaconsfield and Ritchie.

In addition to the above-mentioned, the provincial Department of Water and Sanitation is assisting the municipality to upgrade and refurbish the local water rising main and associated pumps that supply water to Motswedimosa, Modder River, Rietvale and other parts of Ritchie. This is making good progress. The second phase – that includes the installation of two elevated galvanised steel tanks, with a combined capacity of over 3,000KL, a 2,1ML ground reservoir and upgrades to several pumps (valued at over R30 million) – was completed in the first quarter of the new financial year.

This was an exceptionally tumultuous year for the municipality – where shutdowns and land invasions marked an unprecedented turn for us. The former is attributed to the proposed implementation of the electricity basic charge of R260 which resulted in a shortfall of electricity income of approximately R116 million; while the latter is ascribed to the shortage of formalised erven within the greater Kimberley area – so that residents can obtain security of tenure for posterity reasons. These have caused a major shift and instability within the organisation. The concession to forego the levying of the R260 basic charge has seen a direct impact on the implementation of some IDP projects; where internally funded projects had to be rolled over or be reduced substantially – in order to ensure sustainable provision of electricity to the city's consumers.

Land invasions, on the other hand, have risen significantly – and this takes place on land parcels (mainly municipal-owned) that are neither formalised nor serviced. This, of course, has also pushed us into the reactionary state of providing alternative land parcels where the

two requisite activities (and its associated sub-activities) must be implemented; albeit them taking time to unfold – purely from a legislative requirements' perspective.

In the interim Lethabo Park is nearing completion for township establishment purposes; while some land invaders have been relocated to certain portions of Lerato Park that have already been surveyed and pegged. They will be taken through the relevant application processes, as per the stipulations of the National Housing Code. Application has been made to the National Department of Human Settlements to accord certain areas of the city the Priority Housing Development Area (PHDA) status. The Housing Development Agency (HDA), where this function lies, states that "the PHDA provides a development vision and goal for a specific geographical area that, by its nature, is well located and supportive of economic growth and social upliftment initiatives".

Some of the municipality's critical planning documents, as prioritised in the 2017/2018 financial year, are nearing completion. These include the electricity master plan, storm water master plan, integrated waste management plans and the spatial development framework (SDF). Of all these plans, the SDF is key, as it will give guidance on the direction of development and growth in the city. The infrastructure plans will augment the weight of the SDF, as the key document for spatial planning and development.

The municipality's financial health is in a critical state. In addition to the electricity basic charge concession, we have not been able to optimally collect revenue as we have a huge debtors' book (service debtors). This is significantly impacting the cash reserves of the municipality; with the total outstanding debt of R2.4 billion of which 90% was owed in excess of 90 days plus.

Due to financial constraints, the municipality has not been able to increase own contribution to the Capital Replacement Reserve fund – this would be used as vehicle for investing in key infrastructure that is required for service delivery.

At year-end, 90% of the capital budget was spent which is an improvement from the 2017/2018 financial year where 78% of the capital budget was spent. Operational and Capital grants performed well for the period under review, with the Unspent conditional grants amounting to R6.9 million versus an actual of R389 million.

For the fourth quarter of the financial year, the municipality barely stayed afloat as the cash and cash equivalents reached critical levels and this was exacerbated by a below target collection rate. The liquidity ratio declined from 1:4 to 1:3.51, due to the increase in current liabilities, specifically Payables from exchange transactions against a norm of three times.

On the other hand, the cost coverage ratio reduced as a result of increasing average monthly expenditure against a decline of cash and cash equivalent balances, from 1.89 times in 2017 to 0.49 times in 2019. This effectively means that the municipality had less than one month's cash coverage at year end. The cost coverage ratio is an important measure of liquidity. Inadequate cash reserves pose a risk not only to the settlement of creditors invoices as they

become due, but the ability of the municipality to pay its critical creditors, service delivery and staff salaries becomes a concern.

The municipality is putting measures in place to collect outstanding debt, especially debt owed by Organs of State – of which the outstanding debt amounted to R829 million as at 30 June 2019.

Operational expenditure is continually revised, and cost containment measures have been implemented for the 2018/2019 financial year and is on-going for the 2019/2020 financial year.

Capital projects funded from the CRR, also, had to be adjusted downwards – this has had a negative impact on service delivery. Water and electricity losses remain a major concern; and the municipality, before year-end, started with a programme to address inactive prepaid electricity meters. This is still on-going.

As a brief overview on service delivery performance, we have achieved several objectives set out in the organisational scorecard. This includes 800 newly built houses in Diamond Park. These were handed over to the residents by the National Minister of Human Settlements.

In addition to this, nearly 1,000 households were electrified in Snake Park; while we also embarked on a R24 million electrification project to provide a total of 1,515 households with basic electricity services by the end of this financial year. The areas that were to benefit from this project are

- Kutlwanong (40 households)
- Platfontein (300 households)
- Santa Centre (139 households)
- Soul City (64 households)
- Mathibe (15 households)
- Snake Park (949 households)

The implementation of such projects also has a direct social impact on the local communities, where local economic development opportunities are created for them. For this project twenty youth were employed during its implementation.

The municipality experienced water shortages for a significant part of the 2018/2019 financial year; where we had to effect certain restrictions on the availability of water (Stage 5) – as per our Water Restrictions Policy. At the time the water demand exceeded the maximum pumping and supply capacity – and the reservoir levels could be sustained. These measures were implemented with the objective of ensuring that the water supply is sustained, at least, at a minimum level; as well as to avert a complete dry tap situation.

We have made strides with the construction of a new dedicated sewer line from Gogga Pump Station to the Homevale Waste Water Treatment Works – this will provide relief to

households that had been affected by sewer flooding in the Redirile and Homevale areas. It will further increase the sewer intake capacity, for treatment purposes, at the Homevale Treatment Plant. In addition to this, overhead electrical lines have been installed at the Gogga Pump Station. This had enabled the pump station to return to normal after repeated cable theft.

We are thrilled when we receive support that plans to enhance the skills of our local population. Sol Plaatje Municipality has signed a twin city agreement with the Changsha Municipal People's Government. This partnership aims to build skills through innovation and technology – especially in the manufacturing sector. This, in turn, propels the municipality to move towards **forward planning** (spatial, financial and infrastructure) – so as to meet development opportunities head-on when they are directed our way.

In closing, we are pleased to announce that Sol Plaatje Municipality has claimed fourth place in the top twenty list of municipalities around the country for good governance (April 2019). This was accorded by the Good Governance Africa's Government Performance Index – where the organisation assists municipalities on improving governance.

We must, to the best of our ability, strive towards clean and transparent governance. Sol Plaatje Municipality realises that to start on this path the municipality needs to create an environment that is conducive to the growth of the local economy. SPM further acknowledges that it needs to continue to improve the efficiency of its service delivery, the sustainability of its finances and the effectiveness, responsiveness and accountability of its administration. This translates into two high level strategic objectives:

- A better standard of living for all - which requires a growing economy dependent on a municipal strategy that drives urban efficiencies; and
- A better quality of life for all - which requires a caring local government concerned with providing universal access to municipal services at affordable levels while becoming a place where business would want to locate.

With sharp focus and resolve in its planning, the above-mentioned is a definite possibility for the municipality.

1.3 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

The Sol Plaatje Local Municipality houses 21% of the population of the province thereby making it the largest urban formation in the Northern Cape. The fourth democratic Local Government Election in August 2016 led to 65 Councillors being elected to serve in the Sol Plaatje Local Municipality. Local Government is the sphere closest to the people. This means that local government can play a special role to facilitate a better future.

1.3.2 Population Details

Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income.

TABLE 1. Total Population - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2007-2017 [numbers percentage]

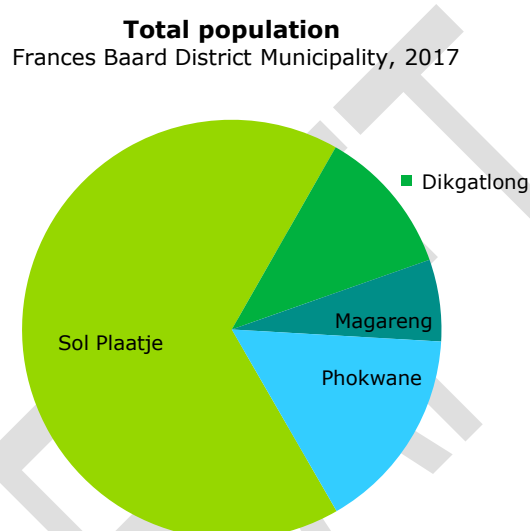
Year	Sol Plaatje	Frances Baard	Northern Cape	National Total	Sol Plaatje as % of district municipality	Sol Plaatje as % of province	Sol Plaatje as % of national
2007	214,000	333,000	1,040,000	48,400,000	64.3%	20.5%	0.44%
2008	219,000	338,000	1,060,000	49,100,000	64.7%	20.6%	0.45%
2009	224,000	344,000	1,080,000	49,800,000	65.0%	20.7%	0.45%
2010	230,000	351,000	1,100,000	50,700,000	65.3%	20.9%	0.45%
2011	235,000	358,000	1,120,000	51,500,000	65.6%	21.0%	0.46%
2012	240,000	365,000	1,140,000	52,400,000	65.8%	21.1%	0.46%
2013	246,000	372,000	1,160,000	53,200,000	66.0%	21.2%	0.46%
2014	251,000	379,000	1,180,000	54,100,000	66.2%	21.3%	0.46%
2015	256,000	386,000	1,200,000	54,900,000	66.3%	21.4%	0.47%
2016	261,000	392,000	1,210,000	55,700,000	66.5%	21.5%	0.47%
2017	265,000	399,000	1,230,000	56,500,000	66.6%	21.5%	0.47%
Average Annual growth							
2007-2017	2.19%	1.83%	1.69%	1.56%			

Source: IHS Markit Regional eXplorer version 1570

With 266 000 people, the Sol Plaatje Local Municipality housed 0.5% of South Africa's total population in 2017. Between 2007 and 2017 the population growth averaged 2.19% per annum which is slightly higher than the growth rate of South Africa as a whole (1.56%).

Compared to Frances Baard's average annual growth rate (1.83%), the growth rate in Sol Plaatje's population at 2.19% was very similar than that of the district municipality.

CHART 1. Total population - Sol Plaatje and the rest of Frances Baard, 2017 [Percentage]



Source: IHS Markit Regional eXplorer version 1570

When compared to other regions, the Sol Plaatje Local Municipality accounts for a total population of 266,000, or 66.6% of the total population in the Frances Baard District Municipality, which is the most populous region in the Frances Baard District Municipality for 2017. The ranking in terms of the size of Sol Plaatje compared to the other regions remained the same between 2007 and 2017. In terms of its share the Sol Plaatje Local Municipality was significantly larger in 2017 (66.6%) compared to what it was in 2007 (64.3%).

When looking at the average annual growth rate, it is noted that Sol Plaatje ranked highest (relative to its peers in terms of growth) with an average annual growth rate of 2.2% between 2007 and 2017.

Province	Census 2011	Community Survey 2016	% change
Western Cape	5 822 734	6 279 730	7,8
Eastern Cape	6 562 053	6 996 976	6,6
Northern Cape	1 145 861	1 193 780	4,2
Free State	2 745 590	2 834 714	3,2
KwaZulu-Natal	10 267 300	11 065 240	7,8
North West	3 509 953	3 748 435	6,8
Gauteng	12 272 263	13 399 724	9,2
Mpumalanga	4 039 939	4 335 964	7,3
Limpopo	5 404 868	5 799 090	7,3
South Africa	51 770 561	55 653 653	7,5

Table 1.1 Population distribution by province, Census 2011 and CS 2016

Table 1.1 shows the distribution of the population for each province since 2011 to 2016. The provincial variations indicate that Northern Cape has the smallest population size compared to other provinces. This pattern is observed for both Census 2011 and CS 2016, respectively. Northern Cape has the second lowest percentage change in population size (4,2%). The population of Northern Cape increased slightly by approximately 47 919 over the period 2011–2016.

Province/district/local municipality	Total population		Growth rate
	Census 2011	CS 2016	
DC9: Frances Baard	382,086	387,741	0.3
NC091: Sol Plaatje	248,041	255,041	0.6
NC092: Dikgatlong	46,841	48,473	0.8
NC093: Magareng	24,204	24,059	-0.1
NC094: Phokwane	63,000	60,168	-1.0
Northern Cape	1,145,861	1,193,780	0.9

Table 1.2: Distribution of population and annual growth between 2011 and 2016 by district and local municipality

As indicated in Table 1.2, the population of the Northern Cape grew at less than one percent (0,9%) between the period 2011 to 2016. The total population of SPM increased from 248,041 to 255,041 or 0.6% from 2011 to 2016. Sol Plaatje Local Municipality remains the largest municipality in the Frances Baard region with 66% of the population residing in Sol Plaatje.

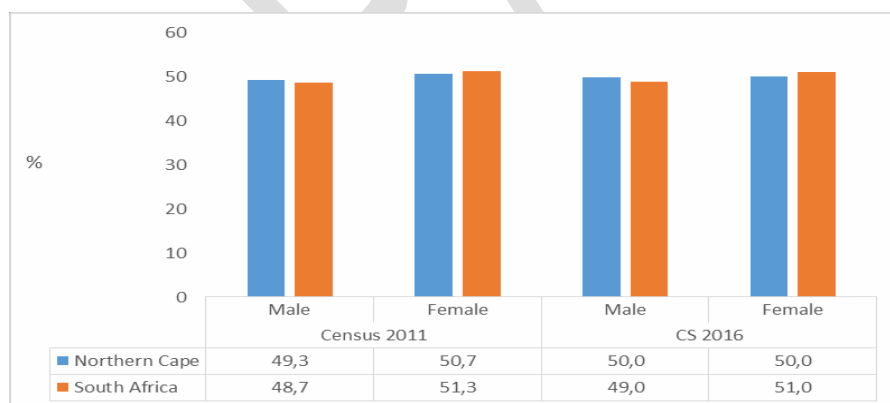
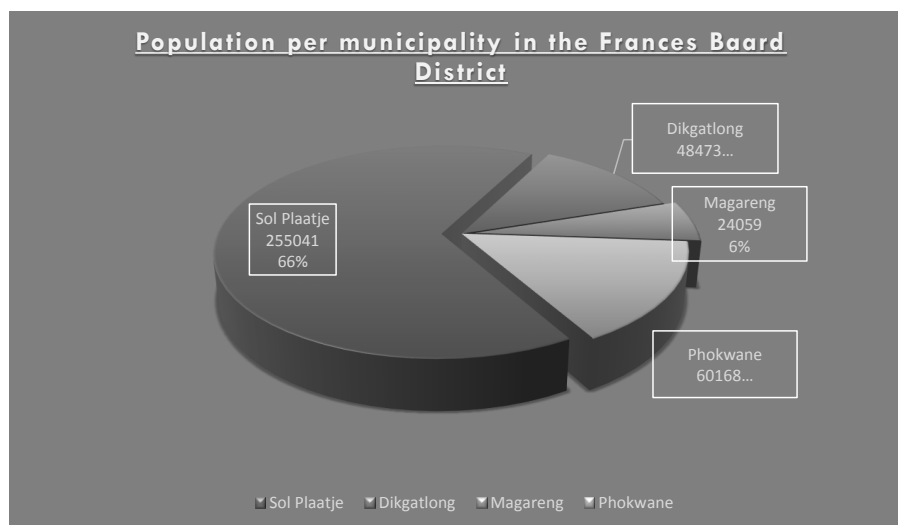


Figure 1.1: Percentage distribution of population by gender, Census 2011 and CS 2016

Figure 1.1 shows gender disparities for Census 2011 and CS 2016 in Northern Cape and South Africa. In 2011, Northern Cape had slightly more females than males, while the

proportions are equally distributed in 2016. The overall population structure in South Africa shows that there were more females than males, and this trend is seen in both Census 2011 and CS 2016.

District and local municipality	0–14		15–34		35–64		65+		Total
	Number	%	Number	%	Number	%	Number	%	
DC9: Frances Baard	109,823	28.3	126,339	32.6	119,852	30.9	31,727	8.2	387,741
NC091: Sol Plaatje	69,098	27.1	84,766	33.2	80,709	31.6	20,468	8.0	255,041
NC092: Dikgatlong	14,768	30.5	15,410	31.8	14,502	29.9	3,793	7.8	48,473
NC093: Magareng	7,104	29.5	7,633	31.7	7,050	29.3	2,272	9.4	24,059
NC094: Phokwane	18,853	31.3	18,530	30.8	17,591	29.2	5,193	8.6	60,168
Northern Cape	331,548	27.8	435,204	36.5	48,269	29.2	78,759	6.6	1,193,780

Table 1.3: Distribution of population by district, municipality and broad age groups, CS 2016

The results in Table 1.3 show that 36.5% of the Northern Cape population is between 15 and 34 years old, which is the highest age distribution, followed by 29.2% of those aged 35–64 years, while only 6.6% comprised those aged 65 years and older. For SPM most of the population is aged between 15–34 years (33.2%), whilst the age group 0–14 years and 35–64 years is close in proximity with weighting of 27.1 and 31.6 percent respectively. Aged 65 years and older constitutes 8% of the total population, which is higher than the NC average of 6.6%.

POPULATION BY POPULATION GROUP, GENDER AND AGE

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0–4, 5–9, 10–13, etc.

TABLE 2. Population by gender - Sol Plaatje and the rest of Frances Baard District Municipality, 2017 [Number].

Municipality	Male	Female	Total
Sol Plaatje	128,000	137,000	265,000
Dikgatlong	22,100	23,200	45,300
Magareng	12,300	12,800	25,200
Phokwane	30,100	32,700	62,800
Frances Baard	193,000	206,000	399,000

Source: IHS Markit Regional eXplorer version 1570

Sol Plaatje Local Municipality's male/female split in population was 93.7 males per 100 females in 2017. The Sol Plaatje Local Municipality appears to be a stable population with the share of female population (51.62%) being very similar to the national average of (51.05%). In total there were 137,000 (51.62%) females and 128,000 (48.38%) males. This is different from the Frances Baard District Municipality where the female population counted 206,000 which constitutes 51.59% of the total population of 399,000.

TABLE 3. Population by population group, Gender and Age - Sol Plaatje Local Municipality, 2017 [Number].

Age	African		White		Coloured		Asian	
	Female	Male	Female	Male	Female	Male	Female	Male
00-04	9,370	9,730	539	587	3,490	3,410	3,410	
05-09	8,190	8,730	516	481	2,880	2,990	2,990	91
10-14	7,390	7,300	475	472	3,160	3,190	3,190	42
15-19	7,100	7,090	683	500	3,410	3,230	3,230	59
20-24	7,360	6,860	659	656	3,830	3,760	3,760	28
25-29	8,300	7,380	745	663	3,560	3,420	3,420	81
30-34	8,260	7,510	752	812	3,180	2,840	2,840	95
35-39	7,140	6,300	792	756	2,920	2,750	2,750	146
40-44	5,190	4,950	679	579	2,540	2,350	2,350	93

Age	African		White		Coloured		Asian	
	Female	Male	Female	Male	Female	Male	Female	Male
45-49	3,400	3,820	617	542	2,240	2,080	2,080	85
50-54	3,250	3,130	702	602	2,080	1,820	1,820	69
55-59	3,080	2,510	891	689	1,800	1,510	1,510	59
60-64	2,780	2,100	746	644	1,460	1,200	1,200	43
65-69	1,980	1,620	611	565	1,100	761	761	28
70-74	1,380	1,150	536	386	811	647	647	17
75+	1,540	1,050	938	629	821	566	566	38
Total	85,700	81,200	10,900	9,560	39,300	36,500	1,140	1,100

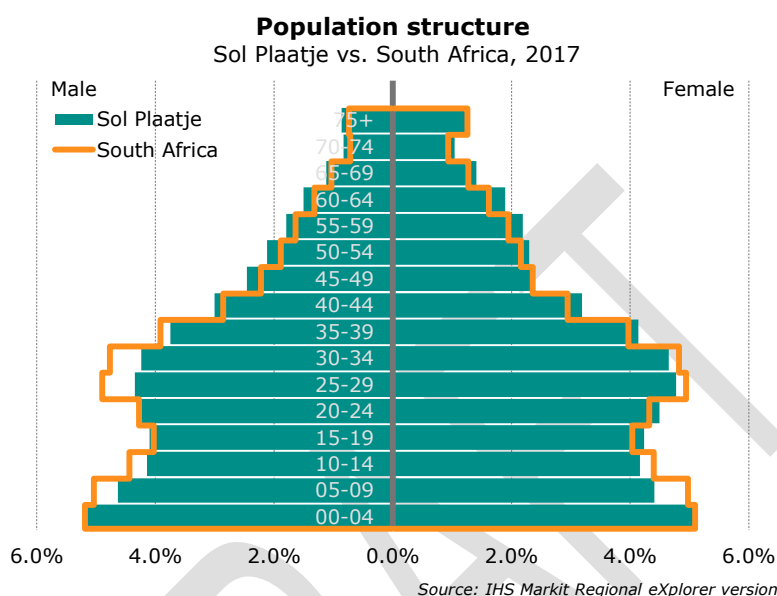
Source: IHS Markit Regional eXplorer version 1570

In 2017, the Sol Plaatje Local Municipality's population consisted of 62.90% African (167 000), 7.70% White (20 400), 28.56% Coloured (75 800) and 0.84% Asian (2 240) people.

The largest share of population is within the young working age (25-44 years) age category with a total number of 85 200 or 32.1% of the total population. The age category with the second largest number of people is the babies and kids (0-14 years) age category with a total share of 27.7%, followed by the teenagers and youth (15-24 years) age category with 45 400 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 17 300 people, as reflected in the population pyramids below.

With the African population group representing 62.9% of the Sol Plaatje Local Municipality's total population, the overall population pyramid for the region will mostly reflect that of the African population group. The chart below compares Sol Plaatje's population structure of 2017 to that of South Africa.

CHART 2. Population pyramid - Sol Plaatje Local Municipality vs. South Africa, 2017
[Percentage]



By comparing the population pyramid of the Sol Plaatje Local Municipality with the national age structure, the most significant differences are:

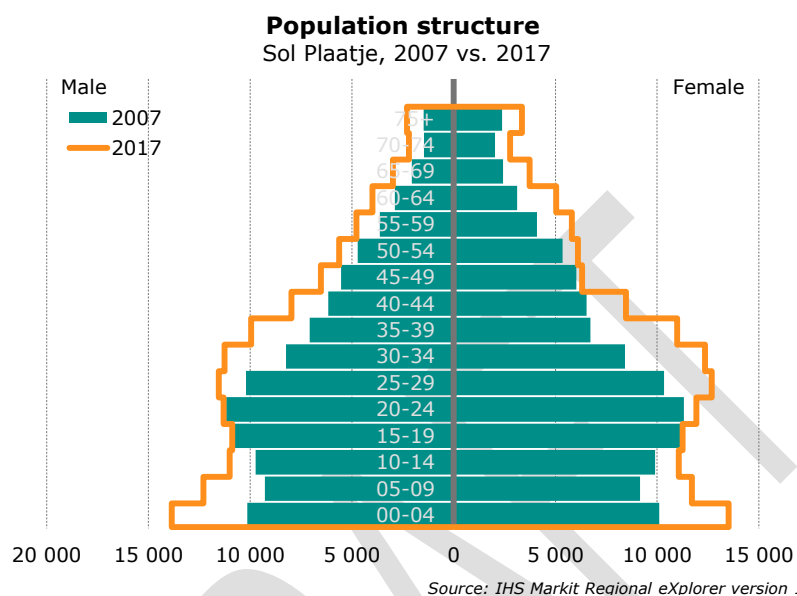
There is a significant smaller share of young working age people - aged 20 to 34 (26.8%) - in Sol Plaatje, compared to the national picture (28.0%).

Fertility in Sol Plaatje is very similar compared to South Africa as a whole.

Spatial policies changed since 1994.

The share of children between the ages of 0 to 14 years is significantly smaller (27.7%) in Sol Plaatje compared to South Africa (29.1%). Demand for expenditure on schooling as percentage of total budget within Sol Plaatje Local Municipality will therefore be lower than that of South Africa.

CHART 3. Population pyramid - Sol Plaatje Local Municipality, 2007 vs. 2017 [Percentage]



When comparing the 2007 population pyramid with the 2017 pyramid for the Sol Plaatje Local Municipality, some interesting differences are visible:

In 2007, there were a significantly larger share of young working age people - aged 20 to 34 (27.9%) - compared to 2017 (26.8%).

Fertility in 2007 was slightly lower compared to that of 2017.

The share of children between the ages of 0 to 14 years is slightly smaller in 2007 (27.3%) compared to 2017 (27.7%).

Life expectancy is increasing.

In 2017, the female population for the 20 to 34 years age group amounted to 14.1% of the total female population while the male population group for the same age amounted to 13.9% of the total male population. In 2007 the male working age population at 12.8% did not exceed that of the female population working age population at 13.9%.

District and local municipality	Black African	Coloured	Indian/Asian	White	Total
	%	%	%	%	%
DC45: John Taolo Gaetsewe	83.5	10.0	0.4	6.1	100.0
DC6: Namakwa	2.3	88.1	0.3	9.3	100.0
DC7: Pixley Ka Seme	30.0	63.4	0.4	6.3	100.0
DC8: ZF Mgcawu	23.2	67.4	0.4	9.0	100.0
DC9: Frances Baard	65.0	26.1	0.9	8.0	100.0
Northern Cape	48.1	43.7	0.5	7.7	100.0

Table 1.4: Distribution of population by population group and district, CS 2016

The results in Table 1.4 show that the population size of the Indian/Asian population in the province remains below 1% as compared to other population groups.

District and local municipality	Black African	Coloured	Indian/Asian	White	Total
DC9: Frances Baard	252,004	101,104	3,426	31,208	387,741
NC091: Sol Plaatje	151,414	78,033	2,552	23,041	255,041
NC092: Dikgatlong	32,678	13,926	171	1,698	48,473
NC093: Magareng	18,794	3,325	363	1,578	24,059
NC094: Phokwane	49,118	5,819	339	4,892	60,168
Northern Cape	574,246	521,261	6,486	91,787	1,193,780

Table 1.5: Distribution of population by population group and district, CS 2016

Frances Baard District has a white population of about 8%, this being the third lowest as compared to other districts in the province.

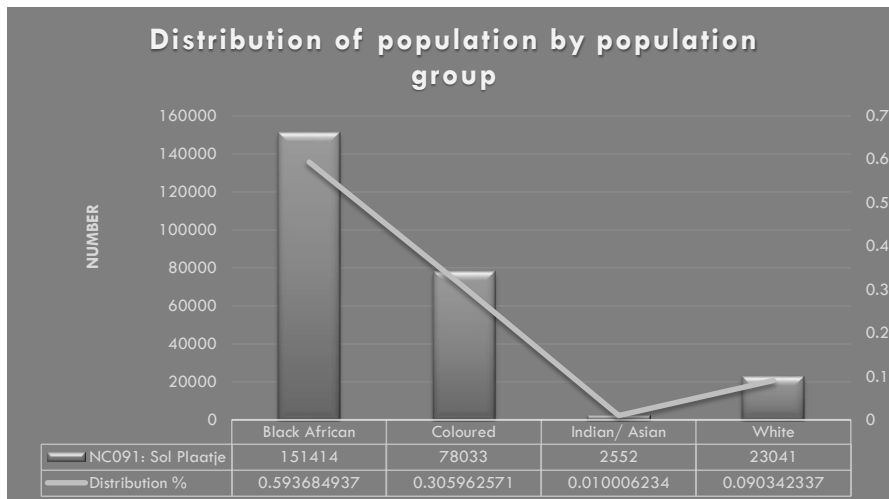


Table 1.5 and the chart above indicate the distribution of the population by population group. The population of SPM comprises of predominately 59.4% Black Africans and 30.6% Coloureds.

1.3.3 Socio Economic Status

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa. In 2017, the Sol Plaatje Local Municipality comprised of 71 600 households. This equates to an average annual growth rate of 2.27% in the number of households from 2007 to 2017. With an average annual growth rate of 2.19% in the total population, the average household size in the Sol Plaatje Local Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2007 decreased from approximately 3.7 individuals per household to 3.7 persons per household in 2017.

TABLE 4. Number of households - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2007-2017 [Number percentage]

Period	Sol Plaatje	Frances Baard	Northern Cape	National Total	Sol Plaatje as % of district municipality	Sol Plaatje as % of province	Sol Plaatje as % of national
2007	57,200	91,300	284,000	13,100,000	62.7%	20.2%	0.44%
2008	58,000	91,600	287,000	13,400,000	63.3%	20.2%	0.43%
2009	58,000	90,700	288,000	13,700,000	63.9%	20.1%	0.42%
2010	58,900	91,500	291,000	13,900,000	64.4%	20.2%	0.42%
2011	60,600	93,800	298,000	14,200,000	64.6%	20.3%	0.43%
2012	62,500	96,300	306,000	14,500,000	64.9%	20.4%	0.43%
2013	64,500	98,900	314,000	14,700,000	65.2%	20.5%	0.44%
2014	65,800	101,000	319,000	15,000,000	65.4%	20.6%	0.44%
2015	67,100	102,000	323,000	15,400,000	65.6%	20.7%	0.44%
2016	69,100	105,000	331,000	15,700,000	65.8%	20.9%	0.44%
2017	71,600	109,000	341,000	16,100,000	65.9%	21.0%	0.45%
Average Annual growth							
2007-2017	2.27%	1.75%	1.86%	2.02%			

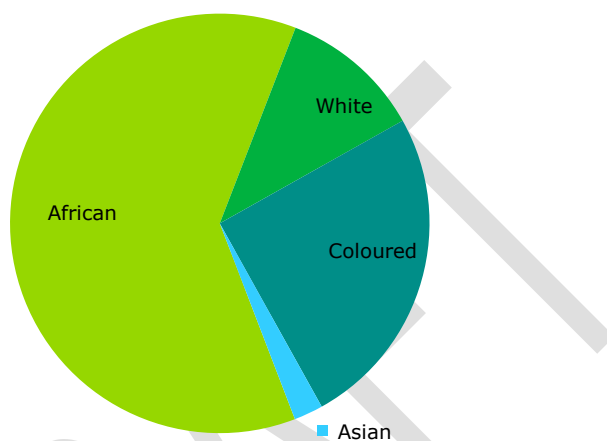
Source: IHS Markit Regional eXplorer version 1570

Relative to the district municipality, the Sol Plaatje Local Municipality had a higher average annual growth rate of 2.27% from 2007 to 2017. In contrast, the province had an average annual growth rate of 1.86% from 2007. South Africa had a total of 16.1 million households, with a growth rate of 2.02%, thus growing at a lower rate than the Sol Plaatje.

The composition of the households by population group consists of 61.7% which is ascribed to the African population group with the largest number of households by population group. The Coloured population group had a total composition of 25.1% (ranking second). The White population group had a total composition of 11.0% of the total households. The smallest population group by households is the Asian population group with only 2.2% in 2017.

CHART 4. Number of households by population group - Sol Plaatje Local Municipality, 2017
[Percentage]

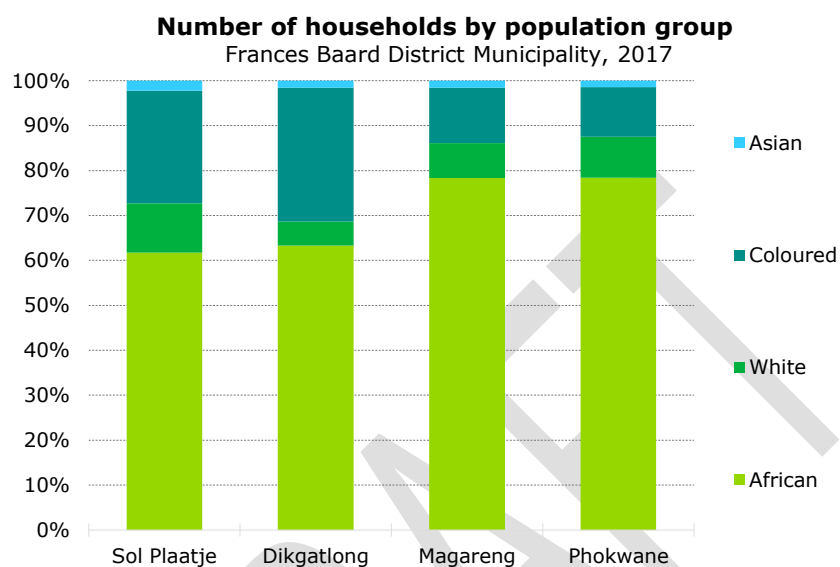
Number of Households by Population group
Sol Plaatje, 2017



Source: IHS Markit Regional eXplorer version 1570

The growth in the number of African headed households was on average 3.48% per annum between 2007 and 2017, which translates in the number of households increasing by 12 800 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2007 and 2017 at 5.93%. The average annual growth rate in the number of households for all the other population groups has increased with 2.20%.

CHART 5. Number of households by population group - Sol Plaatje Local Municipality and the rest of Frances Baard, 2017 [percentage]

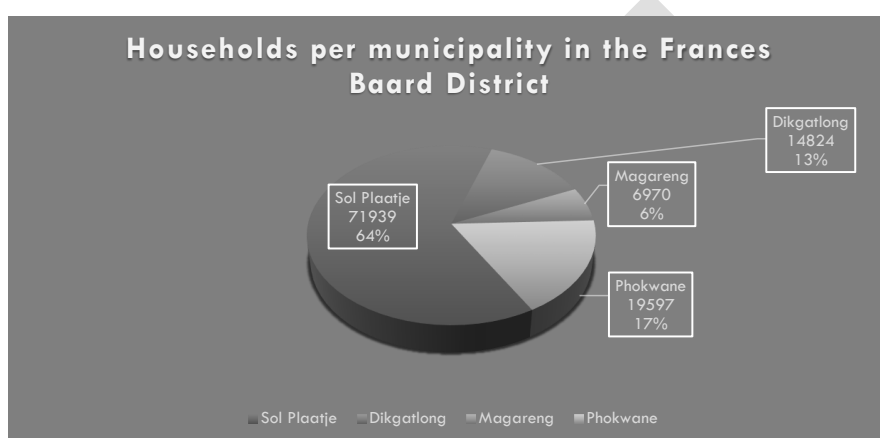


Source: IHS Markit Regional eXplorer version 1570

District	Census 2011			Community Survey 2016		
	Population	Households	Household Size	Population	Households	Household Size
Northern Cape	1,145,861	301,400	3,8	1,193	353,709	3,4
Frances Baard	382,086	95,928	4,0	387	113,330	3,4
NC091: Sol Plaatje	248,041	60,296	4,1	255	71,939	3,5
NC092: Dikgatlong	46,841	11,967	3,9	48,473	14,824	3,3
NC093: Magareng	24,204	6,120	4,0	24,059	6,970	3,5
NC094: Phokwane	63,000	17,544	3,6	60,168	19,597	3,1

Table 1.5: Number of households and average household size by municipality, Census 2011 and CS 2016

As depicted in Table 1.5, the total population of SPM increased from 248,041 to 255,041 from 2011 to 2016. In turn, the number of households grew to 71,939 from 60,296. The average household size decreased from 4,1 members to 3,5 members per household. Indicated in the chart below is the number and percentage of households per municipality in the Frances Baard District.

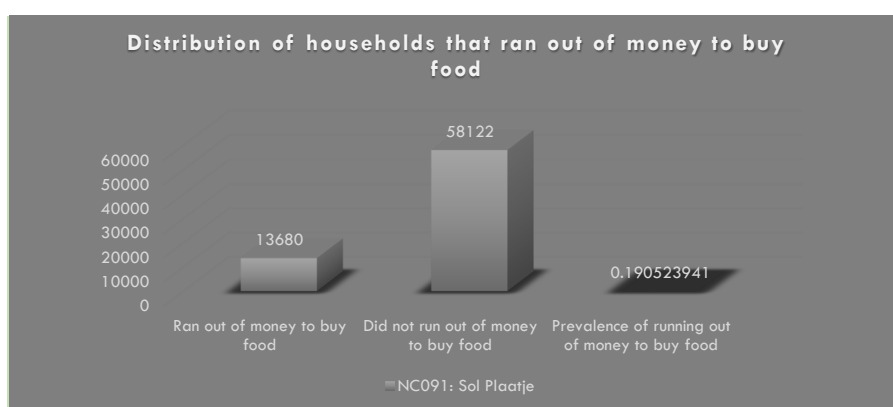


District and local municipality	Ran out of money to buy food	Did not run out of money to buy food	Total	Prevalence of running out of money to buy food
DC9: Frances Baard	25,071	88,020	113,091	22.2
NC091: Sol Plaatje	13,680	58,122	71,802	19.1
NC092: Dikgatlong	1,523	13,262	14,785	10.3
NC093: Magareng	2,300	4,669	6,970	33.0
NC094: Phokwane	7,568	11,966	19,535	38.7
Northern Cape	97,169	255,514	352,683	27.6

Table 1.6: Distribution of households that ran out of money to buy food in the twelve months preceding the survey by municipality, CS 2016

The table above, indicates the number and prevalence of households that ran out of money to buy food in the twelve months preceding Community Survey 2016 in the Northern Cape. The results show that 27.6% of households in the province ran out of money to buy food in the past twelve months

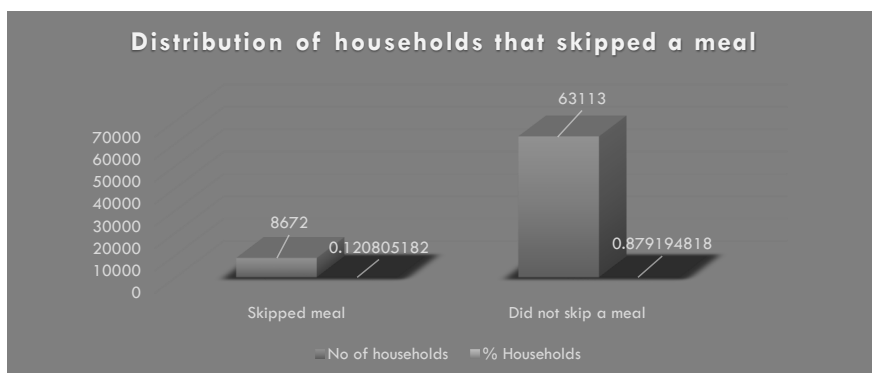
Indicated in the chart below for SPM, 13,680 households ran out of money to buy food resulting in a prevalence rate of 19.1%.



District and local municipality	Skipped meal		Did not skip a meal		Total	
	N	%	N	%	N	%
DC9: Frances Baard	15,571	13.8	97,577	86.2	113,148	100
NC091: Sol Plaatje	8,672	12.1	63,113	87.9	71,785	100
NC092: Dikgatlong	1,150	7.8	13,674	92.2	14,824	100
NC093: Magareng	1,390	20.0	5,566	80.0	6,955	100
NC094: Phokwane	4,359	22.3	15,224	77.7	19,583	100
Northern Cape	61,810	17.5	291,105	82.5	352,915	100

Table 1.7: Distribution of households that skipped a meal in the twelve months preceding the survey by municipality, CS 2016

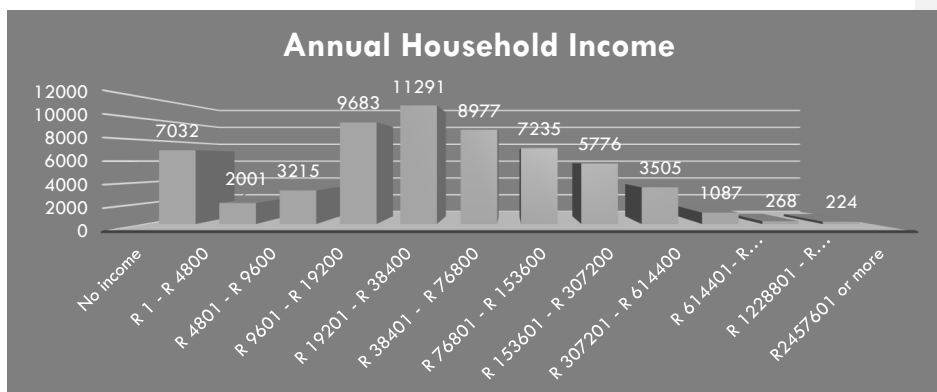
Table 1.7 shows that 17.5% households out of 352,915 households in the Northern Cape province skipped a meal in the past twelve months preceding the CS 2016. The Frances Baard district shows that 13.8% of households skipped a meal with the highest proportion of households who skipped a meal being experienced in Phokwane Municipality (22.3%), while Sol Plaatje has the second lowest proportion at 12.1%.



Indicated in the chart below is the Individual monthly income per population as per Census 2011. It can be summarised that 45% of the population received no income, whilst 14.4% received an income of between R801 – R1 600. These totals are based on Census 2011 information.



Indicated in the chart below is the Annual household income as per Census 2011. The highest proportion of households earned between R19 201 – R38 400 annually.



1.3.4 Overview of Neighbourhoods within Sol Plaatje Local Municipality

There are various wards within the Sol Plaatje municipal area with several wards overlapping. Indicated below is a list of the 33 wards in SPM.

Wards	Suburbs
1	Roodepan, Sunset Manor
2	Roodepan
3	Homevale, Homelite
4	Homestead, Vergenoeg Ext 3, Vergenoeg Ext 4, Vergenoeg Ext 9
5	Thusanong, Redirile, Vergenoeg Ext 2
6	Vergenoeg Ext 2, Vergenoeg Ext 9, Vergenoeg Ext 10, Boikhutsong
7	Vergenoeg, Vergenoeg Ext 1, Vergenoeg Ext 2, Ubuntu
8	Donkerhoek, Kirstenhof, Riviera, Verwoerd Park
9	Retswelele, Ipopeng
10	Tshwaragona, Vergenoeg Ext 5, Vergenoeg Ext 6, Vergenoeg Ext 7
11	Vergenoeg Ext 6, Vergenoeg Ext 8, Agisanang

Wards	Suburbs
12	Galeshewe Ext 2, Galeshewe Ext 3, Vergenoeg Ext 6, KwaNobantu, Galeshewe Proper, China Square
13	Galeshewe Ext 1, Galeshewe Proper, Galeshewe Ext 6, China Square
14	Homestead, North view, Colville, Gemdene, Floors, Square Hill Park, Utility, Ashburnham, Moghul Park
15	Phutanang, Phomolong, Ipeleng
16	Promise Land, Lindelani, Snake Park, Tsweleng
17	Ipeleng, Tlhageng, John Mampe, Kutlwanong, Kagiso
18	Verwoerd Park, Kirstenhof, Greater No. 2, Galeshewe Ext 7
19	Latlhi Mabilo, Galeshewe Ext 5, Galeshewe Ext 4, Galeshewe Ext 3
20	Verwoerd Park, Diamant Park, West End, Kestelhof, New Park, Albertynshof, Kimberley Central, Kimberley Mine, Cecil Sussman, Kimberley North, Utility, Square Hill Park
21	De Beers, Moghul Park, De Beers Mine, Herlear, Cassandra, Ernestville, Beaconsfield, Memorial Road area
22	South Ridge, Fabricia, Green Point
23	El Toro Park, Royldene, Monument Heights, New Pak, Labram, Kimberley Central, Hadison Park, Memorial Road area
24	Carters Glen, Rhodesdene, Hadison Park, Heuwelsig, Kestelhof
25	Diamond Park, Diskobolos, Beaconsfield, Klisserville, Memorial Road area, De Beers Mine
26	Hillcrest, Rietvale, Ritchie, Ikageng, Motswedimosa
27	Platfontein, Rietvale
28	De Beers Mine, Kenilworth, Kimdustria, Colville, Floors, Beaconsfield, Green side
29	Roodepan, Ivory Park, Langley & Riverton
30	Lerato Park, Kamfersdam, Roodepan, Jacksonville
31	Soul City, Kutlwanong, Riviera
32	Platfontein, Phutanang
33	Diamant Park, Thambo Square, West End, Gemdene, China Square

1.3.5 Economy

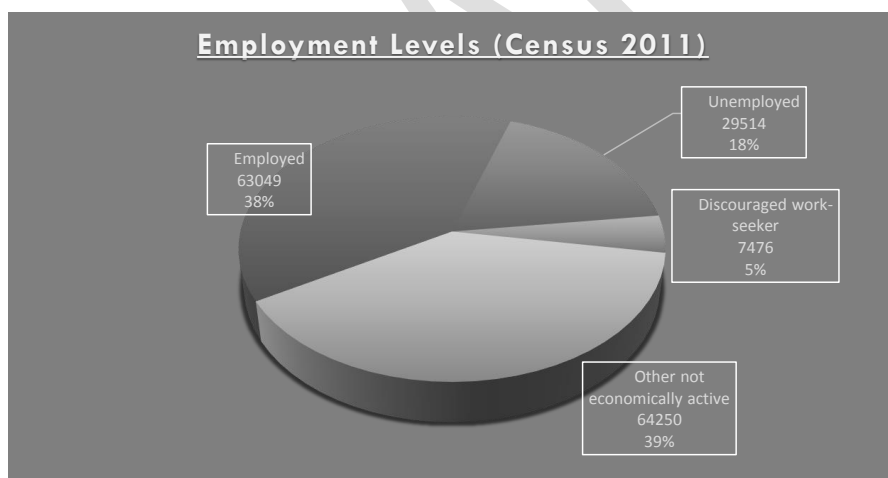
As per Census 2011, the economic activities consist of retailers and industries, as well as mining and farming. Agricultural land is mostly used for game, sheep and cattle farming, and cash crops such as lucerne, grapes, cotton and soybeans. Mining is still an integral part of the economy. Main Economic Sectors: Community services (33%), Finance (24%), Trade (14%), Mining (8%).

1.3.6 Comment on Background Data

Unemployment levels

As per Census 2011, Sol Plaatje Local Municipality had a population growth rate of 2.04% from 2001 – 2011. The municipality has an employable population of 63,049 people and a total of 64,250 people that are not economically active in the local municipality. The unemployment rate was standing at 31.9% with the youth unemployment rate standing at 41.7%. As per the Quarterly Labour Force Survey Q3: 2018, the official unemployment rate for the Northern Cape province was estimated at 27% for the period July to September 2018, whilst the expanded unemployment rate was estimated at 40.1% for the same period.

Indicated in the chart below is the Employment levels (Census 2011).



Education levels

From an educational perspective, as indicated in the table below 7.1% of individuals aged 20+ have no schooling which improved to 4.5% during the CS 2016, individuals aged 20+ having a higher education amounted to 11.50% (2016); 10.4% (2011) and those individuals with Matric aged 20+ comprised 32.8% (2016); 29.2% (2011) of the population.

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Education (aged 20 +)	CS 2016	Census 2011
No schooling	4.50%	7.10%
Matric	32.80%	29.20%
Higher education	11.50%	10.40%

Sol Plaatje Local Municipality is committed towards ensuring a brighter future for all inhabitants in the region, and its investment strategies aim to enhance competitiveness and encourage sustainable growth that is inclusive. A stimulus should be created for the local economy to grow, compete and create more jobs. It is all about competitiveness, about enterprises thriving in competitive markets and locations with the aim to create sustainable employment at the local level. The main approach to do so is to ensure that:

- An environment and opportunities for more labour-absorbing economic activities is established;
- The fruits of growth are shared in such a way that poverty is largely eliminated; and
- Severe inequalities that still plague South Africa are considerably reduced.

Attracting private investors to Sol Plaatje Local Municipality – and assisting them in establishing and growing their businesses within the region – will ultimately result in the generation of income and wealth, as well as increased profit margins that invariably lead to more investment. Once the cycle of investment and positive returns on investment has been established within Sol Plaatje Local Municipality, the economic and socio-economic welfare of the entire community becomes a reality. One of the major investments in recent years is the establishment of the Sol Plaatje University.

1.4. SERVICE DELIVERY OVERVIEW

1.4.1 Introduction to Service Delivery Overview

Sol Plaatje Local Municipality performs functions of both Water Services Authority (WSA) and Water Services Provider (WSP) in its area of jurisdiction. Thus, in terms of Section 27 of the Constitution and Section 11 of Water Services Act, Sol Plaatje Local Municipality has an obligation to ensure progressive access to quality and reliable water services to its communities, which is their right as enshrined in the Bill of Rights and Section 3 of Water Services Act. In terms of Water Services Act, these services must be provided progressively, efficiently, economically, sustainably and must be affordable to consumers.

Kimberley is an old city that was designed as a mining town which grew with time. Infrastructure is very old, retrofitted with time and buried under other structures with no accurate "as built" information. This poses a challenge with maintenance and upgrading of infrastructure for all basic services. The minimum requirement in terms of water provision is that all households living in informal settlements be provided with stand taps at a distance of 200m. In this regard, the municipality has ensured that all households living in informal settlements have access to communal stand taps. This service is provided freely to all households living in informal settlements.

Electrification remains a challenge due to continuous growth of informal settlements on vacant land. Electrical infrastructure and electrification of houses cannot be installed in informal settlements prior to township establishment. Although the municipality received funding support from Department of Energy, all these challenges are exacerbated by the availability of funding to timeously address challenges of maintenance, refurbishment, upgrading and development of new infrastructure at the same rate as demand and growth.

With immigration to Sol Plaatje Local Municipality due to several factors, infrastructure improvement and development interventions are chasing a moving target, and funding sources are inadequate to catch up with the demand without impacting on affordability and economical provision of services.

Service	2015/2016 (Service Backlogs CS 2016)	2016/2017 Provision	2017/2018 Provision	2018/2019 Provision	Balance
New Erven Planned and Surveyed*	6,427	701	235		
Erf connected to Water	6,061	280	0		
Erf connected to Sanitation	5,438	274	0		

Service	2015/2016 (Service Backlogs CS 2016)	2016/2017 Provision	2017/2018 Provision	2018/2019 Provision	Balance
Houses connected to Electricity	6,692	1,015	635		
Houses provided with Refuse Removal	4,526	0	0		

*Taken from internal sources within the municipality

1.4.2 Comment on Access to Basic Services

Although significant progress was made in eradicating backlogs in terms of access to services such as housing, water, sanitation, roads and solid waste as discussed above, various service backlogs still exist that need to be addressed. Sol Plaatje Local Municipality, like any other secondary city, is faced with difficulty of:

- Addressing historical backlog with regard to adequate access to quality basic services
- Influx of people which increases demand for basic services additional to normal growth demand
- Achieving progressive development of services provided above basic level of service, whilst trying to address ageing infrastructure
- Limited resources available in terms of funding, with a high level of dependency on capital grants As per Census 2011 and Community Survey 2016 indicated below is the percentage of household having access to basic services. Connection to Sewerage and Electricity shows improvement in the level of service provided

Household Services	CS 2016	Census 2011
Flush toilet connected to sewerage	87.70%	82.80%
Weekly refuse removal	82.70%	84.30%
Piped water inside dwelling	60.20%	61.90%
Electricity for lighting	90.80%	84.90%

ELECTRICITY

Indicated in the following table is the number of households by main type of energy source as per CS 2016.

NC091: Sol Plaatje	No of households by main type of energy source	% Access
In-house conventional meter	9,116	12.7%
In-house pre-paid meter	56,130	78.0%
Connected to other source which household pays for	600	0.8%
Connected to other source which household is not paying for	208	0.3%
Solar home system	82	0.1%
Generator/ Battery	266	0.4%
Other	201	0.3%
No access electricity	5,335	7.4%
Total	71,938	100.0%

WATER AND SANITATION SERVICES

The minimum requirement in terms of water provision is that all households living in informal settlements be provided with stand taps at 200m. Minimum standard for sanitation services is a ventilated pit latrine or ventilation improved pit latrine (VIP) or chemical toilet. In this regard, the municipality has ensured that all households living in informal settlements have access to communal stand taps, and at least a VIP or chemical toilet. This service is provided freely to all households living in informal settlements.

Indicated in the table below is the number of households by main source of water for drinking as per CS 2016. When taking into consideration the Minimum Service Level and Above which includes Piped (tap) water inside the dwelling and Piped (tap) water inside the yard, the Minimum service level and Above actually amount to 92% access to water for drinking.

NC091: Sol Plaatje	No of households by main source of water for drinking	% Access
Piped (tap) water inside the dwelling/house	43,297	60.2%
Piped (tap) water inside yard	22,582	31.4%
Piped water on community stand	4,318	6.0%
Neighbour's tap	146	0.2%
Public/ communal tap	1,088	1.5%
Borehole in the yard – borehole outside the yard	160	0.2%
Rain-water tank in yard	-	0.0%
Water-carrier/tanker	46	0.1%
Flowing water/stream/ river/other	303	0.4%
Total	71,940	100.0%

Indicated in the table below is the number of households by type of toilet facility as per CS 2016.

NC091: Sol Plaatje	No of households by type of toilet facility	% Access
Flush toilet connected to a public sewerage system	63,085	87.7%
Flushed toilet connected to a septic tank or conservancy tank	281	0.4%
Chemical toilet	22	0.0%
Pit latrine/toilet with ventilation pipe	1,235	1.7%
Pit latrine/toilet without ventilation pipe	1,535	2.1%
Ecological toilet/Other	342	0.5%
Bucket toilet (collected by municipality)	3,280	4.6%
Bucket toilet (emptied by household)	1,072	1.5%
None	1,086	1.5%
Total	71,938	100.0%

ROADS AND STORM WATER

SERVICE DELIVERY TO INDIGENTS

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1.5 FINANCIAL HEALTH OVERVIEW

The 2018/2019 financial year was an extremely challenging year for the municipality. The non-implementation of the basic charge for domestic consumers had serious negative repercussions on the municipality's cash flow, where at year-end the municipality had less than one month's cost coverage ratio (0.43 months). This is a serious threat to the financial viability and sustainability of the municipality. For the current year, cash has to be monitored on a daily basis and critical payments are prioritised.

Commented [CC1]: Comment updated but not yet final.
Inputs from CFO required

During the 2018/2019 financial year, the municipality implemented cost containment measures and adjusted CRR funded capital projects downwards in order to remedy the situation. These measures are on-going for the current financial year. The collection of long outstanding debt remains one of the municipality's biggest challenges and this is exacerbated by a lower collection rate of 73%. As at year-end the total Operating revenue was R2,030,889 billion vs an adjusted budget of R2,177,055 billion, resulting in an actual achieved of 93% with a satisfactory variance of minus 7%. This mainly attributable to an under performance on Service charges as a result of iGRAP1, with relation to the treatment of Consumption for own use and Discount on early payment. Total Operational expenditure amounted to R1,860,987 billion vs an adjusted budget of R2,000,941 billion, resulting in an actual of 93%, with a satisfactory variance of minus 7%.

The municipality has a mammoth task to address all the service delivery and financial sustainability challenges it is currently facing. Bearing in mind that this dire situation was not created overnight and it will take a substantial amount of time for the municipality to recover. This recovery can only be achieved as a collective and if Council, executive management and officials change their mind-sets and cultivate an organisational culture of caring, improved performance and delivering services to the highest quality. Improved decision-making with due diligence being given of the financial implication can go a long way in effecting positive change for the long-term.

Indicated below are the main financial sustainability challenges identified by the municipality:

- The lower collection rate and escalation in outstanding debtors, especially debt over ninety days
- Non-payment of outstanding debt, emphasis on Organs of State
- Decline in investments and cash & cash equivalents, resulting in less than one month's cost coverage
- Operational expenditure overall, including excessive expenditure on overtime
- Water and electricity losses that remain unacceptably high
- Inadequate EPWP funding which has been decreasing year-on-year
- Ever increasing wage bill and filling of critical vacancies
- Outstanding litigations against the municipality
- Irregular and Fruitless and wasteful expenditure

- The public's negative perception of the municipality in respect of overall management and lack of service delivery, which negatively influences the community's willingness to pay
- Unfunded mandates: (Libraries, Health, Provincial Resorts and Environmental Health)
- Budgetary and cash flow constraints which will complicate the compilation, funding and tariff determinations of budgets for future years.

Challenges that influence both financial sustainability and service delivery

- Executive Management positions and political turmoil
- Capital expenditure overall, capital grant dependency and conditional grant spending
- The potential of Rollover requests being declined by National Treasury which negatively impact on service delivery and municipal finances
- The turnaround time for the approval of building plans which improved compared to prior years
- The turnaround time for the approval of prospective investors
- The availability of funds for servicing of sites and erven for development and revenue generation
- Provision of security services
- Theft and vandalism of municipal assets
- Claims for damages sustained from internal and external losses
- Alleged fraud and corruption
- Addressing accountability, performance, discipline and apathetic attitudes of municipal officials
- Funds not being spent cost-effectively
- Unnecessary wastage of time, labour and materials
- High-level of crisis management
- Recommendations from the Auditor-General, Internal Audit and audit action plan not being adequately adhered to
- Downward adjustment of CRR projects and financial limitations on CRR contribution
- Strike action from employees and pressure from unions to resolve internal matters
- Planning overall and prioritisation of needs
- Lack of maintenance plans and routine, planned maintenance of assets with an emphasis on revenue-generating assets.

Financial Overview – 2018/2019					
Details	Original budget	Adjustment Budget	Actual	% Achieved Original budget	% Achieved Adjustment Budget
	(R'000)				
Revenue					
Grants received	473 937	388 290	389 363	82%	100%
Taxes, levies and tariffs	1 648 820	1 556 620	1 418 236	86%	91%
Other	216 145	232 145	223 289	103%	96%
Sub-total	2 338 902	2 177 055	2 030 889	87%	93%
Less Expenditure	(2 046 856)	(2 000 941)	(1 860 987)	91%	93%
Net operational surplus (deficit)	292 046	176 114	169 902	58%	96%
* Note: surplus/(deficit) The surplus at year-end includes an operational surplus of R169,902 million, whilst Capital Grants amounts to R197,254 million and zero rand for Contributions recognised - capital & contributed assets					

The key operating ratios are shown in the following table:

Operating Ratios		
Detail	2019	2018
Employee costs as a % of total expenditure	37.00%	34.96%
Repairs and maintenance as a % of total expenditure	8.55%	10.20%
Bulk Purchases as a % of total expenditure	29.79%	27.07%
Finance charges as a % of total expenditure	1.41%	1.47%
Debtors impairment as a % of total expenditure	11.06%	12.74%

Commented [CC2]: Table updated

Employee costs as a percentage of total operating expenditure is concerning at 37%, however it is still within the national norm of 35 to 40 percent. The municipality will seriously need to review the current organigram which needs to include a review of job evaluations. For 2018/2019 financial year and as part of the cost containment measures, the filling of vacancies has been frozen with the exception of critical vacancies. The budget for the encashment of leave was also adjusted downwards by R7 million. Exorbitant Overtime expenditure also needs to be addressed by management as a matter of urgency. For the current year, means are put in place to address these with the development of an Overtime policy to address current shortcomings and to find alternative in-kind means of remuneration, for example taking hours off or converting Overtime worked into leave days. Total operational expenditure was lower than anticipated and this was exacerbated by the lower than anticipated Other expenditure as a result of iGRAP1. R&M as a percentage of total operating expenditure is still satisfactory and within the national norm of 8%. The Bulk purchases remained relatively constant in comparison to 2017/2018.

Commented [CC3]: Comment updated to be verified by CFO and Karin for further inputs and amendments if necessary

The municipality is committed to reduce water and electricity losses. And for the current year the municipality had meetings with both the Department of Water and Sanitation and ESKOM. The outcome of the meeting with ESKOM resulted in the municipality being allowed to reduce its Notified Maximum Demand (NMD) from 140,000 kVA to 111,000 kVA, which will result in a saving of approximately R10 million per annum.

Finance charges are below 2%, also within the norm. The municipality managed to maintain its obligations in terms of the long-term loan and currently the municipality is not in a financial position to incur any further long-term loans. Debtors' management is relatively adequate and can be reduced if the collection rate can improve beyond acceptable levels.

Description	30 June 2016	30 June 2017	30 June 2018	30 June 2019
Cash and cash equivalents at year-end	259 275 698	245 735 328	135 240 198	74 019 286
Year-on-year Increase (decrease)		(13 540 370)	(110 495 130)	(61 220 912)

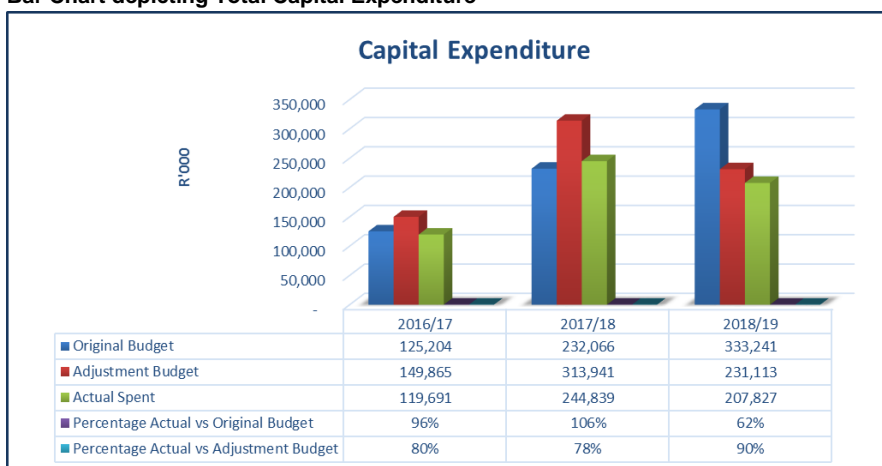
Commented [CC4]: Table update and comment updated

Depicted in the table above is the year-on-year decline in the Cash and cash equivalents of the municipality. From 2017/2018 to 2018/2019, the Cash and cash equivalents decreased by R61,221 million. The Cost coverage ratio at year-end was 0.43 months which seriously threatens the municipality's ability to continue as a going concern in order to remain operational.

Total Capital Expenditure			
Description	2016/2017	2017/2018	2018/2019
	R'000		
Original Budget	125 204	232 066	333 241
Adjustment Budget	149 865	313 941	231 113
Actual Spent	119 691	244 839	207 827
Percentage Actual vs Original Budget	96%	106%	62%
Percentage Actual vs Adjustment Budget	80%	78%	90%

Commented [CC5]: Table and chart below updated. The total capex is not R208m.

Bar Chart depicting Total Capital Expenditure



Comment on Capital Expenditure:

Expenditure on original budget of 62% was low as a result of contracts not being awarded at that stage whereas with the adjustment budget, adjustments were made to some of the projects which brought the budget down and subsequently the actual expenditure against a reduced budget was substantially higher. There is a substantial improvement in the total capital expenditure from 78% (2017/2018) to 90% (2018/2019), however this is still below the ideal of capital budget being 100% spent.

Commented [CC6]: Changed percentage, elaborated on comment

As per the Sol Plaatje Section 71 analysis report for Q4 (2018/2019) compiled by National Treasury. National Treasury identified the following:

“Failure to spend 100 per cent of the capital budget might be due to limited planning, project preparation and project management.”

This is evident in that capital expenditure is normally extremely slow for the first half of the financial year and improves in the latter part of the financial year, closer to year-end. National Treasury also recommended that

“... the municipality's capital expenditure must be improved in the next financial year. When the financial year starts, capital projects should kick-off for the municipality to improve its capital expenditure by the end of the year.”

1.6 ORGANISATIONAL DEVELOPMENT OVERVIEW

The municipality continues to invest in the capacitation of its employees, councillors and the unemployed. Various projects are planned and executed within the restrictions of the budget. Additional sources of funds are accessed for the improving the knowledge and skills to ultimately improve service delivery.

The main focus areas for this year lay in the PIVOTAL training that was implemented for the Technical and Trade Workers with the Water and Waste Water Treatment, Recognition of Prior learning projects were also completed in this employment category.

Management and Professionals received focus on the minimum competency training and training specific for their professions.

Councillors were capacitated in various areas related to their portfolios; accredited Leadership Development programme; and Local Government Law and Administration.

The following table provides a breakdown of training beneficiaries as a percentage of the total per group:

Employment Category	Total (Percentage)	
	2018/2019	2017/2018
Legislators	45.7	9.04
Directors and Corporate Managers	12.5	20.55
Professionals	25	10.96
Technicians and Trade Workers	74.9	4.38
Community and Personal Service Workers	21.3	3.29
Clerical and Administration Workers	2.14	11.78
Machine Operators and Drivers	19.19	0.27
Labourers	51.4	5.48
Sales and Service Workers	30.1	34.25

A breakdown of ABET attendance is as follows:

ABET Level 2	0
ABET Level 3	3
ABET Level 4	2

Summary of Beneficiaries Trained Data

Detail	2018/2019	2017/2018	2016/2017
Total number of Beneficiaries	795	281	463
Black beneficiaries as % of total beneficiaries	96.1	93	53.56
Total number of woman beneficiaries	292	293	215
Women beneficiaries as % of total beneficiaries	36.73	36.57	46.43

The following information is indicative of the total number of beneficiaries receiving training:

Detail	2018/2019	2017/2018	2016/2017
Total number of beneficiaries	795	281	463
Beneficiaries as % of total workforce	40	17.76	17.32

The following table indicates the number of employees trained per course:

Training Course	No. of employees trained		
	2018/2019	2017/2018	2016/2017
ABET Level 2	0	1	1
ABET Level 3	3	1	1
ABET Level 4	2	2	2
Air Brakes	0	0	0
Aerial Platform Training	0	6	0
Analysis and design of water systems	5		
Assertiveness Training	0	0	0
Auto Electrical Training	0	0	0
Backhoe Loader Novice Operator Training	0	9	0

Training Course	No. of employees trained		
	2018/2019	2017/2018	2016/2017
Basic Cleaning Principles	0	0	0
Basic Health and Safety	26	15	20
Basic Supervision	0	0	21
Batho Pele	2	6	17
Branding of Animals	0	0	0
Brush Cutter Operator	0	0	0
Business Plan Accredited Training	0	0	0
Call Centre Training	0	0	0
Chairing Hearings	24		
Cherry Picker	0	0	0
Client Services	8		
Code 10 Drivers Licence	1	45	3
CPMD / MEFMP	7	4	4
Competent Assessor Programme	0	0	0
Confined Space Entry Accredited Training	0	9	4
Contract Law for Project Managers and Engineers	0	0	0
Disciplinary Skills	0	0	0
DTM Software Training	4		
Earthing and Lighting Protection	0	0	0
Effective Report Writing, Minute Taking and Excel	31	33	7
Elementary Fire Fighting	17		
Employee Rights and Obligations	0	0	7
Evacuation Chair	0	0	0
Examiner of Driving Licence (Grade C)	0	0	0
Examiner of Driving Licence (Grade D)	0	0	0

Training Course	No. of employees trained		
	2018/2019	2017/2018	2016/2017
Examiner of Driving Licence (Grades A & B)	0	0	0
Examiner of Vehicles	0	0	0
Excavator Training	2	0	0
Excel Basic Training	0	4	0
Firearm Training (Level 1)	0	3	
Firearm Training (Combination Manual)	0	23	19
Firearm Skills Instructor	0	2	
First Aid Level 1 + 2	10		40
Gas welding	0	0	0
Group dynamics	3		
Hazardous Chemicals: Herbicide and Pesticide	0	0	0
Health and Safety Representative	0	15	20
Health and Safety Training for Supervisors	0	0	0
Hira Accredited Training	0	0	0
Human Resource Accredited Training	0	0	0
HV Regulations / HV cable fault finding	2	0	0
Ignite – Equity	1		
IMESA	5		
Induction Training	356	24	69
Integrated Development Training	0	0	0
Introduction to Law	5		
Introduction to Public Administration	5		
Juridical Interpretation	1		
Job Access and Speech	0	0	0
Advanced Principles of Labour Law	0	0	
Advance Petrochemical Fire Fighting	0	0	27

Training Course	No. of employees trained		
	2018/2019	2017/2018	2016/2017
Assessor Training	0	0	0
Basic Computer Training	18		
Basic Principles of Labour Law	0	0	46
Bid Committee Training	0	0	0
Capacity building for Tourism Practitioners at Local Government	0	0	0
Leadership Development Portfolio building workshop	14		
Local Government Orientation Programme	4	0	28
Civil Designer Training	0	0	0
Competency to possess firearm, shotgun, handgun	0	0	
Finance for Non-Financial Managers	0	0	0
Middle management coaching	64	0	16
Management	2		
Misconduct Investigation and Report Writing	0	0	20
Moderator Training	0	0	0
Security Management Oxbridge Academy	0	0	0
K53 Learners Licence	0	0	3
Lawnmower Training	0	0	0
Local Labour Forum Training	6		
LGSETA HRD capacity Building and Good Governance	4		
Matric	10		
Mobile Truck Mounted Crane Training	1	0	1
MS Word 2010 Level 1	0	36	19
N2 Electrical Diploma	0	1	2

Training Course	No. of employees trained		
	2018/2019	2017/2018	2016/2017
National Certificate: Local Government Law and Administration	16	28	29
National Diploma: Local Government Law and Administration	20	2	2
Operate grader	4		
Operate tractor	2		
Patient Safety Training	1		
Peace Officer	0	0	3
Plumbers Training	14		
Presentation skills	11		
Project Management	28		
Quality Insurance	0	0	0
Range Officer	0	2	0
Regulation 21	0	23	21
Ripple Control	0	0	0
Road to Registration	17		
Safety for Executives	0	0	0
SANS 10142	3		
Strategic Fleet and Transport Management	0	0	0
Safety, Health, Environment Representative	0	0	0
Skills Development Training	2		
Tram Operator Training	0	0	0
Water and Waste Water (NQF 2-4;& RPL)	24	9	0
Welding Low Hydrogen Rods	0	0	0
Workplace Communication	10	0	11
Total	795	281	463

Note: This is the skills year as reported in the Workplace Skills Plan and Annual Training Report.

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1.7 AUDITOR-GENERAL REPORT

Audit report status (2018)	Qualified Audit Opinion
Audit Findings	72
Basis for qualified opinion	
Investment Property	
Service charges	
Irregular expenditure	
Non-current assets	
Emphasis of matter paragraphs	
Restatement of corresponding figures	
Material impairments – trade receivables	
Material losses – Electricity and Water	

1.8 STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	1 July 2018
2	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	August 2019
3	Finalise the fourth quarter Report for previous financial year	August 2019
4	Audit committee considers draft Annual Financial Statements, performance report and draft annual report of municipality and entities (where relevant) (not the draft AR)	26 August 2019
5	Municipal entities submit draft annual reports to MM	N/A
6	Submit first draft year 2018/2019 Annual Report to Internal Audit and Auditor-General	31 October 2019
7	Auditor-General audits Annual Report including consolidated Annual Financial Statements and Performance data	August – November 2019
8	Municipalities receive and start to address the Auditor-General's comments	August – November 2019
9	Mayor tables the unaudited Annual Report	31 January 2020
10	Municipality submits the Annual Report including the audited annual financial statements and performance report to Auditor-General	February 2020
11	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase	August 2019
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	January 2020
13	Audited Annual Report is made public and representation is invited	January/February 2020
14	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	February/March 2020
15	MPAC Committee assesses Annual Report	February/March 2020
16	Council adopts Oversight report	27 March 2020

No	Activity	Timeframe
17	MPAC report is made public	15 April 2020
18	MPAC report is submitted to relevant provincial councils	17 April 2020

The municipality develops a process plan for the approval of the annual report. It is estimated that the timelines will be achieved, as this is key to management and MPAC.

The Annual Report will assist the municipal councillors, and officials as well as residents and other stakeholders with information and progress made on service delivery.

It is however important that it aligns with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in-year reports.

These reports should be used as decision-making tools by the municipalities.

The advantages of compiling an unaudited Annual Report in August (as per the time frame in the above table) is that it can be used to influence the strategic objectives indicated in the IDP for the next financial year as well as the related budgetary requirements.

An unaudited Annual Report submitted in August will further provide the Municipality with an opportunity to review the functional areas that received attention during the current financial year and take the necessary corrective actions to align the IDP and budget to other priority areas needing attention.

It is vital to align the IDP, Budget and Performance Management systems to ensure the achievement of the municipality's strategic objectives:

The IDP sets out the vision, objectives/goals and development plans of the municipality. It is presented to Council who adopts it and undertakes an annual review and assessment of performance.

The IDP informs the budget. The budget sets out the revenue raising and expenditure plan for approval by Council.

The budget informs the SDBIP which lays the basis for the performance agreements of the Municipal Manager and senior management. (The Performance Management System.)

The IDP review is informed by changing policy imperatives and circumstances – described in an accompanying performance evaluation. The evidence of this is obtained from the mid-year Budget and Performance Review (documents presented to Council) in terms of Section 72 of the MFMA and in the Annual Report in terms of Section 121 (Annual financial and

performance reports) tabled to Council. The municipality must also prepare an annual performance report which must form part of the Annual Report for each financial year in accordance with the Municipal Systems Act 2000 (MSA) Section 46, and the Municipal Finance Management Act 2003 (MFMA) Section 121.

This process as implemented by the Sol Plaatje Municipality is indicated in the following diagram:

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Chapter 3

CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

During the reporting period Sol Plaatje Local Municipality was governed by an executive mayoral system in order to assist with the achievement of clean audit status. Adequate provision is made in the system of delegations and sub-delegations to ensure the effective, efficient and accountable functioning of Council, the Political Executive of Council, and the Municipal Manager as Chief Accounting Officer as well as the Executive Directors as executors of policy and service delivery. The Office of the Speaker who is responsible to ensure smooth function of Council and its committees underpins the functioning of Council.

The governance model consists of Section 80 and 79 committees.

In terms of the Section 80 of the Municipal Structures Act, the under-mentioned committees assist the Executive Mayor in execution of duties and have no binding decision making powers. The ten members of the Mayoral Committee are the chairpersons of the Section 80 committees:

IDP, Budget and Performance Management System

Finance

Utility Services

Transport, Roads and Storm Water

Corporate Services and Human Resources

Human Settlement

Community Services

Safety and Security Services

Intergovernmental and International Relations and Customer Care

Economic Development, Urban Renewal and Tourism

In terms of Section 79 of the Municipal Structures Act, Section 62 of the Municipal Systems Act and Section 66 of the Municipal Finance Management Act, 2003 (MFMA), Council must

establish the under-mentioned committees to perform certain functions that are directly accountable to Council and consists of non-executive councillors:

Disciplinary
Rules
Ward Participatory
General Appeals
Spatial Planning, Environment and Land Use Management (SPELUM)
Municipal Public Accounts Committee (MPAC)

In terms of Section 166 of the MFMA, the Audit Committee exists within Council. MPAC adopts the responsibilities of the Oversight Committee by reviewing the Auditor-General's annual report and, on own initiative or Council instruction, investigates and advises Council of unauthorised, irregular, fruitless and/or wasteful expenditure in terms of Section 32(2) of the MFMA. The Audit Committee and MPAC work in close co-operation and MPAC reports to Council at least quarterly. The Oversight Report is published separately in accordance with MFMA guidance.

2.1.1 Political Structure

EXECUTIVE MAYOR

Octavious Mangaliso Matika (from 19 August 2016 to 26 September 2018)

Solomon Patrick Mabilo Appointed on 28 November 2019

SPEAKER

Elizabeth Johnson (from 19 August 2016 to 26 October 2018)

Ingrid Koopman (from 24 January 2019)

CHIEF WHIP

Winter Keetile (from 19 August 2016 to 28 February 2019)

Charles Tshabalala Ngoma (from 28 February 2019)

MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE (as per Revision, January 2019)

- Cllr SP Mabilo, Chairperson (Executive Mayor)
- Cllr L Farland (Chairperson, Community Services)
- Cllr AN Boqo (Chairperson, Corporate Services and Human Resources)

- Cllr OE Matshediso (Chairperson, Finance)
- Cllr RT Morwe (Chairperson, Human Settlement Services)
- Cllr LN Shushu (Chairperson, IDP, Budget and PM)
- Cllr F Kruger (Chairperson, Intergovernmental, International Relations)
- Cllr OB Plaatjie (Chairperson, Safety and Security)
- Cllr M Meintjies (Chairperson, Transport, Roads and Storm Water)
- Cllr JT Gomba (Chairperson Utility Trading Services)

There is currently a vacancy of Chairperson of the Economic Development, UR & Tourism)

2.1.2 Councillors

Total Number of Councillors.....	65
33 Ward Councillors.....	ANC x 20; DA x 11; IND x 2
32 Proportional Councillors.....	ANC x 17; DA x 8; EFF x 5; VF+ x 1; COPE x 1
Gender: Male.....	38
Female.....	26

- Refer to **Appendix A** for a full list of Councillors (including committee allocations and attendance at council meetings).
- Refer to **Appendix B** for committees and committee purposes.

2.1.3 Political Decision-taking

Political decisions are guided by the new governance model consisting of:

1. Section 79 committees recommend matters directly to Council for approval.
2. Section 80 committees that are advisory committees to the Executive Mayor who has been delegated certain executive decision-making powers. The Executive Mayor can either note matters and report such to Council, or resolve on matters and report to Council or to recommend matters to Council for approval.

2.1.2 Resolutions

All the resolutions submitted during the 2018/2019 period were completed, leaving no outstanding resolutions to be dealt with in the 2019/2020 year.

2.2 ADMINISTRATIVE GOVERNANCE

2.2.1 Introduction to Administrative Governance

The Municipal Manager supported by the executive management team to accomplish the mission and vision of Council, heads the municipal administration.

The Municipal Manager is responsible for development of an economical, effective and efficient administration that can implement the Integrated Development Plan (IDP). The executive management team manages the execution of the IDP within more specific service delivery aimed directorates that are responsive to the needs of the local community and ensure the service delivery of key public services to the society.

2.2.2 Top Administrative Structure

Tier	Directorate	Designation	Name
1	Executive	Municipal Manager	Goolam Akharwaray
2	Infrastructure and Services	Executive Director	Boy Dhlwayo *
3		City Roads Engineer: Roads and Storm Water	Mohammed Abrahams**
		City Roads Engineer: Water and Sanitation	Motale Selesho
		City Electrical Engineer: Electricity	Orren Groenewaldt
		Manager: Housing	Kholeka NGwenya
		Transport Manager	Alan Samson
		Head: Mechanical Workshops	Marcel Arthur
2	Strategy, Economic Development and Planning	Executive Director	Nomonde Tyabashe-Kesiamang *
3		Manager: Local Economic Development	Phetole P Sithole
		Manager: Properties	Fumane Phatedi **
		Manager: Building Control	Zughdi Adikary **
		Manager: Urban Planning	Ngoako Modiba
		Manager: Market	Jemima Taku
		Manager: GURP and NDPG	Zwelithini Mguza

Tier	Directorate	Designation	Name
2	Corporate Services	Executive Director	Ruth K. Sebolecwe *
3		Manager: Human Resources	Tebogo Phuthi
		Manager: Communication and Public Relations	Sello Matsie
		Manager: Labour Relations	Pierre de Villiers
		Manager: Committee Services	Corrie Senekal
		Manager: Administration	Charl Pizer
2	Community and Social Development Services	Executive Director	Khuza Bogacwi *
3		Manager: Emergency Services	Tinus Pretorius
		Manager: Primary Health Care	Ester Christopher **
		Manager: Cleansing and Environmental Health	Keith Williams
		Manager: Motor Registration	Deon Moeti
		Manager: Traffic Law Enforcement	Chris Langford
		Manager: Parks and Recreation	Tumelo Maropong
		Manager: Library Services	Manda Hough**
2	Financial Services	Chief Financial Officer	Zuziwe Lydia Mahloko *
3		GM: Budget and Treasury	Oubaas Wagner
		GM: Revenue Management	Kenneth Samolapo**
		Manager: IT	Veronica G Monyobo
		Manager: Expenditure	Eugene Baise **
		Manager: Assets	Eugene Baise
		Manager: Supply Chain Management	Jeff Samuals**
* Denotes officials employed permanently, with annual performance agreements, reporting to the Municipal Manager under the Municipal Systems Act, Section 57.			
** Acting			

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

2.3.1 National Intergovernmental Structures

Sol Plaatje Municipality is a non-delegated municipality and reports monthly and quarterly to National Treasury. During the year, there are various meetings attended with National Treasury and in the main, the following engagements are highlighted:

- National Treasury's mid-term visit to the municipality
- Budget Benchmark Exercise – review of the budget prior to the approval by Council
- Financial Statements Compliance Checklist – for GRAP compliance

Some municipal officials serve in the Institute of Municipal Finance Officers at National level, thus giving the municipality an early awareness of new developments in the accounting and reporting framework.

2.3.2 Provincial Intergovernmental Structure

The municipality is a full-time member of the Provincial Intergovernmental Relations Committee that is chaired by the Premier of the Province and it sits on a quarterly basis. There are various other meetings where the municipality is being represented such as SALGAs Working Committees of Finance, Local Economic Development etc.

2.3.3 Provincial and District Structure

The District Intergovernmental Forum is a legislative structure constituted to ensure that the three spheres of government operate smoothly. The District Technical IGR therefore was put together to render technical support to the political IGR. The technical committee's responsibility is to plan for the District IGR. The committee addresses issues that sector departments and municipalities are confronted with.

These issues will then form the Agenda of the District IGR; and may be submitted further to the Provincial IGR.

Service deliveries by individual municipalities as well as the municipalities on district level enjoy the advantages of regular contact between professional peers, a sense of co-ordination and aid in problem solving. Regular communication and planned meetings enhance co-operation on local government level as well as different spheres of government.

2.3.4 District Intergovernmental Structures

The District Intergovernmental Forum is a legislative structure constituted to ensure that the three spheres of government operate smoothly.

The District Technical IGR therefore was put together to render technical support to the political IGR. The technical committee's responsibility is to plan for the District IGR.

The committee addresses issues that sector departments and municipalities are confronted with. These issues will then form the Agenda of the District IGR; and may be submitted further to the Provincial IGR.

The District IDP Committee consisting of the four local municipalities and the district municipality meets on a quarterly basis to coordinate IDP related issues within the district. When required provincial sector departments are also invited for their specific input.

Service delivery; in this case by individual as well as the municipalities on district level, enjoy the advantages of regular contact between professional peers, a sense of coordination and aid in problem solving. Regular communication and planned meetings enhance co-operation on local government level as well as different spheres of government.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

In line with the requirements of Municipal Systems Act and Municipal Finance Management Act, the municipality had adopted various platforms for public participation such as ward meetings, Imbizos, the IDP Representative Forum and even through Facebook. The successfulness of public participation is dependent on the activeness of the ward councillors and committees on the ground as well as the municipal communication and public relations team.

On a monthly basis, it is expected that ward councillors call meetings with the intention to communicate the work of council through the committees established. It is in these meetings where budget and IDP implementation is reported, service delivery challenges as experienced by the communities are noted and forwarded to members of the Mayoral Committee for intervention.

The office of the Executive Mayor and that of the Speaker work in collaboration to ensure that public participation is effective and encourage participation and involvement of the community in the business of the municipality.

2.4 PUBLIC MEETINGS

Nature and purpose of meeting	Date of Meeting	Venue of Meeting	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Public Participating Programme	29/04/2019	Greenpoint Secondary School	2	4	2	Yes	Feedback is given directly to the community members during the meetings.
Public Participating Program	29/04/2019	Flamingo Primary School	1	7	0	Yes	
Public Participating Program (Churches ,NPO's, & NGO's)	29/04/2019	City Hall	3	11	5	Yes	
Public Participating Program (Business Forum Structures)	29/04/2019	Jim Summers Hall	6	14	3	Yes	
Public Participating Program	30/04/2019	City Hall	2	10	10	Yes	
Public Participating Program	30/04/2019	De Beers Stadium	3	9	9	Yes	
Public Participating Program	02/05/2019	Jim Summers Hall	1	4	4	Yes	

Nature and purpose of meeting	Date of Meeting	Venue of Meeting	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Public Participating Program	02/05/2019	Boichoko Primary School	3	6	67	Yes	
Public Participating Program	02/05/2019	Vuyoletu High School	1	1	105	Yes	
Public Participating Programme	13/05/2019	Phatsimang College	3	12	20	Yes	
Public Participating Programme (School, Church, NGO, & NPO's)	14/05/2019	Council Chambers	0	6	4	Yes	
Public Participating Programme	14/05/2019	Boitshoko Primary	1	2	106	Yes	
Public Participating Programme	15/05/2019	Greenpoint Dropping Centre	1	4	56	Yes	
Public Participating Programme	16/05/2019	Roodepan Catholic Hall	4	11	65	Yes	
Public Participating Programme	20/05/2019	Roodepan Catholic Hall	2	13	106	Yes	
Public Participating Programme	21/05/2019	Rietvale Hall	1	24	94	Yes	

COMMENT ON PUBLIC MEETINGS

The focus of the meetings was mainly on the proposed budget for the 2019/2020 financial year encapsulating proposed adjustments in the following areas:

- Water and Sanitation rates
- Rates on refuse removal
- Electricity tariffs

Flowing from these meetings the community raised concerns on the proposed increase on the electricity as per the proposed schedule. After considering the public inputs, the necessary adjustments were made on the Budget in order to respond to the general inputs made in these meetings.

COMMENT ON MUNICIPAL WARD COMMITTEES

The Municipality has duly elected Ward Committees in all of its thirty-three Wards as per the approved Municipal delimitation prior to the 2016 Local Government elections. The office of the Speaker has made a number of interventions in various Wards relating to conflicts that affected the performance of the Committees and subsequently their effectiveness. A summary of these meetings is included for information purposes.

In an endeavour to improve the quality of the work of the Ward Committees, the Office of the Speaker convened a one-day training at Rekaofela resort. It was attended by 29 of the 33 Wards and some key information was gathered to assist the Office to provide better support and co-ordinate activities of the Ward Committees.

The Ward Participatory Committee has also held numerous meetings over the past year and one of the focal areas was the review of the "Policy on Ward Committees". The intention of the review was to strengthen certain areas and deal with identified gaps in the policy document. The document has been submitted to the Policy section for processing and it is hoped that it will be finalised in the current year.

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, and output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four-quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

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

Enterprise Risk Management (ERM) forms a critical part of any entity's strategic management. It is the process whereby an entity both methodically and intuitively addresses the risk attached to their activities with the goal of achieving a sustained benefit within each activity and across a portfolio of activities. Enterprise Risk Management is therefore recognised as a strategic, integral part of sound organisational management and is being promoted internationally and in South Africa as good business practice applicable to the public and private sectors.

The underlying premise of enterprise risk management is that every entity exists to provide value for its stakeholders. All entities face uncertainty, and the challenge for management is to determine how much uncertainty to accept as it strives to grow stakeholder value. Uncertainty presents both risk and opportunity, with the potential to erode or enhance value.

Enterprise risk management enables management to effectively deal with uncertainty and associated risk and opportunity, enhancing the capacity to build value. Value is maximised when management sets strategy and objectives to strike an optimal balance between growth and return goals and related risks, and efficiently and effectively deploys resources in pursuit of the entity's objectives.

The framework provides a basis for management to effectively deal with uncertainty of associated risk and opportunity, thereby enhancing its capacity to build value.

The following factors require consideration when integrating ERM into organisational decision-making structures:

- Strategically aligning risk management with objectives at all levels of the organisation
- Introducing risk management components into existing strategic planning and operational practices
- Including risk management as part of employees' performance appraisals; and
- Continuously improving control and accountability systems and processes to take into account risk management and its results.

The Enterprise Risk Management Framework specifically addresses the structures, processes and standards implemented to manage risks on an enterprise-wide basis in a consistent manner. The standards further address the specific responsibilities and accountabilities for the Enterprise Risk Management process and the reporting of risks and incidences at various levels within SPM. As the field of risk management is dynamic, this policy and framework document is expected to change from time to time.

Current trends in good corporate governance have given special prominence to the process of Enterprise Risk Management, and reputable businesses are required to demonstrate that they comply with expected risk management standards. This means that SPM must ensure that the process of risk management receives special attention throughout the organisation, and that all levels of management know, understand and comply with the framework document.

Risk Management Activities as contemplated in the Framework are properly discharges and all Risk Management activities are reported quarterly to the Risk Management and Audit Committee.

SOL PLAATJE MUNICIPALITY'S CURRENT TOP EIGHT RISKS AS AT 30 JUNE 2019

- Declining economic conditions impacting on customer affordability sustainability of revenue generation.
- Irregular expenditure.
- Audit outcome.
- Information technology risk.
- Revenue loss due to significant water losses.
- Revenue losses due to significant electricity technical and non-technical losses poor project implementation.
- Legal liability risks of Sol Plaatje.
- Uncontrolled informal settlements and mushrooming thereof inadequate (failing) water and sanitation infrastructure.

SPM was able to align Actions and Projects required for mitigation of the above with the actual Capital Plan as part of the next Five Year IDP cycle, but remains challenged by resources.

2.7 ANTI-CORRUPTION AND FRAUD

The Sol Plaatje Local Municipality has a range of measures to prevent corruption, fraud and theft; these are in sync with the national anti-corruption strategy. Accordingly, Council adopted the Fraud Prevention Policy on 9 June 2010, together with the Fraud Prevention and Anti-Corruption Plan; the latter operationalised the broad principles contained in the policy framework. This framework essentially defines and regulates measures to address corruption, fraud and theft. This is underscored by the understanding that criminal and other irregular conduct is detrimental to good, effective, accountable and transparent governance and hampers the service delivery capacity of the Municipality.

To that end, the objective of this policy framework is to:

- Develop and foster an environment, where public representatives, the employees of the Municipality and the public shall strive to eradicate corruption, fraud and theft through the application of a full spectrum of pro-active and re-active measures at their disposal
- Encourage disclosures of corrupt practices and the protection of whistle-blowers through the application of the Protected Disclosures Act (Act No. 26 of 2000)
- Encourage the reporting of irregular acts or corrupt activities through the joint utilisation of the national anti-corruption hotline
- Ensure that, where appropriate, the municipality recovers financial losses or damages incurred by using a range of legal instruments at its disposal.

Regular incidents of corruption and theft are reported to the Municipal Manager and acted upon by an internal investigative unit, who also report such incidents to the SAPS, where appropriate.

It is common within the government sector that various whistle-blowers will approach the Office of the Public Protector and the Hawks. The municipality has dealt with various matters from these two offices, the nature of which can be summarised as follows:

- Billing related enquiries
- Service delivery related enquiries
- Budget implementation enquiries
- Fraud allegation on tendering
- Dissatisfaction with the tender outcomes

All of these are handled through the Municipal Manager, the Executive Directors and other senior managers.

2.8 SUPPLY CHAIN MANAGEMENT

2.8.1 Overview of Supply Chain Management

Supply Chain Management (SCM) is one of the most cited and analysed concepts recently in Logistics and Operations Management. It is also a fashionable term today in business circles. The goal of SCM is to meet the needs of the final consumer by supplying the right product at the right place, time and price.

According to: Leenders and Fearon (1997: 285); *“Supply Chain Management (SCM) is the systems approach to managing the entire flow of information, materials and services from the raw materials suppliers through Factories and Warehouses to the end customer”*. In the Public Sector it also includes Disposal Management.

SCM is an integral part of precedent financial management in the South African Public Sector Management. It introduces internationally accepted best practice principles, while at the same time addressing Government's Preferential Procurement Policy objectives. This framework constitutes Demand Management, Acquisition Management, Logistics and Disposal Management, Risk and Performance Management. The framework is guided by the Preference Point System to achieve re-distribution of wealth.

SCM currently occupies the centre stage in the Financial Management reform process in the South African Public Sector Management. Here, the Sol Plaatje Local Municipality has taken an active approach and has focused on promoting Women Empowerment, Small Business Empowerment, Disability Empowerment and Black Empowerment.

The Sol Plaatje Local Municipality has successfully implemented all SCM relevant Regulations. However, it is far from perfect. The Municipality does not have a fully functional established Procurement Software System but is in the process of procuring one. The lack of such a system increases risks and human related errors.

2.9 BY-LAWS

2.9.1 By-Laws adopted by the Chief Magistrate during 2018/2019

There were no by-laws adopted by the Chief Magistrate during the period under review.

2.10 WEBSITES

2.10.1 Municipal Website: Content and Currency of Material

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	Adjustment Budget – 4 March 2019 Annual Budget – 31 May 2018
All current budget-related policies	Yes	Published within two days of receipt
The previous annual report (2016/2017)	Yes	19 October 2018
The annual report 2017/2018 to be published	Yes	30 January 2019 (Draft)
All current performance agreements required in terms of Section 57(1)(b) of the Municipal Systems Act (2018/2019) and resulting scorecards	Yes	Community Services – 23 October 2018 Corporate Services – 28 January 2019 Infrastructure and Services – 23 October 2018 SEDP – 23 October 2018
All service delivery agreements	Yes	Published within two days of receipt
All long-term borrowing contracts	No	
All supply chain management contracts above R200 000 for 2018/2019	Yes	Published same day of receipt
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14 (2) or (4) during 2018/2019	No	
Contracts agreed in 2018/2019 to which subsection (1) of Section 33 apply, subject to subsection (3) of that section	Yes	Published within two days of receipt.
All quarterly reports tabled in the council in terms of Section 52 (d) during 2018/2019	Yes	First Quarter – 31 January 2019 Mid Term – 29 January 2019 Third Quarter – 1 October 2019 Fourth Quarter – 1 October 2019

2.10.2 Comment on Municipal Website Content and Access

The municipality has complied with the requirements of a municipal website as set out in the MFMA section 75 especially the requirements that are supply chain, finance, and performance management related. The municipality continuously aims to improve the content of the website to speak mainly to the needs of the community. As such, the municipality is currently exploring different cost-effective solutions which will bring municipal services closer to communities and will be accessible through the municipality website.

The following table is a website checklist to indicate the compliance to Section 75 of the MFMA:

Documents published on the Municipal Website	Date Published
Annual Budget	31 May 2018
Adjustment Budget for 2018/2019	4 March 2019
Annual Report 2016/2017	19 October 2018
IDP 2017/2022	20 June 2017
IDP Review (Planning) 2018/2019	1 June 2018
Performance Agreements 2018/2019	Community Services 23 October 2018 Corporate Services 28 January 2019 Infrastructure and Services 23 October 2018 SEDP 23 October 2018
Quarterly Reports tabled to Council	First Quarter 31 January 2019 Mid Term 29 January 2019 Third Quarter 1 October 2019 Fourth Quarter 1 October 2019
Mid-Year Assessment Report	29 January 2019
SDBIP 2018/2019	1 June 2018
Policies	
Asset Disposal Policy 013 (Revision)	
Cash Management & Investment Policy revised 2013	6 April 2017
Policy on Ward Committees	6 April 2017

Documents published on the Municipal Website	Date Published
Agreements	
SLA: Service Level Agreements	
SLA Treasury - Infrastructure Skills Development Grant	23 February 2017
SLA Department of Health	23 February 2017
SLA Nugen	23 February 2017
SLA Department Sports, Arts & Culture	23 February 2017
SLA FBDM and SPLM (Municipal Health Services MHS)	13 September 2019

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

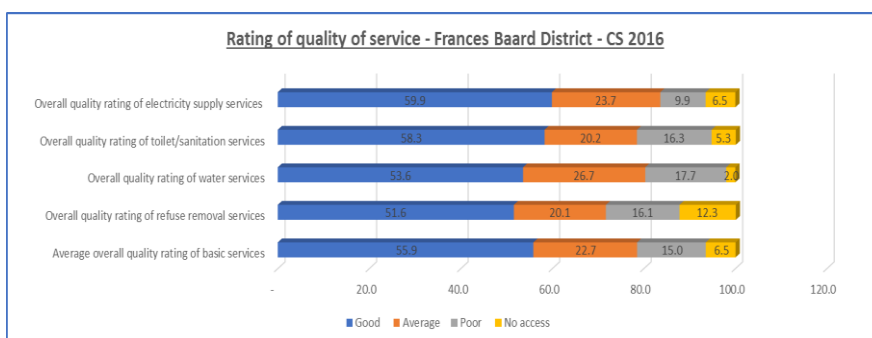
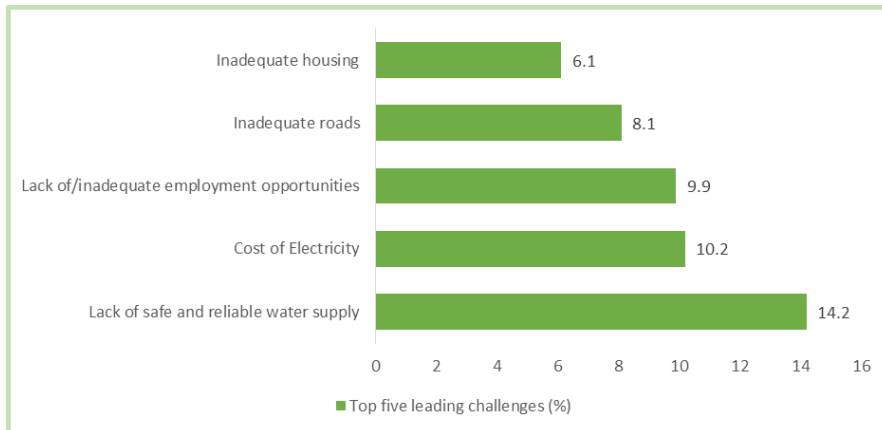
The municipality did not conduct a public satisfaction survey on municipal services for the 2018/2019 financial year. However, through public meetings held, it can be said that the public is generally not satisfied with the performance of the municipality. The public's perception is growing alarmingly negative which directly affects the community's willingness to pay their outstanding debt. Comments and posts on social media platforms clearly demonstrate that the overall general view is very negative.

The following issues are the root causes for major dissatisfaction pertaining to predominantly basic services, which the municipality needs to address as a matter of urgency.

- Pipe bursts, water leakages and water shutdowns
- Sewerage blockages, spillages and leakages and the unbearable sewerage stench in certain suburbs
- High electricity tariffs, prepaid metering issues and electricity interruptions. Load shedding however, is beyond the municipality's control.
- Street lights not working adequately
- Potholes and the deterioration of the municipality's roads
- The response time on calls logged by the community and businesses
- Cleanliness of the city and suburbs
- General negative public perception of non-performance, incompetence, lack of accountability and discipline and the apathetic attitudes of municipal officials,

Perceptions on municipal problems and services

As per CS 2016, indicated in the chart below are the five leading problems or challenges facing municipalities in the Northern Cape. The main challenge that has been reported by many households across the whole province is lack of safe and reliable water supply services, followed by the cost of electricity. Additionally, the lack of employment opportunities is the third biggest problem; the fourth biggest problem is inadequate roads, while inadequate housing completes the list of the top five challenges facing municipalities in the province.



Commented [CC7]: New chart

Percentage distribution of households rating the overall quality of basic services – Frances Baard District only

For the Northern Cape Province, in relation to the overall quality all other basic services were rated at an average of 55%. As per CS 2016, indicated in the chart above, the majority of households in the Frances Baard District are fairly satisfied with the overall quality of level of basic services. Electricity supply was rated with the highest satisfaction rating of 59.9%, whilst Refuse removal was rated as the lowest satisfactory level of 51.6%. Water services were rated by households with lowest rating of No access at 2%, whilst Refuse removal services was rated as the highest percentage of 12.3% with No access.

Commented [CC8]: New narrative

2.11.2 Comment on Satisfaction Levels

The municipality has established a fully-fledged Call Centre, replacing the Control Room to take community infrastructure queries and dispatch them to the technical teams on the ground to resolve. Although this is the only medium for reporting infrastructure breakages, consumers personally visit the municipality for municipal account queries. Queries can also be done telephonically or via e-mail.

During the 2018/2019 financial year 37,953 calls were officially logged with Edams (Call log system). Indicated in the table below are all the services affected. It should be noted that Callout – Fitter & turner and Stores and Mechanical workshops are predominantly internally logged calls amongst the different departments. As an example, when vehicles are in urgent need of refuelling after hours, the Water department would contact Stores to arrange the required refuelling.

Commented [CC9]: New table inserted

Service	No of calls	Weighting per Service
Callout - Fitter & turner	22	0.06%
Community & Social Development	7	0.02%
Electricity Distribution	8,902	23.46%
Metering & testing (Robots & geysers)	239	0.63%
Potable water	8,935	23.54%
Prepaid metering	3,170	8.35%
Roads & potholes	319	0.84%
Stores & Mechanical workshop	899	2.37%
Storm water	44	0.12%
Waste water	15,416	40.62%
Grand Total	37,953	100.00%

Indicated in the following table are the Top twelve complaint issues logged by the community, ranked from highest to lowest. The majority of calls were for blocked sewer systems and electricity disruptions with a weighting of 39 and 19 percent respectively.

Commented [CC10]: Table and comment updated

Complaint issue	No of calls	Weighting per Complaint issue
[BLCK] Blocked Sewer	12,708	39%
[ElectNo] No Electricity	6,045	19%
[PPmeterProb] Prepaid Meter Problem	2,442	8%
[Manhole] Blocked Manhole	2,119	7%
[BrstPipe] Burst Pipe	1,765	5%
[WTRMLEAK] Meter is leaking	1,650	5%
[LEAK] Leaking Pipe	1,542	5%
[StrLight] Street Light Not Working	1,460	5%
[NoWtr] No Water	886	3%
[BrkenPipe] Broken Pipe	605	2%
[DamagedService] Damaged Water Service	541	2%
[ELECTamp] Suspected Tampering	515	2%
Grand Total	32,278	100%

Indicated in the following table are the top four service categories, ranked from lowest to highest and the service affected with highest volumes of calls being for Waste Water issues.

Commented [CC11]: Table and comment updated

Service	No of calls	Weighting per service
Prepaid metering	3,170	9%
Electricity Distribution	8,902	24%
Potable water	8,935	25%
Waste water	15,416	42%
Grand Total	36,423	100%

Indicated in the table below is the status of calls per task. The status of calls is recorded on Edams. Please take note that the Edams system only makes provision for status 1, 2, 3 and

6 and does have status 4 and 5. It is concerning that the majority of calls resorts under Task outstanding with a weighting of 53%, whilst Tasks completed with a weighting of 38.7%.

Commented [CC12]: Comment and table updated

It should be noted that the statuses may not be a true reflection of what transpired during the year, as users unfortunately do not regularly update Edams. What this means, is that calls might have been addressed but not captured on the Edams system timeously. Also, some calls might have been reported in the latter part of June 2019 and might have only been fully resolved in the new financial year.

Better internal controls should be implemented to ensure that the status of calls is regularly updated and finalised. Unfortunately, the report does not indicate the turnaround time of calls from the time they were logged and finally resolved. This can be taken up with the developers, as this has the potential to be a more accurate and realistic measurement of performance.

Status description	Status of task	Weighting per status
1. Task not given out yet.	165	0.4%
2. Task outstanding	20,114	53.0%
3. Task identified but outstanding	2,999	7.9%
6. Task completed	14,675	38.7%
Grand Total	37,953	100%

Indicated in the table below is the number of calls per status per month. The average number of calls per month was approximately 3,163 calls. The highest call volumes were experienced in August 2018 and March 2019 with a total of 3,754 and 3,666 calls respectively. It should be noted that some calls are duplicated as the community is sometimes obliged to call several times for the same complaint issue.

Commented [CC13]: New comment and table

Calls per month	1. Task not given out yet.	2. Task outstanding	3. Task identified but outstanding	6. Task completed	Grand Total
Jul-18	10	2,011	230	959	3,210
Aug-18	8	2,525	237	984	3,754
Sep-18	4	1,717	212	1,170	3,103
Oct-18	8	2,095	262	731	3,096
Nov-18	13	1,489	333	1,110	2,945
Dec-18	3	956	181	1,629	2,769
Jan-19	13	1,399	226	1,487	3,125
Feb-19	25	1,676	254	1,121	3,076
Mar-19	39	1,512	303	1,812	3,666
Apr-19	20	1,162	308	1,799	3,289
May-19	11	1,721	257	1,047	3,036
Jun-19	11	1,851	196	826	2,884
Grand Total	165	20,114	2,999	14,675	37,953

Indicated in the table below, is the task status for each service. Electricity Distribution, Prepaid metering and Waste water shows the highest totals of tasks being completed. And because the majority of calls were for Waste water, it is also showing the highest totals of Tasks outstanding, followed by Potable water and lastly, Electricity distribution.

Service	1. Task not given out yet.	2. Task outstanding	3. Task identified but outstanding	6. Task completed	Grand Total
Callout - Fitter & turner		17	1	4	22
Community & Social Development	1	5	1		7
Electricity Distribution	137	3,272	292	5,201	8,902
Metering & testing (Robots & geysers)	3	190	26	20	239
Potable water	9	6,235	1,880	811	8,935
Prepaid metering	3	138	434	2,595	3,170
Roads & potholes	9	306	3	1	319
Stores & Mechanical workshop		1	1	897	899
Storm water	1	38	3	2	44
Waste water	2	9,912	358	5,144	15,416
Grand Total	165	20,114	2,999	14,675	37,953

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

(PERFORMANCE REPORT PART I)

COMPONENT A: BASIC SERVICES

This component includes: water and sanitation; electricity; waste management; housing services; as well as a summary of free basic services.

3.0 INTRODUCTION

To achieve government's constitutional obligation of providing services, Sol Plaatje Municipality is delegated to provide access to basic municipal services. The Local Government: Municipal System Act (MSA), (Act No. 32 of 2000), describes a basic municipal service, as a service that is necessary to ensure an acceptable and reasonable quality of life and which if not provided, would endanger public health, safety and the environment. In order to ensure sustainable delivery of basic services, SPM should ensure that relevant policies and strategies that govern technical standards and norms are in place.

A municipality as a service authority would, in order to deliver a service, require adequate infrastructure to meet the requirements as set out in the MSA. Infrastructure is a tool to deliver on municipal services. The Infrastructure Development Act (Act No. 23 of 2014) defines infrastructure as installations, structures, facilities, systems, services or processes relating to the matters specified in Schedule 1 and are part of the national infrastructure plan. The Act further defines public infrastructure as infrastructure owned by the state or infrastructure in relation to which a public-private partnership or a concession agreement exists.

Municipal infrastructure may be broadly defined as the capital works required to provide municipal services. This includes all activities necessary to ensure that the works are delivered effectively, such as feasibility studies, project planning and capacity building to establish sound operational arrangements for the works. These activities or projects have also considered the eradication of backlogs and provision of basic services to indigents, despite inadequate funding to address backlogs.

3.0.1 Employees: Infrastructure & Services (Director's Office)

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	3	3	3	0	0
Professionals	0	0	0	0	0
Technicians & Trade Workers	0	0	0	0	0
Clerks & Administrative Workers	6	7	7	0	0
Community and Personal Workers	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	2	2	2	0	0
Total	12	13	13	0	0

3.1. WATER PROVISION

3.1.1 Introduction to Water Provision

The provision of Water services is directed, regulated and controlled by the Water Services Act (Act No. 108 of 1997) and the National Water Act (Act No. 36 of 1998). The Water Services Act primarily deals with water services provision to consumers, while the National Water Act focuses on water in its natural state.

Sol Plaatje Local Municipality is both the Water Service Provider and Water Service Authority. This implies that the municipality is both responsible for the planning and implementation of its strategies related to water supply services. The municipality must develop a Water Services Development Plan (WSDP) relevant to Water Services Authority requirements and furthermore defines desired and minimum level of water service for communities, which is a specific function for Water Services Provider in its area of jurisdiction.

The WSDP describes and defines arrangements for water service provision in the municipal area, both present and future within a prescribed legislative requirement. The WSD plan has been completed and awaiting comments from sector department, the Department of Water and Sanitation. Thereafter it will be administered through municipal processes for approval by the Council.

In terms of water services provision, the municipality has experienced as common a trend of high water consumption. The demand exceeds supply and this behaviour has already present serious challenges in relation to water demand challenges. More focus should be given to water demand strategies and water supply related future proposed project must entail elements of water demand and conservation management.

At face value the unaccountable water losses are almost double that of the domestic use. Yet the domestic users are castigated for wasting water. This needs to be addressed urgently because the exercise or the formula currently used to determine unaccounted water is not consistent with standards. The Municipality needs to address this matter urgently because it depicts a bleak picture as far non-revenue water is concerned.

In the financial year under review, the municipality has currently and successfully implemented the following major projects, of which some are multi-year projects:

COMPLETED PROJECTS

- Upgrading and refurbishment of water rising main and associated pumps) in greater Ritchie/Modderivier Phase 2
- Construction of new high lift pump station building in Riverton.

To complete the water pipe replacement projects at the following areas: Newton, Community, Adam Namakola, Nobengula, Bultfontein Road and Gogga Pump Station by 30 June 2019.

MULTI-YEAR PROJECTS

- Lerato Park bulk linking water services
- Lerato Park bulk linking sewer services
- Sewer Outfall Main from Galeshewe to Homevale WWTW

Construction of toilet top structures in Kutlwanong, Kagisho and Phomolong.

3.1.2 Comment on Water use by Sector

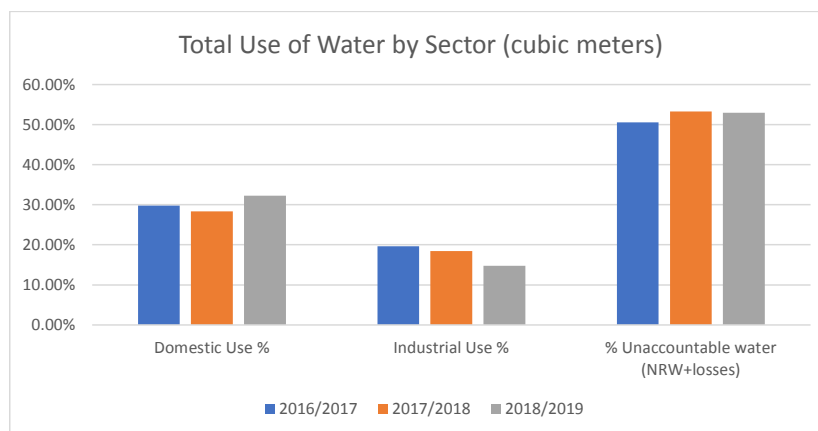
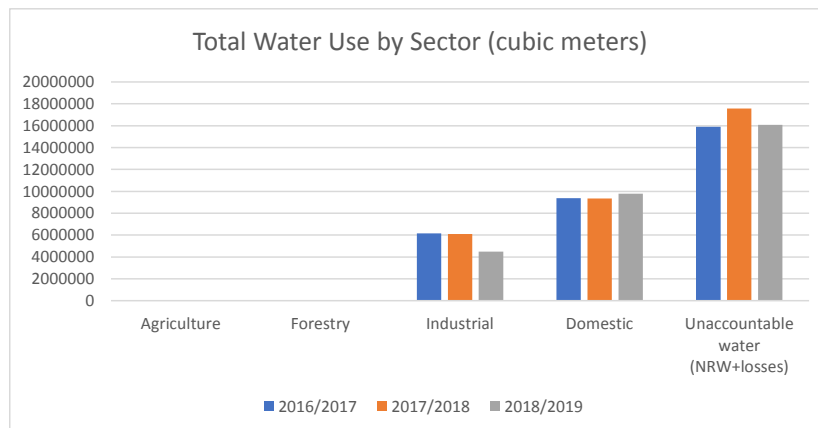
Domestic or household water usage is the highest in this category, followed by industrial. There is no significant consumption for agricultural sector and forestry from the municipal water system. This implies that these sectors are serviced by different agencies of state such as the Department of Water and Sanitation.

Unaccounted for water (UFW) or non-revenue water (NRW) remains high. The municipality has acknowledged that calculation of NRW is incorrect and a process of adopting a realistic calculation methodology to determine factual NRW is underway. The establishment of a special committee that monitors performance of all activities and projects aimed at improving NRW shows significant progress. In the previous year, NRW statistics were above 50% and these figures are higher than the national norm.

Total Use of Water by Sector (cubic meters)					
Period	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2016/2017	0	0	6,167,803	9,375,939	15,898,386
2017/2018	0	0	6,092,422	9,351,004	17,584,068
2018/2019	0	0	4,484,612	9,796,247	16,090,390

Period	Domestic Use %	Industrial Use %	% Unaccounted Water
2016/2017	29.82%	19.62%	50.56%
2017/2018	28.31%	18.45%	53.24%
2018/2019	32.26%	14.77%	52.97%

Bar chart depicting Water Use by Sector



The above figures and charts considered purified water as the System Input Volume (SIV), as per International Water Association (IWA) best practice. Volume of unbilled water consumption, apparent losses and a calculation methodology are regarded as the effective causes of high and unrealistic non-revenue water. Real losses represent a significant defect on water infrastructure such as pipe burst and leakages. The municipality has intensified meter replacement project by prioritizing billing queries in order to improve billing data. Meter reading deficiencies also contribute significantly to these challenges.

The municipality is also struggling to improve response times when attending water reticulation leakages due to number of reasons. The primary reason is shortage of personnel and inability to manage maintenance crews. The municipality is aware of this challenge and interventions are in place to address this matter. Secondly, the condition (aged) of infrastructure also contributes to high water leaks in water reticulation network. The network still comprises of old asbestos pipes and pipe replacement project meant to replace aged infrastructure was not realised successfully due to financial constraint or diminishing municipal capital replacement reserves.

3.1.3 Water Service Delivery Levels

Description	Households			
	2015/2016	2016/2017	2017/2018	2018/2019
	Actual No.			
Water: (above min level)				
Piped water inside dwelling	43,297	43,577	43,577	43,577
Piped water inside yard (but not in dwelling)	22,582	22,582	22,582	22,654
Using public tap (within 200m from dwelling)				4,799
Other water supply (within 200m)				365
Minimum Service Level and Above sub-total	65,879	66,159	66,159	72,012
Minimum Service Level and Above Percentage	91.6%	92.0%	92.0%	98.5%
Water: (below min level)				
Using public tap (more than 200m from dwelling)	5,552	5,272	5,272	0
Other water supply (more than 200m from dwelling)	160	160	160	0
No water supply	349	349	349	617
Below Minimum Service Level sub-total	6,061	5,781	5,781	617
Below Minimum Service Level Percentage	8.4%	8.0%	8.0%	0.9%
Total number of households*	71,940	71,940	71,940	72,012

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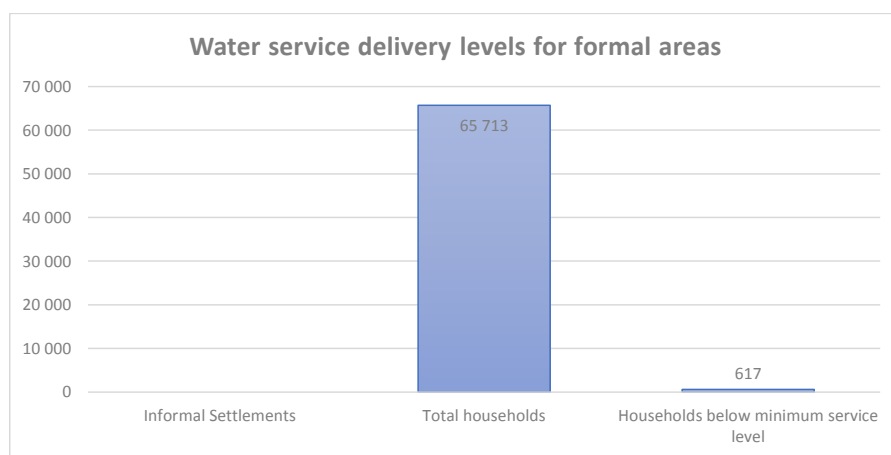
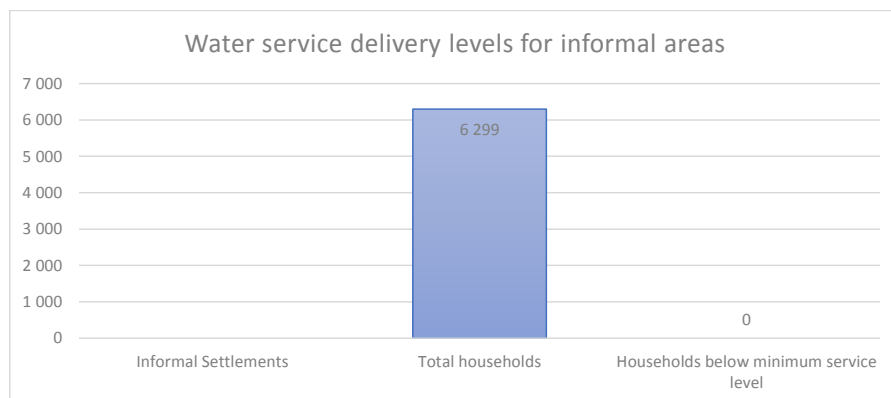
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3.1.4 Households – Water Service Delivery Levels below the minimum

Description	Households			
	2015/2016	2016/2017	2017/2018	2018/2019
	Actual No.			
Formal Settlements				
Total households	61,793	61,793	61,793	65,713
Households below minimum service level	6,061	5,781	5,781	617
Proportion of households below minimum service level	9.8%	9.4%	9.4%	0.9%
Informal Settlements				
Total households	10,146	10,146	10,146	6,299
Households below minimum service level	6,061	5,781	5,781	0
Proportion of households below minimum service level	59.7%	57.0%	57.0%	0%

3.1.5 Access to Water

Bar chart reflecting Access to Water



Formal areas have 100% access to water services and the informal areas are henceforth defined as all areas used for human settlement while the process of formalisation is or not proceeding. These households put a lot of pressure in the municipality because the majority of these community members are perceived to be indigent although the majority have not officially declared that status.

3.1.6 Water Service Policy Objectives Taken From IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 85% of the mechanical/ electrical installation in the new Riverton Pump Station building by 30 June 2019	100%	81%	85%	96%	Not a target
To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	Decrease water losses to 45% by 30 June 2019	45%	53%	45%	61.50%	45%
To ensure management of the quality of the drinking water and waste water through compliance with the applicable legislation	To ensure through effective monitoring that a 97% Blue Drop Status (BDS) is achieved by 30 June 2019	95%	94.10%	97%	98%	97%
To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete the water connections for the Lerato Park development by 30 June 2019	40%	0	100%	75%	100%
To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete phase 2 of the Ritchie Bulk Water Implementation project by 30 June 2019	100%	75%	100%	98%	Not a target
To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To replace 2,500 water meters by 30 June 2019	2,000	1,314	2,500	2,141	2,500

Strategic Objectives	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete the water pipe replacement projects at the following areas: Newton, Community, Adam Namakola, Nobengula, Bultfontein Road and Gogga Pump Station by 30 June 2019	100%	92%	100%	83%	100%
To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete phase 2 of the security project by 30 June 2019	100%	38%	100%	38%	Not a target

3.1.7 Employees: Water and Sanitation

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	3	14	9	5	35.71
Professionals	2	2	2	0	0
Technicians & Trade Workers	23	35	35	0	0
Clerks & Administrative Workers	2	7	6	1	14.29
Community and Personal Workers	3	15	8	7	46.67
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	19	56	21	35	62.5
Elementary Occupations	125	196	158	38	19.39
Total	178	326	240	86	26.38

Note: New Job Level definitions were received from the LGSETA and the database has been adjusted according. This has resulted in changes to some of the "Employee" statistics. This will be reflected throughout the tables reflecting employee statistics.

3.1.8 Financial Performance 2018/2019: Water Services

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	283 299	288 458	299 458	270 001	-10%
Expenditure:					
Employees	37 845	42 613	41 575	40 560	-2%
Repairs and Maintenance	34 112	34 162	28 012	24 469	-13%
Other	155 085	173 528	178 062	175 189	-2%
Total Operational Expenditure	227 043	250 303	247 649	240 218	-3%
Net Operational Expenditure	(56 256)	(38 154)	(51 809)	(29 783)	-43%

3.1.9 Capital Expenditure 2018/2019 (Water Services)

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Variance from adj. budget	Total Project Value
	R'000			%		R'000
Total All	53 932	44 450	40 146	-26%	-10%	44 450
Ritchie Water Augmentation	10 551	15 494	14 713	39%	-100%	15 494
Replacement of water meters	3 000	3 000	3 166	6%	-100%	3 000
Water Pipe Replacement	3 000	3 000	2 971	0%	-100%	3 000
Lerato Park Water	17 381	16 732	11 995	-31%	-100%	16 732
Riverton Pump Station	–	6 224	7 302	0%	-100%	6 224
Tlhageng Retention Dam	20 000	–	–	-100%	–	–

3.1.10 Comment on Water and Sanitation Services performance overall

Access to water services in the current year especially for informal areas is satisfactory. The completion of bulk water augmentation in Ritchie furthermore confirms that the municipality is continuously sustaining this service. Completion of the Riverton new pump station reaffirms that the municipality is heading in the right direction. Though provision was made for two pumps at the beginning of the project, the scope has been reviewed and four pumps were ordered and installed. This deviation impacted the initial project value, however the benefits are notable.

The last project is construction of water bulk linking services to Lerato Park development. This project is essentially augmenting the existing bulk water infrastructure in order to unlock human settlement development in Lerato Park. The project is ongoing and expected to be completed during the 2019/2020 year.

Although the municipality has completed two major projects, namely; bulk water augmentation in Ritchie and Riverton new pump station, lot of work still needs to be done. There are significant challenges in Motswedimosa reticulation network and bulk water project has not yet yielded the intended objectives. The municipality is working on this challenge and it is expected to be resolved in the near future.

Commissioning of the new pump station in Riverton does not eliminate water supply challenges completely. There is a lot of work that needs to be done in order to ensure that the bulk water system is balanced. Refurbishment of the abstraction facility, old pump station and additional site storage, feasibility study and investigation of rising main upgrades, feasibility and investigation of additional water storage facilities in Roodepan and Southridge and refurbishment of the existing pump station in Newton are still regarded as major projects to be undertaken.

3.2 WASTE WATER (SANITATION) PROVISION

3.2.1 Introduction to Sanitation Provision

Provision of sanitation services proved to be a serious challenge in the period under review. These challenges presented a number of problems which ultimately affected provision and access of sanitation services. Demand of water and sanitation services for informal areas has been a great challenge for the municipality. Invasion of land by illegal dwellers was and is still an ongoing challenge. Despite interventions to remove illegal dwellers as and when such incidents happen, the requests and demands for these services are ongoing. Although the municipality maybe aware of some incidents related to land invasions, planning and provision of water services remain a huge challenge.

Mushrooming of informal area and land grabs were the primary reasons why these services were not rendered according to requirements. Secondly, provision of temporary sanitation services is very expensive, unlike water service. This is due to outsourcing because facilities were rented and serviced by private contractors. The municipality is intending to improve these services and some of the actions towards this goal will include formalisation of contracted services and updating of the indigent register. The municipality has been subsidizing these services through equitable share and it is important to update the indigent register in order to benefit maximally.

In terms of capital infrastructure project, the construction of sewer outfall main from Galeshewe to Homevale Waste Water Treatment Works (WWTW) will relieve pressure by decreasing the load on the outfall sewer mains. The benefits of these projects will include safe and hygienic conveyance of waste water and reduction of maintenance and repair costs of the infrastructure. The project will be completed during the 2019/2020 year. Provision of bulk sewer link services for Lerato Park with the purpose of unlocking human settlement development is currently underway. Major challenges were experienced during early stages of the project and the entire project schedule has been affected. These delays have also affected mechanical and electrical contracts. Efforts are in place to mitigate the risks associated with these delays.

Generally, operations and maintenance of both sewer reticulation and bulk infrastructure performed poorly. Frequent blockages in the sewer collector system as a result of inappropriate use of the infrastructure have been a common experience. Deliberate actions associated with throwing foreign materials into the sewer mains have been observed. Poor response time for unblocking of sewer mains has degraded the confidence of the public. Efforts to address both matters are underway, and the establishment of a preventative maintenance team will strive to reduce number of blockages especially on identified hotspots by more than 50%.

Lastly, theft and vandalism of sewer infrastructure is unbearable. In the year under review, more than R16 million has been lost due to theft and vandalism of key infrastructural facilities. These include mainly pump stations where electrical cable and other electrical and

mechanical components are targeted. Embattled facilities include Roodepan sewer pump stations and Ritchie's waste water treatment works.

The conclusion to be drawn out of these incidents is the locality of these facilities. They facilities are on the outskirts or away from the developed areas and this encourage criminal activities.

3.2.2 Sanitation Service Delivery Levels

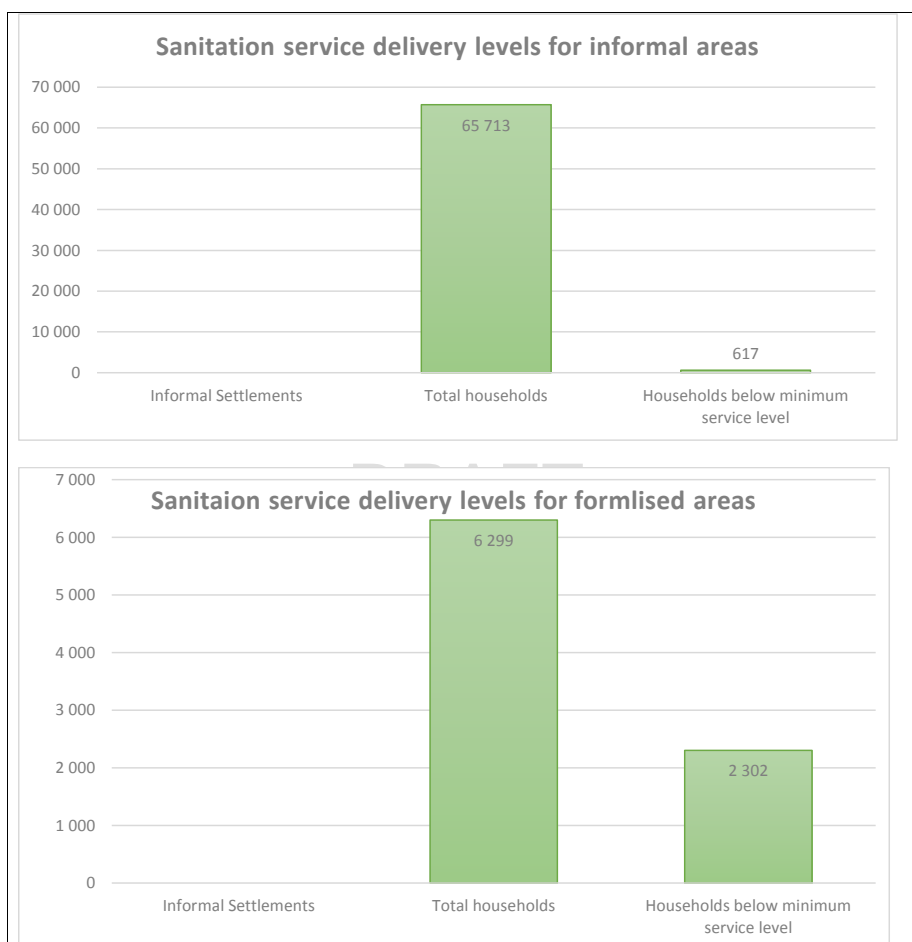
Description	Outcome			Actual
	2015/2016	2016/2017	2017/2018	2018/2019
	No.			
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	63,085	63,359	63,359	63,431
Flush toilet (with septic tank)	1,816	1,816	1,816	1,816
Chemical toilet	22	22	22	2,886
Pit toilet (ventilated)	1,235	1,235	1,235	1,235
Other toilet provisions (above minimum service level)	342	342	342	342
Minimum Service Level and Above sub-total	66,500	66,774	66,774	69,710
Minimum Service Level and Above Percentage	92.4%	92.8%	92.8%	96.8%
Sanitation/sewerage: (below minimum level)				
Bucket toilet	4,352	4,352	4,352	820
Other toilet provisions (below minimum service level)			0	0
No toilet provisions	1,086	812	812	1,482
Below Minimum Service Level sub-total	5,438	5,164	5,164	2,302
Below Minimum Service Level Percentage	7.6%	7.2%	7.2%	3.2%
Total households	71,938	71,938	71,938	72,012
*Total number of households including informal settlements				

Provision of sanitation services by means of buckets/pails is no longer considered as an acceptable level of service by sector department (DWS). The municipality has improved access of this service by gradually reducing bucket sanitation services with minimum acceptable form of sanitation (chemical toilets). Backlog of sanitation services went up in the current year of review due to land grabbing and illegal settlements. Non-provision of sanitation services has increased by 45.2% and this development has put a lot of pressure on the municipality.

3.2.3 Sanitation Service Delivery Levels below the minimum

Description	Households			
	2015/2016	2016/2017	2017/2018	2018/2019
	Actual No.			
Formal Settlements				
Total households	61,793	61,793	61,793	65,713
Households below minimum service level	5,438	5,164	5,164	617
Proportion of households below minimum service level	8.8%	8.4%	8.4%	0.93%
Informal Settlements				
Total households	10,146	10,146	10,146	6,299
Households below minimum service level	5,438	5,164	5,164	2,302
Proportion of households below minimum service level	53.6%	50.9%	50.9%	36.5%

3.2.4 Access to Sanitation



Outcomes and the totals for 2015/2016 are based on the outcomes of the Community Survey 2016. For 2016/2017, a total of 274 households were connected to Sanitation, whilst no actual connections were achieved for 2017/2018. As at the end of June 2019, the total service backlogs amounted to 2,302 households. These households are primarily on informal areas where the sanitation services could be properly planned and implemented as required.

3.2.5 Sanitation Service Policy Objectives taken from IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 60% of the repair/refurbishment of the sewer outfall main from Gogga to Homevale Waste Water Treatment Plant by 30 June 2019	100%	0	60%	79%	100%
To ensure management of the quality of the drinking water and waste water through compliance with the applicable legislation	To ensure through effective monitoring that a 90% Green Drop Status (GDS) is achieved by 30 June 2019	90%	73.85%	90%	0	90%
To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete the sewer connections for the Lerato Park development by 30 June 2019	40%	0	100%	36%	100%
To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 30% of the upgrading of the Carters Glen Sewer Pump Station by 30 June 2019	0	0	30%	30%	10%
To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the reconstruction of aged sand toilets in Kutlwanoong by 30 June 2019	30	0	100%	9.70%	100%

3.2.6 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	75 664	75 813	80 813	77 321	2%
Expenditure					
Employees	37 442	38 240	37 593	43 475	14%
Repairs and Maintenance	10 731	12 168	22 243	19 471	60%
Other	11 781	27 545	18 012	16 126	-41%
Total Operational Expenditure	59 954	77 953	77 848	79 071	1%
Net Operational Expenditure	(15 709)	2 139	(2 966)	1 750	-18%

3.2.7 Capital Expenditure 2018/2019: Waste Water (Sanitation)

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Variance from adjustment budget	Total Project Value
	R'000			%		R'000
Total All	37 801	46 141	36 886	-2%	-20%	46 141
Gogga pump station	–	19 425	21 287	–	10%	19 425
Carter's Glen Pump Station	3 000	2 500	2 261	-25%	-10%	2 500
Reconstruction of sink toilets Kutlwanong	14 000	6 525	1 859	-87%	-72%	6 525
Lerato Park Sewer	20 801	17 691	11 479	-45%	-35%	17 691

3.2.8 Comment on Sanitation Services Performance Overall

Over and above overall performance of sanitation services in the municipality, implementation of capital projects presented a number of challenges. The Department of Water and Sanitation (DWS) through Water Services Infrastructure Grant (WSIG) funded two projects namely; construction of toilet top structures in Kutlwanong, Kagisho and Phomolong; Construction of a new sewer pump station in Carters Ridge. The total budget for these two projects was R17 million. Budget allocation was R14 and R3 million respectively for Construction of toilet top structures in Kutlwanong, Kagisho and Phomolong, and construction of a new sewer pump station in Carters Ridge respectively.

The Carters Ridge pump station project performed well without any challenges whilst the second project experienced major challenges. Eventually the project performed poorly with an overall expenditure of 28% out of the total budget. These developments have affected future funding of the grant. Furthermore, the municipality applied for a project rollover and the application was declined by the National Treasury. The municipality has not yet devised means on how to deal with this challenge, however there has been ongoing consultation with the funder regarding challenges experienced by the municipality.

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3.3 ELECTRICITY

3.3.1 Introduction to Electricity

Sol Plaatje Local Municipality is licensed to purchase electricity from Eskom and then distribute the electricity via the 66kV, 11kV and low voltage electrical network.

There are three bulk 66kV electricity supply points from Eskom namely: Herlear and HA Morris Substations which supplies the Kimberley area and Riverton Substation. Although Ritchie is demarcated into the Sol Plaatje municipal area, Eskom is licensed to distribute electricity in that area.

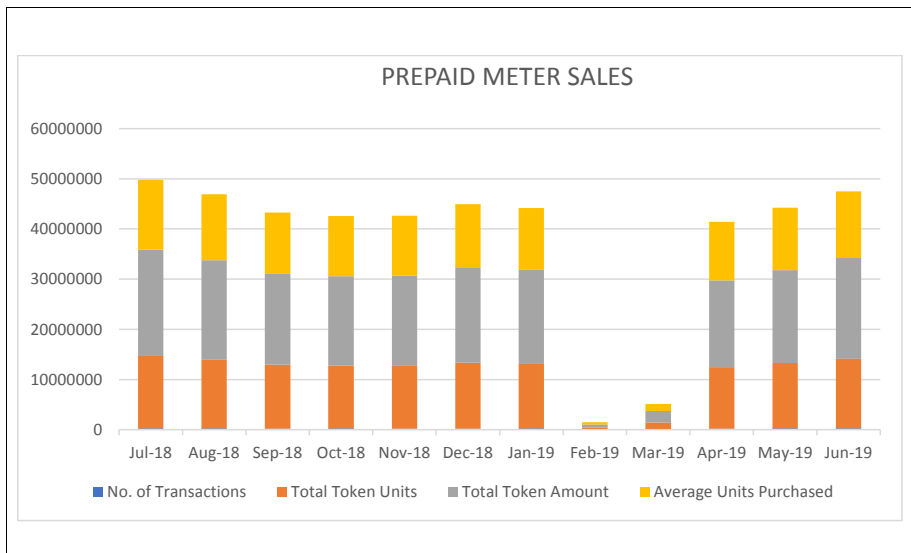
Over and above electricity supply management, the section is also responsible for the following functions:

- Occupational Health and Safety,
- Fleet Management
- Mechanical and Workshop services.

Electrification remains a challenge due to continuous growth of informal settlements on vacant land. Electrical infrastructure and electrification of houses cannot be installed in informal settlements prior to township establishment.

Other major challenges regarding electricity are vandalism and copper theft that lead to equipment damage, electrical supply interruptions and possible fatalities to municipal employees or members of the public.

3.3.2 Pre-paid electricity supply



3.3.3 Electricity Service Delivery Levels

Description	2015/2016	2016/2017	2017/2018	2018/2019
	Actual No. of Households			
Energy: (above minimum level)				
Electricity (at least minimum service level)	9,116	9,116	9,116	1,060
Electricity - prepaid (minimum service level)	56,130	57,145	57,780	58,840
Minimum Service Level and Above sub-total	65,246	66,261	66,896	67,956
Minimum Service Level and Above Percentage	90.7%	92.1%	93.0%	98%
Energy: (below minimum level)				
No access to electricity (< minimum service level)	5,335	4,320	3,685	2,625
Other energy sources	1,357	1,357	1,357	1,357
Below Minimum Service Level sub-total	6,692	5,677	5,042	3,982
Below Minimum Service Level Percentage	9.3%	7.9%	7.0%	2%
Total number of households	71,938	71,938	71,938	72,938

Total number of households for 2015/2016 to 2017/2018 is based on the outcomes of the Community Survey 2016. Due to a lack of internal statistical data, no adjustments were made to Electricity (at least minimum service level) and other energy sources.

3.3.4 Households - Electricity Service Delivery Levels below minimum

SPM installs a 60 Amp electrical connection in all low-cost houses as per a Council resolution, whereas the DoE provides for a supply of 20 Amp per household. Top-up funding is normally provided by the municipality. SPM does not install electricity in informal settlements or houses, the area must be formalised, and a Surveyor General Layout must be available before any electrification can be done.

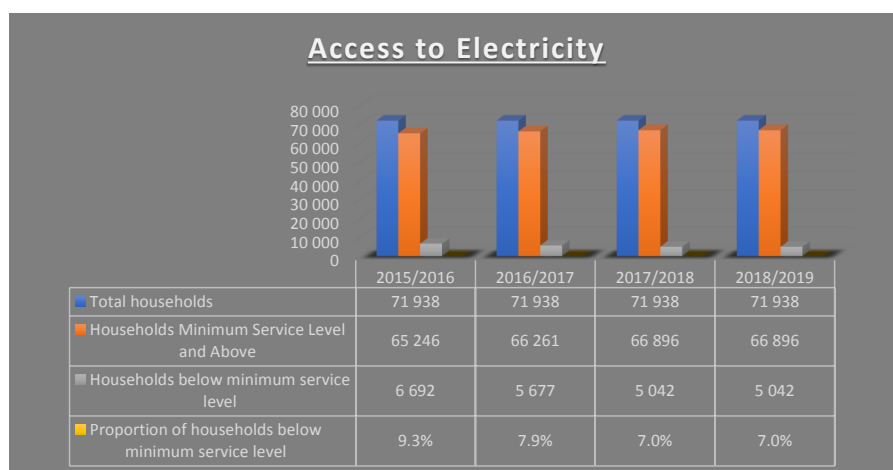
Description	2015/2016	2016/2017	2017/2018	2018/2019
	Actual No. of Households			
Formal Settlements				
Total households	61,793	61,793	61,793	67,958
Households below minimum service level	6,692	5,677	5,042	4,980
Proportion of households below minimum service level	10.8%	9.2%	8.2%	7.3%
Informal Settlements				
Total households	10,146	10,146	10,146	10,146
Households below minimum service level	6,692	5,677	5,042	4,980
Proportion of households below minimum service level	66.0%	56.0%	49.7%	49.1%

Houses Not Connected to Electricity (Below Minimum Service Level)

The major electricity connection backlogs are in the informal settlements that have not been formalised in terms of surveying and township establishment. The backlog decreased from 6,692 in 2015/2016 to 5,677 as a result of 1,015 households being electrified during 2016/2017. From 2016/2017 to 2017/2018, a further 635 households in Ivory Park were connected to electricity. In 2018/2019 a further 1,060 households in Ivory Park and Snake Park were connected to electricity.

The SPM Electrical Department, together with the DOE, proactively ensures that as soon as an area has been formalised, the funding application from the DOE is fast-tracked and the provision of electricity is completed.

3.3.5 Access to Electricity



The totals for 2015/2016 is based on the outcomes of the Community Survey 2016. For 2016/2017, a total of 1,015 households were connected to Electricity, whilst 635 electrical connections were achieved for 2017/2018. In 2018/2019 1,060 electricity connections were achieved. As at the end of June 2019, Households below the minimum service level amounted to 4,980, resulting in 7.3% proportion of households below the minimum service level. Through the INEP, the municipality managed to make significant in-roads in the number of backlogs which reduced by 1% households from 2015/2016 to 2018/2019.

The Electricity Distribution Section attended to supply interruptions according to NERSA requirements. The following table below indicates the restoration times and percentages of power interruptions for the 2018/2019 financial year.

Date	Total No of forced interruptions after which supply was restored	Supply restored within 1.5 hr.		Supply restored within 3.5 hr.		Supply restored within 7.5 hr.		Supply restored within 24 hr.		Supply restored after 24 hr.	
		Target 30%		Target 60%		Target 90%		Target 98%		Target 100%	
		Actual	%	Actual	%	Actual	%	Actual	%	Actual	%
July	395	229	57.97	345	87.34	388	98.23	395	100	395	100
August	418	237	56.70	378	90.43	409	97.85	417	99.76	418	100
September	398	211	53.02	354	88.94	386	96.98	398	100	398	100
October	395	206	52.15	354	89.62	379	95.95	394	99.75	395	100
November	407	217	53.32	360	88.45	394	96.81	406	99.75	407	100
December	383	219	57.18	357	93.21	378	98.69	383	100	383	100
January	415	238	57.35	380	91.57	408	98.31	415	100	415	100
February	655	373	56.95	581	88.70	629	96.03	654	99.85	655	100
March	705	436	61.84	642	91.06	685	97.16	703	99.72	705	100
April	613	324	52.85	542	88.42	596	97.23	612	99.84	613	100
May	327	170	51.99	306	93.58	322	98.47	324	99.08	327	100
June	330	191	57.88	309	93.64	327	99.09	330	100	330	100
TOTAL	5,441	3,051	56.07	4,908	90.20	5,301	97.43	5,431	99.82	5,441	100

3.3.6 Electricity service objectives taken from the IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	Decrease electricity losses to 18% by 30 June 2019	18%	13.24%	18%	25.57%	18%
To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the electrification of 1,591 houses (Snake Park, Platfontein, Ramorwa, Fluffy Park, Santa Centre and Kutlwanong) by 30 June 2019	0	0	1 591	1 097	Not a target
To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To complete the upgrading of Carters Glen substation with 1 x 20 MVA transformers by 30 June 2019	100%	100%	100%	85%	Not a target
To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To complete 50% of the replacement of the 11kV oil circuit breakers at the Herlear substation by 30 June 2019	0	0	50%	0%	100%
To ensure the adequate provision, upgrading and maintenance of	To complete the Electricity Master Plan by 30 June 2019	100%	22%	100%	100%	Not a target

Strategic Objectives	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
electricity services infrastructure						
To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To complete 50% of the project to replace the 66kV oil circuit breakers at the Herlear substation with SF6 by 30 June 2019	100%	100%	50%	50%	100%
To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To the upgrading of Riverton substation equipment with 2 x 10 MVA transformers by 30 June 2019	100%	100%	100%	98%	Not a target
To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To replace at least 2,500 prepaid electricity meters by 30 June 2019	2,000	609	2,500	0	2,500

ELECTRICITY LOSSES

Months	Units Purchased from Eskom kWh	Credit Meter Units Sold kWh	Prepayment Meter Units Sold FBE Incl kWh	Street Lights Units kWh	Total Units Sold kWh	% Electricity Losses
Jul 2018	47,554,299	18,471,204	12,989,140	939,347	32,399,691	31.87%
Aug 2018	46,124,198	19,053,331	13,673,077	939,347	33,665,755	27.01%
Sept 2018	40,207,625	17,927,113	12,729,519	833,291	31,489,923	21.68%
Oct 2018	40,267,023	16,650,487	12,518,644	861,068	30,030,199	25.42%
Nov 2018	40,641,061	17,844,580	12,510,937	795,414	31,150,931	23.35%
Dec 2018	41,818,147	17,045,732	13,106,860	821,928	30,974,520	25.93%
Jan 2019	44,150,749	18,129,710	12,876,516	821,928	31,828,154	27.91%
Feb 2019	37,937,023	19,111,345	11,678,714	742,387	31,532,446	16.88%
Mar 2019	40,569,924	16,332,940	12,600,993	821,928	29,755,861	26.66%
Apr 2019	37,622,892	16,226,225	12,251,001	833,291	21,310,517	22.09%
May 2019	40,536,814	16,305,886	13,014,734	861,068	30,181,688	25.54%
Jun 2019	43,813,055	15,963,431	13,869,628	939,347	30,772,406	29.76%
Total	501,242,810	209,061,984	153,819,763	10,210,344	373,092,091	25.57%
Average Electricity Losses						25.57%

ELECTRICAL CONNECTIONS

Sixteen consumers, privately owned houses and businesses paid and were connected to the electrical network at a cost of R391 856.

3.3.7 Employees: Electricity Services

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	8	9	5	4	44.44
Professionals	7	13	4	9	69.23
Technicians & Trade Workers	94	150	146	4	2.67
Clerks & Administrative Workers	24	28	26	2	7.14
Community & Personal Workers	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	2	2	2	0	0
Elementary Occupations	5	22	16	6	27.27
Total	141	225	200	25	11.11

3.3.8 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	663 235	740 342	630 342	566 794	-23%
Expenditure:					
Employees	40 927	45 014	44 848	44 636	-1%
Repairs and Maintenance	37 803	30 165	26 165	26 087	-14%
Other	564 361	616 577	599 619	574 087	-7%
Total Operational Expenditure	643 090	691 756	670 631	644 809	-7%
Net Operational Expenditure	(20 145)	(48 586)	40 289	78 016	-261%

3.3.9 Capital Expenditure 2018/2019

Capital	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Variance from adjustment budget	Total Project Value
	R'000			%		R'000
Total All Street Lights & Electricity	53 997	44 834	44 585	-17%	-1%	44 834
Upgrade Riverton transformer	4 000	1 000	4 886	22%	389%	1 000
Herlear 66KV circuit breaker	3 000	1 000	–	-100%	0%	1 000
Herlear 11KV circuit breaker	7 000	3 000	2 817	-60%	-6%	3 000
Carter's Glen and Galeshewe substation	5 337	5 760	4 935	-8%	-14%	5 760
Streetlights	7 000	7 000	6 734	-4%	-4%	7 000
Electrification of houses	24 661	24 237	24 017	-3%	-1%	24 237
Prepaid Meter Replacement Programme	3 000	2 837	1 197	-60%	-58%	2 837

3.3.10 Comment on electricity services performance overall

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Delete Directive note once comment is completed – Explain the priority of the four largest capital projects and explain variances from budget for operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the performance on agreements reached with ESKOM if not already covered. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

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3.3.11 Occupational Health and Safety

The City Electrical Engineer is also appointed as GMR 2(1) under the Occupational Health and Safety Act (OHS Act), Act No. 85 of 1993, to oversee the safe operation of machinery.

A full-time Occupational Health and Safety Practitioner was appointed in July 2016, under Infrastructure and Services Directorate, to assist and advise all Managers and Line Managers on Occupational Health and Safety matters. Her appointment ensures legal compliance to OHS Act, and provides support to Managers and Line Managers to fulfil their duties in terms of the Act.

By means of the NOSA Miracles software application procured as a Health and Safety system management tool, controls were setup in such a manner that the software application enables Executive Management, Managers and Line Manager to actively manage their Risks identified in their respective areas of responsibility.

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3.3.12 Fleet Management Section

The Fleet Management Section is the custodian of the municipal vehicle and machinery fleet, which consists of 219 petrol and diesel vehicles (excluding earthmoving machinery, fire engines & other miscellaneous equipment). The core responsibility of the section is to manage and ensure that the vehicle fleet and drivers/operators comply with the relevant legislation of the National Road Traffic Act and OHSA. (Load testing and inspection of lifting equipment, testing and certification of pressure vessels, working at heights, relevant training, vehicles licensing, COFs, correct driving license codes, etc.). It is also the responsibility of the section to manage traffic fines and municipal motor vehicle accidents.

The responsibility of vehicle fleet replacement resides with this section. Due to the large percentage of specialised vehicles and machinery, the Fleet Manager must ensure that the correct technical specifications are stipulated for the application and operation of these units.

The Fleet Management Section prides itself in achieving a very low vehicle downtime record of specialised units, in core service delivery sections, by proactive planning of maintenance and procuring the services of accredited vehicle specialists and manufacturer's representatives.

Despite the achievements made, there are still major challenges relating to replacement of aged fleet due to insufficient capital funding. This situation impacts negatively on service delivery, as vehicles and machinery are critical service delivery tools.

The allocation of funds for vehicle fleet replacement has drastically decreased, resulting in units being operated on what I term, a Graveyard Policy, that is, operating vehicles until they are dead and past their economic life span. Consequently, inadequate provision for capital replacement leads to truck re-building. Trucks do not last forever and re-building should be a temporary measure to bridge financial challenges. The older the fleet becomes, the more down time and the non-availability of spare parts increases.

A modest amount of R4m was made available for fleet replacement during the 2018/2019 financial year. Translated in tangible vehicle terms, this is equivalent to the cost of **ONE AND A HALF** refuse compactor vehicles. To make matters worse, this allocation was withdrawn due to serious financial constraints. The issue of vehicle fleet replacement must take top priority, amongst others, on the IDP and funding be aligned, as far as reasonably possible, with the vehicle fleet replacement plan. Currently our vehicle needs far outstrip the funds made available for vehicle fleet replacement and ultimately the objective of improving service delivery will remain a pipedream, due to a serious lack of critical service delivery resources.

"Transportation is one of the tools required by civilized man to bring order in chaos. It reaches into every phase and facet of our existence. Viewed from every standpoint, economic, political and military, it is unquestionably the most important industry in the world."
(Gavinato, JL et al 1982)

3.3.12.1 Capital Expenditure 2018/2019: Fleet Management

Capital Projects	2018/2019					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original budget	Various from Adjustment Budget	Total Project Value
	R'000					R'000
Total All	4 000	1 000	–	-100%	-100%	1 000
Fleet Replacement Programme	4 000	1 000	–	-100%	-100%	1 000

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3.3.13 Mechanical Engineering and Workshops

The core function of the mechanical engineering section is to provide an efficient and cost-effective Mechanical Engineering Support service to Sol Plaatje Local Municipality. This includes the corrective and scheduled maintenance of our Fleet, Water Purification Plants, Sewage Treatment Plants, Water and Sewer Reticulation Systems. Furthermore, the section is also responsible for the maintenance of the sewer pump stations, pools, machinery and other mechanical related services.

SAFETY

The Department is accountable for certain aspects regarding the safety of our fleet. This includes the maintenance of our fleet to ensure that it is in a roadworthy condition. The former is coupled with repair work that needs to be done to ensure that the vehicles obtain certificates of fitness in order to be licenced as stipulated in the National Road Traffic Act.

Additionally, the Department is responsible for the maintenance of the upkeep of the Municipal Workshop Complex in Ashburnham. Here, where safety is concerned we ascribe to the Occupational Health and Safety Act (OHS Act), Act No. 85 of 1993.

Thus we ensure that pressure vessels and lifting equipment is tested according to the said Act. Also, we ensure that the Mechanical Engineering Department meets the requirements as set out in the Occupational Health and Safety Act (OHS Act), Act No. 85 of 1993. Hereby the Department supports the Deputy Director - Electrical Engineering who is appointed as GMR 2(1) under the Occupational Health and Safety Act (OHS Act) to ensure compliance to the Act.

Below follows a list of employees in the section.

3.3.13.1 Employees: Mechanical Engineering and Workshops

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	2	2	2	0	0
Professionals	0	0	0	0	0
Technicians & Trade Workers	18	18	18	0	0

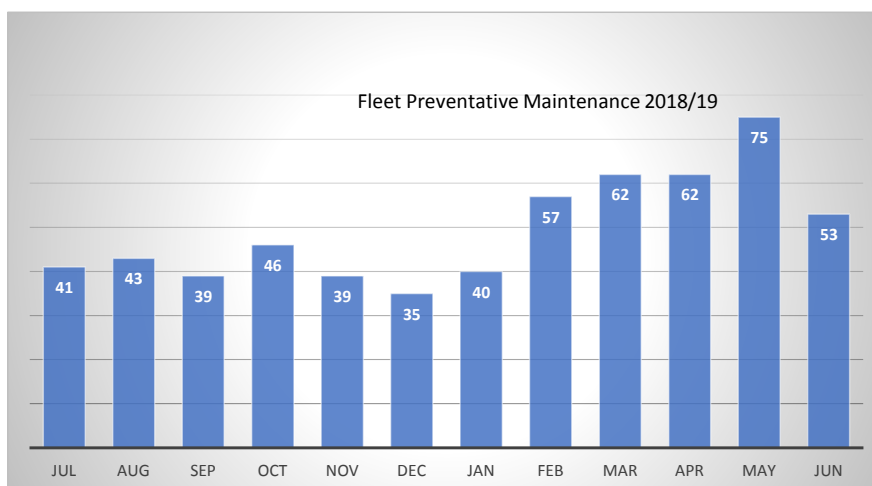
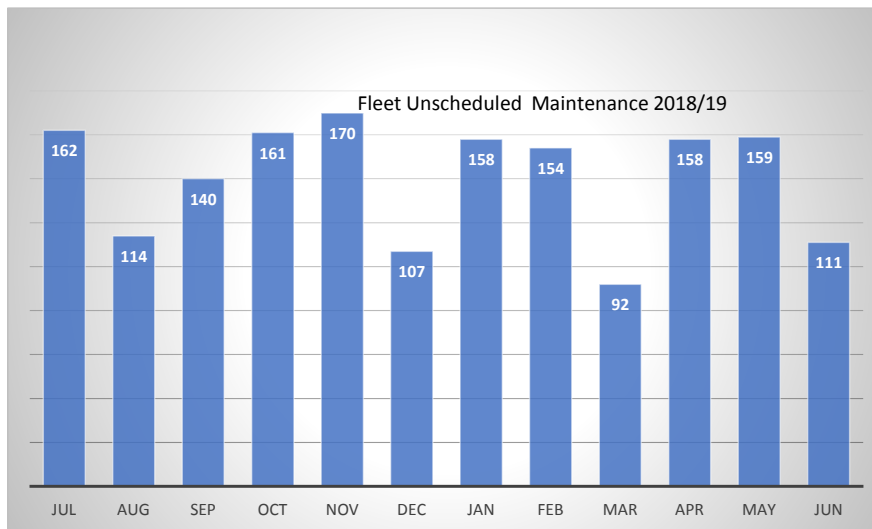
Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.				%
Clerks & Administrative Workers	2	3	2	1	14.3
Community & Personal Workers	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	18	18	18	0	0
Total	41	42	41	1	2.38

3.3.13.2 Financial Performance 2018/2019 (Mechanical Engineering and Workshops)

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment budget
Total Operational Revenue	-	-	-	-	0%
Expenditure					
Employees	14 943	16 692	16 485	17 273	3%
Repairs & Maintenance	2 779	2 078	2 673	2 484	20%
Other	1 117	1 436	1 108	378	-74%
Total Operational Expenditure	18 838	20 207	20 267	20 135	0%
Net Operation Expenditure	18 838	20 207	20 267	20 135	0%

Maintenance done on a Huber Screen at Homevale Waste Water Treatment Plant

Graphs depicting Maintenance done on our Fleet and Pumps for the period 2018/2019



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CHALLENGES

One of the major challenges that the department faces is the age of our fleet. This challenge affects almost every section within the Municipality and thus jeopardises service delivery. Another challenge is the vandalising of our Pump Stations. The former puts a huge strain on scarce resources and also affects the dignity of the community in general.

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3.4 WASTE MANAGEMENT

3.4.1 Introduction to Waste Management

The main objective of this section is to provide an effective and efficient refuse removal and solid waste disposal for all the residents within the Sol Plaatje Municipal Area.

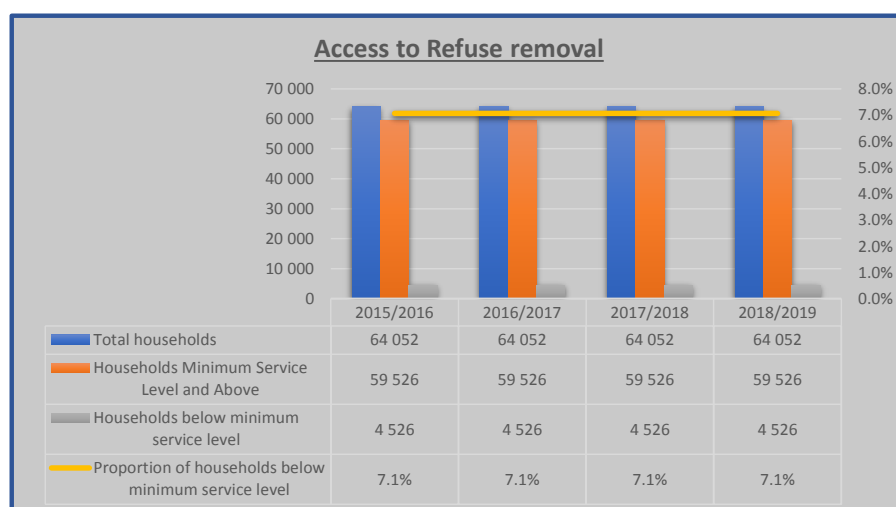
3.4.2 Solid Waste Service Delivery Levels

Households				
Description	2015/2016	2016/2017	2017/2018	2018/2019
	Actual No.			
Solid Waste Removal: (Minimum level)				
Removed at least once a week	59,526	59,526	59,526	59 526
Minimum Service Level and Above sub-total	59,526	59,526	59,526	59 526
Minimum Service Level and Above percentage	92.9%	92.9%	92.9%	92,9%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week				
Using communal refuse dump				
Using own refuse dump				
Other rubbish disposal				
No rubbish disposal	4,526	4,526	4,526	4 526
Below Minimum Service Level sub-total	4,526	4,526	4,526	4 526
Below Minimum Service Level percentage	7.1%	7.1%	7.1%	7,1%
Total number of households	64,052	64,052	64,052	64 052

3.4.3 Households – Solid waste service delivery levels below the minimum

Description	2015/2016	2016/2017	2017/2018	2018/2019
Actual No.				
Formal Settlements				
Total households	61,793	61,793	61,793	61 793
Households below minimum service level	4,526	4,526	4,526	4 526
Proportion of households below minimum service level	7.3%	7.3%	7.3%	7,3%
Informal Settlements				
Total households	10,146	10,146	10,146	10 146
Households below minimum service level	4,526	4,526	4,526	4 526
Proportion of households below minimum service level	44.6%	44.6%	44.6%	44,6%

3.4.4 Access to Refuse Removal



3.4.5 Waste Management Service Objectives Taken From IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM	Provide a weekly refuse collection service (according to the revised collection route) to all formal households	59,500	59,500	59,500	59,500	59,500

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3.4.6 Employees: Waste Management

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	0	0	0	0
Other Managers	2	7	2	5	71.43
Professionals	0	0	0	0	0
Technicians & Trade Workers	0	0	0	0	0
Clerks & Administrative Workers	1	9	8	1	11.11
Community and Personal Workers	2	5	2	3	60
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	32	75	41	34	45.33
Elementary Occupations	95	253	127	126	49.8
Total	132	349	180	169	48.42

3.4.7 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
		R'000			
Total Operational Revenue	57 449	60 550	73 350	56 855	-22%
Employees	36 373	36 385	36 261	39 323	8%
Repairs and Maintenance	11 976	16 100	15 600	13 230	-15%
Other	5 756	7 965	8 416	6 855	-19%
Total Operational Expenditure	54 105	60 450	60 277	59 408	-1%
Net Operational Expenditure	(3 344)	-100	-13 073	2 553	-120%

3.4.8 Capital Expenditure 2018/2019

There was no capital expenditure during the period under review.

3.4.9 Comments on Performance Overall

In the absence of capital projects, the major portion of the budget was in the operational environment. However, the critical challenges remain the staffing of vacant posts as per the approved organisational structure as well as the lack of equipment.

Due to vehicle and equipment shortages, it was necessary to continue the hiring of heavy equipment and vehicles within the cleaning and disposal environments. Littering and illegal dumping remains a major problem through-out the city.

EPWP teams were created to assist with the cleaning of the CBD and residential areas. However, the operational budget was stretched to the limit and in some cases inadequate. This increased the strain experienced on the planned cleaning programmes.

Within the refuse collection environment, the serviceability of vehicles and re-occurring staff shortages were major challenges. No vehicles were replaced (due to age) and no additional vehicles were procured. The resultant strain on the fleet meant that a large portion of the fleet remained and/or continuously suffered mechanical breakages.

Even facing these challenges, a weekly refuse collection service was delivered to residential areas and an effective commercial collection service was provided. During 2018/2019 the Integrated Waste Management Plan was reviewed and in process of approval.

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3.5 HOUSING

3.5.1 Introduction to Housing

Housing provision is a provincial government function administered by Department of Corporative Governance, Human Settlement and Traditional Affairs (CoGHSTA). However, SPM is accredited, at level 2, to implement subsidy administration and housing development. SPM is primarily responsible for ensuring housing development readiness status in accordance with CoGHSTA housing strategy. This includes identification of projects as prioritised on the IDP which must then be budgeted for under the DoRA.

The municipality has taken steps to ensure that the following activities are in place:

- Credible IDP
- Land use management that supports human settlement
- Township establishment
- Policies
- Beneficiary database maintenance (linked to National)
- Land invasion control.

During the financial year under review CoGHSTA, as the custodian of human settlement in the province, took a decision to reinforce project management capacity in housing delivery. This development resulted in CoGHSTA establishing its internal Project Management unit (PMU) to accelerate housing development. This decision also affected SPM and some of the projects were taken over from SPM.

The National Upgrading Support Programme (NUSP)

The programme was initiated by National Department of Human Settlements, and Sol Plaatje Municipality was identified to be one of the participants in the programme. The mandate of the NUSP programme is to support Municipalities with formalisation and infrastructure upgrading of informal settlements in their municipal area. Out of twenty-nine informal settlements, fourteen settlements totalling 5,416 sites are currently being formalised, and these are:

- Snake Park 1,660 sites
- Ivory Park..... 1,174 sites
- Diamant Park 892 sites
- Jacksonville Ext339 sites
- Kutlwanong 48 sites
- Colville 130 sites

- Santa Centre 139 sites
- Phomolong 269 sites
- Greenpoint 155 sites
- Waterloo 230 sites
- Soul City 64 & 48 sites Forestview & King-Senare
- Beaconsfield 28 sites
- Donkerhoek 111 sites
- Ramorwa 98 sites
- Lerato Park 4600 sites {catalytic Project in terms of National Priority}

The NUSP has enabled the municipality to integrate human settlement interventions.

Integrated Residential Development Programme (IRDP)

The IRDP is a housing delivery programme which deals with the individual housing subsidy as well as rectification of post-1994 housing stock. Under this programme Sol Plaatje Local Municipality benefited 469 housing units, delivered under shared efforts by SPM and CoGHSTA.

Community Residential Units (CRUs)

The Community Residential Unit programme was designed to cater accommodation for families who could not afford market related rental units. Currently there is a CRU project being implemented by Province which consists of 481 rental units of different sizes. The first phase of this project consists of approximately 120 units to be completed towards end of February 2020.

The Municipality has a rental stock of 936 units. The demand for these units is very high due to high demand for the Gap Housing Market. However, sustainability of CRUs maintenance is compromised due to high default in rental payment. In order to address this challenge, the municipality is currently exploring more effective methods of enhancing revenue collection strategies, by looking at appointing a management company, for the leasing and maintenance of the rental stock starting with Lerato Park as a start.

Challenges in housing provision

The demand for housing is fast outpacing the rate at which CoGHSTA can provide funding for development. Although the municipality has made an effort to plan and avail land for future housing developments, these efforts worked against the municipality where illegal occupation of land became a norm. This condition has also compromised SPMs housing readiness status.

3.5.2 Percentage of households with access to basic housing

Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2014/2015	56,393	47,643	85.0%
2015/2016	60,297	49,214	81.6%
2016/2017	60,297	49,214	81.6%
2017/2018	60,297	49,589	82.2%
2018/2019	60,297	50,111	83.1%

3.5.3 Housing Services Objectives Taken From IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

There is no KPI for Housing in the IDP.

3.5.4 Employees: Housing

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	1	2	1	1	50
Professionals	0	0	0	0	0
Technicians & Trade Workers	2	2	2	0	0
Clerks & Administrative Workers	2	4	4	0	0
Community and Personal Workers	19	20	6	14	70
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	31	48	43	5	10.42
Total	56	77	57	20	25.97

3.5.5 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	9 790	10 401	10 401	10 613	2%
Expenditure					
Employees	17 814	19 356	19 223	17 953	-8%
Repairs and Maintenance	764	1 586	1 586	1 431	-11%
Other	7 248	5 131	5 096	580	-785%
Total Operational Expenditure	25 826	26 073	25 905	19 964	-31%
Net Operational Expenditure	16 036	15 672	15 504	9 351	-68%

3.5.6 Capital Expenditure: Housing

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Variance from Adjustment Budget	Total Project Value
	R'000			%		R'000
Total All	–	29 639	30 969	100%	4%	27 053
Ritchie 428 Housing Project, 100 units		6 122	6 536	100%	7%	6 536
Galeshewe Infill areas Housing Project: 50 units		2 895	–	–	-100%	2 895
Phutanang 491 Housing Project: 55 units		3 880	4 313	100%	11%	3 880
Soul City 750 Housing Rectification Project: 200 units		13 742	20 120	100%	46%	13 742
Diamant Park 1,500 project of 300 units		3 000	–	–	–	–
491 units: Lerato Park Integrated Housing Project: 528 units: Phase I 70 Units for Military Veteran's, Phase II,	Provincial project:					

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Variance from Adjustment Budget	Total Project Value
	R'000		%		R'000	
428 CRU's to be completed next year.						

3.5.7 Comment on the Performance of the Housing Service Overall

The Municipality targeted to construct 500 households with BNG (Breaking New Grounds) houses in 2018/2019 financial year. COGHSTA through its Project Management unit (PMU) constructed 300 of the 500 houses in Diamond Park. Therefore, the total number of houses constructed for the financial year was 300 units.

Project Area	Number of Houses built	
Ivory Park	1,175	0.00 Services Installation
Santa Centre	139	0.00 Services Designs
Rectification of houses	84	54 Rectification Stopped
Jacksonville Ext	339	71 units built of which the remaining services are underway to finalise the services installation. Awaiting further allocation for Top-Structures
Individuals Rectification (Disaster Houses)	10	8 Done through Emergence Services Funding
Total houses number of houses built	133	

As indicated above, insufficient funding to eradicate all housing backlogs remains a challenge for Sol Plaatje Municipality. The current housing backlog in terms of Census 2011 statistics is 7,846 households. At the rate at which funding is provided, backlogs relating to housing delivery will take much longer eradicating the current and future demand.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

3.6.1 Introduction to Free Basic Services and Indigent Support

The Indigent Policy of the municipality recognises indigent households as households with the following distinct characteristics that are also criteria to qualify and receive free basic services:

Income Indigent

- Full-time occupant of the property
- Account holder (municipal account)
- Use of municipal services
- Total household income must not exceed R3 750 per month
- Child headed households
- Beneficiaries of low cost-free basic house funded through subsidies and grants
- Certain geographic areas
- Exceptional Circumstances

It is expected that the account holder will complete an application form to register as an indigent. If the applicant meets all the criteria, they will be entitled to free basic services on a monthly basis. A site verification visit will be performed, and the applicant will be interviewed within a two-year period to confirm their declarations in the application. Thereafter, site verifications will be conducted at least every two years.

As an exception to the above criteria and process, the Municipality has determined certain geographical areas as indigent. The households within these areas will be registered as indigent by reason of their location within a designated area but will also be individually verified within a two-year period.

The municipality installs a prepaid electricity meter at own cost to all qualifying households to ensure that the electricity bill is easily managed and to enable the customer to claim free units per month. The municipality provides the following services to indigent households who qualify:

- 50Kwh of electricity per month
- 6Kl of water per month
- Refuse removal (full subsidisation)
- Sanitation (full subsidisation)

It is incumbent upon the indigent household to declare any change in their status that will necessitate review of the allocation.

One of the most important provisions in the Policy recognises and defines the incidence of Child Headed Households. It was recognised that this is quite a prolific circumstance in the Sol Plaatje municipal area and that these types of households were at risk as the policy did not make express allowance for them. An extract from section 5 of the Indigent Management Policy expounds on this category below:

Child-headed households shall qualify automatically for subsidisation in line with this policy. A child shall be any person who is 18 years and younger. Such applicants shall be assisted by the ward councillor and all documentary proof shall serve as evidence prior to qualification.

Distribution of households by age group of household head and district municipality, CS 2016

Age group	DC45: John Taolo Gaetsewe	DC6: Namakwa	DC7: Pixley Ka Seme	DC8: ZF Mgcawu	DC9: Frances Baard	Northern Cape
10–14	66	-	21	-	-	86
15–19	900	93	657	581	687	2,918
Total	966	93	678	581	687	3,004
Total Households	72,310	37,669	56,309	74,091	113,330	353,709
Child-headed households as a % of Total households	1.3%	0.2%	1.2%	0.8%	0.6%	0.8%

Commented [CC16]: New table

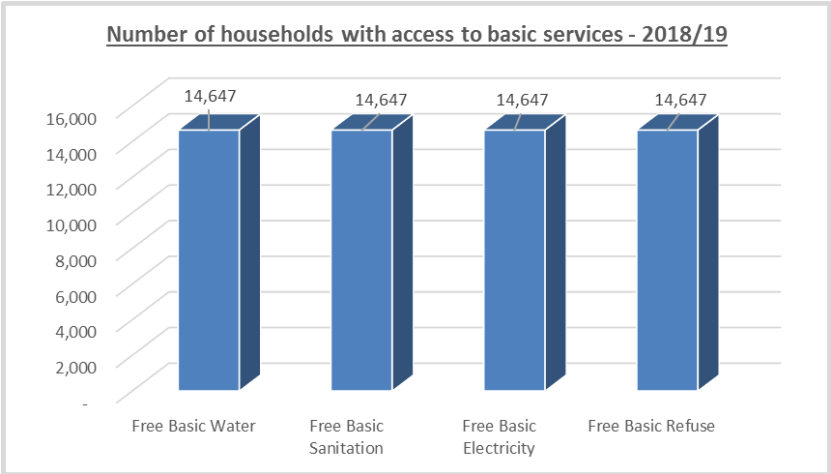
The table above shows statistics on household headship by age of household head and district within the Northern Cape. In the Northern Cape there are 3,004 child-headed households. In the Frances Baard district there are 687 child-headed households. None of the households had children below the age of fifteen years heading households. Unfortunately, the statistics per district per municipality are not included in CS 2016 and is only summarised per district.

Commented [CC17]: New narrative

3.6.2 Free Basic Household Services

Bar chart depicting Number of Households with Access to Basic Services

Commented [CC18]: Chart updated



3.6.3 Free Basic Services to Low Income Households

Period	Number of households											
	Total [1]	Households earning less than R3,750 per month [2]										
		Total	Target	Revised	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
					Access	%	Access	%	Access	%	Access	%
2016/2017	71,939	24,541	14,000	14,000	13,425	96%	13,425	96%	13,425	96%	13,425	96%
2017/2018	71,939	24,541	15,000	13,712	13,712	91%	13,712	91%	13,712	91%	13,712	91%
2018/2019	71,939	24,541	15,500	15,500	14,647	94%	14,647	94%	14,647	94%	14,647	94%

It is noted that there has been a marginal improvement in the number of registrations on the indigent register. The Municipality is committed to ensuring that it increases its efforts to meet the targets set in terms of its KPI for the Indigent Register.

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3.6.4 Free Basic Service Policy Objectives taken from IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	15,500 Indigent households to receive free basic services (water, electricity, sanitation and waste removal according to national guidelines) by 30 June 2019	15,000	13,712	15,500	14,647	15,500

3.6.5 Comment on the Performance of Free Basic Service Overall

The income threshold of R3 750 per month per household is substantially higher than the national norm. Because of the level of unemployment and the migration of labour to other cities, it is submitted that households in the Sol Plaatje Municipal area have far more occupants than the national average where multiple generations and extended family all reside in one property. To illustrate, one household may contain ten residents with a collective income of no more than R3 750 (subsistence of R375 per person) versus a national income threshold of e.g. R2 500 where the national norm for residents in a household may be five (subsistence of R500 per person). Consider also the levels of basic services provided where a household of ten must get by with 50kWH of electricity and 6KL of water per month compared with a household of five sharing the same level of service.

Our challenge is that we lack more accurate statistics to conduct a proper analysis of the level of basic services that are needed by our Municipal community and we also contend that we have not yet reached all our indigent households as the number may be as great as 25,000. This information is required to increase the levels of, and the funding for, basic services. With the establishment of the Sol Plaatje University it is intended to approach them for assistance in the conducting of various polls and research with a view to better understand our indigent community's needs.

We are experiencing a high incidence of water wasting by indigent households. This is mainly attributed to leaks through leaking pipes and broken/damaged toilet cisterns and, in some cases, the irresponsible use of water. As a result, the indigent debt on average is increasing and it is necessary to consider the use of technology to better regulate water consumption and reduce losses.

Cost to Municipality of Free Basic Services Delivered						
Services Delivered	2017/2018	2018/2019				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Original Budget	Variance to Adj Budget
Water	6 052 122	8 125 115	8 125 115	6 316 783	-22%	-22%
Waste Water (Sanitation)	11 503 629	21 867 186	16 867 186	17 018 656	-22%	1%
Electricity	8 156 332	12 023 149	12 023 149	6 955 704	-42%	-42%
Waste Management (Solid Waste)	16 769 687	15 000 000	12 000 000	11 716 362	-22%	-2%
Total (FBS)	42 481 770	57 015 450	49 015 450	42 007 505	-26%	-14%

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COMPONENT B: ROADS AND STORM WATER

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

3.7. INTRODUCTION TO ROADS AND STORM WATER

Roads and Storm Water section provides an effective, competitive and responsive infrastructure by ensuring continuous maintenance, refurbishment, upgrade and replacement of existing roads and storm water infrastructure assets in order to sustain service delivery and infrastructure development in the municipality.

By ensuring effective roads and Storm Water systems, this section contributes towards facilitating economic growth and social development, improving traffic flow and traffic safety by alleviating traffic congestion.

ROADS STATUS QUO, CHALLENGES AND MITIGATION STRATEGIES

The level of access to road infrastructure in Sol Plaatje Municipality is still at a satisfactory level, although the level of service as well as the overall condition of the road infrastructure may not be where it needs to be. With the Rural Road Assessment Management System programme underway, early indications already signal that the overall standards of roads range between fair and poor, with a very small percentage falling into good and very poor respectively.

Among all road classes and surface types, tarred roads are the most deteriorated, with potholes, rutting and aggregate loss highly visible. This is mainly due to the routine maintenance carried out over the past 15 to 20 years or so being less than the minimum maintenance required to sustain and conserve an intact infrastructure. This has caused a great backlog in the maintenance of tarred roads, resulting in the level of deterioration that we now sit with, leading to the municipality being unable to implement preventative maintenance but forced to catch up with reactive maintenance.

Due to financial constraints that the municipality has found itself in in recent years, the resealing of roads has not been budgeted for under the capital budget programme, leaving the Road and Storm Water Section having to rely on its operational budget to maintain and reseal its roads, which can basically only be patching of potholes, thus further setting back the efforts of focusing on preventative maintenance.

Only a little over 30% of municipal streets are dirt and gravel roads, and are thus not a great concern in terms of quality and maintenance requirements as other types of surfaces. Although the municipality may not have sufficient yellow fleet to match our extent of gravel roads network, great efforts are made to maintain gravel roads network in a drivable state under all weather conditions. The municipality is also continuously upgrading these gravel

roads into blocked paved surface, which is more durable and is of higher level of service. The gravel roads backlog has decreased from 229 to 225 after approximately 3.7km of gravel roads were paved in the year under review.

STORM WATER STATUS QUO, CHALLENGES AND MITIGATION STRATEGIES

The management of storm water in Sol Plaatje Municipality remains a major challenge; especially in low-lying areas as well as old developments where no consideration whatsoever was made for Storm Water management. The city has grown exponentially over the years, resulting in additional surface runoff, thus requiring upgrading of storm water infrastructure to accommodate additional discharge.

The compromised structural integrity and inadequate capacity of Tlhageng Retention Dam remains the biggest storm water threat, as it forms an integral part of the storm water network in Galeshewe. In order to address this risk, the upgrading of the retention dam is planned for 2019/2020 under the NDPG Upgrading of Storm Water in Galeshewe Project.

Maintenance of storm water infrastructure also remains a great challenge as available personnel resources and yellow fleet machinery at our disposal is inadequate to deal with the maintenance of storm water infrastructure, specifically the cleaning of major storm water canals and unblocking of catch pits.

3.7.1 Gravel Road Infrastructure

Kilometres				
Period	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2016/2017	229	0	4.7	95
2017/2018	223	0	5.7	77
2018/2019	220	0	6.3	0

3.7.2 Tarred Road Infrastructure

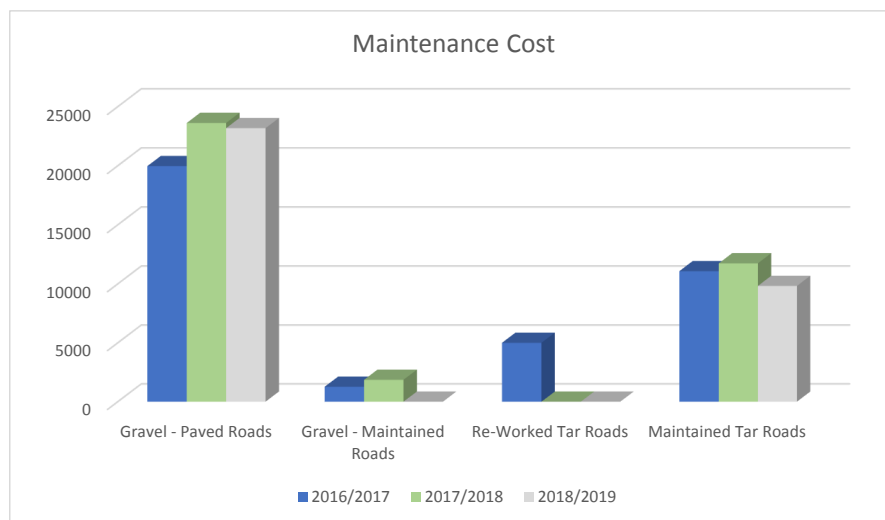
Kilometres					
Period	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2016/2017	585	4.7	0	5	5.2
2017/2018	589	3.7	0	0	5.8
2018/2019	589	0	0	0	4.9

3.7.3 Cost of construction/maintenance

Period	Gravel			Tar		
	New	Gravel – Tar	Maintained	New	Re-worked	Maintained
	R'000					
2016/2017	0	19 968	1 271	0	5 000	11 077
2017/2018	0	23 622	1 860	0	0	11 741
2018/2019	0	23 181	0	0	0	9 825

3.7.4 Road Infrastructure Cost

Bar chart depicting road infrastructure costs



3.7.5 Roads and Storm Water Service Objectives taken from IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	To upgrade at least 7 km of Galeshewe access roads to a paved surface by 30 June 2019 (Wards 6, 7, 9, 10 and 12)	2	3.7	7	9.29	4.5

Strategic objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	To complete 80% if the construction projects in terms of Priority 1 for the upgrading of storm water channels in Galeshewe by 30 June 2019	0	0	80%	80%	100%

3.7.6 Employees: Roads and Storm Water

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	1	1	1	0	0
Professionals	2	2	2	0	0
Technicians & Trade Workers	5	6	6	0	0
Clerks & Administration Workers	2	2	2	0	0
Community and Personal Workers	1	1	1	0	0
Sales and Service Workers	0	0	0	0	0
Plant & Machine Operators	8	22	10	12	54.55
Elementary Occupations	60	126	89	37	29.37
Total	80	161	112	49	30.43

3.7.7 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	196	35	35	194	454%
Expenditure					
Employees	24 195	23 515	23 048	21 982	-5%
Repairs and Maintenance	14 065	13 568	14 293	14 128	-1%
Other	840	1 285	1 194	669	-78%
Total Operational Expenditure	39 100	38 368	38 535	36 779	-5%
Net Operational Expenditure	38 904	38 333	38 500	36 585	-5%

3.7.8 Capital Expenditure 2018/2019 Roads and Storm Water

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Variance from Adjustment Budget	Total Project Value
	R'000			%		R'000
Total All	184 747	76 709	70 259	-38.03%	-8.41%	500 000
Resealing of Roads	13 048	18 709	18 677	43%	0%	18 709
Galeshewe Storm water Projects	171 699	58 000	51 582	-66%	-11%	58 000
Total All Storm water	171 699	58 000	51 582			

3.7.9 Comment on the Performance of Roads and Storm Water Services Overall

Notwithstanding the above scenario, the municipality has in the past financial year 2018/2019 managed to make some strides into improving the roads and storm water condition in the municipality.

The municipality has over the past year been able to perform minor resurfacing and rehabilitation on some of the major arterial roads with funds allocated from the district municipality, as well as do upgrades to residential roads from gravel to a paved surface from funds allocated through grant funding. These methods have proven to be more effective with a much longer life cycle than patching repairs and re-gravelling, and the municipality intends adopting these methods of asset management strategy in order to prolong and preserve our road infrastructure.

Some of the wards that benefitted from the paving of roads are wards 6, 8, 13, 15, and 19. These two programmes saw approximately 6.3km of roads being paved.

Very little was done in 2018/2019 financial year in regard to the actual upgrading of storm water infrastructure, although a number of major storm water canals and catch pits were maintained in order to sustain the network and maintain an adequate level of storm water management. However, a lot was done in conducting studies and analysing storm water conditions and challenges in Galeshewe in preparation for the upgrading of storm water infrastructure in Galeshewe through National Development Programme Grant funding.

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: Strategic Planning and Economic Development.

3.8 STRATEGIC ECONOMIC DEVELOPMENT AND PLANNING (SEDP)

3.8.1 Introduction

The Directorate Strategy, Economic Development and Planning (SEDP) is a directorate that is tasked with the responsibility to ignite spatial and economic growth for the Municipal jurisdiction. The Directorate constitutes five sub-directorates, i.e. Local Economic Development (LED), Fresh Produce Market, Property Services, Urban Renewal Programme (URP) and Town Planning Services.

LED is one of the most critical sub directorates in the Municipality in as far as fostering economic growth and creation of employment. It comprises Tourism, Investments Promotion, SMME Support and Area-Based Management.

The SEDP directorate is the nerve centre of Sol Plaatje Local Municipality development and growth, in recent times SEDP explored Transport Orientation Development (TOD) linking the primary hub (CBD) and the Secondary hub (Galeshewe) to unlock development in the City.

This section will succinctly give account of key governance issues, challenges and achievements.

SEDP Vision

Creation of quality urban spaces for sustained development and growth.

SEDP Mission Statement

Promote sustainable local socio-economic and environmental development through sound urban planning and land use management.

ACHIEVEMENTS

SEDP Directorate prides itself on achievements despite the challenges it faces.

SEDP completed township establishment in Lethabo Park thus providing property ownership and security of tenure to 1,884 new house owners.

SEDP prides itself for processing and finalising 82% of land use applications through Municipal Planning Tribunal, MPT. Such has huge positive developmental impact for the city, increased revenue base for the municipality as well as injection of direct and indirect job creation pre- and post-construction period. Most of these applications, rezoning, subdivisions

and consolidations, can be attributed to the existence of Sol Plaatje University (SPU). Huge investments in developing SPU are catalysts to various spinoffs, such as the ones cited above – land use applications.

Whilst acknowledging building plans' backlog the city is faced with, it is important to note that there are significant strides in reduction of this backlog of building plans which predates to seven or so years. 116 building plans were processed contributing to general investment in the city and perpetual improved revenue through rates and taxes. Challenges that affected maximum productivity in this section are continuously being addressed.

Platforms for marketing of the city to promote Tourism were utilised through showcasing of tourism products to wider national and international audiences. Four platforms where SPM tourism was marketed was at the NOCCI Expo and Trade Fair, Beeld Holiday Show, Durban Tourism/Africa's Travel Indaba as well as through SPMs own initiative of Media Tour 'Hidden Gems' attracting various media houses where these hidden gems are showcased so they can market them through their various mediums.

Sixty-five SMMEs were provided with training on developmental programmes through various initiatives such as Coca Cola Grow Your Business workshop, Bridge2Biz workshop, through provision of working equipment such as fridges, printers, cameras, etc. Another achievement under year in review was successful implementation of Urban Networks Strategy (UNS) through procurement for taxi-laybys project as part of Transport Oriented Development (TOD), which underpins success of UNS.

Flagship project that is worth to mention in successful implementation of UNS/TOD is Upgrading of Storm Water in Galeshewe along the Activity Corridor. This project is implemented in partnership with the Neighbourhood Development Programme Grant (NDPG) at an MTREF allocation of R500 million. In implementing UNS effectively, it is prudent to ensure that basic infrastructure is up to acceptable standard before any form of other developments can be promoted and/or supported by National Treasury. SEDP had achieved 74% implementation. Beyond this milestone the project was taken away from SEDP.

There is improvement in turnaround times for approval of building plans when compared to prior years. The Sol Plaatje Municipality through Urban Planning division had its application approved for participation in Integrated Urban Development Framework (IUDF) which was approved by cabinet in 2016 – the "New Deal". SPM is one of seven municipalities that were approved for IUDF, an achievement on which we pride ourselves. Its implementation, as guided by COGHSTA nationally, has since commenced with an approval of Capital Expenditure Framework (CEF) – a ten-year developmental plan for the city. This is envisaged to be implemented in the next financial year.

As part of SPLUMA (2013) implementation, the Municipal Planning Tribunal (MPT) continues to process land use applications on a regular basis thus expediting developments.

GOOD GOVERNANCE

The effectiveness and efficiency of the SEDP Directorate is effectively realised on premise of inter-sectoral partnerships with different partners including other municipalities and different spheres of government.

PERSONNEL SKILLS DEVELOPMENT

Skills development for staff members is an on-going practice aimed at enhancing skills for the workforce. This is done through SPMs Human Resources department. Through LED Unit there were twenty-eight students who were assisted through bursary from Services Seta to study Bachelor Degree of Technology in Project Management. In April 2018 nineteen of the employees passed and graduated.

Town Planners, including Town Planning interns were exposed to SPLUMA training workshops at a provincial and national level. Through Frances Baard District Municipality, they also formed an integral part of Climate Change programmes. It must be acknowledged that these are regarded as part of personnel's skills development in spite of these not being certificated. Three LED personnel enrolled on B Tech Degree in Project Management with the Central University of Technology.

INTERGOVERNMENTAL RELATIONS

In understanding value linked to relationships, SEDP pursued same for envisaged positive impact on its developmental agenda. Various forms of partnerships and relationships were entered into in the year under review.

SEDP is in partnership with the national Department of Co-operative Governance and Traditional Affairs (CoGTA) and provincial Department of Co-operative Governance, Human Settlements and Traditional Affairs (CoGHSTA) through IUDF and CEF.

Frances Baard District Municipality is our partner mostly on economic development and Tourism, with direct funding support.

Further engagements are with the national Department of Human Settlements working on Priority Housing Development Areas (PHDAs), an initiative by the department aimed at high impact integrated development in cities. SEDP submitted an application for inclusion of development zones on PHDAs, which was approved by Council, currently awaiting Minister's final approval. This is a great success for SEDP and a great initiative for the city.

An initiative aimed at revamping of Tourism Information Centres under auspices of 4th Industrial Revolution; as well as an initiative of provision of land for development of government office space were all engaged with SEDP. National Department of Tourism as well as National Department of Public Works were involved.

Provincial engagement with provincial Dedat on Red Tape Reduction for small businesses was concluded with SEDP.

National Department of Arts and Culture was engaged on promotion of Golden Mzansi economy.

Some of these engagements need further deliberations.

Continuous engagements are held with National Treasury on the implementation of the Urban Networks Strategy (UNS), with implementation having commenced in previous financial years.

A benchmarking exercise was embarked on with the City of Ekurhuleni on major development matters, an insightful exercise that it would be ideal to pursue in future.

3.8.2 Employees: SEDP

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	9	21	15	6	28.57
Professionals	6	19	13	6	31.58
Technicians & Trade Workers	14	29	12	17	58.62
Clerks & Administrative Workers	32	61	59	2	3.28
Community and Personal Workers	0	5	3	2	40
Service and Sales Workers	0	7	5	2	28.57
Plant & Machine Operators	0	2	0	2	100
Elementary Occupations	22	34	28	6	17.65
Total	84	179	136	43	24.02

The Strategic Planning and Economic Development Directorate include the following sections:

- Urban Planning
- Property Services
- LED
- Fresh Produce Market
- URP

3.9 URBAN PLANNING

The Urban Planning Division is a strategic Division within the Municipality mandated to focus on the containment of an orderly built environment and proper land use management for various land uses i.e. industrial, institutional, residential and various businesses.

The Division is a sub-directorate within the Directorate: Strategy, Economic Development and Planning and has two main sub-sections namely: Town Planning and Building Control Section. The Urban Planning Division oversees:

- Urban Planning services i.e. provision of zoning information and processing of various land use applications i.e. rezoning applications as well as enforcement of town planning scheme rules.
- Building Control - Plan submission, inspection and (dis) approval thereof.
- Maintenance of municipal owned buildings.

The Urban Planning Section is central in developing and promoting an integrated town committed to addressing spatial injustices and guides development towards a vibrant, resilient and sustainable urban and rural areas. In response to spatial transformation, the Urban Planning Section acknowledges that spatial restructuring is necessary to accelerate investment and create opportunities that will enhance the economy and achieve strategic goals of the Municipality.

SUCSESSES IN 2018/2019

INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)

Spatial transformation is one of the notable imperatives nationally and hence the Integrated Urban Development Framework (IUDF) was adopted by Cabinet in April 2016. The Framework marks a new deal for South Africa's cities and towns as they respond to the challenges of economic growth, spatial transformation and city resilience.

Part of the success story of the IUDF was that Sol Plaatje Municipality was selected as the only pilot municipality in the Northern Cape Province amongst other local municipalities in the province. Furthermore, out of a total of 278 municipalities nationally only seven identified Intermediate City Municipalities qualified to participate in the IUDF programme.

Moreover, the municipality has managed to compile and finalise the ten-year Capital Expenditure Framework (CEF) in collaboration with provincial Department of CoGHSTA which was submitted to the National Department of Co-Operative Governance and Traditional Affairs for approval. Lastly, it is envisaged that IUDG (Integrated Urban Development Grant) will be implemented during the next financial year 2019/2020.

SPLUMA (MUNICIPAL PLANNING TRIBUNAL)

Consequent to the endorsement and operational of the Sol Plaatje Land Use Management By-laws, 2015 and Municipal Planning Tribunal (MPT), the process has ensured that high-value developments are not subjected to lengthy land use processes and hence increased private sector investment and turnaround time for approvals. As such, for the financial year 2018/2019, a total of seven MPT Hearings were conducted in order to consider various land development applications to ensure that private investment development is enhanced in the municipality.

SPLUMA (MUNICIPAL APPEALS TRIBUNAL):

During the financial year (2018/2019), the municipality managed to successfully establish and ensure the operation of the Municipal Appeals Tribunal (MAT) in terms of the Spatial Planning and Land Use Management Act, 2013 (SPLUMA). Moreover, only two appeals were lodged and successfully disposed by the MAT. The core mandate of the MAT is to assist the municipality to deal with and dispose of appeals, which is therefore an important decision-maker in the land development process where decisions by the Municipal Planning Tribunal and Authorised Official are appealed.

TOWNSHIP ESTABLISHMENT (PLANNING & SURVEYING)

In order to ensure that the Municipality successfully addresses the need of delivering security of tenure to the community, the Urban Planning Division has managed to identify various potential areas for human settlement project purposes and some projects have already commenced while some are in the final stages of completion.

In the financial year 2018/2019 the Urban Planning Division has the following projects to report on:

- Lethabo Park (Ivory Park Extension): plus/minus 1,844 Erven (All specialist studies completed, Layout Plan and Draft SG are in place).
- Churches: Twelve erven have been finalised in terms of planning and surveying and four erven will be tabled for MPT consideration in the next financial year 2019/2020.

MAINTENANCE OF PROPERTIES

The maintenance of properties managed to renovate the Motswedimosa Hall & pay point in Ritchie. Moreover, the swimming pools in Galeshewe and Floors were upgraded in the financial year 2018/2019. Amongst other works completed to date, the maintenance of properties has ensured adequate maintenance of municipal facilities i.e. painting of offices for various staff members.

BUILDING CONTROL SECTION

The Building Control Section has improved in terms of the enforcement of SANS10400 standards as outlined in the National Building Regulations Act 103 of 1977. Furthermore in

terms of enforcement the municipality successfully managed to demolish the illegal alterations that were done on a property at 11 Cape Town Road, Beaconsfield, amongst others.

The successful implementation of as-built fees have seen an improvement in terms of compliance towards the National Building Regulations Act 103 of 1977 the Building Control Department serves to regulate the erection of all buildings to ensure their compliance with the National Building Regulations and related SANS 10400 standards the Building Control Department serves to regulate the erection of all buildings to ensure their compliance with the National Building Regulations and related SANS 10400 standards

CHALLENGES

- Unavailability of bulk infrastructure in strategic land or areas hence hindering development i.e. Mac Dougal Mixed Use Precinct;
- Lack of adequate funding to initiate and fast-track planning and surveying projects to achieve spatial transformation
- Illegal land uses i.e. Tuck Shops and Guest Houses.
- Inadequate staff in Building Control Section.

PROPOSED SOLUTIONS TO THE CHALLENGES

- Council should consider increasing internal budget of the Urban Planning Section to affect the agenda of spatial transformation in the municipality
- Capacitate the Urban Planning staff through the internship programme
- Increase the number of fines issued for illegal residential businesses
- Introduce scarce skills policy to retain the current Town Planners.

3.9.1 Planning Policy Objectives Taken from IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development /
Local Economic Development

Strategic Objectives	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
Develop suitable located and affordable housing (shelter) and decent human settlements	To plan and survey 2,000 erven in Lethabo Park by 30 June 2019	0	0	2,000	1,844	Not a target
To ensure effective spatial planning and development in order to establish a competitive economic position	Ensuring a response time for building plan submissions received in the current financial year for buildings or architectural buildings less than 500m ² annually	6 wks	8.4 wks	6 wks	16.5 wks	6 wks
To ensure effective spatial planning and development in order to establish a competitive economic position	Ensuring a response time for building plan submissions received in the current financial year for buildings or architectural buildings greater than 500m ² annually	10 wks	17 wks	10 wks	10.63 wks	10 wks
To ensure effective spatial planning and development in order to establish a competitive economic position	To process at least 100 building plans that were received before 1 July 2018 by the end of the current financial year (30 June 2019)	100	89	100	116	100
To ensure effective spatial planning and development in order to establish a competitive economic position	To process all category 1 land use applications received until 30 April of the current financial year through MPT (Municipal Planning Tribunal) by 30 June 2019 in terms of SPLUMA by-law (2015)	100%	82%	100%	82%	100%

3.9.2 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	–	–	–	–	0%
Expenditure					
Employees	2 871	3 834	3 674	2 902	-27%
Repairs and Maintenance	–	10	10	9	
Other	83	196	174	29	-505%
Total Operational Expenditure	2 954	4 040	3 858	2 939	-31%
Net Operational Expenditure	2 954	4 040	3 858	2 939	-31%

3.9.3 Capital Expenditure Year 2018/2019: Planning Services

The following were capital budgets for

Capital Projects	Budget	Adj Budget	Actual Expenditure	Variance from original budget	Variance from adjustment budget	Total Project Value
	R'000			%		R'000
Total All	5 000	2 800	2 660	-47%	-5%	2 800
Planning and surveying plots to be sold	5 000	2 800	2 660	-47%	-5%	2 800

3.9.4 Comment on the Performance of Physical Planning Overall

Sol Plaatje Municipality was selected as the only pilot municipality in the Northern Cape Province amongst other local municipalities in the province. Furthermore, out of a total of 278 municipalities nationally only seven identified Intermediate City Municipalities qualified to participate in the IUDF programme.

Lastly in terms of security of tenure the municipality managed to complete all specialist studies for Lethabo Park (Ivory Park Extension) which resulted in plus/minus 1,844 Erven.

3.10 PROPERTY SERVICES

3.10.1 Introduction to Property Services

The Property Section is a sub-directorate within the Directorate Strategy, Economic Development and Planning and oversees the sale as well as leasing of the various properties of municipality. Amongst other roles the property section deals with are the following:

- Leasing of Property.
- Alienation of municipal land to both public and private sector.
- Administration of temporary use of municipal land i.e. Church Crusades and Awareness Campaigns by various public and private entities.

Moreover, the property section ensures that the council's property portfolio is managed and administered in an efficient manner.

SUCCESSES IN 2018/2019

ALIENATION OF MUNICIPAL LAND

Amongst other alienations the properties managed to secure council approval for proposed alienation of erven in Colville for purposes of Social Housing purposes. It is envisaged that in the financial year 2019/20 all transfer processes will be concluded. Furthermore, there are properties that are no longer required by the municipality and will go through competitive public tendering processes during the financial year 2019/2020.

LEASING OF MUNICIPAL LAND

In the financial year 2018/2019 there were eleven (08) renewals for the existing leases. The importance of the lease agreements is to enable the municipality to claim possession of the property once the lease period has expired. Furthermore, this also provides the municipality with an opportunity to set some clear boundaries in terms of use of the property.

CHALLENGES IN 2018/2019

SERVICING OF ERVEN

Provision of serviced land as a form of service delivery by the Sol Plaatje Municipality is quite a challenge due to limitation of bulk infrastructure available. This is evident in an area such as South Ridge whereby the municipality have land planned and surveyed the area, however only few erven are situated in area where there is bulk availability and the majority of erven still require bulk services.

There is a growing backlog of request for serviced land in the municipality and as a result of members of the public whom cannot afford bonds from major retail banks and also do not qualify for the BNG (Breaking New Ground) houses. The availability of serviced land will shorten the time of acquisition of land and also address growing number of service delivery protests.

INVASION OF MUNICIPAL OWNED LAND

In the year 2018/2019 the municipality experienced growing cases of unlawful occupation of land which had impact on the IDP (Integrated Development Plan) projects such as water & sanitation project in Phomolong and also infringed upon service delivery objectives of council.

3.10.2 Property Services Objectives Taken From IDP

Municipal Key Performance Area: Local Economic Development

There were no KPIs for Property Services during the period under review.

3.10.3 Comment on the Performance of Property Services Overall

Amongst other alienations the properties managed to secure council approval for proposed alienation of erven in Colville for purposes of Social Housing purposes. This will enable the restructuring zone in the vicinity of Colville to be active and also attract investment from SHRA (Social Housing Regulatory Authority). Moreover, the municipality have also begun negotiations with the Sol Plaatje University for land release in order for the university to expand.

3.11 LOCAL ECONOMIC DEVELOPMENT

3.11.1 Introduction to Economic Development

Evidence-based policy making and results-based management aim to improve the performance of organisations, policies and programmes by enabling the accurate measurement of progress and results required for management and policy decisions. Within the notion of the developmental state, Local Economic Development (LED) uses the development planning and implementation capacities of local government to accrue economic benefit to the locality with the aim of addressing development problems such as unemployment, poverty and market failure at the local level. While promoting the economic welfare of citizens is a critical objective of local government, the absence of specific indicators for LED measurement hampers their ability to successfully determine whether their efforts are achieving the expected results.

The main aim of Sol Plaatje Municipality (SPM) as a local government is to deliver the local economic development results that it promises to its people. Local Economic Development goals are often expressed as intangible, long-term outcomes of what the SPM wishes to achieve or change in society. LED goals are translated into actionable policies, programmes and projects with more tangible outputs, which constitute progress towards attainment of the outcome. While the latest public administration and governance reforms advocate that the state is not the sole implementing agent of Local economic development programmes, an effective SPM's LED unit is essential to govern at different levels to achieve sustainable socioeconomic development. Governance responsibilities translate into increasing demands on government to be more responsive to citizen needs, more accountable and transparent and to provide tangible evidence of their development results.

The Constitution of South Africa (Act 108 of 1996) specifies the third of five objectives of local government as the promotion of social and economic development. The White Paper on Local Government (1998) specifies the four characteristics of a developmental local government as “maximising social and economic growth; integrating and coordinating government/business non-profit sector activities; democratising development through empowerment and redistribution; and fostering 'social capital' at the local level via a leadership approach committed to learning”.

The Local Government: Municipal Systems Act 2000 (Act 32 of 2000) requires municipalities to adopt an Integrated Development Plan (IDP) that describes the development strategy of the local government. Complementing to or ingrained in the IDP, the local economic development (LED) strategy should describe the interventions, programmes and projects that the municipality intends to implement in responding to the identified development needs and competitive advantages of the area of jurisdiction. Within this context, SPM as a local government is being challenged to take up the central role for promoting economic development and growth by enhancing “the range of strategic socio-economic interventions which undertake, to secure investment, encourage growth and deal with issues of social exclusion and poverty.

Misconceptions of what 'developmental local government' entails, resulted in SPM as a local authority in implementing small-scale 'LED projects' under the auspices of local economic development. However, within the context of the governance role of the SPM's LED Unit, the philosophy behind LED (confirmed also in academic and applied literature) does not see SPM as local government directly initiating and funding job-creation projects, but rather creating a facilitative, enabling environment where different drivers and actors of the local economy may be synergised to promote the local economy of SPM, enhance job creation and increase both the physical and human capacities needed for sustainable development.

In this sense, "infrastructure development, service delivery, municipal financial viability and local economic development are interdependent and SPM as municipality should use LED Unit to develop strategies and management practices that take on a holistic and integrated approach". (DPLG National LED Framework 2007:20). LED becomes the collaborative efforts of government, non-government or private sector actors to promote and expand economic activity in a locality, thereby enhancing economic development and improving the welfare of residents.

While the idea of public governed local economic government is noble, the reality of severe organisational, financial and human capacity constraints and the sheer extent of the poverty and social development problems hinder SPM as local government the ability to promote actively economic development through the formulation and implementation of a LED strategy. The DPLG identifies a lack of funds, a shortage of skilled staff and a lack of experience with LED as common constraints to LED. For instance, LED Unit of SPM has developed its LED Strategy in 2008 and since then due to financial challenges could not review its strategy to date as the financial resources within SPM are channelled to infrastructure related projects.

Despite the challenges, the need for LED is too great to ignore. It falls to the promoters and implementers of LED in SPM to accept this challenge (as) much can be achieved, even in relatively remote, poorly resourced locality such as SPM's LED unit.

3.11.2 Economic Activity by Sector

Sector	2016/2017	2017/2018	2018/2019
Agriculture, forestry and fishing	0	0	0
Mining and quarrying (Social and Labour Plans)	1,800	0	0
Manufacturing	0	0	0
Electricity (Droogfontein Solar Farm investment)	0	0	0
Tourism (Diamond and Dorings)	1,800	2,300	2,500
Finance, property, etc.	0	0	0
Government, community and social services	0	0	0
Infrastructure services (SMMEs Village: mLab NC and Ritchie Incubator)	550	1,500	3,350
Total	4,150	2,800	5,850

3.11.3 Comment on Local Job Opportunities

TOTAL EMPLOYMENT

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.

Total employment consists of two parts: employment in the formal sector, and employment in the informal sector.

TABLE 5. Total employment - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2007-2017 [numbers]

Year	Sol Plaatje	Frances Baard	Northern Cape	National Total
2007	58,700	84,200	272,000	13,500,000
2008	61,700	87,500	285,000	14,100,000
2009	60,800	85,100	281,000	14,000,000
2010	58,300	80,600	273,000	13,600,000
2011	59,300	81,200	278,000	13,800,000
2012	62,900	85,500	288,000	14,000,000
2013	66,100	89,600	300,000	14,500,000
2014	68,200	92,400	311,000	15,100,000
2015	67,600	91,600	314,000	15,500,000
2016	67,100	90,900	314,000	15,700,000
2017	66,500	90,300	317,000	15,900,000
Average Annual growth				
2007-2017	1.26%	0.70%	1.53%	1.61%

Source: IHS Markit Regional eXplorer version 1570

In 2017, Sol Plaatje employed 66 500 people which is 73.66% of the total employment in Frances Baard District Municipality (90 300), 21.01% of total employment in Northern Cape Province (317 000), and 0.42% of the total employment of 15.9 million in South Africa. Employment within Sol Plaatje increased annually at an average rate of 1.26% from 2007 to 2017.

TABLE 6. Total employment per broad economic sector - Sol Plaatje and the rest of Frances Baard, 2017 [Numbers]

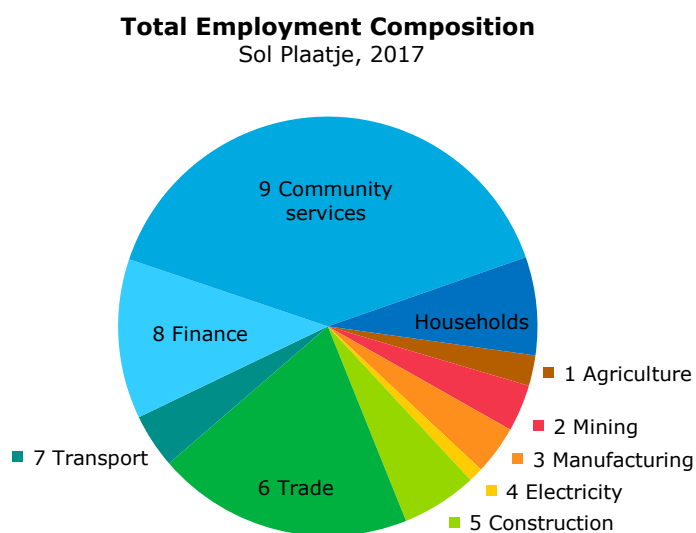
Sector	Sol Plaatje	Dikgatlong	Magareng	Phokwane	Total Frances Baard
Agriculture	1,560	620	385	1,320	3,885
Mining	2,410	771	201	811	4,193
Manufacturing	2,500	436	108	455	3,499
Electricity	749	60	82	183	1,073
Construction	3,880	429	279	805	5,391
Trade	13,100	1,470	658	2,770	18,032
Transport	2,800	290	152	273	3,511
Finance	8,190	575	265	1,000	10,029
Community services	26,300	2,190	1,280	3,640	33,356
Households	5,030	817	301	1,170	7,317
Total	66,500	7,660	3,700	12,400	90,288

Source: IHS Markit Regional eXplorer version 1570

Sol Plaatje Local Municipality employs a total number of 66,500 people within its local municipality. Sol Plaatje Local Municipality also employs the highest number of people within Frances Baard District Municipality. The local municipality that employs the lowest number of people relative to the other regions within Frances Baard District Municipality is Magareng local municipality with a total number of 3,700 employed people.

In Sol Plaatje Local Municipality the economic sectors that recorded the largest number of employment in 2017 were the community services sector with a total of 26,200 employed people or 39.5% of total employment in the local municipality. The trade sector with a total of 13,100 (19.8%) employs the second highest number of people relative to the rest of the sectors. The electricity sector with 749 (1.1%) is the sector that employs the least number of people in Sol Plaatje Local Municipality, followed by the agriculture sector with 1,560 (2.4%) people employed.

CHART 6. Total employment per broad economic sector - Sol Plaatje Local Municipality, 2017
[percentage]



Source: IHS Markit Regional eXplorer version 1570

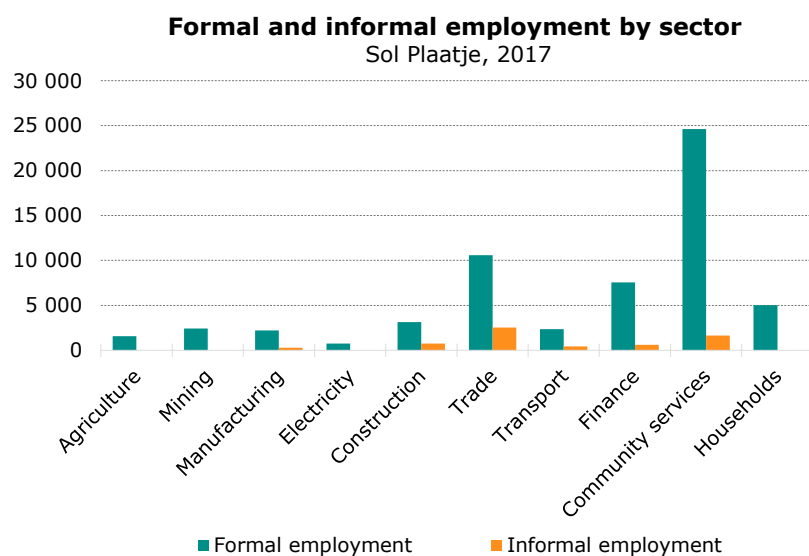
FORMAL AND INFORMAL EMPLOYMENT

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in Sol Plaatje Local Municipality counted 60,300 in 2017, which is about 90.60% of total employment, while the number of people employed in the informal sector counted 6,250 or 9.40% of the total employment. Informal employment in Sol Plaatje increased from 3,760 in 2007 to an estimated 6,250 in 2017.

CHART 7. Formal and informal employment by broad economic sector - Sol Plaatje Local Municipality, 2017 [numbers]



Source: IHS Markit Regional eXplorer version 1570

Some of the economic sectors have little or no informal employment:

Mining industry, due to well-regulated mining safety policies, and the strict registration of a mine, has little or no informal employment. The Electricity sector is also well regulated, making it difficult to get information on informal employment. Domestic Workers and employment in the Agriculture sector is typically counted under a separate heading.

In 2017 the Trade sector recorded the highest number of informally employed, with a total of 2,540 employees or 40.62% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 278 and only contributes 4.45% to total informal employment.

TABLE 7. Formal and informal employment by broad economic sector - Sol Plaatje Local Municipality, 2017 [numbers]

Sector	Formal employment	Informal employment
Agriculture	1,560	N/A
Mining	2,410	N/A
Manufacturing	2,220	278
Electricity	749	N/A
Construction	3,130	750
Trade	10,600	2,540
Transport	2,370	430
Finance	7,560	627
Community services	24,600	1,630
Households	5,030	N/A

Source: IHS Markit Regional eXplorer version 1570

The informal sector is vital for the areas with very high unemployment and very low labour participation rates. Unemployed people see participating in the informal sector as a survival strategy. The most desirable situation would be to get a stable formal job. But because the formal economy is not growing fast enough to generate adequate jobs, the informal sector is used as a survival mechanism.

3.11.4 Jobs Created during 2018/2019 by LED Initiatives (Excluding EPWP projects)

Total Jobs created / Top Three initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
No.				
Total (all initiatives)				
2017/2018			1,857	1,857 temporary jobs were created through tourism initiatives.
2018/2019			96	Jobs were created through the following events: 2 Nocchi Business Expo 77 Media Tour 17 Draai by di Y

3.11.5 Job creation through EPWP* projects

Details	EPWP Projects	Jobs created through EPWP projects *FTEs
	No.	No.
2015/2016	16	934
2016/2017	4	366
2017/2018	14	407
2018/2019	13	478
* <i>Extended Public Works Programme</i> * "Full Time Equivalent Job (FTE)" means 230-person day of work created by an EPWP project within a financial year.		

3.11.6 Local Economic Development Objectives taken from IDP

Municipal Key Performance Area: Local Economic Development

Strategic Objectives	Key Performance Indicators	2016/2017			2017/2018		2018/2019	
		Revised Target	Actual	Revised Target	Actual	Revised Target	Actual	Revised Target
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Achieve annual revenue for the TRAM that exceeds R40 000.00	R60 000	R33 170	R60 000	R38 390	R40 000	R40 000	R31 434.76
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Marketing programmes for tourism promotion	6	9	8	11	3	3	4
To provide an enabling environment for	Host the Diamond &	1	1	1	1	1	1	0

Strategic Objectives	Key Performance Indicators	2016/2017			2017/2018		2018/2019	
		Revised Target	Actual	Revised Target	Actual	Revised Target	Actual	Revised Target
LED in SPM within the context of National and Provincial Frameworks	Dorings Music festival annually							
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Facilitate the functioning of the LED forum	4	2	4	2	4	4	2
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Submit applications for external funding to implement the CBD Framework (two for each manager per annum)	6	0	8	1	8	8	6

Strategic Objectives	Key Performance Indicators	2016/2017			2017/2018		2018/2019	
		Revised Target	Actual	Revised Target	Actual	Revised Target	Actual	Revised Target
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Hold workshops to train and develop SMME's	4	6	4	4	4	4	6
Marketing the Municipality as a premier destination for tourism and investment	Host an investment summit by end September 2017	0	0	1	0	1	1	0
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Enter into twinning agreement with other municipalities and other departments	2	4	1	0	1	1	1

Strategic Objectives	Key Performance Indicators	2016/2017			2017/2018		2018/2019	
		Revised Target	Actual	Revised Target	Actual	Revised Target	Actual	Revised Target
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Enter into twinning agreement with other municipalities/De partments for tourism	2	5	4	1	2	2	2
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Development an outdoor advertisement policy by end June	1	1	1	1	1	1	Draft is completed
Marketing the Municipality as a premier destination for tourism and investment	Submit application to National Treasury by end June to extend the	1	1	1	1	1	1	1

Strategic Objectives	Key Performance Indicators	2016/2017			2017/2018		2018/2019	
		Revised Target	Actual	Revised Target	Actual	Revised Target	Actual	Revised Target
	demarcation of UDZ							
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Development a creation of marketing platforms for local crafters and guest houses	2	0	2	2	4	4	0
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Facilitate and host a Media Tour	1	0	1	2	1	1	1
To provide an enabling environment for LED in SPM	Promote tourism into the city using arts, culture and heritage as a	4	9	4	4	4	4	2

Strategic Objectives	Key Performance Indicators	2016/2017			2017/2018		2018/2019	
		Revised Target	Actual	Revised Target	Actual	Revised Target	Actual	Revised Target
within the context of National and Provincial Frameworks	strategy by creating a marketing platform for SMME's through at least 4 events partnered by Sol Plaatje on an annual basis.							
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Support SMME's through business incubation by setting up developmental programmes for at least 10 businesses annually	10	22	10	32	10	10	65
To provide an enabling environment for LED in SPM	Quarterly data analysis of EconoMonitor with a view to	4	4	0	0	0	0	0

Strategic Objectives	Key Performance Indicators	2016/2017			2017/2018		2018/2019	
		Revised Target	Actual	Revised Target	Actual	Revised Target	Actual	Revised Target
within the context of National and Provincial Frameworks	match findings with a potential investment opportunity							
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Facilitation process for DBSA logistics Hub Feasibility Study	10	0	0	0	0	0	0
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Finalisation of a strategic/feasibility plan for the upgrade and transformation of Fresh Produce Market by end June 2017	100%	25%	0	0	0	0	0
To develop sustainable living	To complete Local Economic	0	0	1	0	0	1	Old Mutual has finalised the

Strategic Objectives	Key Performance Indicators	2016/2017			2017/2018		2018/2019	
		Revised Target	Actual	Revised Target	Actual	Revised Target	Actual	Revised Target
through job creation (EPWP and other initiatives)	Development Strategy by 30 June 2018							contract with University of Johannesburg and committed R1 million towards the review of strategy
Marketing the Municipality as a premier destination for tourism and investment	Facilitate of functioning of a bus waiting area	0	0	100%	0%	100%	100%	0%
Marketing the Municipality as a premier destination for tourism and investment	Develop a concept document for development of movable bird hides at Kamfersdam	0	0	1	1	0	0	0

Strategic Objectives	Key Performance Indicators	2016/2017			2017/2018		2018/2019	
		Revised Target	Actual	Revised Target	Actual	Revised Target	Actual	Revised Target
Marketing the Municipality as a premier destination for tourism and investment	Jobs created through tourism initiatives	0	0	600	1428	600	600	2
Marketing the Municipality as a premier destination for tourism and investment	Cleaning campaign specific to tourism roadways	0	0	4	1	1	1	1
Marketing the Municipality as a premier destination for tourism and investment	Development of Old Robert Sobukwe's house into an Information Centre			100%	70%	100%	100%	T70%
Marketing the Municipality as a premier destination for	Design and content for tourism event loyalty application	0	0	100%	50%	100%	100%	50% (Draft loyalty application was completed)

Strategic Objectives	Key Performance Indicators	2016/2017			2017/2018		2018/2019	
		Revised Target	Actual	Revised Target	Actual	Revised Target	Actual	Revised Target
tourism and investment								
Marketing the Municipality as a premier destination for tourism and investment	Complete a web-based value proposition that can be used as a marketing tool for Kimberley as an investment destination			1	1	1	1	1
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	To complete Local Economic Development Strategy by 30 th June 2019	1	1	1	1	1	1	1
To provide an enabling environment for LED in SPM	Development of the city's events calendar with monthly uploads	1	1	1	1	1	1	1

Strategic Objectives	Key Performance Indicators	2016/2017			2017/2018		2018/2019	
		Revised Target	Actual	Revised Target	Actual	Revised Target	Actual	Revised Target
within the context of National and Provincial Frameworks								

3.11.7 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	1 006	970	970	854	-12%
Expenditure					
Employees	7 400	7 348	7 348	7 302	-1%
Repairs and Maintenance	987	952	1 466	1 042	-29%
Other	347	268	256	216	-16%
Total Operational Expenditure	8 735	8 568	9 071	8 560	-6%
Net Operational Expenditure	7 729	7 598	8 101	7 706	-5%

3.11.8 Capital Expenditure 2018/2019

There was no capital expenditure during the period under review.

3.11.9 Comment on Local Economic Development Performance Overall

With a GDP of R28.5 billion in 2017 (up from R13.6 billion in 2007); the Sol Plaatje Local Municipality contributed 79.41% to the Frances Baard District Municipality GDP of R35.9 billion in 2017 increasing in the share of the Frances Baard from 76.90% in 2007. The Sol Plaatje Local Municipality contributes 28.52% to the GDP of Northern Cape Province and 0.61% the GDP of South Africa which had a total GDP of R4.65 trillion in 2017 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2007 when it contributed 0.65% to South Africa, but it is lower than the peak of 0.65% in 2007.

TABLE 8. Gross Domestic Product (GDP) - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2007-2017 [R billions, Current prices]

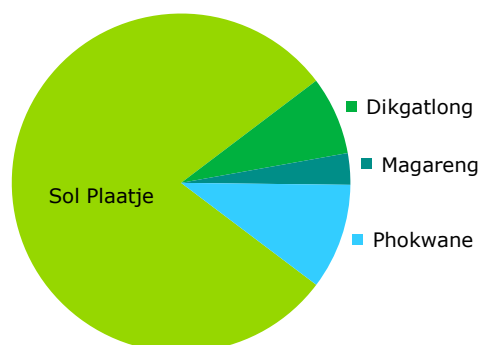
Year	Sol Plaatje	Frances Baard	Northern Cape	National Total	Sol Plaatje as % of district municipality	Sol Plaatje as % of province	Sol Plaatje as % of national
2007	13.6	17.7	47.8	2,109.5	76.9%	28.4%	0.65%
2008	15.2	19.7	54.7	2,369.1	77.0%	27.8%	0.64%
2009	15.0	19.3	54.4	2,507.7	77.5%	27.5%	0.60%
2010	16.5	21.1	60.1	2,748.0	78.1%	27.5%	0.60%
2011	17.6	22.4	64.0	3,023.7	78.5%	27.4%	0.58%
2012	18.9	24.0	68.2	3,253.9	78.7%	27.7%	0.58%
2013	19.9	25.3	72.6	3,540.0	78.5%	27.4%	0.56%
2014	23.7	30.0	83.5	3,805.3	78.9%	28.4%	0.62%
2015	24.9	31.4	85.7	4,051.4	79.3%	29.0%	0.61%
2016	26.0	32.8	90.9	4,350.3	79.4%	28.6%	0.60%
2017	28.5	35.9	100.1	4,651.8	79.4%	28.5%	0.61%

Source: IHS Markit Regional eXplorer version 1570

In 2017, the Sol Plaatje Local Municipality achieved an annual growth rate of -0.59% which is a significant lower GDP growth than the Northern Cape Province's 4.67%, but is lower than that of South Africa, where the 2017 GDP growth rate was 1.32%. Like the short-term growth rate of 2017, the longer-term average growth rate for Sol Plaatje (0.45%) is also significantly lower than that of South Africa (1.76%). The economic growth in Sol Plaatje peaked in 2007 at 4.02%.

CHART 8. Gross Domestic Product (GDP) - Sol Plaatje Local Municipality and the rest of Frances Baard, 2017 [Percentage]

Gross Domestic Product (GDP)
Frances Baard District Municipality, 2017



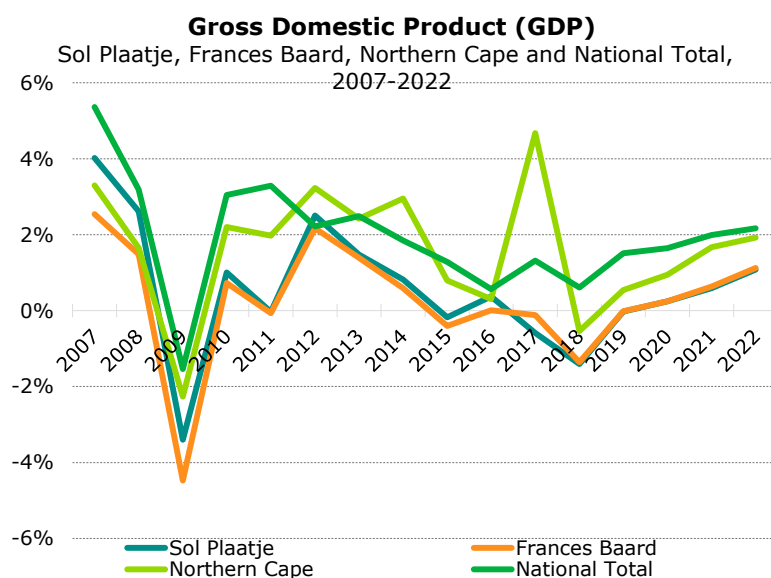
Source: IHS Markit Regional Explorer version 1570

The Sol Plaatje Local Municipality had a total GDP of R 28.5 billion and in terms of total contribution towards Frances Baard District Municipality the Sol Plaatje Local Municipality ranked highest relative to all the regional economies to total Frances Baard District Municipality GDP. This ranking in terms of size compared to other regions of Sol Plaatje remained the same since 2007. In terms of its share, it was in 2017 (79.4%) significantly larger compared to what it was in 2007 (76.9%). For the period 2007 to 2017, the average annual growth rate of 0.4% of Sol Plaatje was the highest relative to its peers in terms of growth in constant 2010 prices.

ECONOMIC GROWTH FORECAST

It is expected that Sol Plaatje Local Municipality will grow at an average annual rate of 0.09% from 2017 to 2022. The average annual growth rate in the GDP of Frances Baard District Municipality and Northern Cape Province is expected to be 0.12% and 0.90% respectively. South Africa is forecasted to grow at an average annual growth rate of 1.58%, which is higher than that of the Sol Plaatje Local Municipality.

TABLE 9. Gross Domestic Product (GDP) - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2007-2022 [Average annual growth rate, constant 2010 prices]



In 2022, Sol Plaatje's forecasted GDP will be an estimated R 17.4 billion (constant 2010 prices) or 78.8% of the total GDP of Frances Baard District Municipality. The ranking in terms of size of the Sol Plaatje Local Municipality will remain the same between 2017 and 2022, with a contribution to the Frances Baard District Municipality GDP of 78.8% in 2022 compared to the 78.9% in 2017. At a 0.09% average annual GDP growth rate between 2017 and 2022, Sol Plaatje ranked the second compared to the other regional economies.

GROSS VALUE ADDED BY REGION (GVA-R)

The Sol Plaatje Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Sol Plaatje Local Municipality.

TABLE 10. Gross Value Added (GVA) by broad economic sector - Sol Plaatje Local Municipality, 2017 [R billions, current prices]

Sector	Sol Plaatje	Frances Baard	Northern Cape	National Total	Sol Plaatje as % of district municipality	Sol Plaatje as % of province	Sol Plaatje as % of national
Agriculture	0.3	0.9	6.6	106.4	37.1%	5.0%	0.31%
Mining	1.9	2.6	18.8	334.7	75.4%	10.3%	0.58%
Manufacturing	0.8	1.4	3.1	551.6	57.8%	26.2%	0.15%
Electricity	0.9	1.5	3.6	155.2	59.1%	24.4%	0.56%
Construction	1.0	1.2	3.4	163.3	79.4%	29.4%	0.60%
Trade	3.6	4.5	10.7	626.8	80.5%	33.7%	0.58%
Transport	4.5	5.2	10.9	411.5	86.7%	41.3%	1.09%
Finance	5.1	5.9	13.0	840.7	85.7%	38.8%	0.60%
Community services	7.4	8.8	20.1	981.6	83.9%	36.8%	0.75%
Total Industries	25.5	32.0	90.2	4,171.7	79.8%	28.3%	0.61%

Source: IHS Markit Regional eXplorer version 1570

In 2017, the community services sector is the largest within Sol Plaatje Local Municipality accounting for R7.39 billion or 29.0% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Sol Plaatje Local Municipality is the finance sector at 19.8%, followed by the transport sector with 17.6%. The sector that contributes the least to the economy of Sol Plaatje Local Municipality is the agriculture sector with a contribution of R330 million or 1.29% of the total GVA.

HISTORICAL ECONOMIC GROWTH

For the period 2017 and 2007, the GVA in the construction sector had the highest average annual growth rate in Sol Plaatje at 2.54%. The industry with the second highest average annual growth rate is the community services sector averaging at 2.15% per year. The electricity sector had an average annual growth rate of -0.13%, while the mining sector had the lowest average annual growth of -6.58%. Overall a negative growth existed for all the industries in 2017 with an annual growth rate of -0.39% since 2016.

TABLE 11. Gross Value Added (GVA) by broad economic sector - Sol Plaatje Local Municipality, 2007, 2012 and 2017 [R billions, 2010 constant prices]

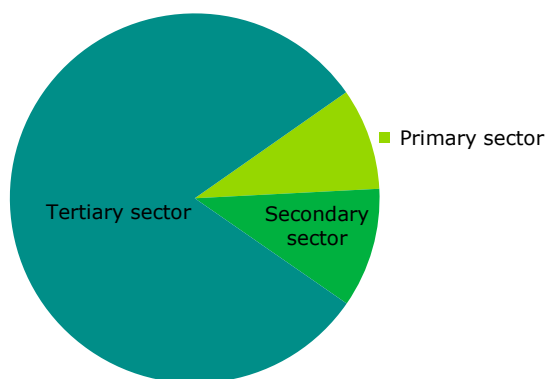
Sector	2007	2012	2017	Average Annual growth
Agriculture	0.21	0.20	0.25	1.86%
Mining	2.03	1.37	1.03	-6.58%
Manufacturing	0.47	0.50	0.51	0.72%
Electricity	0.45	0.44	0.44	-0.13%
Construction	0.36	0.44	0.46	2.54%
Trade	2.35	2.45	2.41	0.29%
Transport	2.25	2.35	2.47	0.94%
Finance	2.84	3.03	3.30	1.50%
Community services	3.77	4.36	4.66	2.15%
Total Industries	14.73	15.14	15.54	0.54%

Source: IHS Markit Regional eXplorer version 1570

The tertiary sector contributes the most to the Gross Value Added within the Sol Plaatje Local Municipality at 80.6%. This is significantly higher than the national economy (68.6%). The secondary sector contributed a total of 10.5% (ranking second), while the primary sector contributed the least at 8.9%.

CHART 9. Gross Value Added (GVA) by aggregate economic sector - Sol Plaatje Local Municipality, 2017 [percentage]

Gross Value Added (GVA) by aggregate sector
Sol Plaatje Local Municipality, 2017



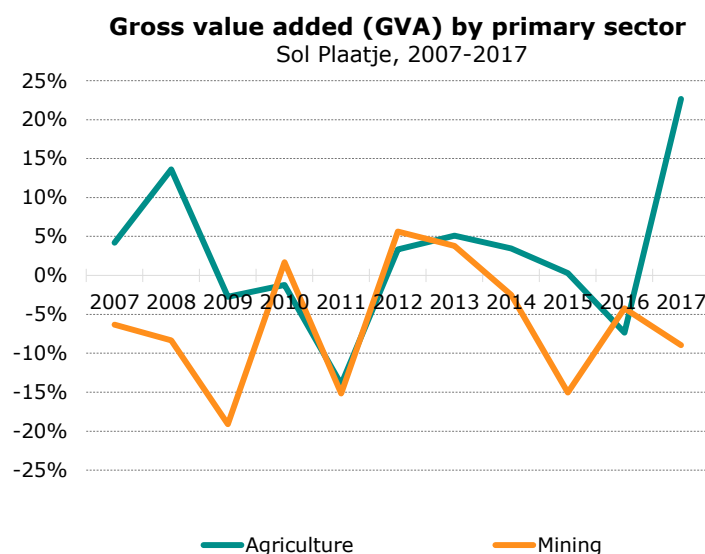
Source: IHS Markit Regional explorer version 1570

The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

PRIMARY SECTOR

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both sectors in Sol Plaatje Local Municipality from 2007 to 2017.

CHART 10. Gross Value Added (GVA) by primary sector - Sol Plaatje, 2007-2017 [Annual percentage change]



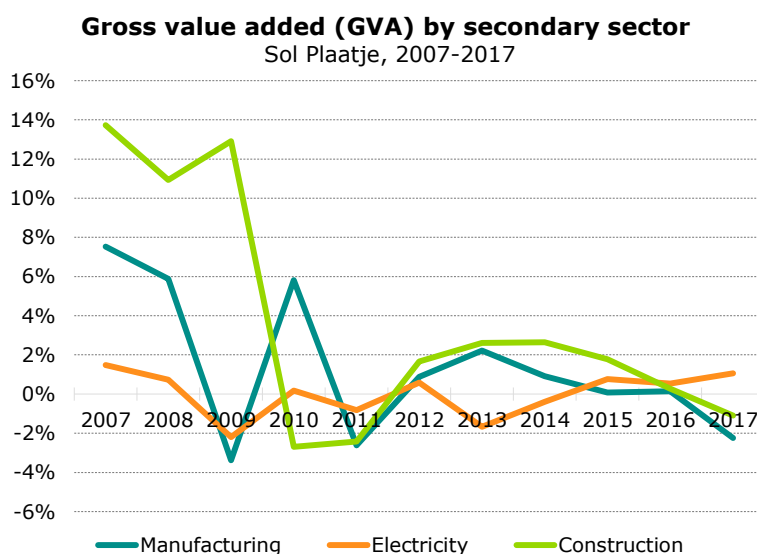
Source: IHS Markit Regional eXplorer version 1570

Between 2007 and 2017, the agriculture sector experienced the highest growth in 2017 with an average growth rate of 22.7%. The mining sector reached its highest point of growth of 5.6% in 2012. The agricultural sector experienced the lowest growth for the period during 2011 at -14.0%, while the mining sector reaching its lowest point of growth in 2009 at -19.1%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

SECONDARY SECTOR

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Sol Plaatje Local Municipality from 2007 to 2017.

CHART 11. Gross Value Added (GVA) by secondary sector - Sol Plaatje, 2007-2017 [Annual percentage change]



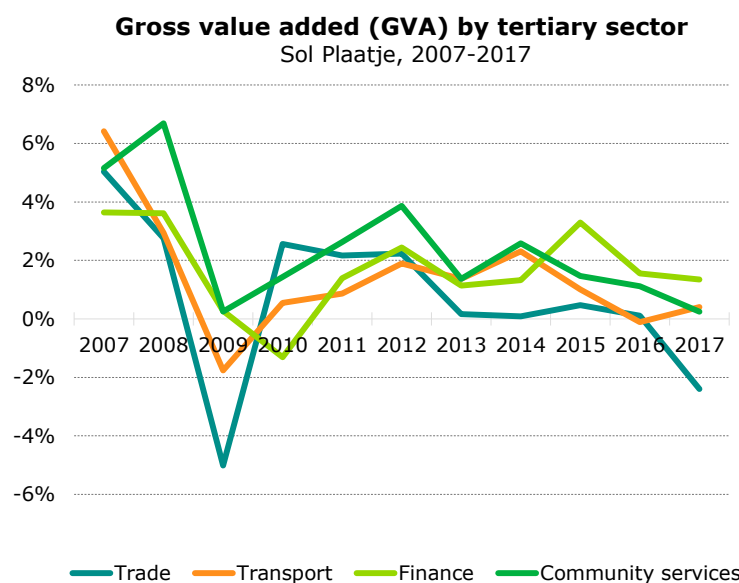
Source: IHS Markit Regional eXplorer version 1570

Between 2007 and 2017, the manufacturing sector experienced the highest growth in 2007 with a growth rate of 7.5%. It is evident for the construction sector that the highest growth rate also existed in 2007 and it experienced a growth rate of 13.7% which is higher than that of the manufacturing sector. The manufacturing sector experienced its lowest growth in 2010 of -3.4%, while construction sector reached its lowest point of growth in 2010 as with -2.7% growth rate. The electricity sector experienced the highest growth in 2007 at 1.5%, while it recorded the lowest growth of -2.2% in 2009.

TERTIARY SECTOR

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Sol Plaatje Local Municipality from 2007 to 2017.

CHART 12. Gross Value Added (GVA) by tertiary sector - Sol Plaatje, 2007-2017 [Annual percentage change]



Source: IHS Markit Regional eXplorer version 1570

The trade sector experienced the highest growth in 2007 with a growth rate of 5.0%. It is evident for the transport sector that the highest growth rate also existed in 2007 at 6.4% which is higher than that of the manufacturing sector. The finance sector experienced the highest growth rate in 2007 when it grew by 3.6% and recorded the lowest growth rate in 2010 at -1.3%. The Trade sector had the lowest growth rate in 2009 at -5.0%. The community services sector, which largely consists of government, experienced its highest growth in 2008 with 6.7% and the lowest growth rate in 2017 with 0.2%.

SECTOR GROWTH FORECAST

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

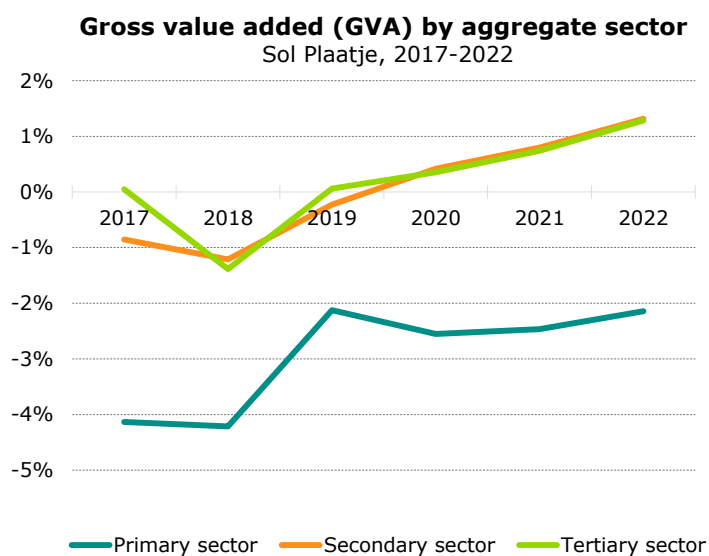
TABLE 12. Gross value added (GVA) by broad economic sector - Sol Plaatje Local Municipality, 2017-2022 [R billions, constant 2010 prices]

Sector	2017	2018	2019	2020	2021	2022	Average Annual growth
Agriculture	0.25	0.24	0.24	0.24	0.24	0.24	-0.67%
Mining	1.03	0.98	0.96	0.93	0.90	0.87	-3.22%
Manufacturing	0.51	0.50	0.50	0.50	0.50	0.50	-0.19%
Electricity	0.44	0.43	0.43	0.43	0.43	0.43	-0.41%
Construction	0.46	0.46	0.46	0.47	0.48	0.49	1.23%
Trade	2.41	2.37	2.36	2.35	2.38	2.41	-0.05%
Transport	2.47	2.44	2.47	2.52	2.57	2.63	1.26%
Finance	3.30	3.27	3.35	3.42	3.49	3.58	1.65%
Community services	4.66	4.58	4.49	4.42	4.37	4.36	-1.33%
Total Industries	15.54	15.29	15.27	15.29	15.36	15.52	-0.02%

Source: IHS Markit Regional eXplorer version 1570

The finance sector is expected to grow fastest at an average of 1.65% annually from R 3.3 billion in Sol Plaatje Local Municipality to R 3.58 billion in 2022. The community services sector is estimated to be the largest sector within the Sol Plaatje Local Municipality in 2022, with a total share of 28.1% of the total GVA (as measured in current prices), growing at an average annual rate of -1.3%. The sector that is estimated to grow the slowest is the mining sector with an average annual growth rate of -3.22%.

TABLE 13. Gross value added (GVA) by aggregate economic sector - Sol Plaatje Local Municipality, 2017-2022 [Annual growth rate, constant 2010 prices]



Source: IHS Markit Regional eXplorer version 1570

The Primary sector is expected to grow at an average annual rate of -2.70% between 2017 and 2022, with the Secondary sector growing at 0.21% on average annually. The Tertiary sector is expected to grow at an average annual rate of 0.21% for the same period.

3.11.10 Inner City Revitalisation 2018/2019

During the 2018/2019 financial year through inner city revitalisation we were able to secure funding to tune of R550 000.00 as part of cleansing projects whereby 23 temporary job were created. Part of city cleansing is to keep our city clean.

3.12 FRESH PRODUCE MARKET

3.12.1 Introduction

The South African Fresh Produce Market system is unique from the rest of the world because it functions on a commission basis. The system provides the ideal inclusive and transparent trading environment to all fresh produce market be commercial, small scale or emerging farmers to sell the produce directly to the buyers.

The market uses market agents to sell fresh produce products and pay agents a commission fee. The market agents negotiate the price with farmers and the accepted agent commission is between 5-7,5% while further 5% commission is added which goes to the municipality for upkeep of the infrastructure and facilities.

This system is governed by legislation that protects the farmers and the Agricultural Produce Agents Council (Apac). The APAC ensure that the farmers are more of a price maker rather than being price takers, and provide training, licensing and even discipline market agents when necessary.

The producer (farmer) sends stock to the fresh produce market and the stock will remain the property of the producer until the stock is sold. All fresh produce markets in South Africa are, however, not driven by profit motives, but rather as a service to communities.

Sol Plaatje Fresh Produce Market is the sole national fresh produce market in the Northern Cape and falls under the Directorate of Strategic Economic Development & Planning. The market currently hosts two market agents namely, Subtropico and Kimberley Varsprodukte Agentskap.

Our Vision

To become the best distribution channel of fresh produce in the Northern Cape Province.

Top service delivery

To enforce compliance with all stakeholders and create a platform for new entrants such as more future farmers and possibly attract at least two additional commission selling agents to the market.

To ensure that we comply to Health & Safety Act, and promote food safety and quality assurance.

The role of Sol Plaatje Fresh Produce Market is to provide the necessary facilities and to:

- Compensate for and cover the growing gap in the market that was emerging.
- Create a platform to allow anyone to engage in trade without discrimination.

- To render a cost effective and efficient service.

MEASURES TAKEN TO IMPROVE THE PERFORMANCE OF THE MARKET

- The implementation of the Code of Best Practice
- Benchmarking and liaising with other fresh produce market
- Implementation of Business Plan
- Farmers and buyers' visits.

SUPPORT GIVEN TO COMMUNITIES THAT ARE LIVING IN POVERTY

- Sol Plaatje Fresh Produce Market, with the assistance of market agents, contributed fruit and vegetables for pauper funerals.
- Precious Jam Crèche children tour, the children each received a fruit packet after the market tour.

MAJOR ACHIEVEMENTS

- Implementation of the Business plan
- Erection of devil forks inside the market hall.
- Painting of market and agents offices

3.12.2 Policy Objectives taken from IDP

Strategic Objectives	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To position the market as a productive and profitable section of the municipality	To perform an assessment of the completed business plan in relation to the profitability of the fresh produce market of the municipality and implement a decision by 30 June 2019	Not a target		1	Not achieved. Assessment of the business plan in relation to profitability, the market needs additional agency to increase the revenue. Market needs more feed farm visits and buyers' visits are very important. Strategic plan to turn around the market is important in process of obtaining external service provider to assess business plan in relation to the profitability of the fresh produce market for the municipality.	1

3.12.3 Financial performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	3 678	4 135	4 135	2 063	-50%
Expenditure:					
Employees	4 665	4 770	4 770	4 979	4%
Repairs and Maintenance	531	558	558	470	-16%
Other	1 819	2 003	1 587	287	-82%
Total Operational Expenditure	7 015	7 331	6 915	5 737	-17%
Net Operational Expenditure	3 336	3 196	2 780	3 673	32%

3.12.4 Capital Expenditure 2018/2019

There was no capital expenditure during the period under review.

3.12.5 Comment on the performance overall

Sol Plaatje Fresh Produce Market had no capital projects for the past five years, but we have implemented most of the recommendations from the business plan with our operational budget.

3.13 URBAN RENEWAL PROGRAMME (URP)

3.13.1 Introduction

The major drive behind the Urban Renewal Programme is to utilise public sector investment as a strategic vehicle to lobby private sector investment and to sustain spending and income generation in the townships as well as sustainable jobs creation thus development of a new township strategy known as the Urban Network Strategy UNS funded through NDPG.

Galeshewe is one of the national urban nodes earmarked for development and support from national treasury's Neighbourhood Development Partnership Grant (NDPG) that is technical and financial support.

The local economic development opportunities and social infrastructure development are as a direct result of initiatives such as UNS, NDPG through the URP due to the direct impact of public spending, job creation, SMME development, support and economic growth. These are the immediate financial and non-financial impacts of the URP.

ACHIEVEMENTS 2018/2019

During the 2018/2019 financial year business plans for the following projects business plans were submitted to various potential funders for capital funding:

- Business Plan submitted to COGHSTA.
- Business Plan to be submitted to Department of Public Works.
- UNS projects submitted to National Treasury.
- Business Plan submitted to DSAC for Tommy Morebodi Sports Park.

NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)

The SEDP directorate through Urban Renewal Program (URP) has successfully appointed Gray's Contractor, through a deviation, to implement the construction of Taxi Lay-By Stops along the secondary and primary networks in Galeshewe as part of the Public Transport Networks Project.

This appointment was as a result that the bid was re-advertised three times without any successful competitive bid appointment. This project element includes widening of roads to make provision for the erection of twenty normal and super Taxi Lay-Bys Stops and rubbish bins and paving as part of the broader public transport networks plan of the URP.

The storm water phase II is also an element of the Public Transport Network Project, the storm water progress was extremely satisfactory with 75,2% physical progress at the end of the third

quarter with 7,1 days ahead of schedule while expenditure was 72,5% with envisaged completion date of September 2019.

This phase of the storm water traversed various wards and covered areas such as Tlhageng, John Daka phase I and II, Kirstenhof, John Daka Road, Nobengula Street and Green Street.

The Public Transport Network on the storm water element created approximately sixty temporary jobs during the last quarter of the financial year, which was until the project was transferred from SEDP to Infrastructure directorate by the then acting MM, Mr Boy Dhlwayo.

OPPORTUNITIES

- URP can forge more inclusive planning that has a multi-disciplinary approach.
- Potential URP annual gazette allocation from Provincial government.
- One of URPs main advantages is that under NDPG there is an annual gazetted allocation for any project that can leverage private sector investment
- Encourage counter-funding from sector department and other strategic partners.
- URP is a Presidential/Political programme.
- NDPG have relaxed the one is to one counter funding principle.

CHALLENGES

- Lack of internal budget allocation to fund URP initiatives limits URP scope of work and/or to use as counter funding NDPG allocations.
- Operational budgetary constraints hamper the implementation of URP projects as URP section has a staff component of only three personnel.
- Absence of a political champion leads to potential funding reluctance.
- Failure of the Municipality to use URP for the intended objectives as envisioned by the Cabinet Lekgotla of 2001.
- Lack of strategic and technical support from provincial government.
- URP has an unfunded mandate from a local point of view.

KEY PERFORMANCE INDICATORS

Urban Renewal Programme (URP) Intergovernmental Relations KPI that is stakeholder engagements, we had engaged with multiple stakeholders, and National Treasury, with the main purpose of looking at how best we could implement the (UNS) and to improve URP integrated planning with the key objective of CBD rejuvenation as the epicentre.

As part of our KPIs URP have continuously had engagements with Government departments and Non-Governmental Organisations with the sole objective of strengthening our Inter-governmental Relations so that we leverage grant funding opportunities and consolidate our efforts.

All URP funded and NDPG capital projects were successfully and timeously implemented within the set timelines as set out in the performance agreement targets, and approximately sixty temporary jobs were created in different municipal wards as part of our Local Economic Development KPI annual target.

Through our continuous efforts and engagements with National Treasury, consensus was reached that there was a need for more strategic intervention. We therefore made a submission of a Heritage Footnote project, reconstruction of some CDB roads, redevelopment of an intermodal transport precinct and general landscaping.

The Taxi Lay-Bys appointment of a contractor was concluded before end of June 2019 as per our annual Service Delivery and Budget and Implementation Plan targets.

By the end of the third quarter the storm water phase II priority I had surpassed the target of 65% as per our performance agreement in Service Delivery and Budget and Implementation Plan target the by 10% and 7,1 days ahead of planned schedule.

3.13.2 Galeshewe Urban Renewal Programme Objectives Taken From IDP

Strategic objectives	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To improve the public transport system and services	To complete the procurement process for the taxi lay-by project in Galeshewe by 30 June 2019	100%	0	100%	100%	60%

3.13.3 Financial performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	–	–	–	–	0%
Expenditure					
Employees	2 871	3 834	3 674	2 902	-21%
Repairs and Maintenance	–	10	10	9	0%
Other	83	196	174	29	-83%
Total Operational Expenditure	2 954	4 040	3 858	2 939	-24%
Net Operational Expenditure	2 954	4 040	3 858	2 939	-24%

3.13.4 Capital Expenditure 2018/2019

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Variance from adjustment budget	Total Project Value
	R'000			%		R'000
Total All	4 765	7 179	4 497	-6%	-37%	7 179
Upgrade Sports DeBeers stadium	–	2 107	1 421	0%	-33%	2 107
Upgrade Sports Stadium Galeshewe	–	1 191	–	0%	0%	1 191
Upgrade Florianville Swimming Pool	–	1 409	1 221		-13%	1 409
Satellite Fire station	4 765	2 473	1 856	-61%	-25%	2 473

3.13.5 Comment on performance overall

The overall performance of all URP projects was according to our performance agreement in Service Delivery and Budget and Implementation Plan targets.

The Taxi Lay-Bys appointment of a contractor was concluded before end of June 2019 as per our annual Service Delivery and Budget and Implementation Plan targets.

By the end of the third quarter the storm water phase II priority I had surpassed the target of 65% as per our performance agreement in Service Delivery and Budget and Implementation Plan target the by 10% and 7,1 days ahead of planned schedule.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

The mandate for the **Directorate: Community and Social Development Services** is derived from the Constitution of the Republic of South Africa (Act No. 108 of 1996) which provides that local government must, as part of its objectives, ensure the provision of services to communities in a sustainable manner; the promotion of a safe and healthy environment and the achievement of social development imperatives. The Directorate performs functions that are dedicated to the social and environmental well-being of the community. Part of the matters listed in schedule 4(b) and 5(b) of the Constitution are the primary responsibility of this Directorate. These include firefighting services, municipal health services, cemeteries, cleansing services, municipal parks amongst others.

The functional responsibilities of the Directorate are: Parks and Recreation

- Library Services
- Waste Management and Environmental Health
- Emergency Services and Disaster Management
- Traffic Law Enforcement Services
- Motor Licensing and Registration Services
- Social Development Services and
- Primary Health Care Services (Clinics)

3.14 MOTOR VEHICLE LICENSING AND REGISTRATION

3.14.1 Introduction

The primary sections residing under this Department are:

- Motor Registration Section
- Vehicle Testing Station
- Drivers' Licence Section.

The Drivers' Licensing Section is based on issuing legal, valid and authentic Learners' Licences, Drivers' Licences and Professional Drivers' Permits (PrDP).

The function of the Vehicle Testing Station is to ensure that all vehicles going through the Vehicle Testing Station (VTS) undergo roadworthy to determine whether they are in a good condition and that they are roadworthy. In doing so, they are tested according to the compliance standards of the South African Bureau of Standards (SABS).

Registration of vehicles must be in-line with Road Traffic Act (Act No. 93 of 1996). All relevant registration documents must be submitted and comply with the requirements of the Act.

All spheres of government must comply with the requirements of the National Road Traffic Act (Act 93 of 1996) and the Provincial Standards.

Targets that we set in this regard were to address service delivery objectives and the administrative efficiency of the Department in delivering an effective service to every individual who requires the service of the Department.

3.14.2 Motor vehicle licensing policy objectives taken from the IDP

Strategic Objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM	Process learner driver license applications	6,000	5,308	6,000	4,839	6,000
To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM	Process driver license applications	3,600	4,584	3,600	3,977	3,600
To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM	Test vehicles for roadworthiness to comply with the Act and SANS specifications	960	873	960	995	960
To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM	Process of renewal applications of driver licenses of existing drivers and bi-annual renewal of PRDP (professional driving permit)	13,000	16,043	12,000	14,878	12,000

Targets and actuals were adapted during the period under review due to:

- Drivers testing officers remain a problem as the staff shortage has not been addressed.
- There has been an increase in the number of renewals.

3.14.3 Employees: Motor Vehicle Licensing and Registration

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	2	2	2	0	0
Professionals	1	1	1	0	0
Technicians & Trade Workers	2	6	0	6	100
Clerks & Administrative Workers	14	14	13	1	7.14
Community and Personal Workers	7	15	7	8	53.33
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	3	1	2	66.67
Elementary Occupations	0	6	2	4	66.67
Total	27	48	27	21	43.75

3.14.4 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	10 588	3 870	3 870	7 142	85%
Expenditure					
Employees	10 676	11 564	11 423	10 364	-9%
Repairs and Maintenance	101	247	223	124	-44%
Other	617	646	513	448	-13%
Total Operational Expenditure	11 394	12 457	12 159	10 936	-10%
Net Operational Expenditure	806	8 587	8 289	3 794	-54%

3.14.5 Capital Expenditure 2018/2019

There were no capital projects for the period under review.

3.14.6 Comment on Performance Overall

The department has been able to achieve the set performance objectives with limited resource availability. This achievement is largely due to the filling of critical vacancies and the improvement of staff morale due to innovative team building exercises implemented during the period under review.

3.15 LIBRARY SERVICES

3.15.1 Introduction to Libraries

Vision: We shall strive to provide a complete information and research service to all inhabitants within the Sol Plaatje Local Municipality area.

Our Mission: Is to be an outstanding service delivery and research unit educating the public for life and addressing all information challenges facing our society.

To improve the literacy rate in Kimberley and to support the education system.

To render a free democratic library and information service to empower all inhabitants in all facets of life.

Service points 9 (Excluding schools and old age homes)

- Kimberley Public Library
- Beaconsfield Public Library
- Hadison Park Public Library
- Greenpoint Public Library
- Judy Scott Public Library (Florianville)
- Sonny Leon Public Library (Roodepan)
- Ubuntu Public Library (Homevale)
- Galeshewe Public Library
- Africana Research Library

Full time staff complement 35 (3 vacant positions)

Temporary staff complement 11 (1 vacant)

Total 46

A new library was opened in Ritchie by the Department of Sport, Arts and Culture in June 2018. The old Ritchie library's books and equipment were transferred to the new library. This new library is managed by the Department of Sport, Arts and Culture and not any more by Sol Plaatje Municipality. As a result of this the Municipality now only have 9 service points.

KEY PERFORMANCE AREAS

- To establish a reading culture
- To provide a research service

- To provide an information service

HIGHLIGHTS OF THE YEAR

- New fire alarms were installed at the Kimberley Public Library during September 2018.
- All the libraries' Public Internet Computers were upgraded by the Department of Sport, Arts and Culture and all the libraries received laptops as well as projectors for use with their Outreach Programmes.
- Two workshops were held at Africana Library during the year: Introduction to Paper Conservation held from 27-29 November 2018. Mr Johann Maree was the facilitator and eleven delegates attended from as far as Swaziland, Africana Library in Port Elizabeth and several other institutions.
- Basic Digitisation techniques was held from 22-30 May 2019. Mr Gerrie Terblanche was the facilitator and twelve delegates attended.
- A film crew from the Kyknet Television's show called "Siener" visited the Africana Library on 13 March 2019 to shoot a documentary which was aired on television.
- The Beaconsfield Public Library celebrated 130 Years of Service to the public on Monday 20 May 2019. This milestone was celebrated by a lovely event held at the library.
- The celebrations were attended by Department of Sport Arts and Culture, Sol Plaatje Municipality Councillors, present and past staff, library users, and community members. A total of 231 people attended the programme at the library.
- Sabata-Mpho Mokae, award-winning local author of African novels and Creative Writing lecturer at the Sol Plaatje University in Kimberley, was our guest speaker. Sabata-mpho gave an inspiring speech about African authors like Solomon Plaatje, Olive Schreiner, ZK Mathews, Robert Sobukwe and others, their books and their association with Kimberley. He pointed out that books are the new diamonds of Kimberley and "the only way we can maintain our new diamonds is to keep reading and read our own".
- Three of our library staff members graduated with their Bachelor of Information Science Degrees from UNISA during May 2019: Gaelebale Sebolai (Judy Scott Library), Simon Tshabile (Kimberley Public Library) and Michael Alfred (Africana Research Library).
- Mr Jannie Ferreira, Corporate Records Manager from Rand Water in Johannesburg and Natasha Schumann, visited the Africana Library on 7 June 2019 to observe and learn about our Conservation and Preservation Policy.

- Fourteen third year Tourism students from the TVET False Bay College in the Western Cape visited the Africana Library on 20 June 2019 for an educational tour and training.
- Thirty students from Sol Plaatje University's Heritage Programme received training over a period of three days at the Africana library.

GRANT FUNDING FROM THE DEPARTMENT OF SPORT, ARTS AND CULTURE.

The Library Services received a Conditional Grant of R7 800 000 from the Department of Sport, Arts and Culture for the year 2018/2019. Eighty-eight percent of the Grant was used for staff salaries. A total of eleven temporary staff members were also appointed from the grant funding. The libraries will not be able to deliver a continuous outstanding service to the public without the extra personnel. Fifteen staff members were also sponsored to attend training courses and workshops, as well as to continue their library studies through UNISA.

3.15.2 Service Statistics for Libraries

Detail	2017/2018	2019/2018
Book circulation	214,357	182,899
Internet searches done by users	23,645	23,752
Photo copies made	407,881	289,496
Researches completed successfully at Africana	1,344	1,213
Magazine circulated	12,743	7,695
Videos/cd's/art prints/ puzzles circulated	686	718
Faxes sent	416	9
Enquiries handled	19,795	13,329
Use of library halls	949	394

3.15.3 Library Services Policy Objectives taken from the IDP

Strategic Objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of library services to all residents of Sol Plaatje Local Municipality						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Conduct awareness programmes through monthly exhibitions	120	149	120	161	120
	Respond to enquiries received regarding general information within seven working days	90%	98%	90%	99.67%	90%
	Conduct outreach programmes at al service points to inculcate a reading culture	120	229	120	213	120
	Respond to enquiries received regarding research at Africana Library within seven working days	90%	98%	90%	99.42%	90%
	Spend approved library grant (actual expenditure divided by the approved grant)	100%	100%	100%	100%	100%
	Submit reports to the Portfolio Committee on new library activities	12	12	12	9	12

* All enquiries were counted, and the number provided; in future a percentage will be provided.

3.15.4 Employees: Library Services

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	0	1	100
Other Managers	3	3	3	0	0
Professionals	7	20	7	13	65
Technicians & Trade Workers	0	0	0	0	0
Clerical & Administrative Workers	1	1	1	0	0
Community & Personal Workers	16	33	17	16	48.48
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	1	1	1	0	0
Elementary Occupations	7	7	6	1	14.29
Total	36	66	35	31	46.97

3.15.5 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	7 384	9 274	9 274	8 105	-13%
Expenditure					
Employees	12 952	14 632	14 632	13 960	-5%
Repairs and Maintenance	137	263	263	122	-54%
Other	1 543	1 880	1 452	644	-56%
Total Operational Expenditure	14 632	16 775	16 347	14 726	-10%
Net Operational Expenditure	7 248	7 501	7 073	6 621	-6%

3.15.6 Capital Expenditure 2018/2019

There was no capital expenditure for the period under review.

3.15.7 Comment on the Performance Overall

The libraries' service statistics are lower than the previous year. This was influenced by:

- The Ritchie library closed down in June 2018. Therefor there were no statistics for Ritchie library for the year.
- Fire damaged Galeshewe Library during July 2018 and the library closed for renovations until March 2019. The library was only operational for four months.
- The Department of Sport, Arts and Culture was changing service providers for the internet access at the public libraries during 2019. Therefor the Public Internet Access service at all the public libraries was not working properly and the public could not access the Wi-Fi.

All of the above had a large impact on the libraries operational statistics.

Other than this the libraries had a good year overall. One hundred and sixty one displays were made to conduct awareness and 213 outreach programmes were held at all the libraries to inculcate a reading culture.

3.16 SOCIAL DEVELOPMENT (HIV/AIDS)

3.16.1 Introduction to Social Development (HIV/Aids)

The Sol Plaatje Local Municipality must be a meaningful and effective partner in a sustainable **TB/STI/HIV/AIDS** Prevention and Treatment Programme while at the same time addressing contributing issues.

The Municipality plays a pivotal role in the lives of those communities that are living in poverty in the following manner by assisting:

- with burials of indigent families
- the NGOs during their different programmes
- the needy (families, organisations like Crèches) where a need has been identified for example during the Mandela Day programmes.

3.16.2 Service Statistics for Social Development (HIV/Aids)

The assistance rendered for funerals for indigent families contributes towards poverty relief.

Detail	2017/2018	2018/2019
Condoms distributed	41,398	26,705
HIV tests performed	94	63
Tested positive for HIV	0	0
On anti-retro viral drug treatment	0	0
Deaths	0	0

The assistance rendered for funerals for indigent families contributes towards poverty relief.

Detail	2018/2019	2017/2018
Families assisted with indigent burials	105	130

3.16.3 Social Development (HIV/Aids) Objectives taken from IDP

Strategic Objectives	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of social development (HIV/Aids) to all residents of Sol Plaatje Local Municipality						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Distribute condoms to employees on a monthly basis	24,000	41,398	24,000	26,705	24,000
	Train Peer Educators to provide support to HIV positive employees and their families	6	21	6	2	6
	Conduct quarterly awareness campaigns for HIV, STI and TB	4	2	4	4	4
	Assist indigent families with burials	84	130	84	105	84
	Test employees for HIV/AIDS	120	94	84	63	84

3.16.4 Employees (Social Development HIV/Aids)

Job Level	2017/2018	2018/2019			
	Employee s	Post s	Employee s	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	0	0	0	0	0
Professionals	0	0	0	0	0
Technicians & Trade Workers	0	0	0	0	0
Clerks & Administrative Workers	2	2	2	0	0
Community & Personal Workers	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	0	0	0	0	0
Total	3	3	3	0	0

3.16.5 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	0	0	0	0	0
Expenditure					
Employees	827	1 081	1 081	896	-17%
Repairs and Maintenance	0	0	0	0	0!
Other	363	425	415	253	-39%
Total Operational Expenditure	1 190	1 506	1 496	1 149	-23%
Net Operational Expenditure	1 190	1 506	1 496	1 149	-23%

3.16.6 Capital Expenditure 2018/2019

There was no capital expenditure during the period under review.

3.16.7 Comment on performance overall

This unit is an important function in assisting and supporting communities with TB/STI/HIV/Aids Prevention and Treatment Programmes as well as with assisting with the indigent burials. The pillars of this programme are:

- HIV Counselling and Testing (HCT)
- Condom distribution to all sections in the organisation
- Training of Peer Educators
- Awareness and Promotion of TB/STI/HIV/Aids campaigns
- Indigent Burial assistance

The HIV Counselling and Testing is still conducted with the assistance of NGOs, especially during awareness campaigns. In terms of HIV related deaths it is still a challenge to get such information as the issue is kept a secret in a lot of cases.

The targets set for this Unit for 2018/2019 financial year have been met according to the IDP objectives.

COMPONENT E: ENVIRONMENTAL PROTECTION

3.17 SUSTAINABLE ENERGY AND CLIMATE CHANGE UNIT (SECCU)

3.17.1 Introduction

The SECCU unit was moved to the Electricity sub-directorate at the beginning of 2015. The two leading positions in SECCU are vacant now. This unit champions the energy efficiency and climate change and facilitate the integration of the SPECCS within the Municipality.

This unit is currently not functioning. There is no budget allocation for this unit.

3.17.2 SECCU Objectives taken from IDP

There were no key performance indicators for the period under review.

3.17.3 Comment on performance overall

This unit is not functional. Currently all SSEG applications are being processed by the Electrical Department.

COMPONENT F: HEALTH

This component includes: clinics and environmental health.

3.18 INTRODUCTION TO CLINICS AND ENVIRONMENTAL HEALTH

Personal Health Services main function in the past was to render a preventative service to the community of Sol Plaatje, now it forms part of a more holistic service that is rendered to all residents.

The new public health approach, the Integrated Chronic Disease Management model (ICDM), is to achieve optimal clinical outcomes for patients with chronic communicable and non-communicable diseases.

The main function of the Environmental Health Services is to render a cost effective professional environmental health service (health inspections, vector control, refuse removal and cleaning services) to the Sol Plaatje Municipal Area.

3.18.1 Clinics

The Integrated Chronic Disease Management model (ICDM) is based on a public health approach to empower the individual to take responsibility for their own health, whilst simultaneously intervening at a community/population on health service level e.g. own clinics.

Total number of patients seen for the year:..... 205,725

Total attendances reduced at clinics because of the above-mentioned approach, which is very positive.)

The Integrated Chronic Disease Management model (ICDM) operates in three service delivery streams:

- Curative
- Mother and Child
- Chronic-integration of known chronic cases: TB, HIV and Mental Health.

Chronic diseases and curative ailments form 67% of the services rendered at the six Sol Plaatje Clinics.

Child Care, Reproductive Health, Maternal-, Mental Health, Prevention of Mother-to-child Transmission (PMTCT), Oral Health, Dispensing, Communicable Diseases, Anti-Retroviral Therapy and Health Education, formed the other 33% of the services rendered to the community of Sol Plaatje.

CHALLENGES

- Huge staff shortages
- No regular doctors services (rotation)
- Patient loads
- Nurses work outside scope of practice
- Lack of trained pharmacist at facilities to dispense medication
- Pre-packing, labelling of medication
- Out of stock medication
- Staff morale low/high absenteeism
- No computer services with linkages from one clinic to another
- Lack of proper equipment
- Budget constraints
- Maintenance of buildings, equipment
- Infrastructure too small
- No security at clinics
- Violent behaviour of patients
- Occupational hazards, e.g. Tuberculosis, Extensively Drug Resistant TB, etc.
- Lack of support from Department of Health (DOH)

3.18.2 Service data for Clinics

Details		2017/2018	2018/2019		2019/2020
		Actual	Estimate	Actual	Estimate
		No.			
1	Average number of Patient visits on an average day	1,123	2,000	1,000	2,000
2	Total Medical Staff available on an average day	51	80	51	80
3	Average Patient waiting time (in minutes)	45-60	45-65	45-60	45-65
4	Number of HIV/Aids tests undertaken in the year	10,473	16,000	13,330	16,000
5	Number of tests in 4 above that proved positive	856	700	851	700
6	Number of children that are immunised at under one year of age	1,545	2,500	1,256	2,500
7	Child immunisations above compared with the child population under one year of age	*	*	*	*

* No statistics available for the number of children in the population under one year of age.

3.18.3 Clinics Policy Objectives taken from IDP

Strategic Objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of personal health services to all residents of Sol Plaatje Local Municipality.						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Promote health through preventative health education and immunisation, IMCI and PMTCT to reach a head count of 80% of population by 30 June	66,000	31,139	66,000	258,995	Not a Target
	Provide comprehensive primary health care including - maternal health care (Antenatal, postnatal, reproductive health, cervical screening, breast examination) and TOP referrals, curative-, rehabilitative- chronic services (HIV, ARV & TB Services) as well as mental health care to reach head count of 80% of population by 30 June	378,000	193,578	378,000	176,260	Not a Target

3.18.4 Employees: Clinics

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	0	1	1	0	0
Professionals	5	71	2	69	97.18
Technicians & Trade Workers	0	0	0	0	0
Clerks & Administrative Workers	5	11	8	3	27.27
Community & Personal Workers	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	2	2	2	0	0
Elementary Occupations	8	12	9	3	25
Total	21	98	23	75	76.53

3.18.5 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
		R'000			
Total Operational Revenue	0	0	0	0	0
Expenditure					
Employees	6 556	6 733	6 733	7 045	5%
Repairs and Maintenance	114	134	134	71	-47%
Other	4 201	1 690	1 677	474	-72%
Total Operational Expenditure	10 871	8 557	8 544	7 590	-11%
Net Operational Expenditure	10 871	8 557	8 544	7 590	-11%

3.18.6 Capital Expenditure 2018/2019

There was no capital expenditure during the period under review.

3.19 ENVIRONMENTAL HEALTH

3.19.1 Introduction to Environmental Health

Municipal Health Services (MHS) are entrenched in the Constitution of SA and is set out in various legislation. The MHS is a highly regulated environment with the following functions:

- Food Safety
- Disease Control
- Environmental Assessments and investigations
- Waste Management
- Pollution Control
- Occupational Health and Safety
- Chemical safety
- Vector Control
- Water Quality Management

The focus on the section is Food Safety, Pollution Control and Environmental Assessments and Investigations. The primary approach within Environmental Health Services is the prevention and limitation of negative and adverse impacts on the health of our communities and the environment.

This section has four EHPs responsible for all the tasks and duties as per the Scope of Practice. Should the national norm of one EHP per 10,000 of the population be achieved, this will entail a staff component of 28 EHPs. Thus, there is a massive staff shortage. The function of MHS has been allocated to C municipalities thus District Municipalities.

3.19.2 Service Statistics for Environmental Health

Detail	2017/2018	2018/2019
Persons given health/hygiene awareness – training in food safety	248	84
Inspection/investigations of food premises to ensure compliance to legislation	1,390	1311
Environmental pollution control investigations	959	883
Water samples taken	0	77
Food samples taken	0	7
Inspections of complaints attended to ensure effective hygiene control	325	320
Vector control complaints attended to	4,684	4530
Foodstuff condemned (unfit for human consumption)	-	15444.04kg
Certificates of acceptability applications – Inspections new food premises	-	194
Inspections/ investigations of general businesses	3,865	2,268
Building plan inspections approved	133	77

3.19.3 Environmental Health Objectives taken from IDP

Strategic Objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of environmental health to all residents of Sol Plaatje Local Municipality						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Conduct health/hygiene awareness training sessions	240	248	240	84	240
	Conduct routine inspections and investigations to ensure compliance to legislation	1,200	1,390	1,200	1,311	1,200
	Conduct surveys, inspections and attend to complaints to ensure effective vector control	2,160	3,865	2,160	4,530	2,160
	Conduct investigations and inspections of food premises	1,800	739	1,800	2,268	1,800

3.19.4 Employees: Environmental Health

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	4	4	4	0	0
Professionals	6	24	8	16.	66.67
Technicians & Trade Workers	0	0	0	0	0
Clerks & Administrative Workers	0	5	5	0	0
Community & Personal Workers	0	1	0	1	100
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	3	0	0	0	0
Total	14	35	18	17	48.57

3.19.5 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	58	70	70	87	24%
Expenditure					
Employees	5 022	7 225	7 112	6 583	-7%
Repairs and Maintenance	185	195	945	271	-71%
Other	170	272	250	140	-44%
Total Operational Expenditure	5 377	7 692	8 307	6 994	-16%
Net Operational Expenditure	5 319	7 622	8 237	6 907	-16%

3.19.6 Capital Expenditure 2018/2019

There was no capital expenditure during the period under review.

3.19.7 Comments on Performance Overall

Although this year was challenging in the provision of municipal health services within the Sol Plaatje Municipal Area, most of the targets were met. The Service Level Agreement between Frances Baard District Municipality and Sol Plaatje Municipality was signed during August 2018. The delivering of municipal health services was re-instated by the Section: Environmental Health Service.

COMPONENT G: SECURITY AND SAFETY

This component includes: Traffic Law Enforcement; emergency services; disaster management, licensing and control of animals, and control of public nuisances, etc.

3.20 TRAFFIC LAW ENFORCEMENT

3.20.1 Introduction to Traffic Law Enforcement

The Traffic Section is responsible to ensure a safe road environment by providing efficient and effective law enforcement resulting in the reduction in the loss of life as well as the number of persons injured on our roads, and creating public awareness with emphasis to educate all road users.

The main function of traffic services is to ensure the free flow of traffic and for all road users to arrive alive. For us to be successful in this objective one needs to ensure as a priority that:

- all vehicles that make use of the road are roadworthy
- the person in control of the vehicle must be driving fit
- pedestrians are safe
- there is no overloading
- there is no drinking and driving
- safety belts are worn.

In order to achieve our emphasis is placed on:

- Road blocks
- Stopping and checking
- Speed and red robot law enforcement
- Hawkers
- Overloading of vehicles
- Taxi's
- Parking offences in the CBD
- Drunk driving
- Escort of abnormal loads/processions
- Arrangements and policing of special events
- Execution of warrants of arrest
- Traffic related complaints

- Road signage and markings
- Traffic law administration
 - cashier services (payment of fines and miscellaneous payments)
 - data capturing
 - reporting and capturing of accidents
 - preparation of court dates
 - collecting and filing of warrants of arrest
 - filing and safekeeping of all traffic court documents
 - representations
- Accidents
- Transportation of dangerous goods
- The Gatherings Act (Act No. 203 of 1993)
- Building Plans
- AARTO Awareness

3.20.2 Service Statistics

Details		2017/2018	2019/2018		2019/2020
		Actual	Estimate	Actual	Estimate
		No.			
1	Number of road traffic accidents during the year	2,644	n/a	2,769	n/a
2	Number of by-law infringements attended	32,887	n/a	31,882	n/a
3	Number of police officers in the field on an average day	35	48	33	35
4	Number of police officers on duty on an average day	42	53	41	53

3.20.3 Traffic Law Enforcement objectives taken from the IDP

Strategic Objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of traffic services to all residents of Sol Plaatje Local Municipality						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Facilitate regular stop and check points to improve road safety	108,000	105,706	108,000	101,815	108,000
	Conduct regular roadblocks to test the roadworthiness of vehicles conducted successfully in line with national initiatives	8	15	8	8	8
	Maintain road traffic signs and road markings in accordance with standards determined for SADC countries	90%	78,67%	90%	61.25%	90%
	Monitoring and collection of outstanding fines on a monthly basis	50%	42,58%	50%	24.16%	50%
	Report monthly on accidents in Sol Plaatje Municipal Area to the ED and the Safety and Security Committee	12	12	12	10	12
	Conduct bi-annual Fire Arm Training in terms of Regulation 21 (New indicator – 2017/2018)	2	2	2	1	2
	Conduct public awareness programmes for the implementation of AARTO	6	4	6	1	6

3.20.4 Employees: Traffic Law Enforcement

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	5	5	5	0	0
Professionals	0	0	0	0	0
Technicians & Trade Workers	7	9	7	2	22.22
Clerks & Administrative Workers	12	18	17	1	5.56
Community & Personal Workers	0	0	0	0	0
Service and Sales Workers	42	53	52	1	1.89
Plant & Machine Operators	1	1	1	0	0
Elementary Occupations	15	18	16	2	11.11
Total	83	105	99	6	5.71

3.20.5 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	20 950	12 880	12 880	19 754	53%
Employees	30 900	37 131	36 436	32 821	-10%
Repairs and Maintenance	746	1 340	1 340	1 039	-22%
Other	1 428	2 126	1 662	1 317	-21%
Total Operational Expenditure	33 074	40 597	39 438	35 177	-11%
Net Operational Expenditure	12 124	27 717	26 558	15 423	-42%

3.20.6 Capital Expenditure 2018/2019

There was no capital expenditure during the period under review.

3.20.7 Comment on the Performance of Traffic Law Enforcement Overall

The target for stop and checks was determined as if we had a full complement of traffic officers available. This, however, is an ongoing challenge as at present we have nine traffic officer vacancies. These mentioned positions are budgeted vacancies, but the filling thereof has been a challenge for more than four years. Adding to this the human population as well as vehicular and taxis has increased but the last intake of more traffic officers was approximately ten years ago.

Over the years the area of Sol Plaatje has grown in size, new townships have been developed as well as roads leading to these townships. These roads need to be serviced and maintained but the staff complement remained the same.

We also experience the challenge of vacant positions not being filled. We have approximately 500km of tarred road that needs to be painted manually. Whenever there are service delivery protests our road signs and markings are vandalised which also contributing factor for this section not reaching targets as time has to be spent on fixing maintained area rather than on scheduled areas. Also, the erection of speed humps which necessitates painting and the erection of warning signs has also increased. Another challenge

experienced is the poor quality of the paint. Legislation of the compulsory payment of fines (AARTO) has been approved and will lead to the increase of payments.

The migration of the reporting of accidents to the eNatis system has been problematic which leads us to continue on the old system rather than to migrate to eNatis. The backlog has been addressed and accidents captured.

The challenge to the non-availability of the shooting range has been addressed with the SADF at a cost.

All relevant meetings were attended by the custodian of AARTO, Mr K L Louw, and a date for AARTO roll-out was announced and meetings have been scheduled with all relevant role-players.

3.21 EMERGENCY SERVICES (INCLUSIVE OF DISASTER MANAGEMENT)

3.21.1 Introduction to Emergency Services

Rendering of an all-inclusive effective emergency service (fire, rescue and disaster management activities) through the following sections Operational, Public Safety and Training and Logistical to the residents of Sol Plaatje Municipal Area.

3.21.2 Service Statistics

Details		2017/2018	2018/2019		2019/2020
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	715	The number of incidents cannot be estimated.	711	The number of incidents cannot be estimated
2	Total of other incidents attended in the year	320		226	
3	Average turnout time - urban areas	3 min (minimum 85% according to the SANS 10090, Community safety against fires)			
4	Average turnout time - rural areas				
5	Fire fighters in post at year end	41	This cannot be estimated. Additional fire fighters need to be appointed for the new 4-shift system to be worked by the operational section; additional personnel at the public safety section, training section and logistical section	42	This cannot be estimated. Additional fire fighters need to be appointed for the new four-shift system to be worked by the operational section; additional personnel at the public safety section, training section and logistical section.
6	Total fire appliances at year end	6	6	6	Dependant on budget and availability of funds to replace depleted fleet
7	Average number of appliances off the road during the year	0	0	0	

3.21.3 Emergency Services Objectives taken from IDP

Strategic Objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services to all residents in Sol Plaatje Local Municipality						
To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM	Conduct monthly fire safety/prevention inspections	720	491	720	722	720
	Present Fire safety/ prevention programmes per annum	24	14	24	24	24
	Respond to 85% of emergency call-outs within time limits as prescribed in table 1 and table 2 of SANS 10090 by 30 June 2019	85%	94.05%	85%	85%	85%
	Ensure 70% compliance with the National Disaster Management Tool by 30 June 2019	70%	75%	70%	75%	70%
	Manage commonage farms and offer support to emerging farmers	12	5	12	12	12
	Respond to all queries from community, SAPS and Traffic about free roaming animals within the community	12	5	12	14	12

3.21.4 Employees: Emergency Services

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	2	15	3	12	80
Professionals	3	7	3	4	57.14
Technicians & Trade Workers	2	2	2	0	0
Clerks & Administrative Workers	6	10	9	1	10
Community & Personal Workers	0	10	0	10	100
Service and Sales Workers	39	79	43	36	45.57
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	8	16	12	4	25
Total	61	140	73	67	47.86

3.21.5 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	225	95	95	297	213%
Expenditure					
Employees	28 177	30 766	30 302	20 903	-1%
Repairs and Maintenance	2 080	1 645	1 669	1 625	-3%
Other	2 633	3 551	3 469	2 545	-27%
Total Operational Expenditure	32 890	35 962	35 440	34 073	-4%
Net Operational Expenditure	32 665	35 867	35 345	33 776	-4%

3.21.6 Capital Expenditure 2018/2019

There was no capital expenditure during the period under review.

3.21.6 Comments on Performance Overall

HIGHLIGHTS

Some highlights for the Emergency Services through the financial year under review are:

- The establishment and continuous activities of the Sol Plaatje Municipal Disaster Management Advisory Forum. Through this forum several disaster management and major incidents are discussed, risks are identified, and contingency plans are formulated.
- The Sol Plaatje Fire Protection Association established under the National Veld and Forest Fire Act.. Through this association, a uniform system is adopted to ensure effective response to, and combatting of veld fires in the Sol Plaatje Municipal area. All land owners are part of this association.
- The Emergency Services took part in the international evaluation of the Kimberley Airport Emergency plan through the simulation of a full-scale air disaster. This evaluation is done bi-annually and is evaluated on International Civil Aviation norms and standards.

- The Homevale Satellite Fire Station is under construction and it is expected that construction will be completed within the 2019/2020 financial year.

CHALLENGES

Some challenges for the Emergency Services through the financial year under review is:

- The vehicle fleet and equipment are old and need replacement. The average age of the firefighting vehicles in service is fifteen years, and the maintenance costs on the vehicles are escalating at an alarming rate.
- Resources for the Homevale Satellite Fire Station. Although included in the Emergency Services IDP, no provision is made for personnel, vehicles and equipment to be placed at the new fire station. It must be stressed that the current resources will not be sufficient to serve all the fire stations and the new station.
- The shift system worked by the Emergency Services operational personnel needs to be changed. The current 24-hour shift system is not only an in-human system, but the municipality has come to a point where the claims for standby, overtime and night allowances are not only unrealistic, but also escalating out of control. The current allowances for operational personnel, paid on a monthly basis irrespective whether the person was on duty or not, are 90% of the person's monthly salary.

COMPONENT H: PARKS AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; cemeteries and campsites.

3.22 PARKS AND RECREATION

The provision of sport and recreational facilities, pleasure resort, parks and gardens and other horticultural services, community halls and to provide quality cemetery facilities and services to the residents of Sol Plaatje Municipal area.

3.22.1 Service Statistics for Parks and Recreation

The nature and extent of facilities provided are

• Other community halls/facilities	10
• Cemeteries and crematoriums (crematorium private).....	12
• Sporting facilities – stadiums	2
• Sport fields (community facility)	8
• Caravan park	1
• Swimming pools	4
• Parks, gardens, islands	83 (60 ha)

3.22.2 Parks and Recreation Policy Objectives taken from IDP

Strategic Objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of community services parks and recreation services to all residents of SPM						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Conduct monthly inspections of the cemeteries according to the templates	132	105	132	89	132
	Conduct monthly inspection of parks according to the templates	792	594	792	528	792
	Remove alien vegetation trees as part of the maintenance and administration of parks, sport and recreational centres	312	337	312	240	312
	Maintain community halls monthly	120	99	120	75	120
	Maintain swimming pools monthly according to specific standards	48	32	48	28	48
	Maintain stadia monthly according to specific standards	24	18	24	14	24
	Conduct monthly inspections of the resorts (Riverton, Langleg, Transka and Rekaofela)	48	46	48	34	48
To build equitable, cohesive, sustainable and caring communities	To complete the upgrade of the Florianville Swimming Pool by 30 June 2019	100%	78%	100%	100%	Not a Target

Strategic Objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
with improved access to work and social amenities, including sports and recreational facilities (community development and optimal access/inclusion)	To complete the upgrading of various facilities at the De Beers Stadium by 30 June 2019	100%	0%	100%	100%	Not a Target
	To complete 80% of the upgrade of the Galeshewe Sport Stadium by 30 June 2019	100%	0%	80%	100%	Not a Target

3.22.3 Employees: Parks and Recreation

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	2	3	3	0	0
Professionals	1	2	2	0	0
Technicians & Trade Workers	13	16	15	1	6.25
Clerks & Administrative Workers	16	18	17	1	5.56
Community & Personal Service Workers	4	7.	3	4	57.14
Service and Sales Workers	14	33	18	15	45.45
Plant & Machine Operators	28	39	12	27	69.23
Elementary Occupations	173	200	195	5	2.5
Total	252	319	266	53	16.61

3.22.4 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	6 112	7 080	7 080	4 698	-34%
Expenditure					
Employees	56 876	63 529	62 834	60 112	-4%
Repairs and Maintenance	3 937	5 261	5 089	4 758	-7%
Other	10 117	9 945	9 594	3 539	-63%
Total Operational Expenditure	70 930	78 735	77 517	68 409	-12%
Net Operational Expenditure	64 818	71 655	70 437	63 711	-10%

3.22.5 Capital Expenditure 2018/2019: Parks and Recreation

There was no capital expenditure for the period under review.

3.22.6 Comment on the Performance of Parks and Recreation Overall

The De Beers and Galeshewe Stadia were upgraded successfully and on time and the sites were handed over for public use by the contractors. The Florianville Swimming Pool was also completed and was vandalised immediately after it was handed over to us by the contractor. The Pool could unfortunately not be used by the public due to the severity of the vandalism.

Unemployed members of the community were temporarily employed to upgrade Kekana, Entrance and John Daka Parks. Entrance and John Daka could not be completed as planned due to unforeseen circumstances that hampered the project. Work that was done at Kekana Parks includes planting of indigenous grass and trees as part of greening to have a positive impact to the environment. Playground equipment was refurbished, braai stands were built, rest sets were erected, new irrigation system was installed and the park was fenced for access control.

Legal proceedings were initiated to evict illegal diamond diggers from the Kenilworth Cemetery to make sure that the remains of loved ones buried there not be disturbed and for community members to visit the graves peacefully and freely. Phutanang Cemetery was unfortunately not put to use due to vandalism and theft and the sanitation issue that needed to be resolved.

A Pleasure Resort Manager was appointed, following the retirement of the previous incumbent who was there for a considerable amount of years. Chalets at the four pleasure resorts were upgraded, painted and television sets with open view decoders were installed. The playgrounds at Transka and Rekaofela Pleasure Resorts were refurbished.

A Senior Caretaker: Halls was also appointed following the retirement of the previous incumbent who had worked for the municipality for a considerable amount of years. Two of the Community Halls were unfortunately burnt and vandalised during the July 2018 protests and the damages were so severe that the halls could not be repaired from the Maintenance Operational Budget; however, claims from the insurance were submitted.

The Caravan Park was closed due to the vandalism that took place and was repaired in the beginning of the financial year and is currently operational.

Safety and security remains to be a major concern for all our facilities. The municipality is running at a loss because funds are being spent on repairing structures and replacing items that are stolen and damaged instead of using the same funds to improve what is there. A number of vacant budgeted positions were not filled due to financial constraints.

COMPONENT I: CORPORATE SERVICES

This component includes: Communications, Human Resource and Employment Equity, Recruitment and Selection, Training and Organisational Development, Gender and Special Programmes, Employee Relations, Risk Management, Security, Councillor Support, Administration and Committee Services.

3.23 INTRODUCTION TO CORPORATE SERVICES

Corporate Services provides support services to all departments, employees, as well as political offices, i.e. Office of the Speaker and Office of the Executive Mayor.

It provides needed support services based on specialised knowledge, best practices, to advise and serve internal directorates on issues of governance and external clients.

3.23.1 Employees: Corporate Services

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	16	19	17	2	10.53
Professionals	8	8	8	0	0
Technicians & Trade Workers	0	0	0	0	0
Clerks & Administrative Workers	46	93	76	17	18.28
Community & Personal Workers	0	0	0	0	0
Service and Sales Workers	39	48	45	3	6.25
Plant & Machine Operators	0	12	8	4	33.33
Elementary Occupations	18	39	29	10	25.64
Total	128	220	184	36	16.36

The Corporate Services Directorate includes the following sections:

- Administration
- Risk Management
- Committee Services
- Liaison Officer
- Labour Relations
- Human Resources
- Security
- Mayor's Office
- Service Delivery
- Gender & Special Projects
- Speaker's Office

3.23.2 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	4 553	7 564	10 705	6 007	-44%
Expenditure					
Employees	50 079	53 609	53 364	57 356	7%
Repairs and Maintenance	961	1 233	1 575	1 080	-31%
Other	7 989	13 414	15 642	3 866	-75%
Total Operational Expenditure	59 029	68 256	70 581	62 302	-12%
Net Operational Expenditure	54 476	60 692	59 876	56 295	-6%

3.23.3 Capital Expenditure 2018/2019

There was no capital expenditure during the period under review.

3.23.4 Comment on the Performance Overall

Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working. The municipality must also develop strategic plans and allocate resources for their implementation, which must be monitored on an ongoing basis and results must be reported on during the financial year to various role players to enable timeously corrective measures where required.

3.24 HUMAN RESOURCE SERVICES

3.24.1 Introduction to Human Resource Services

Dedicated and competent staff is fundamental for the municipality in achieving its goals and objectives. The municipality's biggest, and most important asset is its human capital, therefore the municipality is committed to acquire, retain and develop the best human capital available in the market, and to make diligent efforts to develop and motivate all human capital towards a higher standard of performance. The municipality provides its employees with opportunities to attain their full potential and to serve at the highest level of responsibility consistent with his/her own interests, skills and abilities.

Human Resource at a strategic level provides management with effective and efficient strategic advice and support with reference to new and amended legislation, interpretation of policies, organisational change and sound labour relation practices.

3.24.2 Human Resource Services Objectives Taken From IDP

Municipal Key Performance Area: Municipal Institutional Development and Transformation

Strategic Objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To improve effective human resource development to staff and councillors	Monitor the implementation of the Human Resource Management Plan through conducting at least one review meeting annually	100%	100%	1	1	1
To improve effective human resource development to staff and councillors	Achieve 72% compliance with the EAP Plan of the municipality by ensuring representation of the racial profile of the local authority on municipal level by 30 June 2019	80%	67%	72%	63%	72%
To provide a basis for sustainable municipal performance improvement	Evaluate all identified personnel in terms of the performance management system	2	2	2	2	2

Strategic Objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To provide a basis for sustainable municipal performance improvement	Co-ordinate bi-annual performance assessments of the municipal manager and managers reporting directly to the municipal manager by 30 June 2019	2	2	2	2	2
	Submit quarterly organisational performance reports to the Executive Mayor by the 20 th of the month following the end of each quarter for 2018/2019	4	4	4	4	4
To provide a basis for sustainable municipal performance improvement	Develop and sign performance agreements and performance development plans with all identified personnel before 31 August	100%	100%	100%	100%	100%
To provide a basis for sustainable municipal performance improvement	On a quarterly basis communicate the funded vacant positions in each directorate to the relevant Executive Director	4	4	4	4	4
To improve effective human resource development to staff and councillors	Review the organisational structure of the municipality on an annual basis with the aim of optimising efficiency and make recommendations by 30 June 2019	100%	100%	100%	100%	100%

3.24.3 Risk Management Resource Services Objectives Taken from IDP

Municipal Key Performance Area: Municipal Institutional Development and Transformation

Strategic Objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls.	To report quarterly on the progress of risk mitigation to the Accounting Officer and Executive Management Team (EMT)	4	4	4	4	4
	Submit an Annual Report on risk management maturity level op SPM to NT by 30 June each year	1	1	1	1	1

3.24.3 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	2 515	4 940	8 081	5 901	-27%
Expenditure					
Employees	12 766	15 921	15 676	17 732	13%
Repairs and Maintenance	17	40	40	2	-95%
Other	1 767	5 536	8 530	3 752	-56%
Total Operational Expenditure	14 550	21 497	24 246	21 486	-11%
Net Operational Expenditure	12 035	16 557	16 165	15 585	-4%

3.24.4 Comment on the Performance Overall

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 efficient, effectiveness and the impact of service delivery by the municipality. At local government level performance management is institutionalised through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets meet its strategic goals, set by the organisation.

The Municipal Systems Act (MSA), 2000, requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to inform 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, but also to the individuals employed in the organisation as well as the external service providers. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP, individual and service provider performance.

Bearing this in mind, the need for local government service is forever increasing whilst the affordability for services are declining. However, the municipality has managed to achieve a targeted ratio of employee costs against total expenditure in the table below.

Operating Ratios		
Detail	2019	2018
Employee costs as a % of total expenditure	37.00%	34.96%

3.25 FINANCIAL SERVICES

3.25.1 Introduction to Financial Services

The Chief Financial Officer heads the Financial Services Directorate, with seven divisions in the directorate. The divisions are as follows:

- Revenue Management and Billing
- Expenditure Management and Payroll
- Supply Chain Management
- Assets Management
- Budget and Treasury Office
- Information Communication and Technology
- Debtors Management.

The financial services directorate is responsible for the implementation and compliance with Municipal Finance Management Act, Act No. 56 of 2003, the Municipal Property Rates Act, Act No. 6 of 2004, as amended, the Municipal Systems Act, Act No. 32 of 2000, as amended, Fiscal Powers and Functions Act, Act No. 12 of 2007, the Division of Revenue Act, to mention but a few.

During the 2018/2019 financial year, there were 220 employees against staff establishment with 247 positions in the directorate, with cashiers and other services operating at eight service centres for the convenience of the public. The directorate is responsible for ensuring general compliance with supply chain management policy of the municipality, whilst the expenditure section identifies any irregular expenditure that may have been incurred as a result of non-compliance.

The directorate is in the process of finalising the general valuation roll for 2019 which shall remain valid for a four-year period ending 30 June 2023, except for amendments to existing properties or new developments, whereby supplementary valuations are conducted throughout each financial year.

Supply chain management division provides secretariat function for all the bid committees as set-up by the Municipal Manager. The Municipal Manager also appointed an ICT Steering Committee, the Asset Disposal Committee and the Insurance Committee all chaired by the Chief Financial Officer or her delegate. These committees have terms of references and report to the Executive Management Team and to Council, through various committees that exercise oversight on these issues.

The municipality implements consolidated billing and our key billing objectives are as follows:

- Customer information management to ensure accuracy of information and billing

- Timely billing to ensure improved payment levels
- Efficient bill notification procedures, reaching the customer
- Proper and accurate billing for rates based on the category and land use
- Proper tariff for each property category
- Accessibility through properly resourced service centres
- And fast and friendly customer interface (Cashiers, Indigents, and Debt Collection)

The table below represents revenue billed during the 2018/2019 financial year.

Commented [CC23]: Table updated

Description	2017/2018	2018/2019			2018/2019 Variance	
	Actual	Original Budget	Adj. Budget	Actual	Original Budget	Adjust. Budget
	(Rands)				Percentage	
Property rates	492 309	541 312	541 312	512 886	-5.3%	-5.3%
Service Charges - electricity revenue	603 857	727 992	617 992	552 454	-24%	-11%
Service Charges - water revenue	227 137	268 108	268 108	236 691	-12%	-12%
Service Charges - sanitation revenue	62 103	63 813	68 813	67 424	6%	-2.0%
Service Charges - refuse revenue	45 229	47 595	60 395	48 780	2%	-19%
Service Charges – other	-	-	-	-		
Rentals of facilities and equipment	10 566	11 257	11 257	11 092	-1%	-1%
Interest earned - external investments	18 700	20 000	15 000	10 002	-50%	-33%
Interest earned - outstanding debtors	174 794	130 490	141 490	141 429	8%	0%
Dividends received	-	-	-	-		
Fines	21 830	25 735	25 735	36 982	44%	44%
Licences and permits	5 312	3 450	3 450	6 319	83%	83%
Agency services	5 539	-	-	576	-	-
Transfers recognised – operational	172 480	188 874	194 729	192 110	2%	-1%
Other revenue	24 895	25 213	25 213	16 309	-35.3%	-35%
Gains on disposal of PPE	-	-	10 000	579		
Total Revenue (excluding capital transfers and contributions)	1 864 753	2 053 839	1 983 495	1 833 635	-11%	-8%

3.25.2 Debt Recovery

Details of the types of account raised and recovered	2017/2018		2018/2019				2019/2020	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year	Budgeted Billed for the Year	Actual for accounts billed in year	Actual Receipts	Proportion of accounts value billed that were collected	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected
	R'000	%	R'000			Percentage	R'000	Percentage
Property Rates	504 475	73%	541,312	512,886	405,607	79%	578,654	89.4%
Electricity – B	1 404	48%	1,564	2,561	1,934	75%	2,853	89.4%
Electricity – C	361 474	95%	411,019	353,928	330,974	94%	531,848	89.4%
Electricity - Prepaid	231 416	100%	205,409	195,965	195,965	100%	228,826	100%
Water – B	2 472	30%	2,765	6,447	746	12%	6,834	89.4%
Water – C	232 532	68%	265,343	230,245	173,376	75%	279,208	89.4%
Sanitation	64 254	61%	68,813	67,424	40,877	61%	69,517	89.4%
Refuse	46 796	61%	60,395	48,780	33,093	68%	53,898	89.4%
Other	162 945	45%	182,221	177,083	85,671	48%	187,707	89.4%
B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them. For 2018/2019 financial year the average collection rate is budgeted at 89%.								

Commented [CC24]: Table updated

3.25.3 Financial Service Policy Objectives taken from IDP

Strategic Objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To spend at least 8% of the operational budget to repairs and maintenance annually	8%	8.8%	8%	8.60%	8%
To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Submit an audit action plan to the Municipal Manager to address findings raised by the Audit General by 31 January annually	1	1	1	1	1
Promote sound financial management and financial sustainability of Sol Plaatje Local Municipality through prudent fiscal management	Ensure that the actual spending on employee related costs does not exceed 32% of the total expenditure by 30 June 2019	32%	33.50%	32%	32.75%	32%
Enhance revenue through leveraging alternate sources of funding and identifying new revenue streams	Improve revenue enhancement by ensure a collection rate of 89.4% after debt write off by 30 June 2019	89.40%	73%	89.40%	79.13%	89.4%
Promote sound financial management and financial sustainability of Sol Plaatje Local Municipality through prudent fiscal management	Maintain the cost coverage ratio of at least three months annually	3	0.87	3	1.2	3
Promote sound financial management and financial sustainability of Sol Plaatje Local Municipality through prudent fiscal management	Maintain the debt coverage ratio of at least 2:1 against net assets of the municipality by 30 June 2019	2:1	3.76	2:1	1.91	2.1

Strategic Objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
Promote sound financial management and financial sustainability of Sol Plaatje Local Municipality through prudent fiscal management	Reduce net debtor days to 200 days by 30 June 2019	200 days	391.25 days	200 days	86.5 days	200 days
Promote sound financial management and financial sustainability of Sol Plaatje Local Municipality through prudent fiscal management	To spend and least 95% of the Operational budget annually (30 June)	90%	94%	90%	93%	95%
Promote sound financial management and financial sustainability of Sol Plaatje Local Municipality through prudent fiscal management	To spend at least 95% of the Capital budget (including VAT) on capital projects identified in the IDP by 30 June 2019	95%	79.78%	95%	89.90%	95%
Promote sound financial management and financial sustainability of Sol Plaatje Local Municipality through prudent fiscal management	Ensure through regular communication and submission data streams monthly that mSCOA compliance is maintained throughout the financial year	12	12	12	12	12

3.25.4 Employees: Financial Services

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	13	16	12	4	25
Professionals	16	17	17	0	0
Technicians & Trade Workers	9	10	9	1	10
Clerks & Administrative Workers	132	141	136	5	3.55
Community and Personal Workers	23	26	23	3	11.54
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	26	36	27	9	25
Total	220	247	225	22	8.91

3.25.5 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	509 902	556 928	556 928	533 870	-4%
Expenditure					
Employees	95 596	113 933	112 092	100 000	-11%
Repairs and Maintenance	471	2 350	2 350	2 817	20%
Other	16 216	18 186	16 834	12 190	-28%
Total Operational Expenditure	112 282	134 469	131 275	115 007	-12%
Net Operational Expenditure	(397 619)	(422 459)	(425 653)	(418 862)	-2%

3.25.6 Capital Expenditure: Finance

Capital	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Variance from adj budget	Total Project Value
	R'000			%		R'000
Total All	7 000	6 000	3 208	-54%	-47%	6 000
Capitalisation of Loose Equipment	3 000	1 000	–	-100%	-100%	1 000
Replacement Program: It Hardware	4 000	5 000	3 208	-20%	-36%	5 000

3.25.7 Capital Expenditure: Other

“Other” refers to projects that were budgeted for under Capex, but which were not specifically linked to a service but rather broadly beneficial to the municipality.

Capital	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Variance from adj budget	Total Project Value
	R'000			%		R'000
Total All	–	2 000	6 013	–	201%	2 000
Nelson Mandela Monument	–	–	4 207	–	–	–
Install new Lift at Civic Centre	–	2 000	1 806	–	-10%	2 000

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Liquidity Ratio	30 June 2017	30 June 2018	30 June 2019
Current assets	1 355 404 508	1 479 818 699	1 558 311 814
Current liabilities	266 704 315	360 745 182	427 029 641
Ratio 1:2 (Ideal)	4.96	4.00	3.56

The liquidity ratio reflects the relationship between the current assets less inventory and current liabilities of the municipality.

Liquidity Ratio	30 June 2017	30 June 2018	30 June 2019
Current assets	1 355 404 508	1 479 818 699	1 558 311 814
Inventory	31 935 662	36 170 944	39 015 034
Current liabilities	266 704 315	360 745 182	427 029 641
Ratio 1:2 (Ideal)	4.96	4.00	3.56

3.26 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT Unit provides a comprehensive range of services to the Municipality. Such services include but are not limited to the following:

- Network Services – Local and Wide area network services using wired and wireless technologies.
- Email Services – sending and receiving of email, use of electronic diary and calendar functions.
- Information Sharing - sharing of restricted and public folders based on necessary folder permissions.
- Logon Services – Providing desktop and specific system logon services for enhanced PC security and traceable network and system use.
- Internet Services – Provisioning of safe internet access including managing of bandwidth and firewalls.
- File Storage Services – Provisioning of common file storage to enable secure backups and access of files when required.
- Computer Services – Provisioning of desktop computers and thin clients for the delivery of municipal services.
- User Support Services – Help desk services to support users in their day-to-day computer tasks and operations
- Hosting Services – Provisioning of a secure and stable redundant environment for the hosting of departmental and transversal software systems such as Solar, Payday and NOSA.
- Archiving Backup and Business Continuity Services – Ensuring business continuity by providing a fire-resistant secure environment for hardware and network services.
- GIS Services – Provisioning of an integrated Geographic Information Systems, that promotes community-based technology solutions.
- Software Maintenance and Development Services – Development and enhancements to software systems such as GIS Web Portal and Solar.
- Software Support Services – Providing a central port of call for user support and interacting with system suppliers/vendors in the municipality such as suppliers for Solar, Payday, and the Prepaid Electricity System, etc.

- Installing and Accrediting Services – Evaluating and installing of upgrades and new systems on the technical infrastructure.
- Hardware Implementation Services – Provisioning for the hardware infrastructure necessary for the management and the maintenance of the networks and systems within the municipality.

3.26.1 Service Statistics for ICT Services

Below are the service statistics for ICT Services for the 2017/2018 and 2018/2019 financial year:

Detail	2017/2018	2018/2019
Service Requests handled	3,797	3,803
Average network uptime	98.0%	97.7
Mission critical production server uptime	99.5%	99.75

3.26.2 ICT Service Objectives taken from the IDP

Strategic Objectives	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Adjusted Target	Actual	Adjusted Target	Actual	Target
To ensure continuous maintenance and replacement of furniture, office and computer equipment and create a secure environment within the municipality	Provide sufficient support and maintenance for all IT Infrastructure and service-related needs as logged	90%	98%	95%	98%	90%
	Ensure municipality information systems, related data and information is safe from intrusion, unauthorised access, loss or damage	100%	100%	90%	80%	98%
	Update ICT disaster recovery/ business continuity plan to reflect all major changes to the ICT environment by 31 December	1 Plan	1 Plan	1 Plan	0	1 Plan
	Approved ICT Governance framework annually by end March	1	1	1	1	1
	Review and update all ICT policies annually by end March	10	10	5	3	10
	Review and update the ICT risk register annually by end March	1	1	1	1	1
	Ensure that all identified information technology related needs as per the procurement plan have been addressed by 30 June 2019	100%	75%	100%	60%	100%
	To conduct at least four IT Steering Committee meetings by 30 June 2019	4	1	4	3	4
	Approved ICT Strategy annually by end March	1	1	1	1	1

Strategic Objectives	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Adjusted Target	Actual	Adjusted Target	Actual	Target
	Monitor 3 rd Party compliance back up and security contractual conditions for all 3 rd party maintained and hosted systems	100%	40%	100%	60%	100%

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3.26.3 Employees: ICT

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	2	2	2	0	0
Professionals	4	4	4	0	0
Technicians & Trade Workers	4	8	6	2	25
Clerks & Administrative Workers	2	5	1	4	80
Community & Personal Workers	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	0	0	0	0	0
Total	13	20	14	6	30

(Note) As ICT is part of Finance, the above figures are included in 3.25.4

3.26.4 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	–	–	–	–	0%
Expenditure					
Employees	6 788	8 331	8 112	7 250	-11%
Repairs and Maintenance	244	335	335	223	-34%
Other	4 995	4 343	4 285	3 071	-28%
Total Operational Expenditure	12 027	13 009	12 732	10 544	-17%
Net Operational Expenditure	12 027	13 009	12 732	10 544	-17%

3.26.5 Comment on the Performance of ICT Services Overall

For the year 2018/2019 ICT has honoured its commitment to service excellence and continual improvement. ICT has made great strides in transforming the existing infrastructure and revising the service offered to the community of Kimberley, and the municipal employees.

The approved ICT strategic plan has become work in action in line with the municipal vision and the national development plan directive for connectivity by 2020. This serves as a roadmap and yardstick for the municipal ICT services.

IT can attest progress made to the following key initiatives:

- Partnerships for the establishment of numerous Wi-Fi hotspots around Kimberley.
- Appointment of three GIS graduates for certification with the Geometric Council of South Africa who are using the ArcGIS online system to expose the GIS portal to the public, develop community-based apps for reporting of service delivery issues, and assisting other directorates, such as town planning, to automate their processes.
- Broadening its services by providing disadvantaged communities with access to the internet.
- Improved stakeholder engagement through the management and monitoring of key software agreements and vendor service levels.
- Improved system integration for revenue enhancement initiatives.

- Providing electronic payslips for employees who have access to a computer.

With the continuous changes and advancements in technology, ICT aims to be part of the race through the continuous development of its staff members and the services it provides from year to year.

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3.27 SUPPLY CHAIN MANAGEMENT SERVICES

3.27.1 Priorities and Achievements

Supply Chain Management (SCM) is the management of all links and interfaces in the supply chain. However, all these links and interfaces are not of equal importance and therefore the management task of various needs or interfaces in the supply chain will differ accordingly to impact on the relevant supply chain processes on the creation and delivery of consumer value.

SCM implies optimised performance from all supply chain members across all processes and activities and ultimately the development of consumer-driven performance measures aimed at ensuring the continuous improvement of the supply chain.

Priorities set by the Supply Chain Management unit of this Municipality were to actively promote the new PPPF Regulation. All efforts were made to advance the designated groups pertained in the Section 4 of the Regulation. A total amount of R243 258 874 was paid out to Supply Chain Management suppliers of which R171 978 131 was paid to local black SMMEs. This reflects 72% of our procurement and exceeds our target of 60%.

Other priorities include working towards a clean audit report and meeting our target of less than 4% stock losses during our annual stock take. All processes are in place to achieve this, and a total net shortfall during stock take amounted to R38 064 which is 0,13% of the total value of stock, R29 597 517.

3.27.2 Measures to Improve Performance and Achievements

Achieving a Supply Chain distinction is getting more difficult by the day. Risk in the Supply Chain system has increased. Making the Supply Chain system work at its best requires a robust cross-functional control and taking correct decisions across all vertical of the Municipality. Tighter cross-functional co-operation can now be the best tool to improve performance and achievements. Key performance indicators for Supply Chain Performance Measurements should be included in all cross-functional Managers Performance Contracts.

There is a great need for our Information Technology function to support SCM with platforms and applications. At this stage human error is playing a far too big role. Progress has however been made to address this. Having real-time reports available always will provide valuable insight and will allow Management to improve on the critical decision-making process and reduce human error.

3.27.3 Supply Chain Management Service Objectives taken from IDP

Strategic Objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to twelve weeks for annual contracts from closing date to date of award	12 wks	10.03 wks	12 wks	13.75 wks	12 wks
To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to six weeks for once off contracts from closing date to date of award	6 wks	6.86 wks	6 wks	6 wks	6 wks
To capacitate SMME's and local entrepreneurs	To successfully implement the PPPFA Regulations to achieve BBEE and radical economic transformation through local procurement by ensuring at least 60% of the municipality's tenders are awarded to EMEs, OSEs and from the businesses in the rural areas within the municipal jurisdiction by 30 June 2019	60%	70.09%	60%	66.22%	60%
	To implement Standards for Infrastructure Procurement and Demand Management by ensuring compliance with predetermined time frames by 30 June 2019	100%	100%	100%	100%	100%
To ensure an improved audit opinion through compliance with all relevant regulations,	To implement an effective and efficient Supply Chain Management System	5%	0.63%	5%	3.75%	5%

Strategic Objective	Key Performance Indicator	2017/2018		2018/2019		2019/2020
		Revised Target	Actual	Revised Target	Actual	Target
continuous assessment of risk and internal controls	by ensuring that successful appeals is not more than 5% of tenders awarded by 30 June 2019					

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3.27.4 Employees: Supply Chain Management

Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	0	1	100
Other Managers	3	5	3	2	40
Professionals	0	0	0	0	0
Technicians & Trade Workers	0	0	0	0	0
Clerks & Administrative Workers	30	32	30	2	6.25
Community & Personal Workers	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	0	1	1	0	0
Total	34	39	34	5	12.8

(Note) As Supply Chain is part of Finance, the above figures are included in 3.25.4

3.27.5 Financial Performance 2018/2019

Details	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	–	40	40	–	0%
Expenditure					
Employees	12 916	14 996	14 798	13 543	-8%
Repairs and Maintenance	60	332	332	250	-25%
Other	538	428	327	383	17%
Total Operational Expenditure	13 514	15 756	15 457	14 176	-8%
Net Operational Expenditure	13 514	15 716	15 417	14 176	-8%

3.27.6 Capital Expenditure 2018/2019

There was no capital expenditure during the period under review.

3.28 PRE-AUDIT ANNUAL PERFORMANCE REPORT

3.28.1 Introduction

The Annual Performance Report is prepared and submitted in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 providing guidelines on the Annual Report. The Annual Performance Report aid to measure 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. The effective implementation of this monitoring tool promotes the following:

- Efficient, economic and effective use of resources,
- Accountable public administration
- Transparent by providing information,
- Responsive to the needs of the community, and
- Facilitate a culture of public service and accountability amongst staff

This Annual Performance Report covers the performance information from 01 July 2018 to 30 June 2019 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP).

The report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2018/2019. The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area.

Each Key Municipal KPA have number of Municipal Key Performance Indicators (KPI's) which was deliberately designed by the Sol Plaatje Municipality to focus its development initiatives in a more coherent and organised manner. This report will also endeavour to report to Council the Municipality's performance in terms of the five (5) National Government's Strategic Key Performance Areas for local government, which are

- Basic and Sustainable Service Delivery and Infrastructure Development;
- Local Economic Development;
- Municipal Institutional Transformation and Development;
- Municipal Financial Viability and Management and
- Good Governance and Public Participation.

3.28.2 Legislative Background

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, Act 32 of 2000, which stipulates as follows:

- (1) A municipality must prepare for each financial year a performance report reflecting—
 - a) the performance of the Municipality and each external service provider during that financial year;
 - b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
 - c) measures taken to improve performance.

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 organisation as well as the external service providers and the Municipal Entities where applicable. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

3.28.3 Strategic Overview of Sol Plaatje Municipality

3.28.3.1 IDP Vision

"Towards a leading and modern city"

3.28.3.2 Strategic Objectives to Realise the Vision

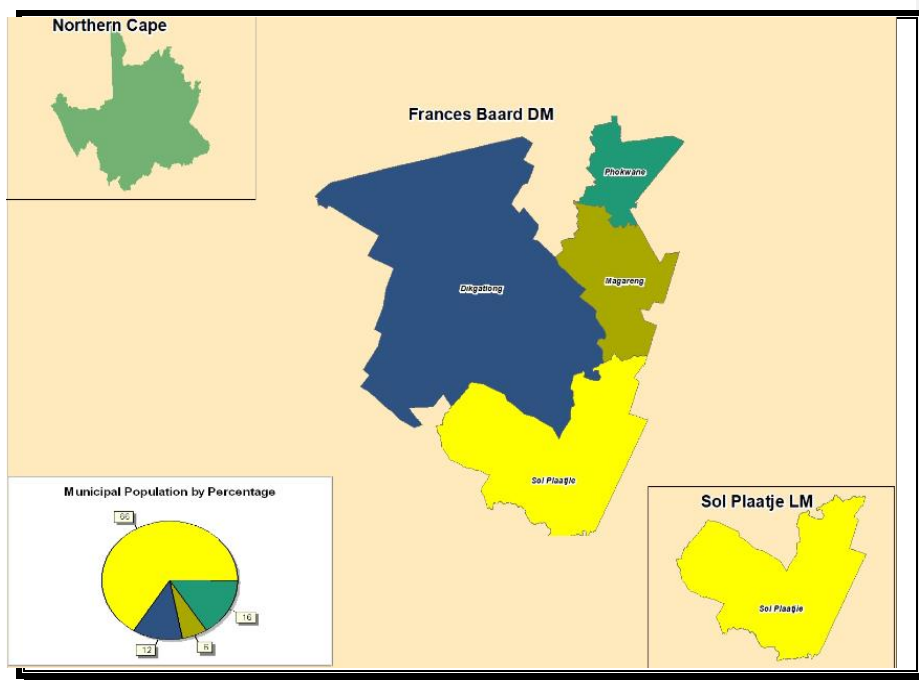
- Spatial Transformation
- Inclusive Growth
- Service Provision
- Good Governance



3.28.4 Statistical Background of the Municipality

Sol Plaatje Municipality, which includes Kimberley, is the only secondary city in the Northern Cape. The municipality houses 66% of the population of the province in a relatively small area, the extent. This makes Sol Plaatje Municipality the urban centre of the province.

Kimberley is approximately 110 km east of the confluence of the Vaal and Orange Rivers. The Sol Plaatje municipality is the seat of the Northern Cape Provincial Government and the Frances Baard District Council. Kimberley is the seat of the Northern Cape Division of the High Court of South Africa, which exercises jurisdiction over the province.



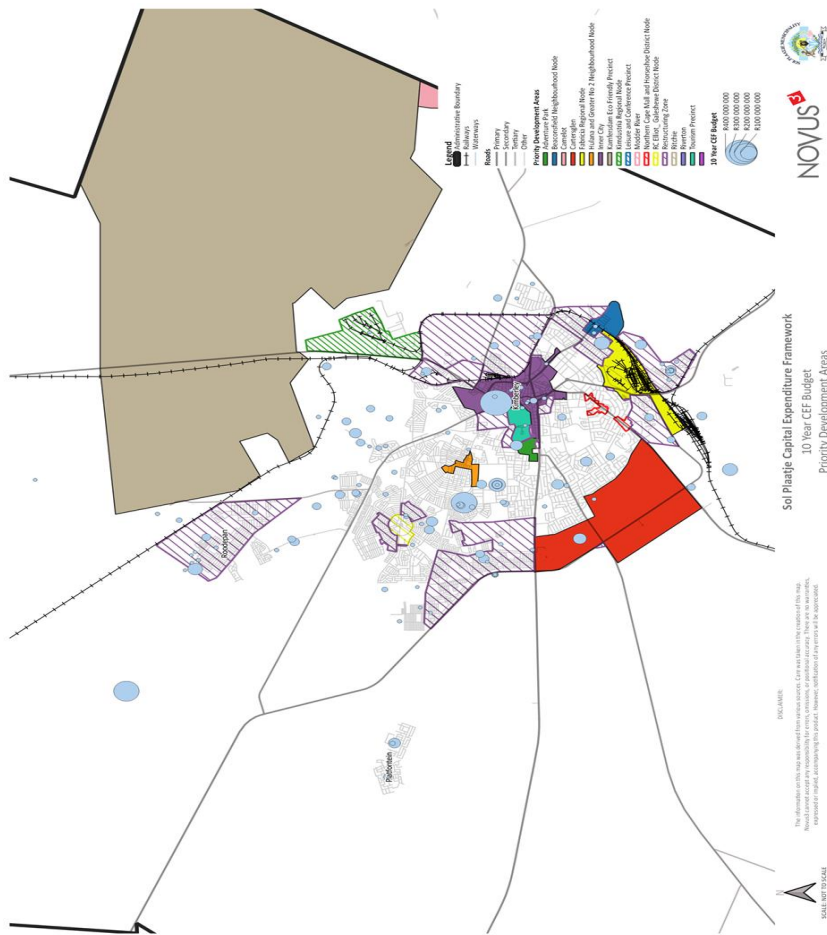
Source: Sol Plaatje Municipality, 2019.

In order to improve on performance planning, implementation, reporting and measurement, the institution implemented the following actions;

There has been a reduction in the number of KPI's that the Municipality is reporting on. The reduction on the number of KPIs afforded the institution the opportunity to focus on strategic issues, which are well defined, outcome based and not operational in nature. Each

Directorate prepares operational plans, which are reported on, on a monthly basis and are taken into account during performance assessments as well, in addition to Top Layer Targets linked to performance contracts of the relevant incumbents.

There is a column in the SDBIP for each KPI to ensure that the portfolio of evidence was populated correctly. During 2015/2016 the Municipal Manager approved a performance review committee which was guided by the Chief Financial Officer. The Committee is tasked to coordinate the IDP and organisational performance management related processes. The unit works closely with Executive Directors in each Directorate as the latter are directorate performance coordinators;



Map 2: Draft Capital Expenditure Framework, 2019

An electronic performance management system is operational within the Municipality. The same systems form the basis for performance evaluations of the Executive Directors. The Municipality endeavoured during the development of the Top Layer as well as with the development of the Directorate SDBIP that the “SMART” principle was adhered to. Emphasis was placed on ensuring that targets were specific and time bound, thus making it measurable.

The new 5-year IDP 2017/2018 to 2021/2022 was approved at a Special Council meeting on 31 May 2017 and has been developed after having taken into account the inputs of management and the public in general. It is aimed at addressing the needs of the people, which in the forefront is security of land tenure and access to basic services.

The Top Layer SDBIP in the IDP was also revised during February 2019.

The municipality adopted a performance management framework, all MSA Section 56 and 57 appointees signed performance agreements accordingly, except where the appointee is in the Acting capacity. The Audit Committee has been in place and functional and considered performance management reports as submitted by management. Quarterly performance reports in terms of the Performance Regulations and MFMA Section 52(d). The Annual Report is also prepared and submitted to Council accordingly.

The Audit Committee took place on these dates and the quarterly performance reports were presented:

- Meeting 1: 29 August 2018
- Meeting 2: 26 November 2018
- Meeting 3: 25 February 2019
- Meeting 4: 11 March 2019
- Meeting 5: 24 June 2019

3.28.5 Executive Summary: Performance Management and Reporting

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the Service Delivery Budget Implementation Plan (SDBIP) at Directorate levels. The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.

MFMA Circular No.13 prescribes that: The IDP and budget must be aligned; the budget must address the strategic priorities; The SDBIP should indicate what the municipality is going to do during next 12 months; and The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

The SDBIP were prepared as described in the paragraphs below and approved by the Executive Mayor. The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

Colour	Category	Explanation
Grey	KPI Not yet measured	KPI with no target for the selected period
Red	KPI Not met	Actual vs. target less than 75%
Orange	KPI Almost met	Actual target between 75 and 100%
Green	KPI Met	Actual vs. target 100%
Olive	KPI well met	Actual vs. target over 100% less than 150%
Navy-Blue	KPI extremely well met	Actual vs. target of more than 150%

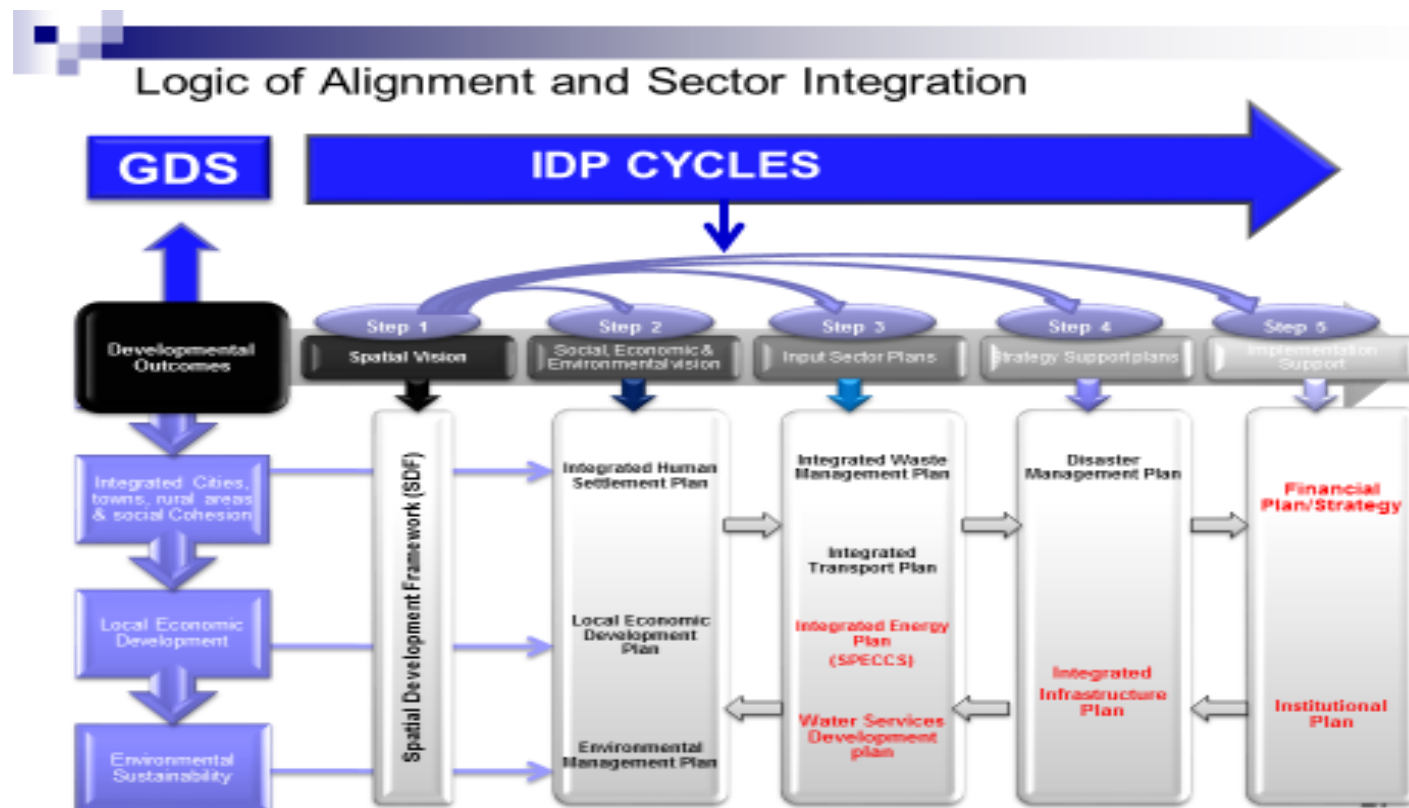
The municipal scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council/Senior Management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. Components of the Top Layer SDBIP include:

- One-year detailed plan, but should include a three-year capital plan, the necessary components include:
 - Monthly projections of revenue to be collected for each source

- Expected revenue to be billed and collected
- Monthly projections of expenditure (operating and capital) and revenue for each vote
- Quarterly projections of service delivery targets and performance indicators for each vote
- Non-financial measurable performance objectives in the form of targets and indicators; and
- Detailed capital project plan broken down by ward over three years.

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



3.28.6 SDBIP Link to Strategic Issues in the IDP

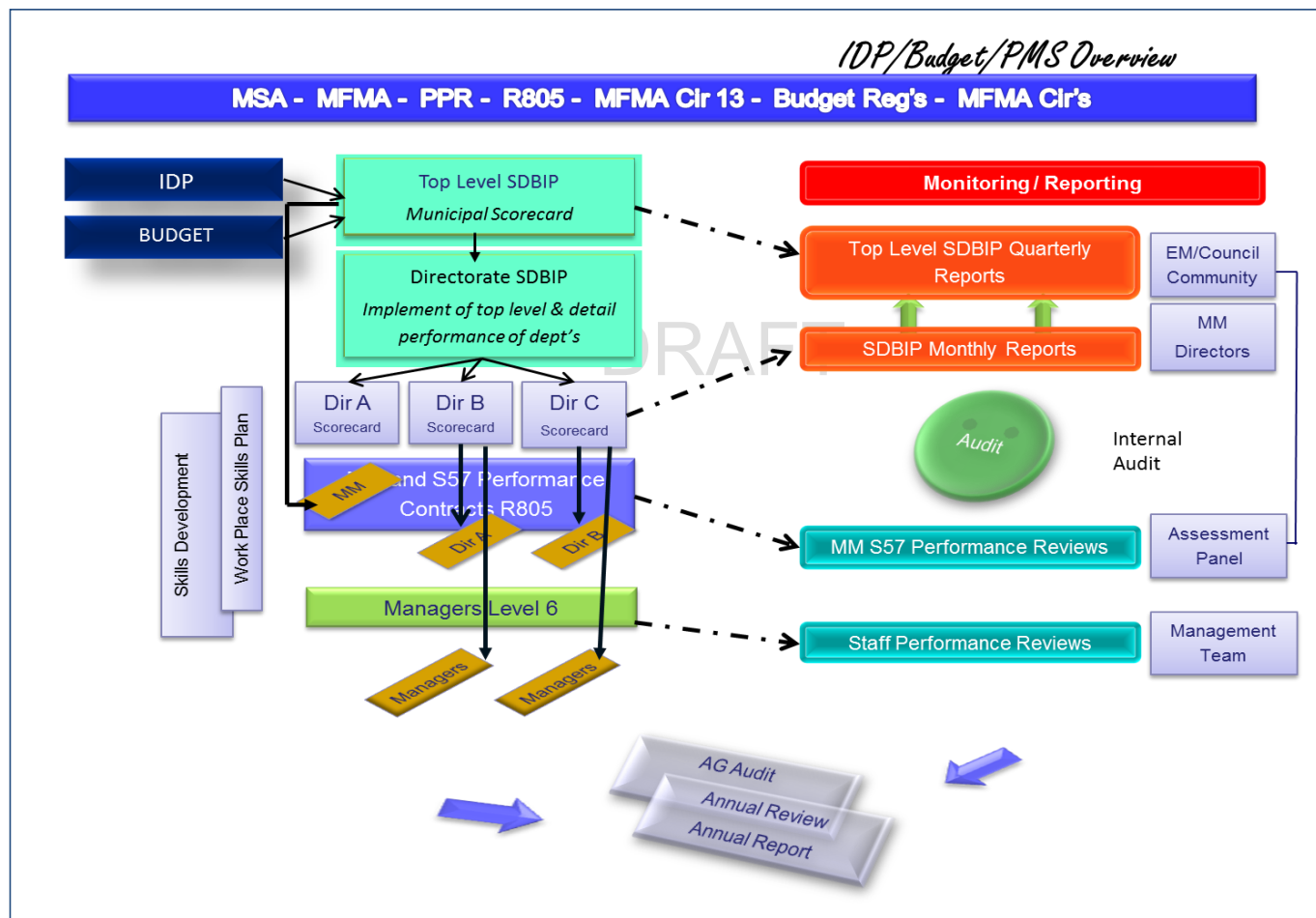
The Municipality endeavours to have a seamless link between IDP, as the strategic plan, the SDBIP, which operationalises the IDP and the Budget and the performance agreements of top and middle management – as well as to all levels of staff. This is illustrated in the diagram below:

The new 5-year IDP 2017/2018 to 2021/2022 has been developed after having taken into account the inputs of management and the public in general. It is aimed at addressing the needs of the people, which in the forefront is security of land tenure and access to basic services.

The 5-year IDP reviewing the strategic objectives of the 5-year IDP in relation to both the present contextual issues relating to development in SPM and the latest national and provincial strategies and plans it was found that the current strategic focus of the IDP remains sound and correct and that focus for this MTREF should be on implementation.

Sol Plaatje Municipality must, during the remainder of this IDP cycle, concentrate on an action-oriented development programme that will see the fruition of the present strategic objectives.

It should also be emphasised that the implementation of this development programme is also dependent on creating the correct preconditions for delivery; including institutional alignment, securing financial resources and creating optimal stakeholder configurations.



The vision set out for the Sol Plaatje Municipality to work towards a leading and modern city was announced by the Executive Mayor in August 2016 post elections. The strategic path to be forged is presented in this IDP. It is a programme to unlock the value of land to create economic opportunities and liveable human settlements with the foundation of quality and reliable infrastructure to deliver access to basic services.

Sol Plaatje is a pilot for the “new deal” - the Integrated Urban Development Framework; this is a unique opportunity for the municipality and the residents of Sol Plaatje. To achieve spatial integration, alignment prioritisation of projects a “Capital Expenditure Framework” (CEF) became a municipal mandate with the promulgation of the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA) section (21)(n).

However, the concept of a Capital Investment- or Capital Expenditure Framework has been alluded to in several other preceding legislative and policy instruments such as Section 153 of the Constitution of South Africa that states, a municipality must structure and manage its administration, budgeting and planning process to prioritise basic needs and to promote social and economic development. The Municipality currently has a draft Capital Expenditure Framework, 2019 that seeks to promote infrastructure planning that is better integrated across sectors and spheres of government and promote a more integrated approach to planning. (See Map 2, extracted from CEF.)

In the course of making the “Back to Basics” programme of local government a reality, a new vision “Towards a leading and modern city” is presented in this IDP. The Future is a new deal wherein all stakeholders will work towards developing a:

- Clean city
- City that attracts investment, manufacturers and tourists
- City with good infrastructure
- Safe and secure City - A city that cares
- City where there is security- jobs, shelter
- City that facilitates the creation of jobs
- City that houses people
- City with youth involved productively
- City that harnesses integrated development
- City that facilitates skills development
- City that invests in public participation, is connected with the people
- City that works together
- City with good IGR harnessed to build integrated human settlements

3.28.7 Data Definitions

Data definition is a set of facts and statistics collected for reference and analysis purposes. These explain the meaning of data which is information that has been translated into a form that supports the manner and methodology used to measure performance and provide guidance on information that must be used as part of the portfolio of evidence.

The table below gives explanation of performance measurement indicators and explains how each indicator is being measured. Please note that all these indicators are reported on for the financial year ended 30 June 2019 and as such relate to the performance for this specific year, unless stated otherwise in the definitions set out below.

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3.28.7.1 Basic and Sustainable Service Delivery and Infrastructure Development

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL54	Infrastructure and Services	Develop suitable located and affordable housing (shelter) and decent human settlements	To plan and survey 2000 erven in Lethabo Park by 30 June 2019 DRAFT	Land as a scarce commodity is a national problem. It is for this reason that government is prioritising human settlement in the country. As the custodians of land, the Municipality in collaboration with the other spheres of government strive to ensure that there is land available that has been identified, and proven suitable for human settlements. The progress to date regarding surveying and planning of Lethabo Park took place in the current financial year and the success of the project should be measured by a SG diagram from the Surveyor General's office.

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL53	Community and Social Development Services	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	To complete 80% of the construction projects in terms of Priority 1 for the upgrading of storm water channels in Galeshewe by 30 June 2019	Progress reports, minutes of meetings and site inspections are evidence to the progress of this project. The upgrading of storm water channels is funded by the NDPG and is the largest grant funded capital project for the financial year 2018/19.
TL55	Community and Social Development Services	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	To upgrade at least 7 km of Galeshewe access roads to a paved surface by 30 June 2019 (Wards 6, 7, 9,10 and 12)	This indicator refers to the length of road paved during the period under review. It should be measured by signed-off reports from engineers/project managers detailing the roads paved. Paving - output = km. Roads in Galeshewe area were earmarked for paving during the 2018/19 financial year.
TL44	Community and Social Development Services	To build equitable, cohesive, sustainable and caring communities with improved access to work and social amenities, including sports and recreational facilities (community development and optimal access/inclusion)	To complete 80% of the upgrade of the Galeshewe Sport Stadium by 30 June 2019	Roll over project from FY 2017/18. Project was delayed by community protests in December 2018 and work only commence in April 2019. Progress reports and minutes of meetings and site inspections are evidence to the progress of this project.

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL81	Community and Social Development Services	To build equitable, cohesive, sustainable and caring communities with improved access to work and social amenities, including sports and recreational facilities (community development and optimal access/inclusion)	To complete the upgrade of Florianville Swimming Pool by 30 June 2019 DRAFT	Roll over project from FY 2017/18. The project was completed and site was handed over in December 2018 by the Contractor, which was immediately vandalised after the Contractor vacated the premises. Progress reports and minutes of meetings and site inspections are evidence to the progress of this project.
TL82	Community and Social Development Services	To build equitable, cohesive, sustainable and caring communities with improved access to work and social amenities, including sports and recreational facilities (community development and optimal access/inclusion)	To complete the upgrading of various facilities at the De Beers Stadium by 30 June 2019	Roll over project from FY 2017/18. Work was completed and signed off by service provider. Progress reports and minutes of meetings and site inspections are evidence to the progress of this project.

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL12	Infrastructure and Services	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	15 500 Indigent households to receive free basic services (water, electricity, sanitation and waste removal according to national guidelines) by 30 June 2019 DRAFT	This indicator refers to the number of indigent households receiving free basic services from the municipality. There are two categories of indigents - income poor (R<3750) and households who are beneficiaries of subsidised houses. The number reported will be determined by the total number of households as per the indigent register.
TL70	Infrastructure and Services	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	Decrease electricity losses to 18% by 30 June 2019	This indicator refers to the electricity loss realised by the municipality. It is calculated by determining the difference between the number of units purchased and the number of units sold and reporting that as a percentage.
TL77	Infrastructure and Services	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	Decrease water losses to 45% by 30 June 2019	The water losses are calculated by comparing the amount of water purchased from the department of Water Affairs to the amount of water sold to consumers. The difference between the amount purchased and the amount sold will be reported as a loss.

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL68	Infrastructure and Services	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the electrification of 1591 houses (Snake Park, Platfontein, Ramorwa, Fluffy Park, Santa Centre and Kutlwanong) by 30 June 2019 DRAFT	This indicator refers to the number of households in Snake Park (949), Platfontein (300), Kutlwanong (48), Santa Centre (139), Ramorwa (106) and Mathibe (49) connected to the electricity network. This can be evidenced by the signed off completion certificates of the relevant engineer/project managers (COC), annexure detailing erven connected.
TL78	Infrastructure and Services	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the reconstruction of aged sink toilets in Kutlwanong by 30 June 2019	No physical construction took place due to various problems during procurement stage and tender had to be re-advertised. Evidence regarding the supply chain management process would be the minutes of the Bid Specification, Bid Evaluation and Bid Adjudication Committees. Appointment of contractor will be made in new financial year where after construction can take place.
TL76	Infrastructure and Services	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To replace 2500 water meters by 30 June 2019	The replacement of faulty/stuck/old water meters is part of an action plan to address water losses. As such, a budget of R3 000 000 was allocated for the replacement of water meters during 2018/19. The supporting documentation for this is the listing of meters replaced,

Ref	Directorate	Strategic Objective	KPI	Data Definition
				detailing the meter numbers, location and date of replacement. Additional evidence is the payment information pertaining to replaced meters.
TL69	Infrastructure and Services	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To replace at least 2500 prepaid electricity meters by 30 June 2019	This is part of the action plan to address the electricity losses at the municipality. The supporting documentation for this is the listing of meters replaced, detailing the meter numbers, location and date of replacement. Additional evidence is the payment information pertaining to replaced meters.
TL80	Infrastructure and Services	To ensure management of the quality of the drinking water and waste water through compliance with the applicable legislation	To ensure through effective monitoring that a 97% Blue Drop Status is achieved by 30 June 2019	This is the status allocated to the municipality by the Department of Water Affairs, based on the quality of drinking water and supporting systems within the municipal area. This is measured by obtaining the latest Blue Drop reports from the Blue Drop System (BDS) managed by the Department of Water Affairs. The reports measure different criteria at each Waterworks (Riverton and Ritchie). An overall average for the year is calculated and reported in the APR.

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL79	Infrastructure and Services	To ensure management of the quality of the drinking water and waste water through compliance with the applicable legislation	To ensure through effective monitoring that a 90% Green Drop Status is achieved by 30 June 2019 DRAFT	This is the status allocated to the municipality by the Department of Water Affairs, based on the quality of drinking water and supporting systems within the municipal area. This is measured by obtaining the latest Green Drop report from the Green Drop System (GDS) managed by the Department of Water Affairs. The reports measure different criteria at each of the Wastewater Treatment works (Homevale, Beaconsfield and Riverton). An overall average for the year is calculated and reported in the APR.
TL40	Community and Social Development Services	To ensure sustainable delivery of community services (personal health, library, emergency and traffic services) to all residents of SPM	Respond to 85% of emergency call-outs within time limits as prescribed in table 1 and table 2 of SANS 10090 by 30 June 2019	This indicator measures the response of calls against the set standards (SANS 10090). The percentage of calls responded to within the prescribed time are compared to the total call-outs received for the period. These reports are compiled on a monthly basis. At year end, an average overall compliance is calculated using the percentages achieved for each individual month and dividing it by 12.

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL41	Community and Social Development Services	To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM	To achieve at least 70% compliance with the National Disaster Management Tool by 30 June 2019 DRAFT	The Municipal Disaster Management Programme Evaluation Tool is completed by Mr Riaan van Vuuren. The document is submitted to the National Treasury in compliance with the Disaster Management Act No.57 of 2002, section 21. An average percentage is calculated and reported at year-end.
TL39	Community and Social Development Services	To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM	To complete the construction of the Homevale Fire Station by 30 June 2019	This is a roll over project from FY 2017/18. The procurement phase was completed in current financial year and a service provider was appointed. Construction only commenced in April 2019. The evidence will be the appointment letter as well as evidence for the reported progress in terms of completion will be the progress report signed by the service provider and minutes of meetings held.
TL63	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To complete 50% of the project to replace the 66KV oil circuit breakers at the Herlear substation with SF6 by 30 June 2019	Progress reports and minutes of meetings and site inspections are evidence to the progress of this project. The installation of circuit breakers to be completed in FY 2019/20.

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL64	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To complete 50% of the replacement of the 11KV Circuit Breakers at the Herlear Substation by 30 June 2019	Due to budget constraints, there was no progress on this project. Consultants to be appointed in FY 2019/20 due to the high technical content of project
TL87	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To complete the Electricity Master Plan by 30 June 2019	This is a roll over project from the FY 2017/18 and the master plan was complete during the 3 rd Quarter of the FY 2018/19. Evidence for the reported progress in terms of completion will be the progress report signed by the service provider and minutes of meetings held.
TL65	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To complete the upgrading of Riverton substation equipment with 2 x 10 MVA transformers by 30 June 2019	Transformers were tested and delivery will be in FY 2019/20 where after it will be installed. Evidence for the reported progress in terms of completion will be the progress report signed by the service provider and minutes of meetings held
TL62	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To complete the upgrading of the Carters Glen substation with 1 x 20 MVA transformers by 30 June 2019	Land Surveyor pegged area and poles to construct MV line has commenced. Project to be complete in FY 2019/20. Evidence for the reported progress in terms of completion will be the progress report signed by the service provider and minutes of meetings held.

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL75	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 30% of the upgrading of the Carters Glen sewer pump station by 30 June 2019	Specifications for project completed and procurement process for appointment of contractor has commenced. Evidence for the reported progress in terms of completion will be specifications for project.
TL86	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 60% of the repair / refurbishment of the sewer outfall main from Gogga to Homevale Wastewater Treatment Plant by 30 June 2019	Evidence for the reported progress in terms of completion will be the progress report signed by the service provider and minutes of meetings held.
TL85	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 85% of the mechanical electrical installation in the new Riverton Pump Station by 30 June 2019	Project at practical completion stage although testing and commissioning will take place during July 2019 and pump station will be operational by end August 2019. Evidence for the reported progress in terms of completion will be the progress report signed by the service provider and minutes of meetings held.
TL74	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete Phase 2 of the Ritchie Bulk Water Implementation project by 30 June 2019	All components of project are complete and only the testing of tanks is outstanding which will be done after peak demand for water has decreased.

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL84	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete Phase 2 of the security project by 30 June 2019	Project was completed in FY 2017/18. There is an SLA in place to monitor the implementation progress in this regard. Evidence for the reported progress in terms of completion will be the progress report signed by the service provider and minutes of meetings held.
TL72	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete the sewer connections for the Lerato Park development by 30 June 2019	This is a roll over project from FY 2017/18 for both the water and sanitation connections at Lerato Park, a contractor was only appointed during June 2018. The link to the sewer pipeline is 36% complete for the FY 2018/19 and will be completed in FY 19/20. Evidence for the reported progress in terms of completion will be the progress report signed by the service provider and minutes of meetings held.
TL71	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete the water connections for the Lerato Park development by 30 June 2019	This is a roll over project from FY 2017/18 for both the water and sanitation connections at Lerato Park, a contractor was only appointed during June 2018. The link to the water pipeline is 75% complete for the FY 2018/19 and will be completed in FY 19/20. Evidence for the reported progress in terms of completion will be the

Ref	Directorate	Strategic Objective	KPI	Data Definition
				progress report signed by the service provider and minutes of meetings held.
TL73	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete the water pipe replacement projects at the following areas: Newton, Community, Adam Namakola, Nobengula, Bultfontein Road and Gogga Pump Station by 30 June 2019	This is a roll-over project from FY 2017/18; all the areas were completed except the reinstatement of Newton Street which was completed in current FY. Evidence of replacement would be the aerial photos/maps of where the replacement took place, the expenditure reports and the summary of the lengths that were replaced.
TL11	Financial Services	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To spend at least 8% of the operational budget to repairs and maintenance annually	This percentage is calculated by dividing the total repairs and maintenance expenditure by the total operational budget. Maintenance includes the labour, hire of equipment, professional fees and equipment etc.
TL83	Strategy, Economic Development and Planning	To improve the public transport system and services	To complete the procurement process for the taxi lay-by project in Galeshewe by 30 June 2019	The end of the procurement phase is marked by issuing an appointment letter to the selected service provider. The evidence for this indicator is therefore the appointment letter. Further evidence

Ref	Directorate	Strategic Objective	KPI	Data Definition
				regarding the supply chain management process would be the minutes of the Bid Specification, Bid Evaluation and Bid Adjudication Committees.

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3.28.7.2 Local Economic Development

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL49	Strategy, Economic Development and Planning	Marketing the municipality as premier destination for tourism and investment	Promote tourism into the city using arts, culture and heritage as a strategy by creating a marketing platform for SMME's through at least 4 events partnered by Sol Plaatje on an annual basis	This indicator commits to hosting SMME development events by the municipality. Though timeframes are not indicated, it must be proven by way of submitting proposals/concepts for such events, programme of the day, attendance registers and copies of presentations made at the events.
TL50		To capacitate SMME's and local entrepreneurs	Support SMME's through business incubation by setting up developmental programmes for at least 10 businesses annually	The municipality has two SMME Villages with more than 10 incubation spaces available. Municipality serve as unit of measurement to perform in this indicator. The type of developmental programme for the identified business or individual would depend on the needs and requirements of that specific business or individual. It can vary from a business plan development to financial analysis and cash flow forecasts to entrepreneurial training and development. The focus is on supporting SMME's. This can be in the form of developing existing businesses or supporting aspiring business owners to develop new businesses.
TL51		To develop sustainable living through job creation	To complete Local Economic Development Strategy by 30 June 2018	Roll over project from FY 2017/18. SPM received funding from Old Mutual who must still finalize the contract with the University of

Ref	Directorate	Strategic Objective	KPI	Data Definition
		(EPWP and other initiatives)		Johannesburg before strategy can commence. Evidence will be Letter from Old Mutual and relevant correspondence thereto.
TL10	Financial Services	To capacitate SMME's and local entrepreneurs	To implement Standards for Infrastructure Procurement and Demand Management by ensuring compliance with predetermined timeframes by 30 June 2019	The Standard for Infrastructure Procurement and Delivery Management (SIPDM) has been rolled out by the National Treasury. It requires a change in processes pertaining to the procurement of Infrastructure specifically. The municipality therefore had to adjust their SCM policy, attend workshops and inform relevant stakeholders of such changes. Evidence thereof will be the revised procurement policy.
TL9	Financial Services	To capacitate SMME's and local entrepreneurs	To successfully implement the PPPFA Regulations to achieve BBBEE and radical economic transformation through local procurement by ensuring at least 60% of the municipality's tenders are awarded to EME's, OSE's and from the businesses in the rural areas within the municipal jurisdiction by 30 June 2019	This indicator refers to the goods/services procured by the municipal stores. It is measured by calculating the percentage of total payments (excl. bulk purchases ESKOM, DWA) that were made to BBEEE companies. The report from SCM is used to calculate this. Report detailing the BBBEE levels per creditor.
TL1	Office of the Municipal Manager	To develop sustainable living through job creation (EPWP and other initiatives)	Create 300 FTE jobs through EPWP initiatives of the SPM by 30 June 2019	The municipality is a beneficiary of an EPWP Incentive grant. There is a system used to capture the number of jobs created and days worked per month by the contract workers. The reporting requirements under EPWP

Ref	Directorate	Strategic Objective	KPI	Data Definition
				requires the conversion of the total days worked per month (accumulated for the period) into days equivalent to a full time person doing similar work, and the system has the formula. The responsibility for the collection of information and reporting lies with the PMU.
TL52	Strategy, Economic Development and Planning	To position the market as a productive and profitable section of the municipality	To perform an assessment of the completed business plan in relation to the profitability of the fresh produce market of the municipality and implement a decision by 30 June 2019	The loss realized on the municipality's market has become a great cause of concern for the municipality. A business plan was developed and assessments are done on an annual basis where after the decision taken must be implemented. The evidence is the implementation and evaluation of the business plan.
TL45	Strategy, Economic Development and Planning	To ensure effective spatial planning and development in order to establish a competitive economic position	Ensuring a response time for building plan submissions received in the current financial year for buildings or architectural buildings greater than 500 m ² annually	The activities in Building Industry of any economy are an indicator that there is improvement in the economic lifecycle. This sector absorbs unskilled labour and as such creates opportunities and alleviates poverty. A register of building plan submissions (<500 m ²) responded to for each month of the financial year is kept by the town planning section. Average weeks are calculated by dividing the average days by 7. An overall average is then calculated for the year. A response received may be in the

Ref	Directorate	Strategic Objective	KPI	Data Definition
				form of an approval, disapproval, or referral for additional information.
TL46	Strategy, Economic Development and Planning	To ensure effective spatial planning and development in order to establish a competitive economic position	Ensuring a response time for building plan submissions received in the current financial year for buildings or architectural buildings less than 500 m ² annually DRAFT	A register of building plan submissions (>500 m ²) responded to for each month of the financial year is kept by the town planning section. Average weeks are calculated by dividing the average days by 7. An overall average is then calculated for the year. A response received may be in the form of an approval, disapproval, or referral for additional information.
TL7	Financial Services	To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to 12 weeks for annual contracts from closing date to date of award	This indicator refers to the time that lapse between the closing dates of a tender until the award of annual contract. This can be measured by taking the difference between the closing date of the tender as per the tender advert (signed off MBD1) and the date of the final award as per the minutes of the BAC. The average turnaround around time per quarter/annum is reported
TL8	Financial Services	To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to 6 weeks for once off contracts from closing date to date of award	This indicator refers to the time that lapse between the closing date of a once-off tender until the award of annual contract. This can be measured by taking the difference between the closing date of the tender as per the tender advert (signed off MBD1) and the date of the final award as per the minutes of the BAC. The average

Ref	Directorate	Strategic Objective	KPI	Data Definition
				turnaround around time per quarter/annum is reported.
TL47		To ensure effective spatial planning and development in order to establish a competitive economic position	To process all category 1 land use applications received until 30 April of the current financial year through MPT (Municipal Planning Tribunal) by 30 June 2019 in terms of the SPLUMA by-law (2015)	The process to establish a Municipal Planning Tribunal (MPT) has completed and it has been set up in the previous financial year. All category 1 applications for land use shall be directed to the MPT, and no longer through Council Section 79 Committee of SPELUM. A list of application received and dealt with at this forum during the current financial year is available.
TL48		To ensure effective spatial planning and development in order to establish a competitive economic position	To process at least 100 buildings plans that were received before 1 July 2018 by the end of the current financial year (30 June 2019)	The Building Inspectorate had accumulated backlogs as a result of (amongst other things) the moratorium that was placed on development by council a number of years ago. It is the intention to clear this backlog within the next three years. As such, a target has been set to deal with at least 100 backlog plans in the current financial year. A register of plans processed in this regard is available.

3.28.7.3 Good Governance and Public Participation

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL37	Corporate Services	Promote community participation and communication	To communicate to the public (established residential areas) by issuing monthly newsletters DRAFT	This indicator will be based on perceptions rather than the outcomes of community surveys or other formal means. On a random basis people may be asked to give their views of the municipality in as far as service delivery, responsiveness, quality of service and service offering excellence.
TL38	Corporate Services	Promote community participation and communication	To respond to all media enquiries and issue media statements within 24 hours after an occurrence	This can be measured by analysing response time to the media enquiries received.
TL6	Office of the Municipal Manager	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Internal audit to perform an assessment of the internal control environment and other risk areas within the municipality and issue at least 10 internal audit reports to the audit committee during the year	Internal Control environment includes the presence of necessary and prescribed by-laws, approved policies and procedures as well as job description of staff performing duties within the municipal legislative framework and policy prescripts. The Internal Audit is guided by the audit plan. Progress reports as per the Audit Committee quarterly reports are used as a base to verify the effectiveness of internal controls as per internal audit reports.

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL34	Corporate Services	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Submit an Annual Report on risk management maturity level op SPM to NT by 30 June each year DRAFT	An overall report on risk maturity must be compiled annually and submitted to Municipal Manager. This report gives a sense on how serious risk management is taken in the organisation and assist in the development of tactics to institutionalise risk management and necessary intervention required. This indicator refers to the implementation of an annual report on the risk management maturity level of the municipality. The indicator will be evidenced by the Enterprise risk management framework document.
TL25	Financial Services	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Submit an audit action plan to the Municipal Manager to address findings raised by the Audit General by 31 January annually	This indicator refers to the audit action plan that is based on the findings received from the Auditor General during the previous year audit. This document is submitted to the Municipal Manager and the National Treasury on an annual basis. The indicator is measured by confirming the compilation and submission of Audit Action Plan to Management, MPAC and Audit Committee.
TL24		To ensure an improved audit opinion through compliance with all relevant regulations,	To implement an effective and efficient Supply Chain Management System by ensuring that successful appeals is not	This is calculated by dividing the number of successful appeals by the total number of tenders received for the year. The aim is to minimise the number of successful appeals as

Ref	Directorate	Strategic Objective	KPI	Data Definition
		continuous assessment of risk and internal controls	more than 5% of tenders awarded by 30 June 2019	that is an indication of the appropriateness and fairness of the supply chain management procedures followed.
TL33	Corporate Services	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To report quarterly on the progress of risk mitigation to the Accounting Officer and Executive Management Team (EMT)	It is further required that progress in the implementation of the risk control measures is reported on to the EMT and to the Audit Committee. Quarterly reports are compiled by CRO and presented at these meetings.

3.28.7.4 Municipal Financial Viability and Management

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL16	Financial Services	Enhance revenue through leveraging alternate sources of funding and identifying new revenue streams	Improve revenue enhancement by ensure a collection rate of 89.4% after debt write off by 30 June 2019	The debt collection rate is calculated by adding the opening debtors balance to the billed revenue and deducting the bad debts written off and closing balance/ divided by the billed revenue for the period; after distorting factors have been taken into account. Circular 72
TL22		Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Ensure that the actual spending on employee related costs does not exceed 32% of the total expenditure by 30 June 2019	The percentage is calculated by dividing the total employee related cost by the total operating expenditure budgeted for the period.
TL23		Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Ensure through regular communication and submission data streams monthly that mSCOA compliance is maintained throughout the financial year	National Treasury requires the submission of the following reports/data strings on a monthly basis: Monthly Actual Figures (GE100), Monthly Debtors (DB) and monthly Creditors (CR). On a quarterly basis the Borrowing (BM) and Investment (IM). In addition to this, the approved budget, the project details and financial position budget data strings must also be submitted to National Treasury. The evidence of successful completion is the feedback reports received from National Treasury.

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL21		Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Maintain the cost coverage ratio of at least 3 months annually	The cost coverage ratio is calculated by dividing the total liabilities for the period by the total own operating revenue.
TL19		Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Maintain the debt coverage ratio of at least 2:1 against net assets of the municipality by 30 June 2019	The debt coverage ratio is calculated by dividing the total liabilities for the period by the total own operating revenue
TL20		Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Reduce net debtor days to 200 days by 30 June 2019	This percentage is calculated by dividing the total outstanding service debtors by the total revenue for the period
TL17		Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	To spend at least 95% of the Capital budget (including VAT) on capital projects identified in the IDP by 30 June 2019	The percentage is calculated dividing the total amount of capital spending by the total capital budget for the period.
TL18		Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	To spend at least 95% of the Operational budget annually (30 June)	The percentage is calculated dividing the total amount of operational spending by the total operational expenditure budget for the period.

3.28.7.5 Municipal Institutional Development and Transformation

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL26	Corporate Services	To enable effective training and skills development through various initiatives and partnering with the private sector	Equip staff to implement efficiency, monitoring and productivity through the following improvement interventions by 30 June 2019 : Leadership and management development training, Learning , Competency and development programme	The evidence for this indicator would be the list of staff attending various training and development courses/programmes during the year under review. Evidence in the form of registration documents, attendance registers etc. is available.
TL13	Financial Services	To ensure continuous maintenance and replacement of furniture, office and computer equipment and create a secure environment within the municipality	Ensure that all identified information technology related needs as per the procurement plan have been addressed by 30 June 2019	This is evidenced by the IT procurement plan and the actual expenditure incurred on the procurement of IT related goods and services during the financial year.
TL15	Financial Services	To ensure continuous maintenance and replacement of furniture, office and computer equipment and create a secure environment within the municipality	To conduct at least 4 IT Steering Committee meetings by 30 June 2019	IT steering committee meetings should be held on a quarterly basis. The purpose of the committee is to make recommendations in terms of IT related needs, revision of policies etc.

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL30	Corporate Services	To improve effective human resource development to staff and councillors	Achieve 70% compliance with the EAP Plan of the municipality by ensuring representation of the racial profile of the local authority on municipal level by 30 June 2019 DRAFT	The municipality must develop an Employee Assistance Plan which must be approved by Executive Management Team by recommendation of the ED. It is anticipated that due to inadequate funding and changes in a year that only 70% of the plan approved would be executed. This indicator relates to the compliance of the organogram with the EAP Plan of the municipality. This is measured by comparing the current staff establishment of the municipality.
TL29	Corporate Services	To improve effective human resource development to staff and councillors	Monitor the implementation of the Human Resource Management Plan through conducting at least one review meeting annually	This indicator refers to the content of the approved HR Management plan. The evidence for this will be contained in the HR Plan. A strong work team is required to implement the SDBIP and service delivery obligations of the municipality. There is a strategy in place for the management of Human Resources. The strategy must be received annually and be approved by Council after every review. It becomes important that the review process is documented in this regard as part of portfolio of evidence that it indeed took place.
TL28	Corporate Services	To improve effective human resource	Review the organisational structure of the municipality on an annual basis	The review of the organizational structure is evidenced by minutes of meetings,

Ref	Directorate	Strategic Objective	KPI	Data Definition
		development to staff and councillors	with the aim of optimising efficiency and make recommendations by 30 June 2019	recommendation for amendment and ultimately a reviewed organogram.
TL32	Corporate Services	To provide a basis for sustainable municipal performance improvement	Co-ordinate bi-annual performance assessments of the municipal manager and managers reporting directly to the municipal manager by 30 June 2019	This indicator refers to the legislated performance assessments of section 57 employees. The bi-annual assessments will be substantiated by signed-off documentation detailing the outcomes of these assessments.
TL2	Office of the Municipal Manager	To provide a basis for sustainable municipal performance improvement	Monitor the implementation of the Integrated Performance Management Policy by conducting at least one review meeting annually	This indicator refers to the review of the Performance Management Policy on an annual basis. Review will be evidenced by minutes of meeting held to review and documented changes (if applicable).
TL31	Corporate Services	To provide a basis for sustainable municipal performance improvement	On a quarterly basis communicate the funded vacant positions in each directorate to the relevant Executive Director	A memorandum is sent by the HR manager to all Directorates reminding them to fill budgeted/funded vacant positions within their departments.
TL3	Office of the Municipal Manager	To provide a basis for sustainable municipal performance improvement	Submit quarterly organisational performance reports to the Executive Mayor by the 20th of the month following the end of each Quarter for 2018/19	The signed-off quarterly reports will be evidence that this indicator has been achieved.

Ref	Directorate	Strategic Objective	KPI	Data Definition
TL4	Office of the Municipal Manager	To provide a basis for sustainable municipal performance improvement	Submit the final IDP document for adoption to Council by 31 May annually	Approval of IDP is a critical milestone in terms of Municipal Systems Act. The IDP informs the budget and there must be a clear linkage between what has been identified as critical and that which is funded. Adoption is by Council resolution.
TL5		To provide a basis for sustainable municipal performance improvement	Submit the final SDBIP to the Executive Mayor by 30 June annually	It is important to operationalise the IDP and Budget in an SDBIP with clear monthly and quarterly targets that must be achieved. The SDBIP also serves as a basis for the development of performance agreements of the MM and Senior Managers. In terms of Circular 13, it must be submitted to the Executive Mayor 28 days after the approval of IDP and Budget. The SDBIP was approved together with the Budget, and there is a Council Resolution to this effect.

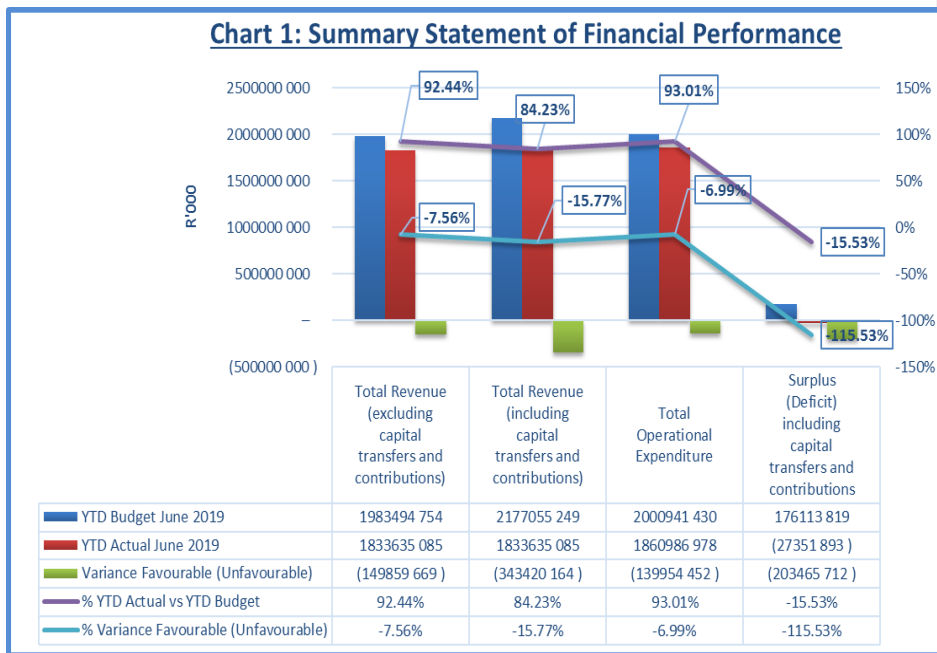
3.28.8 Financial Performance Overview

The Statement of Financial Performance shown in Table 2 is prepared on a similar basis to the prescribed budget format, detailing Revenue by source and Expenditure by type. The consolidated summary of the financial performance is indicated in Table 1 below:

Table 1: Consolidated summary: Statement of Financial Performance

Summary Statement of Financial Performance					
Description	YTD Budget June 2019	YTD Actual June 2019	Variance Favourable (Unfavourable)	YTD Actual vs YTD Budget	Variance Favourable (Unfavourable)
	R'000			%	
Total Revenue (excluding capital transfers and contributions)	1 983 495	1 833 635	(149 860)	94.44	-7.56
Total Revenue (including capital transfers and contributions)	2 177 055	1 833 635	(343 420)	84.23	-15.77
Total Operational Expenditure	2 000 941	1 860 987	(139 954)	93.01	-6.99
Surplus (Deficit) (including capital transfers and contributions)	176 144	(27 352)	(203 466)	-15.53	-115.53

Chart 1: Summary: Statement of Financial Performance



3.28.9 Performance of Revenue by Source

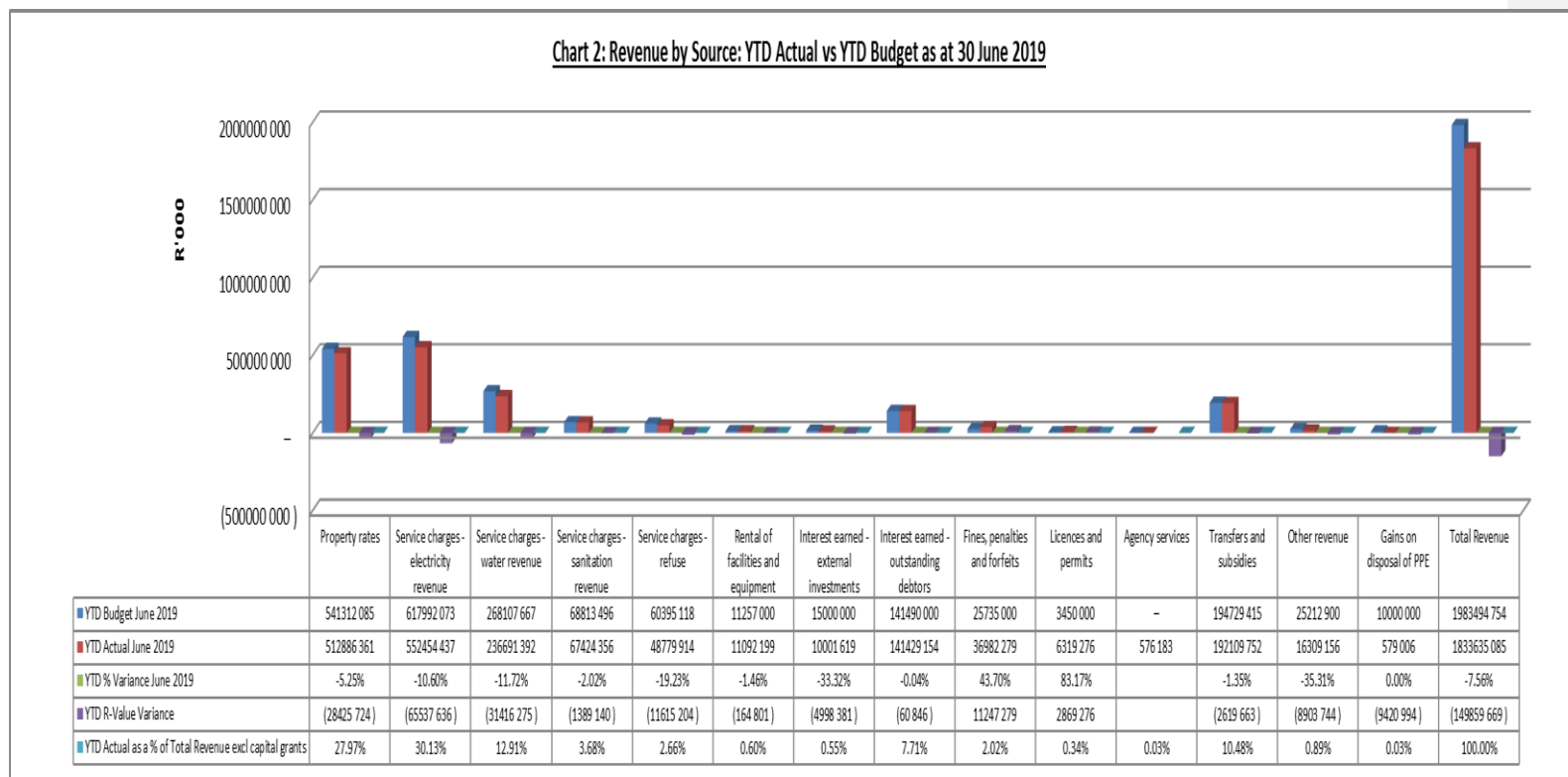
Comparison against the YTD Budget (SDBIP Target)

As indicated in Table 1 and Chart 1 above and Table 2 and Chart 2 below, as at 30 June 2019 the billed revenue including capital grants amounted to R1 833 635 billion which resulted in an unsatisfactory variance of 7.56% when compared to the YTD budgeted SDBIP target of R2 177 055 billion. This variance is mainly influenced by the Capital grants that have not been recognised yet. This will be finalised as part of year-end procedures. Overall Property Rates and Service charges are performing satisfactorily, with the exception of Refuse revenue which is currently showing a negative variance of 19.23%. Interest earned – External investments shows a negative variance of 33.32%. The majority of interest has been recognised and this is mainly attributable to the decrease in investments of the municipality. Revenue from Fines is showing a positive variance of 43.70%. Licences and permits is showing a positive variance of 83.17%, however there are still outstanding payments to be made to the Department of Transport, Safety and Liaison. The movement on Agency Services must be investigated Gains on disposal of PPE shows a negative variance of 94.21% which was as a result of land sales that did not materialise.

Table 2: Financial Performance Summary: Revenue

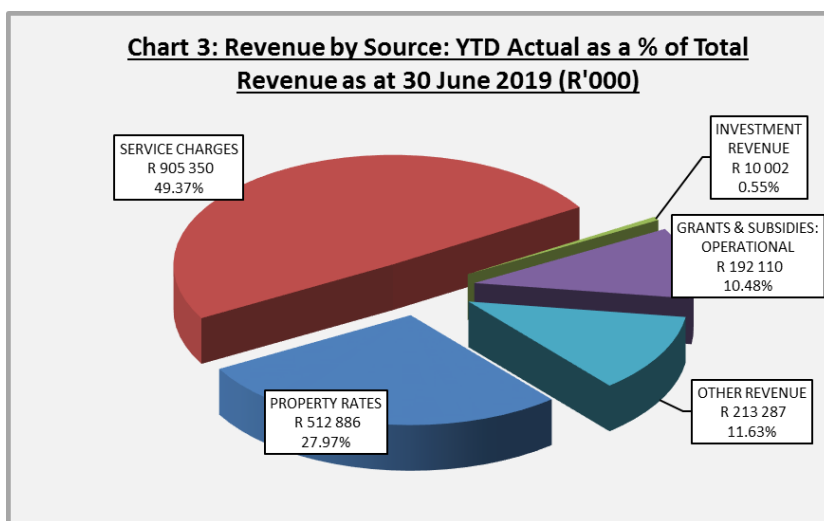
REVENUE BY SOURCE	ORIGINAL	ADJUSTMENT	MONTHLY	YTD ACTUAL 30	% ACHIEVED	% VARIANCE	YTD ACTUAL AS
	BUDGET 2018/19	BUDGET 2018/19	ACTUAL	JUNE 2019	ADJUSTMENT BUDGET	COMPARED TO IDEAL IYM % OF 100%	A % OF TOTAL OPERATIONAL REVENUE
PROPERTY RATES	541 312	541 312	7 884	512 886	94.75%	-5.25%	27.97%
SERVICE CHARGES - ELECTRICITY REVENUE	727 992	617 992	25 295	552 454	89.40%	-10.60%	30.13%
SERVICE CHARGES - WATER REVENUE	268 108	268 108	(2 018)	236 691	88.28%	-11.72%	12.91%
SERVICE CHARGES - SANITATION REVENUE	63 813	68 813	2 735	67 424	97.98%	-2.02%	3.68%
SERVICE CHARGES - REFUSE REVENUE	47 595	60 395	197	48 780	80.77%	-19.23%	2.66%
RENTAL OF FACILITIES AND EQUIPMENT	11 257	11 257	899	11 092	98.54%	-1.46%	0.60%
INTEREST EARNED - EXTERNAL INVESTMENTS	20 000	15 000	6 690	10 002	66.68%	-33.32%	0.55%
INTEREST EARNED - OUTSTANDING DEBTORS	130 490	141 490	10 047	141 429	99.96%	-0.04%	7.71%
FINES	25 735	25 735	32 409	36 982	143.70%	43.70%	2.02%
LICENCES AND PERMITS	3 450	3 450	(237)	6 319	183.17%	83.17%	0.34%
AGENCY SERVICES	-	-	77	576			0.03%
TRANSFERS RECOGNISED - OPERATIONAL	191 142	194 729	10 229	192 110	98.65%	-1.35%	10.48%
TRANSFERS RECOGNISED - CAPITAL	282 795	193 560	197 254	197 254	101.91%	1.91%	10.76%
OTHER REVENUE	25 213	25 213	(5 565)	16 309	64.69%	-35.31%	0.89%
GAINS ON DISPOSAL OF PPE	-	10 000	-	579	5.79%	-94.21%	0.03%
TOTAL REVENUE (EXCLUDING CAPITAL TRANSFERS AND CONTRIBUTIONS)	2 056 107	1 983 495	88 642	1 833 635	92.44%	-7.56%	100.00%
TOTAL REVENUE (INCLUDING CAPITAL TRANSFERS AND CONTRIBUTIONS)	2 338 902	2 177 055	285 896	2 030 889	93.29%	-6.71%	

Chart 2. Revenue by Source: YTD Actual vs YTD Budget



Also indicated in Chart 3 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 30 June 2019. The main contributors are Service Charges (49.37%), Property Rates (27.97%) and Transfers recognised – Operational with a weighting of (10.48%).

Chart 3: Revenue by Source: YTD Actual as a percentage of Total Revenue

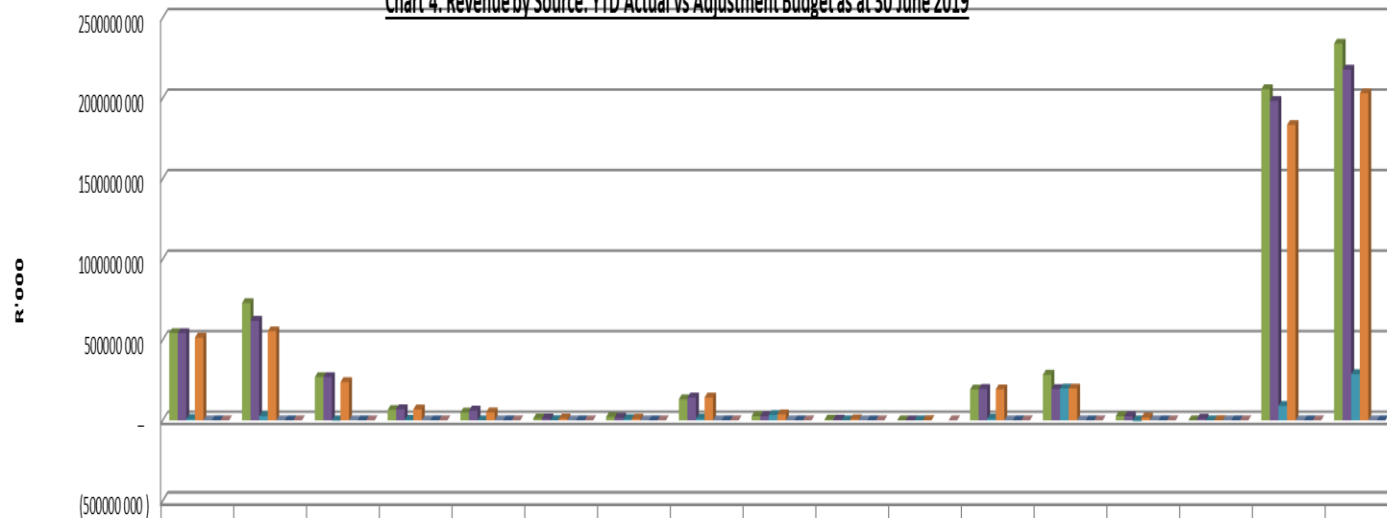


Operating Revenue by Source: Comparison against Adjustment Budget

Chart 4: Revenue by Source: YTD Actual vs Adjustment Budget

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Chart 4: Revenue by Source: YTD Actual vs Adjustment Budget as at 30 June 2019



	PROPERTY RATES	SERVICE CHARGES - ELECTRICITY REVENUE	SERVICE CHARGES - WATER REVENUE	SERVICE CHARGES - SANITATION REVENUE	SERVICE CHARGES - REFUSE REVENUE	RENTAL OF FACILITIES AND EQUIPMENT	INTEREST EARNED - EXTERNAL INVESTMENTS	INTEREST EARNED - OUTSTANDING DEBTORS	FINES	LICENCES AND PERMITS	AGENCY SERVICES	TRANSFERS RECOGNISED - OPERATIONAL	TRANSFERS RECOGNISED - CAPITAL	OTHER REVENUE	GAINS ON DISPOSAL OF PPE	TOTAL REVENUE (EXCLUDING CAPITAL TRANSFERS AND CONTRIBUTIONS)	TOTAL REVENUE (INCLUDING CAPITAL TRANSFERS AND CONTRIBUTIONS)
ORIGINAL BUDGET 2018/19	541312 085	727992 073	268107 667	63813 496	47595 118	11257 000	20000 000	130490 000	25735 000	3450 000	-	191141 585	282795 415	25212 900	-	2056106 924	2338902 339
ADJUSTMENT BUDGET 2018/19	541312 085	617992 073	268107 667	68813 496	60395 118	11257 000	15000 000	141490 000	25735 000	3450 000	-	194729 415	193560 495	25212 900	10000 000	1983494 755	2177055 250
MONTHLY ACTUAL	7083 950	25295 056	(2017 784)	2735 217	197 298	898 658	6609 818	10046 898	32408 645	(237 410)	77 324	10229 498	197253 602	(5564 758)	-	88642 411	285896 013
YTD ACTUAL 30 JUNE 2019	512886 361	552454 437	236691 392	67424 356	48779 914	11092 199	10001 619	141429 154	36982 279	6219 276	576 183	192109 752	197253 602	16309 156	579 006	1833635 085	2030888 687
% ACHIEVED ADJUSTMENT BUDGET	94.75%	89.40%	88.28%	97.98%	80.77%	98.54%	66.68%	99.96%	143.70%	183.17%		98.65%	101.91%	64.69%	5.79%	92.44%	93.29%
% VARIANCE COMPARED TO IDEAL IYM % OF 100%	-5.25%	-10.60%	-11.72%	-2.02%	-19.23%	-1.46%	-33.32%	-0.04%	43.70%	83.17%		-1.35%	1.91%	-35.31%	-94.21%	-7.56%	-6.71%
YTD ACTUAL AS A % OF TOTAL OPERATIONAL REVENUE	27.97%	30.13%	12.91%	3.68%	2.66%	0.60%	0.55%	7.71%	2.02%	0.34%	0.03%	10.48%	10.76%	0.89%	0.03%	100.00%	

Indicated in Chart 4 above is the YTD actual compared to the Adjustment Budget. When calculating the ideal In-Year-Monitoring percentage of 100% [calculated as follow: (100/12 months x 12 months of the year)] as at the end of June 2019, the Total operational revenue excluding capital grants versus the Adjustment Budget resulted in an actual achieved of 92.44%, which is a satisfactory variance of minus 7.56%.

- Property Rates is performing satisfactorily as well as all Services charges.
- The Interest on Outstanding Debtors is performing satisfactorily.
- Revenue from Fines is showing a positive variance of 43.70%.
- Interest from External Investments shows an unsatisfactory variance of 33.32%.
- The majority of interest has been recognised and this is mainly attributable to the decrease in investments of the municipality.
- Licences and permits shows a positive variance of 83.17%, however there are still outstanding payments to be made to the Department of Transport, Safety and Liaison.
- Other revenue shows a satisfactory variance of minus 35.31%.
- The movement on Agency Services must be investigated.
- Gains on disposal of PPE shows a negative variance of 94.21% which was as a result of land sales that did not materialise.
- Transfers – recognised operational shows a negative variance of 7.56%.
- Transfers – recognised capital will be recognised in the Statement of Financial Performance at year-end, once all conditions of the grant have been met.

3.28.10 Operating Expenditure by Type

Comparison against YTD Budget (SDBIP Target)

Table 3: Financial Performance Summary: Expenditure

EXPENDITURE BY TYPE	ORIGINAL BUDGET 2018/19	ADJUSTMENT BUDGET 2018/19	MONTHLY ACTUAL	YTD ACTUAL 30 JUNE 2019	% ACHIEVED ADJUSTMENT BUDGET	% VARIANCE COMPARED TO IDEAL IYM % OF	YTD ACTUAL AS A % OF TOTAL OPERATIONAL EXPENDITURE
EMPLOYEE RELATED COST	716 652	698 652	95 993	688 565	98.6%	-1.4%	37.0%
REMUNERATION COUNCILORS	29 335	29 685	2 730	28 388	95.6%	-4.4%	1.5%
DEBT IMPAIRMENT	227 000	207 000	(1 159)	205 848	99.4%	-0.6%	11.1%
DEPRECIATION	69 250	69 250	61 697	61 697	89.1%	-10.9%	3.3%
FINANCE CHARGES	25 799	26 299	12 652	26 250	99.8%	-0.2%	1.4%
BULK PURCHASES	552 500	566 500	85 642	554 438	97.9%	-2.1%	29.8%
REPAIRS & MAINTENANCE	170 612	172 946	22 247	159 130	92.0%	-8.0%	8.6%
CONTRACTED SERVICES	50 901	43 711	4 176	42 342	96.9%	-3.1%	2.3%
TRANSFERS & GRANTS	9 670	6 970	135	3 940	56.5%	-43.5%	0.2%
GENERAL EXPENSES OTHER	195 138	179 929	(61 584)	90 389	50.2%	-49.8%	4.9%
TOTAL OPERATIONAL EXPENDITURE	2 046 856	2 000 941	222 529	1 860 987	93.0%	-7.0%	100.0%

As indicated in Table 3 above and Chart 5 below, as at 30 June 2019 current expenditure shows an unsatisfactory variance of minus 7%. The YTD actual amounted to R1 860 987 billion against the YTD budgeted SDBIP target of R2 000 941 billion. Employee related costs shows a satisfactory variance of minus 14%. Post-retirement benefit obligations must still be finalised during year-end procedures. Bulk purchases shows an unfavourable variance of 21%, however it should be noted that the June 2019 ESKOM account amounting to R61 million is only due on 31 July 2019.

Depreciation must still be provided for, as part of year-end procedures. Transfers and subsidies shows a negative variance of 43.5%, but this is mainly attributable to savings realised with the cancelling of the Diamond & Dorings festival. The expenditure on Other Materials is satisfactory, it has been reiterated monthly that this category of expenditure needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively and also that funds will be fully spent at year-end.

Chart 5: Expenditure by Type: YTD Actual vs YTD Budget

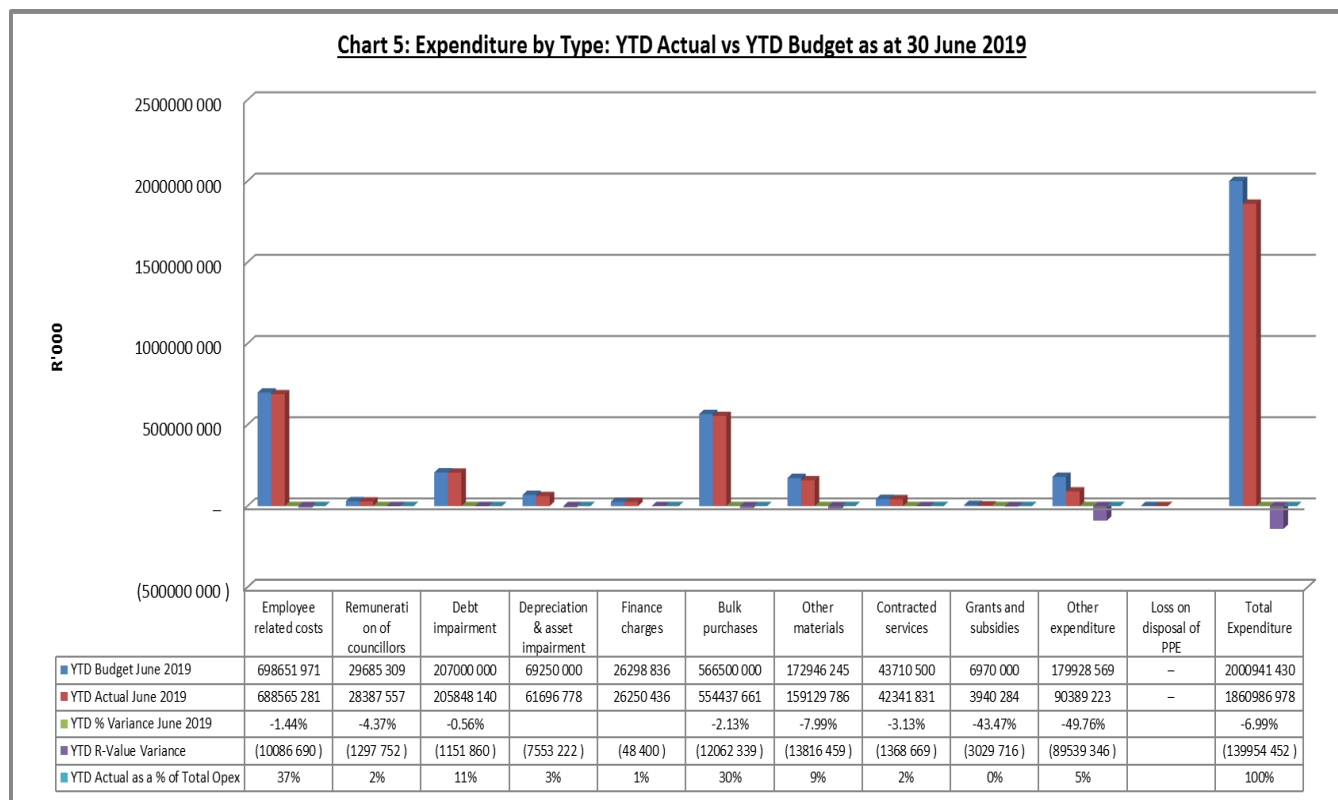
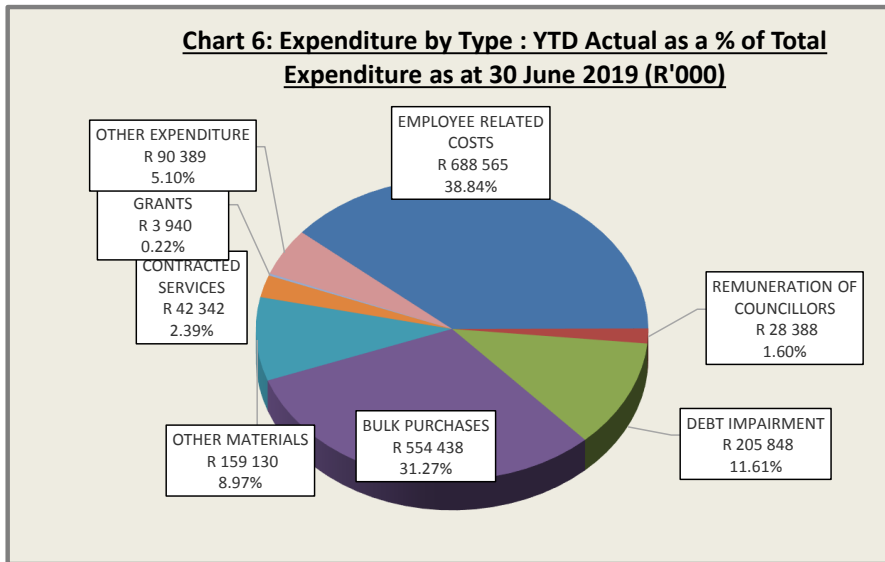


Chart 6: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

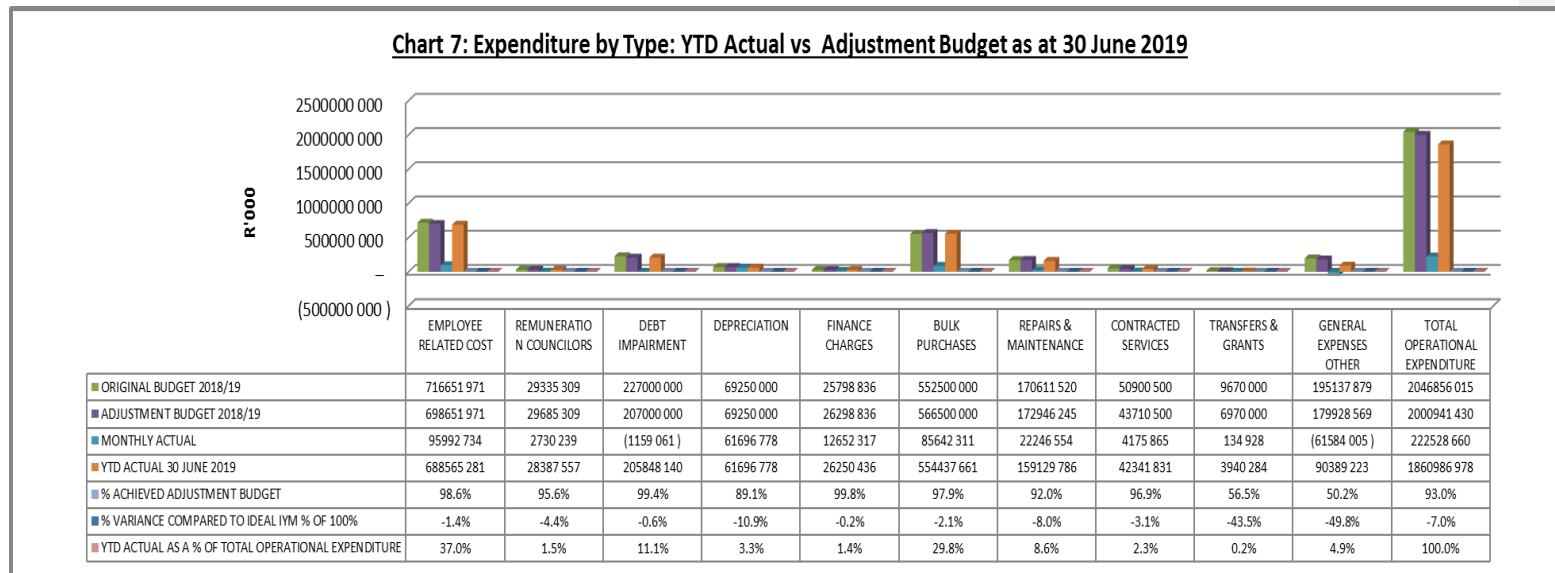


Also indicated in Chart 6 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 30 June 2019. The main cost drivers of the municipality are Employee Related Costs (38.84%), Debt Impairment (11.61%) and Bulk Purchases (31.27%). It should be noted that these percentages are distorted as a result of the following:

- The Post-retirement benefit obligations under Employee related costs that have not been provided for as yet. This will be finalized as part of the year-end procedures.
- Also, Depreciation is not provided for and will only be finalized at year-end.

Operating Expenditure by Type: Comparison against Adjustment Budget

Chart 7: Expenditure by Type: YTD Actuals vs Adjustment Budget



Indicated in Chart 7 above is the YTD actual compared to the Adjustment Budget. The ideal In-Year-Monitoring percentage as at the end of June 2019 is 100% [calculated as follow: $[(100/12 \text{ months}) \times 12 \text{ months of the year}]$]. The total operational expenditure against the Adjustment Budget is 93% spent, resulting in a negative variance of minus 7%. Employee related costs and Councillor's remuneration show a satisfactory variance of minus 1.4% and 4.4% respectively. Depreciation must still be provided for. Debt impairment was fully provided for.

Bulk purchases shows an unfavourable variance of minus 2.1%. The June 2019 ESKOM account amounting to R61 million is still outstanding and is due on the 31 July 2019. The expenditure on R&M shows under-expenditure with an unsatisfactory variance of minus 8%, when compared to the Adjustment Budget. Transfers and grants is satisfactory with a variance of minus 43.5%. This mainly due to the Diamonds and Dorings Festival not materializing. General Expenses Other is satisfactory. Contracted services also shows an under-expenditure of 3.1% as a result of the actuals being less than initially projected.

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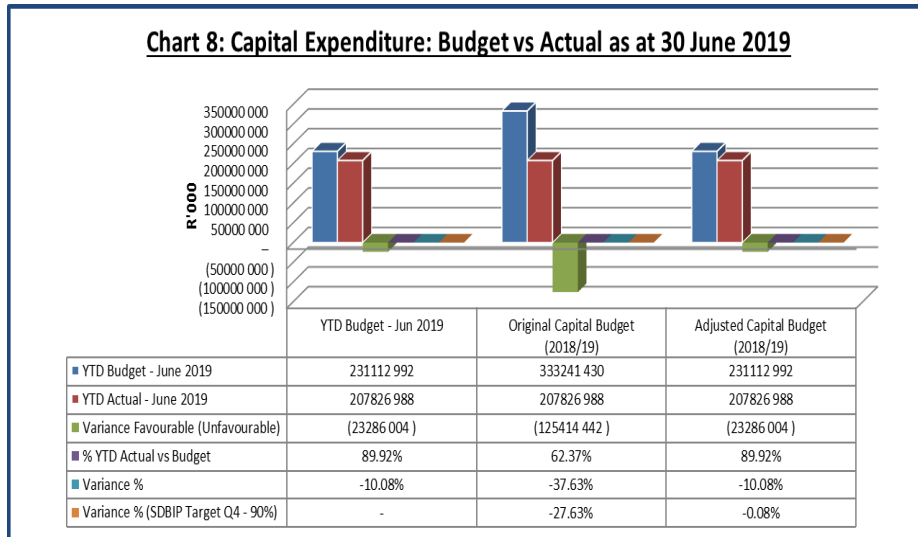
3.28.11 Capital Expenditure

Table 4: Summary: Statement of Capital Expenditure

Summary Statement of Capital Expenditure:						
Description R thousand	YTD Budget - June 2019	YTD Actual - June 2019	Variance Favourable (Unfavourable)	% YTD Actual vs Budget	Variance %	Variance % (SDBIP Target Q4 - 90%)
YTD Budget - Jun 2019	231 113	207 827	(23 286)	89.92%	-10.08%	-
Original Capital Budget (2018/19)	333 241	207 827	(125 414)	62.37%	-37.63%	-27.63%
Adjusted Capital Budget (2018/19)	231 113	207 827	(23 286)	89.92%	-10.08%	-0.08%

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Chart 8: Capital Expenditure: Actual vs Budget



As indicated in the Table 4 and Chart 8 above, the YTD Actual on capital expenditure as at end of June 2019 amounted to R207 826 988 million which shows an unsatisfactory variance of 10.08% when compared to the YTD budgeted SDBIP target of R231,112 992 million and 89.92% spent. When compared to the Adjustment Budget of R231,112 992 million, the target on capital expenditure percentage spent as contained in the SDBIP was set at 90% as at the end of the 4th quarter. When taking this into consideration, the total capital expenditure show a negative variance of 0.08% and 89.92% spent for the period under review. Planning of project managers also needs to improve going forward.

Capital expenditure remains a major concern. Remedial action will have to be taken going forward to ensure improvement on capex. It should be noted that capital expenditure excludes VAT and commitments. The capital expenditure report shown in Annexure A, Table C5 has been prepared on the basis of the format required to be lodged electronically with National Treasury, and is categorised by municipal vote and standard classification.

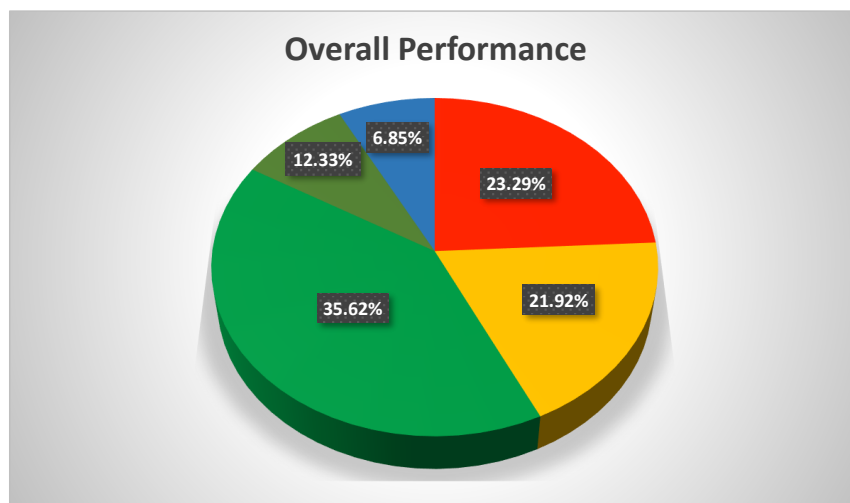
3.28.12 Top Layer SDBIP

The top layer Service Delivery and Budget Implementation Plan is an all-encompassing organisational scorecard used to measure overall and individual's performance. Twice a year, the Municipal Manager and Senior Managers are assessed on their performance based on targets set against the achievements as reported.

The overall performance of the organisation is acceptable, however, due to un conducive economic conditions and an increase in unemployment rate, financial indicators did not perform well though liquidity was retained throughout the year. It is for this reason that the focal point was debt collection and the appointment of specialist companies had been appointed to support internal resources in this regard.

It is only 23% of KPI's set that were not met, whilst 77% of KPI were either met to extremely well met. It should be emphasised that the category of "almost met" includes all achievement between 76% - 99% of targets met.

The diagram below indicates an overall summary of the organisational performance for the period 1 July 2018 to 30 June 2019.



Summary of Overall Performance: Sol Plaatje Municipality			
	KPI Not Met	17	
	KPI Almost Met	16	
	KPI Met	26	

	Summary of Overall Performance: Sol Plaatje Municipality		
	KPI Well Met	9	
	KPI Extremely Well Met	5	
	Total KPIs	73	

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3.28.13 Organisational Performance per Key Performance Area

The organisational scorecard is based on the key performance areas as guided in the Performance Regulations of 2001. Each of the KPI's within the KPA are assigned to an individual who is the KPI owner and the Senior Manager responsible for that function takes overall responsibility of performance and delivery. All these form part of the performance agreements, and are assessed half yearly.

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SUMMARY OF PERFORMANCE PER KEY PERFORMANCE AREA

3.28.13.1 Basic and Sustainable Service Delivery and Infrastructure Development

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL11	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To spend at least 8% of the operational budget to repairs and maintenance annually	Percentage of operating budget spend on R & M	8%	8%	8.70%	G2	[D135] ED: Financial Services: Satisfactory. ED's and line managers must ensure that assets are periodically maintained and spend funds efficiently and effectively. Maintenance plans also needs to be put in place and implemented diligently. (June 2019)	[D135] ED: Financial Services: (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL12	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	15 500 Indigent households to receive free basic services (water, electricity, sanitation and waste removal according to national guidelines) by 30 June 2019	No of indigents per the Indigent Register	13,712	15,500	14,647	O	[D136] GM : Revenue: Indigent register (June 2019)	[D136] GM : Revenue: Due to fluctuation and migration of indigents target could not be reached for FY. Advertising campaign was also done to motivate residents to register as indigents. Busy with a strategy to increase indigent numbers for FY 2019/20. (June 2019)
TL39	To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM	To complete the construction of the Homevale Fire Station by 30 June 2019	Percentage completion as per project progress report	100%	100%	7%	R	[D270] Chief Emergency Services: Contractor only start work at the middle of April (April 2019) [D270] Chief Emergency Services: Current status (May 2019) [D270] Chief	[D270] Chief Emergency Services: Project manager must give attention to deadlines (April 2019) [D270] Chief Emergency Services: None (May 2019) [D270] Chief Emergency Services: Project meetings is

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
								Emergency Services: Do not comply due to factors beyond our control. (June 2019)	held regularly (June 2019)
TL40	To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM	Respond to 85% of emergency call-outs within time limits as prescribed in table 1 and table 2 of SANS 10090 by 30 June 2019	% call-outs that were responded to within the time limits	94.05%	85%	85%	G	[D271] Chief Emergency Services: Only update when target has been set. (April 2019) [D271] Chief Emergency Services: Comply - no actuals due to personnel shortages (May 2019) [D271] Chief Emergency Services: Comply (June 2019)	[D271] Chief Emergency Services: Personnel needs to be appointed (May 2019) [D271] Chief Emergency Services: None (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL41	To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM	To achieve at least 70% compliance with the National Disaster Management Tool by 30 June 2019	% call-outs that were responded to within the time limits	75%	70%	75%	G2	[D272] Chief Emergency Services: Only evaluated at end of financial year (April 2019) [D272] Chief Emergency Services: Only measured at end of year (May 2019) [D272] Chief Emergency Services: Comply (June 2019)	[D272] Chief Emergency Services: None (June 2019)
TL44	To build equitable, cohesive, sustainable and caring communities with improved access to work and social amenities, including sports and recreational facilities (community	To complete 80% of the upgrade of the Galeshewe Sport Stadium by 30 June 2019	Percentage completion as per project progress report	New	80%	100%	G2	[D275] Chief: Parks and Recreation: Multipurpose courts completed and sporting codes equipment handed over to Caretaker (June 2019)	

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
	development and optimal access/inclusion)								
TL53	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	To complete 80% of the construction projects in terms of Priority 1 for the upgrading of storm water channels in Galeshewe by 30 June 2019	Percentage completion as per project progress report	17.10%	80%	80%	G	[D347] City Engineer: Roads and Storm water: Project is at 75% progress. <i>(April 2019)</i> [D347] City Engineer: Roads and Storm water: Target has been reached but the total completion of construction project to be completed by end September 2019 <i>(June 2019)</i>	[D347] City Engineer: Roads and Storm water: None. <i>(April 2019)</i> [D347] City Engineer: Roads and Storm water: Capital projects shifted from the SEDP (URP) directorate by the Mayor to Directorate Infrastructure. <i>(June 2019)</i>

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL54	Develop suitable located and affordable housing (shelter) and decent human settlements	To plan and survey 2000 erven in Lethabo Park by 30 June 2019	Layout Plan and Draft SG Diagram	New	2,000	1,844	O	[D348] Manager: Urban Planning: The layout plan consist of 1844 erven for Lethabo Park (June 2019)	[D348] Manager: Urban Planning: No corrective measure. (June 2019)
TL55	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	To upgrade at least 7 km of Galeshewe access roads to a paved surface by 30 June 2019 Wards 6, 7, 9,10 and 12)	Distance of km paved	3.7 km	4	9.29	B	[D437] City Engineer: Roads and Storm water: More km done due to additional funding provided on the project (April 2019) [D437] City Engineer: Roads and Storm water: Additional km paved. (June 2019)	[D437] City Engineer: Roads and Storm water: None (April 2019) [D437] City Engineer: Roads and Storm water: More km done due to additional funding provided on the project (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL62	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To complete the upgrading of the Carters Glen substation with 1 x 20 MVA transformers by 30 June 2019	Percentage completion as per project progress report	100%	100%	85%	○	[D444] City Engineer: Electricity: The route to de-load from Galeshewe Substation has been finalized. The Land Surveyor has pegged this area. Poles to construction the MV Line have been pegged and construction has started. Delivery of material of the substation be done by 15 July 2019. (June 2019)	[D444] City Engineer: Electricity: Project to be completed during FY 2019/20 (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL63	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To complete 50% of the project to replace the 66KV oil circuit breakers at the Herlear substation with SF6 by 30 June 2019	Percentage completion as per project progress report	100%	50%	50%	G	[D445] City Engineer: Electricity: All 5 x 66kV circuit Breakers have been manufactured and procurement. These breakers have been delivered and are awaiting installation. The electrical department is currently planning to have these circuit breakers installed during the 19/20 FY. (June 2019)	
TL64	To ensure the adequate provision, upgrading and maintenance of	To complete 50% of the replacement of the 11KV Circuit Breakers at the	Percentage completion as per project progress report	New	50%	0%	R	[D446] City Engineer: Electricity: The budget for FY18/19 was cut	[D446] City Engineer: Electricity: Project to commence in FY 2019/20 (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
	electricity services infrastructure	Herlear Substation by 30 June 2019						and thus no movement on this specific project. It was originally decided to perform the function internally, but due to the highly technical content, it was decided to rather appoint consultants in order to assist. Hence, for FY19/20 the municipality will be appointing consultants to assist in drafting the technical specifications. (June 2019)	

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL65	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To complete the upgrading of Riverton substation equipment with 2 x 10 MVA transformers by 30 June 2019	Percentage completion as per project progress report	100%	100%	98%	○	[D447] City Engineer: Electricity: The procurement and manufacturing of the 2x20MVA 66/11kV Transformer has been completed. The transformers has been completed and inspected at Actom. The electrical department has performed a factory acceptance test at the premises of Actom. The transformers is ready for delivery. (June 2019)	[D447] City Engineer: Electricity: Project to be completed in FY 2019/20 (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL68	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the electrification of 1591 houses (Snake Park, Platfontein, Ramorwa, Fluffy Park, Santa Centre and Kutlwanong) by 30 June 2019	Number of houses connected to electricity network	New	1,591	1,361	○	[D450] City Engineer: Electricity: 1361 No. of electricity connections were completed during 18/19 out of a target of 1515. Challenges experienced with Soul City and Santa Centre due to movement of beneficiaries. (June 2019)	[D450] City Engineer: Electricity: The numbers not achieved will be completed in the 19/20 financial year. (June 2019)
TL69	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To replace at least 2500 prepaid electricity meters by 30 June 2019	Number of electricity meters replaced	609	2,500	1,900	○	[D451] Man Data Validation & PP Meters: About 1900 pre-paid meters were procured and installation will take place during 19/20 FY. Funds could not be fully committed due to	[D451] Man Data Validation & PP Meters: Project to be completed in FY 2019/20 (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
								financial constraints. (June 2019)	
TL70	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	Decrease electricity losses to 18% by 30 June 2019	Percentage electricity loss	13.24%	18%	25.57%	R	[D452] City Engineer: Electricity: The biggest challenge emanates from bypassed meters and theft. (June 2019)	[D452] City Engineer: Electricity: To curb theft of meters (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL71	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete the water connections for the Lerato Park development by 30 June 2019	Percentage completion as per project progress report	New	100%	75%	○	[D453] City Engineer: Water and Sanitation: Work is almost complete on the link water pipeline. The Contractor awaits a site instruction to proceed with work at the connection point. The Contractor is yet to install four air valves and to construct the valve chambers and install thrust blocks. The Contractor is yet to tie in into the existing line in Lerato Park. (June 2019)	[D453] City Engineer: Water and Sanitation: This is a multi-year project that started in November 2018 and is planned for completion in 19/20 FY. (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL72	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete the sewer connections for the Lerato Park development by 30 June 2019	Percentage completion as per project progress report	New	100%	36%	R	[D454] City Engineer: Water and Sanitation: Work continued along the Eagle Street rising main. Air valves are yet to be installed along this pipeline. Work has commenced on the outfall sewer line. No work has been done on the pump stations as yet. (June 2019)	[D454] City Engineer: Water and Sanitation: This is a multi-year project that started in November 2018 and is planned for completion in 19/20 FY. (June 2019)
TL73	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete the water pipe replacement projects at the following areas: Newton, Community, Adam Namakola, Nobengula,	Percentage completion as per project progress report	83%	100%	100%	G	[D455] City Engineer: Water and Sanitation: Work commenced during 17/18 financial year (FY) and was finalised in 18/19 FY. (June 2019)	[D455] City Engineer: Water and Sanitation: Additional work to be done in 19/20 FY as funds become available. (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
		Bultfontein Road and Gogga Pump Station by 30 June 2019							
TL74	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete Phase 2 of the Ritchie Bulk Water Implementation project by 30 June 2019	Percentage completion as per project progress report	75%	100%	98%	○	[D456] City Engineer: Water and Sanitation: Project involved the supply, deliver and erect elevated and ground tanks; supply, delivery and installation of pumps and associated electrical requirements and electronics at the WTW. Progress is at 98%. All main components are complete and testing of tanks	[D456] City Engineer: Water and Sanitation: To be completed in FY 2019/20 (<i>June 2019</i>)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
								will be done once peak demand for water has subsided (June 2019)	
TL75	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 30% of the upgrading of the Carters Glen sewer pump station by 30 June 2019	Percentage completion as per project progress report	New	30%	30%	G	[D457] City Engineer: Water and Sanitation: The design of Sump, Pump specifications and Pump room are currently completed. Procurement processes underway for appointment of a	[D457] City Engineer: Water and Sanitation: Construction to commence in the 19/20 financial year. (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
								contractor. (June 2019)	
TL76	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To replace 2500 water meters by 30 June 2019	Number of water meters replaced	1,314	2,500	2,141	O	[D458] City Engineer: Water and Sanitation: A total number of 2141 water meters were replaced with above ground meters (June 2019)	[D458] City Engineer: Water and Sanitation: Work to continue in 19/20 FY as funds become available. (June 2019)
TL77	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	Decrease water losses to 45% by 30 June 2019	Percentage water loss	53%	45%	61.50%	R	[D459] City Engineer: Water and Sanitation: Calculation report (June 2019)	[D459] City Engineer: Water and Sanitation: Intervention programme has been initiated, including projects aimed at reducing water losses.

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
									(June 2019)
TL78	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the reconstruction of aged sink toilets in Kutlwanong by 30 June 2019	Percentage completion as per project progress report	New	100%	9.70%	R	[D460] City Engineer: Water and Sanitation: Delays were experienced with the procurement of a Contractor. The contract has been awarded to the successful bidder, awaiting signing of contract documents for construction to commence. (June 2019)	[D460] City Engineer: Water and Sanitation: Construction to commence in the 19/20 financial year. (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL79	To ensure management of the quality of the drinking water and waste water through compliance with the applicable legislation	To ensure through effective monitoring that a 97% Blue Drop Status is achieved by 30 June 2019	Percentage Blue Drop Status achieved	94.10%	97%	98%	G2	[D461] Compliance Man : Water and Sanitation: Report available (June 2019)	
TL80	To ensure management of the quality of the drinking water and waste water through compliance with the applicable legislation	To ensure through effective monitoring that a 90% Green Drop Status is achieved by 30 June 2019	Percentage Green Drop Status achieved	73.85%	90%	0%	R	[D462] Compliance Man : Water and Sanitation: Green Drop System, now IRIS, is not functioning properly, and report is not generated. (June 2019)	[D462] Compliance Man : Water and Sanitation: Engagement with DWS is ongoing. (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL81	To build equitable, cohesive, sustainable and caring communities with improved access to work and social amenities, including sports and recreational facilities (community development and optimal access/inclusion)	To complete the upgrade of Florianville Swimming Pool by 30 June 2019	% Completion as per project progress reports	78%	100%	100%	G		
TL82	To build equitable, cohesive, sustainable and caring communities with improved access to work and social amenities, including sports and recreational facilities (community development and optimal access/inclusion)	To complete the upgrading of various facilities at the De Beers Stadium by 30 June 2019	% Completion as per project progress reports	New	100%	100%	G	[D467] Chief: Parks and Recreation: Project completed (June 2019)	

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL83	To improve the public transport system and services	To complete the procurement process for the taxi lay-by project in Galeshewe by 30 June 2019	% Completion of the process as per tender document, appointment letter and minutes	New	100%	100%	G	[D468] GURP Manager: Contractor appointed. <i>(April 2019)</i> [D468] GURP Manager: Contracted appointed. <i>(June 2019)</i>	[D468] GURP Manager: None. <i>(April 2019)</i>
TL84	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete Phase 2 of the security project by 30 June 2019	% Completion as per project progress reports	40%	100%	0%	R	[D470] Compliance Man : Water and Sanitation: Project was completed in 2017/2018 Financial Year. No project in the past financial year of 2018/2019. <i>(June 2019)</i>	[D470] Compliance Man : Water and Sanitation: Project completed in 2017/18, oversight for FY 18/19 <i>(June 2019)</i>

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL85	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 85% of the mechanical electrical installation in the new Riverton Pump Station by 30 June 2019	% Completion as per project progress report	New	85%	96%	G2	[D471] City Engineer: Water and Sanitation: The project is at practical completion stage. The target date to complete the work and have the new pump station ready for testing and commissioning is 31 July 2019. It is envisaged that the new pumps will be fully operational by end August 2019. (June 2019)	

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL86	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 60% of the repair / refurbishment of the sewer outfall main from Gogga to Homevale Wastewater Treatment Plant by 30 June 2019	% Completion as per the project progress report	New	60%	79%	G2	[D469] City Engineer: Water and Sanitation: The project continues to progress steadily, with work on manholes along the gravity section of the pipeline continuing smoothly. The contractor has also continued with work on scour and air valves along the pipeline. However, work that was spoiled by rain in the gravity section has not commenced as yet. <i>(June 2019)</i>	

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL87	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To complete the Electricity Master Plan by 30 June 2019	% Completion as per project progress report	22%	100%	100%	G		

Summary of Results: Basic and Sustainable Service Delivery and Infrastructure Development			
	KPI Not Yet Measured	<i>KPIs with no targets or actuals in the selected period</i>	0
	KPI Not Met	<i>0% <= Actual/Target <= 74.999%</i>	8
	KPI Almost Met	<i>75.000% <= Actual/Target <= 99.999%</i>	9
	KPI Met	<i>Actual meets Target (Actual/Target = 100%)</i>	9
	KPI Well Met	<i>100.001% <= Actual/Target <= 149.999%</i>	6
	KPI Extremely Well Met	<i>150.000% <= Actual/Target</i>	1
	Total KPIs		33

3.28.13.2 Municipal Financial Viability and Management

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL16	Enhance revenue through leveraging alternate sources of funding and identifying new revenue streams	Improve revenue enhance by ensuring a collection rate of 89,4% after debt write off by 30 June 2019	Collection Rate	74%	89.40%	81.30%	○	[D140] GM: Revenue: Collection of long outstanding debt is vital, including ensuring accurate billing on accounts. Applying the debt collection policy diligently. (June 2019)	[D140] GM: Revenue: Applying the debt collection policy diligently. (June 2019)
TL17	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	To spend at least 95% of the Capital Budget (including VAT) on capital projects identified in terms of the IDP by 30 June 2019	Percentage capital expenditure	80%	95%	78%	○	[D141] ED: Financial Services: Showed improvement compared to prior years. (June 2019)	[D141] ED: Financial Services: To ensure spending on capital projects by holding monthly performance meetings (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL18	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	To spend at least 95% of the Operational Budget annually (30 June)	Percentage operational spending	87%	95%	89%	O	[D142] ED: Financial Services: Acceptable (June 2019)	[D142] ED: Financial Services: To improve on operational spending. (June 2019)
TL19	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Maintain the debt coverage ratio of at least 2:1 against net assets of the municipality by 30 June 2019	Debt coverage ratio	3.76	2.01	2	O	[D143] ED: Financial Services: Financial statements (June 2019)	[D143] ED: Financial Services: To improve on debt coverage ratio (June 2019)
TL20	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Reduce net debtor days to 200 days by 30 June 2019	Net debtor days	391.25	200	86.5	R	[D144] ED: Financial Services: To ensure that target is reached by 30 June 2019 (June 2019)	[D144] ED: Financial Services: To put measures in place to improve on target (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL21	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Maintain the cost coverage ratio of at least 3 months (annually)	Cost coverage ratio	2.75	3	1.2	R	[D145] ED: Financial Services: Less than one month. The current financial crisis is alarming and receiving urgent intervention. (June 2019)	[D145] ED: Financial Services: Doing all efforts to collect outstanding debt. Appointed NICS to assist in this regard. Disconnecting meters of non-payers. Concerted effort is done by the Credit Control Section to collect outstanding debt from businesses and Government. Reviewing Operational and Capital expenditure, especially CRR funded capital projects. Being prudent in expenditure and implementing cost containment measures as per the regulation. All personnel needs to

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
									come on board and change their mind-sets in how they incur expenditure and the long-term benefit thereof. (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL22	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Ensure that the actual spending on employee related costs does not exceed 32% of the total expenditure by 30 June 2019	Employee cost as a percentage of total operating cost	33.50%	32%	33%	R	[D146] ED: Financial Services: Included in Employee cost is the Post-retirement benefits of R39m. Overtime expenditure urgently needs to be addressed by management. Under-expenditure on Other Expenditure (General Expenses) due the implementation of IGRAP 1, i.r.o own	[D146] ED: Financial Services: Review the filling of vacancies and only filling critical vacancies. Urgently addressing the issue on Overtime as this is an issue across all directorates. (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
								consumption (June 2019)	
TL23	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Ensure through regular communication and submission data streams monthly, that mSCOA compliance is maintained throughout the financial year	Monthly submission of data streams to National Treasury	12	12	12	G	[D147] GM : Budget and Treasury: Data streams submitted to NT (June 2019)	

Summary of Results: Municipal Financial Viability and Management			
	KPI Not Yet Measured	<i>KPIs with no targets or actuals in the selected period</i>	0
	KPI Not Met	<i>0% <= Actual/Target <= 74.999%</i>	3
	KPI Almost Met	<i>75.000% <= Actual/Target <= 99.999%</i>	4
	KPI Met	<i>Actual meets Target (Actual/Target = 100%)</i>	1
	KPI Well Met	<i>100.001% <= Actual/Target <= 149.999%</i>	0
	KPI Extremely Well Met	<i>150.000% <= Actual/Target</i>	0
	Total KPIs		8

3.28.13.3 Local Economic Development

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL1	To develop sustainable living through job creation (EPWP and other initiatives)	Create 300 FTE jobs through EPWP initiatives of the SPM by 30 June 2019	Number of jobs created	407	300	441	G2	[D32] PMU Manager: Register and reports (June 2019)	
TL7	To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to 12 weeks for annual contracts from closing date to date of award	Average time in weeks to award tender	10.03 wks	12	13.75	R	[D131] Manager : SCM: attached (June 2019)	
TL8	To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to 6 weeks for once off contracts from closing date to date of award	Average time in weeks to award tender	6.87 weeks	6	6	G	[D132] Manager : SCM: no once off bids be awarded (June 2019)	
TL9	To capacitate SMME's and local entrepreneurs	To successfully implement the PPPFA Regulations to achieve BBBEE and radical economic transformation through local procurement by ensuring at least 60% of the municipality's	Percentage of tenders and value thereof awarded to EME, OSE, local and from business in the rural areas within the municipal jurisdiction	70.09%	60%	66.22%	G2	[D133] Manager : SCM: Target met (June 2019)	

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
		tenders are awarded to EME's, OSE's and from the businesses in the rural areas within the municipal jurisdiction by 30 June 2019							
TL10	To capacitate SMME's and local entrepreneurs	To implement Standards for Infrastructure Procurement and Demand Management by ensuring compliance with predetermined timeframes by 30 June 2019	Compliance with the predetermined time frames	100%	100%	100%	G	[D134] Manager : SCM: targets met (June 2019)	
TL45	To ensure effective spatial planning and development in order to establish a competitive economic position	Ensuring a response time for building plan submissions received in the current financial year for buildings or architectural buildings greater than 500 m ² annually	Average response time in weeks to approve building plans	13.54 weeks	10	10.63	R	[D339] Manager: Urban Planning: Register for approval of plans (June 2019)	

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL46	To ensure effective spatial planning and development in order to establish a competitive economic position	Ensuring a response time for building plan submissions received in the current financial year for buildings or architectural buildings less than 500 m ² annually	Average response time in weeks to approve building plans	8.3 weeks	6	16.5	R	[D340] Manager: Urban Planning: The building designers took longer period to submit requested information i.e. SANS10400 forms (June 2019)	[D340] Manager: Urban Planning: To ensure that the water and sanitation as well as roads department to comment timeously on building plans. (June 2019)
TL47	To ensure effective spatial planning and development in order to establish a competitive economic position	To process all category 1 land use applications received until 30 April of the current financial year through MPT (Municipal Planning Tribunal) by 30 June 2019 in terms of the SPLUM by-law (2015)	Percentage of land use applications processed	82%	100%	82%	O	[D341] Manager: Urban Planning: The overall processed land use applications for financial year is at 82 % (June 2019)	[D341] Manager: Urban Planning: No corrective measure. (June 2019)
TL48	To ensure effective spatial planning and development in order to establish a competitive economic position	To process at least 100 buildings plans that were received before 1 July 2018 by the end of the	Number of building plans approved	89	100	116	G2	[D342] Manager: Urban Planning: To date 116 backlog building plans approved (June 2019)	[D342] Manager: Urban Planning: No corrective measure. (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
		current financial year (30 June 2019)							
TL49	Marketing the municipality as premier destination for tourism and investment	Promote tourism into the city using arts, culture and heritage as a strategy by creating a marketing platform for SMME's through at least 4 event partnered by Sol Plaatje on an annual basis	Number of marketing platforms created (events)	4	4	2	R	[D343] Manager: LED: No events took place. (June 2019)	[D343] Manager: LED: To ensure that measures are put in place to meet quarterly targets and that planning of events are done timeously for the year ahead. (June 2019)
TL50	To capacitate SMME's and local entrepreneurs	Support SMME's through business incubation by setting up developmental programmes for at least 10 businesses annually	Number of businesses provided with a developmental programme	32	2	65	B	[D344] Manager: LED: Coca Cola grow your business training for small business owners with relevant knowledge on finances, budgeting, marketing and being the ideal owner in their	

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
			DRAFT					respective outlets (43). Practical business skills training for entrepreneurs under SPM, NCCETA, DEDAT and MLab (22) (June 2019)	
TL51	To capacitate SMME's and local entrepreneurs	To complete the Local Economic Development Strategy by 30 June 2019	Strategy completed	New	1	0	R	[D345] Manager: LED: Old Mutual has not yet inform the LED on any new progress, hence the status remain the same (June 2019)	[D345] Manager: LED: Still awaiting finalisation of way forward from Old Mutual (June 2019)
TL52	To develop sustainable living through job creation (EPWP and other initiatives)	To perform an assessment of the completed business plan in relation to the profitability of the fresh produce market of the municipality and implement a decision by 30 June 2019	Assessment and minutes of meetings	New	1	0	R	[D346] Market Manager: Assessment of the business plan in relation to profitability, the market need a new agency to increase the revenue. Market need more feed farm visits and buyers visits is very important, strategic plan to	[D346] Market Manager: In process of procuring external services provider to assess business plan in relation to the profitability of the fresh produce market for the

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
			DRAFT					turnaround the market is important (June 2019)	municipality. (June 2019)

Summary of Results: Local Economic Development			
	KPI Not Yet Measured	<i>KPIs with no targets or actuals in the selected period</i>	0
	KPI Not Met	<i>0% <= Actual/Target <= 74.999%</i>	6
	KPI Almost Met	<i>75.000% <= Actual/Target <= 99.999%</i>	1
	KPI Met	<i>Actual meets Target (Actual/Target = 100%)</i>	2
	KPI Well Met	<i>100.001% <= Actual/Target <= 149.999%</i>	3
	KPI Extremely Well Met	<i>150.000% <= Actual/Target</i>	1
	Total KPIs		13

3.28.13.4 Municipal Institutional Development and Transformation

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL2	To provide a basis for sustainable municipal performance improvement	Monitor the implementation of the Integrated Performance Management Policy by conducting at least one review meeting annually	Minutes of meeting conducted. Item on policy review tabled to council	1	1	1	G	[D33] IDP Manager: No changes were necessary and current policy adheres to regulation. Review of policy was done during November 2016 (June 2019)	
TL3	To provide a basis for sustainable municipal performance improvement	Submit quarterly organisational performance reports to the Executive Mayor by the 20th of the month following the end of each Quarter for 2018/19	No of reports submitted	4	4	4	G	[D34] IDP Manager: 3rd Quarter report finalised and to be submitted to Council for approval (April 2019) [D34] IDP Manager: 3rd Quarter report approved at Postponed Special council meeting held on 31/5/2019 (May 2019)	[D34] IDP Manager: No meetings were held report to be submitted for approval during Special Council meeting scheduled for 29 May 2019 (April 2019)
TL4	To provide a basis for sustainable municipal performance improvement	Submit the Final IDP document for adoption to Council by 31 May annually	Tabled IDP for Council adoption	1	1	1	G	[D35] IDP Manager: Final IDP for 2019/20 adopted at Postponed Special Council meeting held on 31/5/19 (May 2019)	

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL5	To provide a basis for sustainable municipal performance improvement	Submit the Final SDBIP document to the Executive Mayor by 30 June annually	SDBIP approved by Executive Mayor	1	1	1	G	[D36] IDP Manager: SDBIP for 2019/20 approved at Postponed Special Council meeting held on 31/5/19 (June 2019)	
TL13	To ensure continuous maintenance and replacement of furniture, office and computer equipment and create a secure environment within the municipality	Ensure that all identified information technology related needs as per the procurement plan have been addressed by 30 June 2019	Percentage of items per the procurement plan delivered	75%	100%	100%	G	[D137] Manager : IT: All procurements as per approved procurement plans have been done. (June 2019)	
TL15	To ensure continuous maintenance and replacement of furniture, office and computer equipment and create a secure environment within the municipality	To conduct at least 4 IT Steering Committee meetings by 30 June 2019	Number of meetings held and attendance registers	1	4	3	O	[D139] Manager : IT: No meeting was scheduled for the fourth quarter. (June 2019)	[D139] Manager : IT: Chairperson of committee has to schedule at minimum quarterly meetings. (June 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL26	To enable effective training and skills development through various initiatives and partnering with the private sector	Equip staff to implement efficiency, monitoring and productivity through the following improvement interventions by 30 June 2019 : Leadership and management development training. Learning/competency and development programme	Number of interventions performed	2	2	2	G	[D202] Manager : Training and Organisational Development: Staff is equipped accordingly (June 2019)	
TL28	To improve effective human resource development to staff and councillors	Review the organisational structure of the municipality on an annual basis with the aim of optimising efficiency and make recommendations by 30 June 2019	Record of review and recommendations made and review performed	100%	100%	100%	G	[D204] Manager : Human Resources: The organisational structure of the municipality is busy being reviewed (June 2019)	
TL29	To improve effective human resource development to staff and councillors	Monitor the implementation of the Human Resource Management Plan through conducting at	Number of review meetings held	1	1	1	G	[D205] ED: Corporate Services: The Human Resource Management Plan is being monitored (June 2019)	

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
		least one review meeting annually							
TL30	To improve effective human resource development to staff and councillors	Achieve 72% compliance with the EAP plan of the municipality by ensuring representation of the racial profile of the local authority on municipal level by 30 June 2019	% compliance to the EAP	67%	72%	63%	O	[D206] ED: Corporate Services: Only 63% has been achieved as the EAP's from the Dept. of Labour has changed. (June 2019)	[D206] ED: Corporate Services: Focus more on the targets and goals (June 2019)
TL31	To provide a basis for sustainable municipal performance improvement	On a quarterly basis communicate the funded vacant positions in each directorate to the relevant Executive Director	Number of communications provided	6	4	4	G	[D207] Manager : Human Resources: Communicate the funded vacant positions in each directorate to the relevant Executive Director are done (June 2019)	
TL32	To provide a basis for sustainable municipal performance improvement	Co-ordinate bi-annual performance assessments of the municipal manager and managers reporting directly to the municipal	Number of assessments conducted	2	2	2	G	[D208] Manager : Human Resources: Performance assessments of the municipal manager and managers are done (June 2019)	

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
		manager by 30 June 2019							

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Summary of Results: Municipal Transformation and Institutional Development			
	KPI Not Yet Measured	<i>KPIs with no targets or actuals in the selected</i>	0
	KPI Not Met	<i>0% <= Actual/Target <= 74.999%</i>	0
	KPI Almost Met	<i>75.000% <= Actual/Target <= 99.999%</i>	2
	KPI Met	<i>Actual meets Target (Actual/Target = 100%)</i>	10
	KPI Well Met	<i>100.001% <= Actual/Target <= 149.999%</i>	0
	KPI Extremely Well Met	<i>150.000% <= Actual/Target</i>	0
	Total KPIs		12

3.28.13.5 Good Governance and Public Participation

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL6	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Internal audit to perform an assessment of the internal control environment and other risk areas within the municipality and issue at least 10 internal audit reports to the audit committee during the financial year	Number of internal audit reports completed	12	10	19	B	[D37] Chief Audit Executive: audits completed in last quarter (June 2019)	
TL24	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To implement an effective and efficient Supply Chain Management System by ensuring that successful appeals is not more than 5% of tenders awarded by 30 June 2019	Percentage successful appeals	0.63%	5%	3.75%	B	[D148] Manager : SCM: 3 appeals received but unsuccessful due to incorrect supporting documents and incomplete tender documents (June 2019)	
TL25	To ensure an improved audit opinion through compliance with all relevant regulations,	Submit an Audit Action Plan to the Municipal Manager to address issues raised by the Auditor General by 31 January annually	Audit Action Plan submitted	1	1	1	G		

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
	continuous assessment of risk and internal controls								
TL33	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To report quarterly on the progress of risk mitigation to the Accounting Officer and Executive Management Team (EMT)	Quarterly reports on strategic risk register	3	4	7	B	[D209] Chief Risk Officer: None required (April 2019) [D209] Chief Risk Officer: Presented at workshop (May 2019) [D209] Chief Risk Officer: Presentation (June 2019)	[D209] Chief Risk Officer: None required (April 2019) [D209] Chief Risk Officer: None required (May 2019) [D209] Chief Risk Officer: None required (June 2019)
TL34	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Submit an Annual Report on risk management maturity level of SPM to NT by 30 June each year	Maturity report submitted	1	1	1	G	[D210] Chief Risk Officer: None required (April 2019) [D210] Chief Risk Officer: None required (May 2019) [D210] Chief Risk Officer: None (May 2019)	[D210] Chief Risk Officer: None required (April 2019) [D210] Chief Risk Officer: None (May 2019)

Ref	Strategic Objective	KPI	Unit of Measurement	Baseline	Overall Performance for 1 July 2018 to 30 June 2019				
					Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
								Officer: Report (June 2019)	[D210] Chief Risk Officer: None required (June 2019)
TL37	Promote community participation and communication	To communicate to the public (established residential areas) by issuing monthly newsletters	Number of newsletters issued	12	12	12	G	[D213] Manager : Communications: Newsletters issued (June 2019)	
TL38	Promote community participation and communication	To respond to all media enquiries and issue media statement within 24 hours after an occurrence	Response times after an event has occurred	24 hours	24	24	G	[D214] Manager : Communications: All media inquiries are made via an issue media statement within 24 hours after an occurrence (June 2019)	

	Summary of Results: Good Governance and Public Participation		
	KPI Not Yet Measured	<i>KPIs with no targets or actuals in the selected period</i>	0
	KPI Not Met	<i>0% <= Actual/Target <= 74.999%</i>	0
	KPI Almost Met	<i>75.000% <= Actual/Target <= 99.999%</i>	0
	KPI Met	<i>Actual meets Target (Actual/Target = 100%)</i>	4
	KPI Well Met	<i>100.001% <= Actual/Target <= 149.999%</i>	0
	KPI Extremely Well Met	<i>150.000% <= Actual/Target</i>	3
	Total KPIs		7

3.28.14 Conclusion

We believe that this annual performance report provides a complete and accurate overview of the municipality's performance against targets set for the 2018/2019 financial year.

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3.28.15 Municipal Manager's Quality Certification

Quality Certificate

I,, the Acting Municipal Manager of Sol Plaatje Municipality, hereby certify that –

☒ Annual Performance Report

For the year ended **30 June 2019** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

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Print name: SM Mabija

Acting Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature:

Date:

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

4.0 ORGANISATIONAL DEVELOPMENT PERFORMANCE

The main purpose of Organisation Development is to provide training and development interventions with the aim to increase the competencies of officials so that services can be rendered effectively.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

(Approved posts are the approved posts as per the tabled and approved organogram as at the end of June 2019)

Description	2017/2018	2018/2019			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.				%
Municipal Manager's Office	25	29	25	4	13.79
Infrastructure and Services					
Executive Director's Office	12	13	13	0	0
Water & Sanitation	164	326	240	86	26.38
Electricity Services	141	225	200	25	11.11
SECCU	0	2	0	2	100
Housing	56	77	57	20	25.97
Roads & Storm Water	80	161	112	49	30.43
SEDP					
SEDP	84	179	136	43	24.02
Community Services					

Description	2017/2018	2018/2019			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.				%
Clinics	22	98	23	75	76.53
Emergency Services	61	140	73	67	47.86
Environmental Health	11	35	18	17	48.57
Library Services	36	66	35	31	46.97
Motor Vehicle Licensing & Registration	27	48	27	21	43.75
Parks & Recreation	252	319	266	53	16.61
Social Development HIV/Aids	2	3	3	0	0
Traffic Law Enforcement	83	105	99	6	5.71
Waste Management	132	349	180	169	48.42
Corporate Services					
Corporate Services	128	220	184	36	16.36
Financial Services					
Finance	220	247	225	22	8.91
ICT	13	20	14	6	30
Supply Chain	33	39	34	5	12.8
Totals	1,582	2,701	1,964	735	27.21

Note: These figures do not include the councillors and ward committee members.
 Vacancies are calculated against the posts on the approved organogram. Not all the posts on the organogram are budgeted for.

4.1.2 Vacancy Rate 2018/2019

Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using full-time equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.		%
S54 Municipal Manager	1	0	0
CFO	1	0	0
Other S56 Directors (excluding Finance Posts)	7	2	28.6
Other S57 Managers (Finance posts)	0	0	0
Police officers	14	2	14.29
Fire fighters	101	47	46.5
Senior management: Levels 13-15 (excluding Finance Posts)	105	25	23.8
Senior management: Levels 13-15 (Finance posts)	25	6	24
Highly skilled supervision: levels 9-12 (excluding Finance posts)	729	306	41.97
Highly skilled supervision: levels 9-12 (Finance posts)	218	17	7.8
Total	1,201	323	26.89

4.1.3 Turnover Rate 2018/2019

Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.		
2015/2016	23	63	274.00%
2016/2017	76	77	101.00%
2017/2018	77	69	89.61%
2018/2019	48	47	97.92%

4.1.4 Comment on Vacancies and Turnover

Several attempts have been made to fill the Vacancies, however the applicants often do not have the required qualifications. The post is then re-advertised.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The primary objective of Human Resource Management is to render an innovative Human Resource service which addresses both skills development and an administrative function as approved in the staff establishment.

4.3 POLICIES

4.3.1 Comment on Workforce Policy Development

Human Resource Section regularly reviews existing policies and procedures in addressing all human resource related matters and any challenges faced by the Municipality. One of our biggest challenges remains the recruitment and retention of skilled technical staff in order to meet the Municipality's objectives as set out in the IDP.

Recruitment includes headhunting technical staff based on the provisions of the approved Human Resource recruitment and selection policy.

4.3.2 Human Resource Policies and Plans

Human Resource Policies and Plans				
Item	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
1	Affirmative Action	100%	100%	7 July 2010
2	Attraction and Retention	100%	100%	Tabled at Committee of Council: Corporate
3	Code of Conduct for employees	100%	100%	Schedule 1 of Municipal Systems Act
4	Delegations, Authorisation & Responsibility	100%	100%	Adopted by June 2005
5	Disciplinary Code and Procedures	100%	100%	SALGBC Agreement: adopted
6	Essential Services	100%	100%	Regulated by the Labour Relations Act
7	Employee Assistance / Wellness	90%	100%	Tabled at Committee of Council: Corporate
8	Employment Equity	100%	100%	7 July 2010
9	Exit Management	100%	100%	HR Procedure
10	Grievance Procedures	100%	100%	SALGBC Agreement
11	HIV/Aids	100%	100%	Approved 6 June 2018
12	Human Resource Training and Development	100%	100%	Regulated by Skills Development Act
13	Information Technology Policies	100%	100%	30 June 2010, reviewed July 2012
14	Job Evaluation	100%	100%	Approved by Council, 4 November 2014
15	Leave	100%	100%	SALGBC
16	Occupational Health and Safety	100%	100%	Regulated by Health and Safety Act
17	Official Housing	N/A	N/A	Not Applicable
18	Travelling and Subsistence Allowance Policy	100%	100%	8 December 2009; reviewed 2012
19	Official transport to attend Funerals	N/A	N/A	Not applicable
20	Official Working Hours and Overtime	100%	0%	Conditions of Service:
21	Organisational Rights	100%	100%	SALGBC Agreement
22	Payroll Deductions	100%	100%	HR Procedure

Human Resource Policies and Plans				
Item	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
23	Performance Management and Development	100%	100%	Approved 7 July 2010
24	Recruitment, Selection and Appointments	100%	100%	Approved 6 June 2018
25	Remuneration Scales and Allowances	100%	100%	SALGBC Agreement
26	Resettlement	100%	100%	Housing Procedure
27	Sexual Harassment	100%	100%	Reviewed 7 July 2010
28	Skills Development	100%	100%	Regulated by Skills Development Act
29	Smoking	90%	100%	Tabled at Committee of Council: Corporate
30	Special Skills	100%	100%	Council resolution
31	Uniforms and Protective Clothing	100%	100%	HR Procedure
32	Rewards and Incentive	100%	100%	Approved 6 June 2018
33	Disability	100%	100%	Approved 6 June 2018
34	Skills and Retention	100%	100%	Approved 6 June 2018
35	Ethics	100%	100%	Approved 5 June 2019
36	Rewards & Incentive	100%	100%	Approved 6 June 2018

4.3.3 Comment on Workforce Policy Development

Municipalities fall under the scope of the South African Local Government Association (SALGA); accordingly, the policy environment for municipalities, including the Sol Plaatje Municipality is regulated by the South African Local Bargaining Council (SALBC) agreements. Given that municipalities exercise legislative and executive authority in terms of Chapter 7 of the Constitution of the Republic of South Africa (1996, as amended), read in conjunction with the legislative framework on co-operative governance, municipalities adopt policies and procedures to regulate the policy lacuna of the SALBC framework, for instance section 151(3) of the Constitution provides that

“a Municipality has the right to govern on its own initiative, the local affairs of its community, subject to national and provincial legislation...”.

Accordingly, the policy schedule referred to under 4.2.1 reflects this dialectical interrelationship between policies adopted by the SALBC and the Sol Plaatje Municipality for

the applicable period. The local government legislative framework including but not limited to the following legislation regulates other policies:

- Constitution of the Republic of South Africa (Act No. 108 of 1996, as amended)
- Local Government: Municipal Finance Management Act (Act No. 56 of 2003) (referred to hereafter as the MFMA)
- Local Government: Municipal Structures Act (Act No. 117 of 1998)
- Local Government: Municipal Systems Act (Act No. 32 of 2000, as amended)
- Employment Equity Act (Act No. 55 of 1998)
- Basic Condition of Employment Act (Act No. 75 of 1997, as amended)
- Labour Relations Act (Act No 66 of 1995, as amended)
- Occupational Health and Safety Act (Act No. 85 of 1993, as amended)
- Skills Development Act (Act No. 97 of 1998, as amended)

4.4 INJURIES, SICKNESS AND SUSPENSIONS

In terms of injury on duty SPM is unable to prematurely calculate IOD for any future injuries.

Number and Cost of Injuries on Duty 2018/2019					
Type of injury	Injury Leave Taken Days	Employees injured No.	Proportion employees using IOD sick leave %	Average Injury Leave per employee Days	Total Estimated Cost (Rands)
Required basic medical attention only	0	10	0 %	0	34 084.71
Required medical attention	597	30	1.45 %	19.9	388 625.26
Sub Total	597	40	1.45 %	19.9	422 709.97
Permanent disablement	0	0	0 %	0	0
Fatal	0	0	0 %	0	0
Total	597	40	1.45 %	19.9	422 709.97

4.4.1 Number of Days and Cost of Sick Leave (excluding Injuries on duty)

Sick leave per employee is not calculated separately, it forms part of the total remuneration package per employee

Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employee	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	294	29	81	81	3.62	9 207
Skilled (Levels 3-5)	10,365	6.5	814	814	12.73	123 027
Highly skilled production (levels 6-8)	5,624	7.3	429	429	10	88 262
Highly skilled supervision (levels 9-12)	3,937	7	211	211	18.67	69 743
Senior management (Levels 13-15)	899	9.1	85	85	10.57	50 829
MM and S57	103	6	5	5	20.6	7 574
Total	21,222	64.90	1,625	1,625	79.29	348 642
* - Number of employees in post at the beginning of the year						T 4.3.2
*Average is calculated by taking sick leave in column 2 divided by total employees in column 5						

4.4.2 Comment on Injury and Sick Leave

Occupational injury is a personal injury, disease or death resulting from an occupational accident. Occupational injury will influence the loss of man hours according to the seriousness of the injury/disease which can be costly to the municipality based on the financial and productivity performance.

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 measure can be taken.

A Health and Safety Office is appointed by the municipality to educate all employees on policies as well as to improve safety measures in the work place. Each Directorate has a Health and Safety Committee which monitors injuries in the said directorate.

4.4.3 Number and Period of Suspensions

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken, or Status of Case and Reasons why not Finalised	Date Hearing Finalised
Manager Building Control	Fraudulent approval of building plans	06.02.19	Disciplinary case finalised	Arbitration to be finalised 30.01.19
Station Officer	Placing the training of the Emergency Services in disrepute	14.03.19	Received final written warning for a period of twelve months	Finalised 18.09.19
Accountant (Meter Services)	Fraud/Dereliction of duties	17.04.19	Disciplinary hearing finalised	Arbitration to proceed 04.12.19

4.4.4 Disciplinary Action Taken on Cases of Financial Misconduct

There were no cases of financial misconduct.

4.4.5 Comment on Suspensions and Cases of Financial Misconduct

There is a tendency by the accused employees to contest their cases in Labour Court as well as Labour Appeal Court.

4.5 PERFORMANCE REWARDS

The Municipal Manager, Mr G Akharwaray requested the performance rewards to be terminated due to financial constraints and lack of interest from sections.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.6 INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) Section 68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way. Annually a training plan is developed to upskill the employees and councillors based on the IDP related training needs and to improve the delivery of services. Monthly feedback of these training interventions are reported on in the relevant Council Sub-Committee.

Access to training funding remains a challenge.

4.6.1 Skills Development and Training 2018/2019

Management Level	Gender	Employees trained in post as at 2018/06/30	Number of skilled employees required and actual as at 30 June Year 2018											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: 30/6/18	Actual: 30/6/19	Target 2018/2019	Actual: 30/6/18	Actual: 30/6/19	Target 2018/2019	Actual: 30/6/18	Actual: 30/6/19	Target 2018/2019	Actual: 30/6/18	Actual: 30/6/19	Target 2018/2019
Managers	Female	10	0	0	0	10	10	10	0	0	0	10	10	10
	Male	24	0	0	0	24	24	24	0	0	0	24	24	24
Professionals	Female	14	0	0	0	9	9	9	5	5	5	14	14	14
	Male	35	0	0	0	26	26	26	9	9	9	35	35	35
Technicians and Trade Workers	Female	33	1	1	1	32	32	32	0	0	0	33	33	33
	Male	67	22	22	22	45	45	45	0	0	0	67	67	67
Community and Personal Services Workers	Female	14	0	0	0	14	14	14	0	0	0	14	14	14
	Male	17	0	0	0	17	17	17	0	0	0	17	17	17
Clerical and Administrative Workers	Female	37	0	0	0	37	37	37	0	0	0	37	37	37
	Male	7	0	0	0	7	7	7	0	0	0	7	7	7
Machine Operators and Drivers	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	10	0	0	0	10	10	10	0	0	0	10	10	10
Labourers	Female	119	0	0	0	119	119	119	0	0	0	119	119	119

Management Level	Gender	Employees trained in post as at 2018/06/30	Number of skilled employees required and actual as at 30 June Year 2018											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: 30/6/18	Actual: 30/6/19	Target 2018/2019	Actual: 30/6/18	Actual: 30/6/19	Target 2018/2019	Actual: 30/6/18	Actual: 30/6/19	Target 2018/2019	Actual: 30/6/18	Actual: 30/6/19	Target 2018/2019
	Male	265	0	0	0	265	265	265	0	0	0	265	265	265
Sale and Service Workers	Female	11	0	0	0	11	11	11	0	0	0	11	11	11
	Male	36	0	0	0	36	36	36	0	0	0	36	36	36
Total		699	23	23	23	676	676	676	14	14	14	699	699	699

4.6.2 Skills Development Expenditure 2018/2019

The total budget allocated for skills development and other capacitation programmes was R5 869 000 000 for all management levels, and the total sum spend for the skill development expenditure is R5 658 000, for all levels of professions within the Municipality. Councillor development was excluded.

Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on Skills Development 2018/2019							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
			R'000							
Managers	Female	10	0	0	174	139	0	0	174	139
	Male	24	0	0	232	172	203	203	435	375
Professionals	Female	14	0	0	50	0	1084	1084	1134	1084
	Male	35	0	0	50	0	3973	3973	4023	3973
Technicians and Trade Workers	Female	33	1	1	12	9	0	0	13	10
	Male	67	6	2	36	34	0	0	42	36
Clerical and Administrative Workers	Female	37	0	0	0	0	0	0	0	0
	Male	7	0	0	2	2	0	0	2	2

Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on Skills Development 2018/2019							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
			R'000							
Community and Personal Service Workers	Female	14	0	0	2	1	0	0	2	1
	Male	17	0	0	3	3	0	0	3	3
Machine Operators and Drivers	Female	0	0	0	0	0	0	0	0	0
	Male	10	0	0	35	29	0	0	35	29
Elementary occupations	Female	119	0	0	2	2	0	0	2	2
	Male	265	0	0	3	4	0	0	3	4
Sales and Service Workers	Female	11	0	0	0	0	0	0	0	0
	Male	36	0	0	1	0	0	0	1	0
Total		699	7	3	602	395	5260	5260	5869	5658
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									1%	

4.6.3 Comment on Skills Development and Related Expenditure and on the Financial Competency Regulations

The table below presents a summary of trained officials in finance directorate

Position	Requirements	MFMP Training	Year
Municipal Manager	NQF level 6	Yes	2012 Dec
Chief Financial Officer	NQF level 7	Yes	2012 Dec
BTO Manager	NQF level 7	Yes	2012 Dec
Head: SCM	NQF level 6	Yes	2013 Dec
Other managers reporting to CFO	NQF level 5-6	Yes	2012 Dec
SCM Practitioners	NQF level 3-5	Yes	In progress
Revenue Management	NQF level 5-6	Yes	2015 May

The Municipality complies with SCM regulations in that staff members are on par with the necessary competency levels. Sixteen members of the Supply Chain Management have undergone the MFMP training, only two new staff members are still to go for this training.

They are new in the SCM system. They have been enrolled in SCM learnership that is run by the National Treasury.

The Policies such as Contracts Policy and PPPFA regulation have also been put in place. Reviews of these policies are continuously done annually

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.7 INTRODUCTION TO WORKFORCE EXPENDITURE

Description	30 June 2019	30 June 2018	30 June 2017
Employee costs actual	688 565 281	647 309 202	567 316 834
Total Operational Expenditure	1 860 986 978	1 851 651 840	1 622 332 713
Employee costs as % of Operational Expenditure	37.00%	34.96%	34.97%

Commented [CC25]: Table updated only

As indicated in the table above, Employee costs as a percentage of Total operational expenditure increased by a marginal 2.04% from 34.96 % to 37.00%.

Commented [CC26]: Comment updated

4.8 EMPLOYEE EXPENDITURE TRENDS

Description	2015/2016	2016/2017	2017/2018	2018/2019	Year on year increase (decrease) (2017/2018 to 2018/2019)
	R'000				%
Employee related costs: Salaries	467 702	483 802	506,718	535,445	6%
Social contributions	78 438	93 598	107,742	113,419	5%
Post-retirement benefit obligations	56 826	(10 084)	32,849	39,701	21%
Total Employee Related Expenditure	602 966	567 317	647,309	688,565	6%
Councillors remuneration	20 948	25 011	28,409	28,388	-0.1%
Employees salary increase	7.00%	6.00%	7.36%	7.00%	
Councillors salary increase	5.50%	5.50%	5.50%	4.00%	

Commented [CC27]: Table and comment updated

Councillors are remunerated based on upper limits gazette as promulgated by the Minister for CoGTA. An average increase of 4% was approved and implemented with total councillor's benefits amounting to R28,388 million. From the table above, it can be noted that Employee related costs increased by an average of 6% which is well within inflation and acceptable when taking into consideration that the annual salary increase was 7% for the 2018/2019 financial year. Therefore, the major impact informing the 6% escalation is as a result of the Post-retirement health benefit obligations which escalated by 21% year-on-year.

Commented [CC28]: Narrative updated

4.8.1 Comment on Employee Expenditure Trends

In terms of National Treasury's MFMA Circular No. 71 (Uniform financial ratios and norms), the benchmarked norm on Employee costs is between 25% to 40% which is considered acceptable depending on the size and services rendered by the municipality. The municipality's own target is 32% employee costs ratio against total operating expenditure.

Commented [CC29]: Comment updated

As at 30 June 2019, the employee costs was 37% of the total operating expenditure, which is higher than the target. From a budgeted perspective, Employee costs were already set at 35% of Total operational expenditure, therefore, the target should have been revised to a more realistic estimate.

Total employee costs are also higher as a result of back-pay on Night-work allowance that was due to employees as a result of a dispute of the interpretation of who qualifies for night-work allowance in respect of the collective agreement. This dispute was amicably resolved and subsequently this back-pay was paid out to qualifying employees, with the resultant increase in Night-allowance expenditure from R3,029 million to R9,594 million year on year.

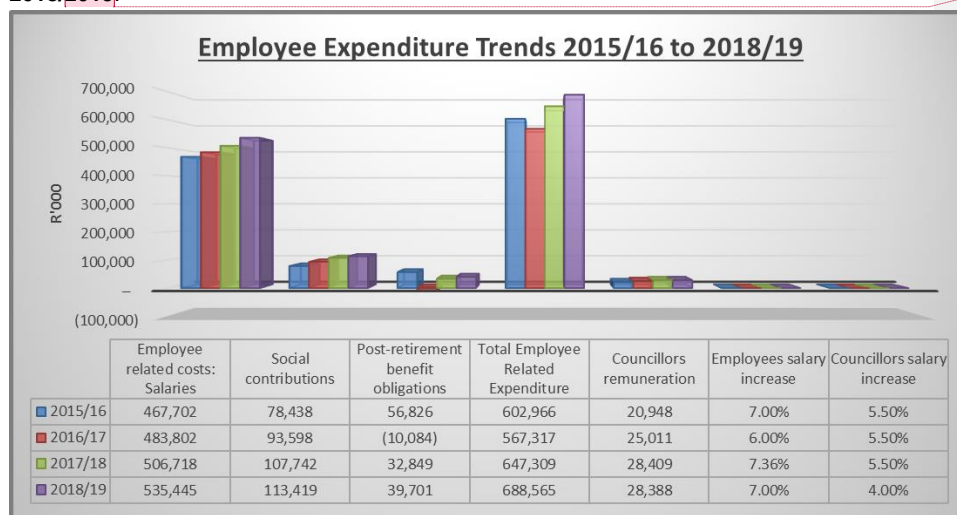
The total overall Overtime expenditure decreased by 9% from R45,696 million (2017/2018) to R41,467 million (2018/2019). However, as at 30 June 2019 the total Overtime budget was overspent by 58% or R15,524 million when comparing the actuals vs the Adjustment budget.

Management needs to put measures in place to control growth in employee costs above the average annual increase, especially if the number of heads is not changing significantly. Overtime expenditure also urgently needs to be addressed to avoid a repeat of prior years.

From 2016/2017 to 2017/2018 the year on year increase in employee costs was 14%. This is mainly attributable to the loss on Post retirement benefits, against an actuarial gain for 2016/2017. There was a substantial year-on-year decrease in the employee costs from 14.1% (2017/2018) to 6.4% (2018/2019).

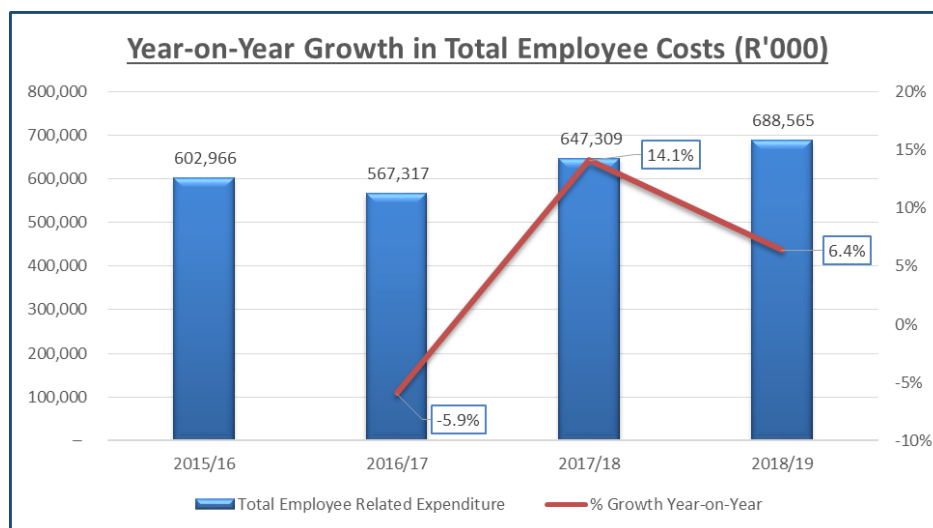
Bar chart reflecting expenditure trend over 2015/2016, 2016/2017, 2017/2018 and 2018/2019.

Commented [CC30]: Bar chart inserted



Graph depicting growth in total employee costs year on year.

Commented [CC31]: Graph inserted



4.8.2 Number of Employees whose salaries were increased due to their positions being upgraded

The municipality does not upgrade positions, the level of positions will change due to the outcome of the Job Evaluation process.

4.8.3 Employees whose salary levels exceed the grade determined by job evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Snr Clerk	2	T6	C1	Positions were graded below what employees were currently receiving
Clerk	1	T5	C1	
Admin Officers: PA	4	T10	C5	
Admin Officers: Informal Trade	1	T10	C5	
General Assistants	20	T3	A3	
Switchboard Operators	2	T5	B3	
Snr Clerk	2	T6	B5	
Handyman	11	T5	B3	
Snr Clerk	4	T6	B4	
Administrator	1	T8	C1	
Liaison Officer	1	T9	C3	
Cashier	9	T5	B2	
Clerk	3	T5	B2	
Controller	4	T10	C5	
Admin Officer	3	T9	C3	
Driver Messenger	3	T4	B3	
Snr Admin Officer	1	T11	D5	
Employee Relations Manager	1	T11	D4	
Controller	2	T11	C5	
Driver Messenger	1	T4	B1	
Snr SC Officer	1	T12	D5	
Head: Administration	1	T9	C5	
VIP Protection	1	T6	C1	
Peace Officer	1	T9	C4	
Internal Investigator	1	T13	D3	
Liaison Officer	1	T12	D4	

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Head Properties	1	T14	D3	
Project Manager	1	T12	D3	
Controller: Sanitation	1	T7	C2	
Risk Officer	1	T11	D1	
Communications Officer	1	T11	D1	
Principal Clerk	4	T7	C1	
Clerk	5	T5	B3	
Project Manager	1	T11	C5	
SDBIP Officer	1	T11	C5	
Foreman: Sanitation	1	T11	C5	
Engineering Technician	1	T11	C5	
Snr Supervisor: Cemetery	1	T8	C1	
Clerk: Verifications	4	T5	B2	
Driver	2	T5	C3	

4.8.4 Employees appointed to posts not approved

The municipality has not appointed employees in positions that are not on the approved staff establishment.

4.8.5 Comment on Upgraded Posts and those that are at variance with normal practice

The municipality does not upgrade posts as it is not normal practice.

CHAPTER 5

CHAPTER 5 – FINANCIAL PERFORMANCE

5.0 INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.

This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

The municipality has used consultancies for various and specialised work during the year. The table below lists all major consultancy work procured by the municipality.

Name of the Firm	Amount Paid in Rand	Nature of the Service
Financial consultants		
Arch Actuarial Consulting CC	36 225	Actuarial valuation - Post Retirement benefits
Bosch Munitech (Pty) Ltd	12 363	Landfill valuation
Ngubane & Co	76 422	Financial statements review
Capital and operational projects		
Aganang Consulting Engineers	6 325 327	Storm Water Upgrade
Bigen Africa Services (Pty) Ltd	3 150 073	Lerato Park water and sewer connections
Esri South Africa (Pty) Ltd	1 309 613	GIS (Global Information System)
Elexpert Pty Ltd	262 200	Consultancy fees for prepaid vending and AMR (Automated meter reading)
Gibb Pty Ltd	1 171 806	Homelite Satellite Fire Station
Go Aga Consult	543 470	Riverton water plant
Gobetla Beplanning Dienste t/a Macroplan	2 229 557	Professional services for planning and surveying
Makone Consulting Engineers cc	1 271 995	Ritchie - Bulk Water Augmentation Project
Makone Consulting Engineers cc	2 138 092	Professional fees reconstruction of sink toilets
MVD Kalahari Town and Regional Planners	703 800	Planning and surveying for low & middle income housing - 1100 erven
Royal Haskoningdhv (Pty) Ltd	293 587	Electricity cost of supply study
V3 Consulting Engineers (Pty) Ltd	575 606	Sector plans and electrical master plan
Zuri Concepts & Projects	6 111 875	Nelson Mandela statue
Total	26 212 010	

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

DRAFT

NC091 Sol Plaatje - Reconciliation of Table A1 Budget Summary

Description	2018/2019								2017/2018			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorise d expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorise d expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovere d	Restated Audited Outcome
	R'000						%		R'000			
	1	2	3	4	5	6	7	8	9	10	11	12
Financial Performance												
Property rates	541 312	–	541 312	512 886		(28 426)	94.7%	94.7%				492 309
Service charges	1 107 508	(92 200)	1 015 308	905 350		(109 958)	89.2%	81.7%				938 327
Investment revenue	20 000	(5 000)	15 000	10 002		(4 998)	66.7%	50.0%				18 700
Transfers recognised - operational	188 874	5 855	194 729	192 110		(2 620)	98.7%	101.7%				172 480
Other own revenue	196 145	21 000	217 145	213 287		(3 858)	98.2%	108.7%				242 937
Total Revenue (excluding capital transfers and contributions)	2 053 839	(70 345)	1 983 495	1 833 635		(149 860)	92.4%	89.3%				1 864 753
Employee costs	716 652	(18 000)	698 652	688 565	–	(10 087)	98.6%	96.1%	–	–	–	647 309
Remuneration of councillors	29 335	350	29 685	28 388	–	(1 298)	95.6%	96.8%	–	–	–	28 409
Debt impairment	227 000	(20 000)	207 000	205 848	–	(1 152)	99.4%	90.7%	–	–	–	235 825

Description	2018/2019								2017/2018			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	R'000					%			R'000			
	1	2	3	4	5	6	7	8	9	10	11	12
Depreciation & asset impairment	69 250	–	69 250	61 697	–	(7 553)	89.1%	89.1%	–	–	–	63 603
Finance charges	25 799	500	26 299	26 250	–	(48)	99.8%	101.8%	–	–	–	27 213
Materials and bulk purchases	723 112	16 335	739 446	713 567	–	(25 879)	96.5%	98.7%	–	–	–	690 184
Transfers and grants	9 670	(2 700)	6 970	3 940	–	(3 030)	56.5%	40.7%	–	–	–	9 325
Other expenditure	246 038	(22 399)	223 639	132 731	–	(90 908)	59.4%	53.9%	–	–	–	149 783
Total Expenditure	2 046 856	(45 915)	2 000 941	1 860 987	–	(139 954)	93.0%	90.9%	–	–	–	1 851 652
Surplus/(Deficit)	6 983	(24 430)	(17 447)	(27 352)		(9 905)	156.8%	-391.7%				13 101
Transfers recognised - capital	285 063	(91 503)	193 560	197 254		3 693	101.9%	69.2%				204 933
Contributions recognised - capital & contributed assets	–	–	–	–		–						4 561
Surplus/(Deficit) after capital transfers & contributions	292 046	(115 933)	176 114	169 902		(6 212)	96.5%	58.2%				222 595
Share of surplus/ (deficit) of associate	–	–	–	–		–	–	–				–

Description	2018/2019								2017/2018			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	R'000						%		R'000			
	1	2	3	4	5	6	7	8	9	10	11	12
Surplus/(Deficit) for the year	292 046	(115 933)	176 114	169 902		(6 212)	96.5%	58.2%				– 222 595
Capital expenditure & funds sources												
Capital expenditure	333 241	(102 128)	231 113	207 827		(23 286)	89.9%	62.4%				244 839
Transfers recognised - capital	296 795	(103 235)	193 560	184 165		(9 396)	95.1%	62.1%				204 933
Public contributions & donations	–	–	–	–		–	–	–				4 561
Borrowing	–	–	–	–		–	–	–				–
Internally generated funds	36 446	1 106	37 552	23 662		(13 890)	63.0%	64.9%				35 344
Total sources of capital funds	333 241	(102 128)	231 113	207 827		(23 286)	89.9%	62.4%				244 839
Cash flows												
Net cash from (used) operating	282 536	(62 000)	220 536	158 470		(62 066)	71.9%	56.1%				133 754
Net cash from (used) investing	(333 241)	102 128	(231 113)	(207 827)		23 286	89.9%	62.4%				(242 482)

Description	2018/2019								2017/2018			
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	R'000						%		R'000			
	1	2	3	4	5	6	7	8	9	10	11	12
Net cash from (used) financing	(9 399)	–	(9 399)	(11 864)		(2 465)	126.2%	126.2%				(1 767)
Cash/cash equivalents at the year end	183 585	–	115 264	74 019		(41 245)	64.2%	40.3%				135 240

5.1.2 Financial Performance of Operational Services

Financial Performance of Operational Services						
Description	2017/2018	2018/2019			2018/2019 Variance	
	Actual	Original Budget	Adj Budget	Actual	Original Budget	Adj Budget
	(R'000)				%	
Operating Cost						
Water	224 221	250 303	247 649	240 218	-4%	-3%
Waste Water (Sanitation)	26 294	30 992	30 574	24 558	-21%	-20%
Electricity	628 799	691 756	670 631	644 809	-7%	-4%
Waste Management	54 105	60 450	60 277	59 408	-2%	-1%
Housing	19 515	26 073	25 905	19 964	-23%	-23%
Component A: sub-total	952 934	1 059 574	1 035 036	988 958	-7%	-4%
Waste Water (Storm Water Drainage)	–	–	–	–		
Roads	39 098	38 368	38 535	36 779	-4%	-5%
Transport	32 917	40 597	39 439	35 175	-13%	-11%
Component B: sub-total	72 015	78 965	77 974	71 954	-9%	-8%
Planning	35 837	38 691	38 424	35 303	-9%	-8%
Local Economic Development	5 691	6 925	6 720	5 611	-19%	-17%
Component B: sub-total	41 528	45 616	45 144	40 914	-10%	-9%
Planning (Strategic & Regulatory)	–	–	–	–		
Local Economic Development	–	–	–	–		
Component C: sub-total	–	–	–	–		
Community & Social Services	34 210	39 035	38 368	36 073	-8%	-6%
Environmental Protection	576	629	618	618	-2%	0%
Health	13 658	17 756	18 348	15 732	-11%	-14%
Security and Safety	51 901	57 379	56 719	53 267	-7%	-6%
Sport and Recreation	43 402	56 474	55 496	47 061	-17%	-15%
Corporate Policy Offices and Other	641 428	691 427	673 238	606 410	-12%	-10%

Financial Performance of Operational Services						
Description	2017/2018	2018/2019		2018/2019 Variance		
	Actual	Original Budget	Adj Budget	Actual	Original Budget	Adj Budget
	(R'000)			%		
Component D: sub-total	785 174	862 701	842 787	759 162	-12%	-10%
Total Expenditure	1 851 652	2 046 856	2 000 941	1 860 987	-9%	-7%
<p>In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</p>						
						T 5.1.2

5.1.3 Comment on Financial Performance

The municipality renders trading and rates related services. Trading services are provided at cost recovery tariff structure with cross subsidisation and contributions to the rates funded services in line with the Budget Policy of the municipality. The major revenue source for the municipality is Service charges, with Sale of electricity being the largest contributor, followed by revenue from rates and taxes.

The major cost drivers for various services range between bulk purchases costs and/or employee costs. Close monitoring of major cost drivers per function are monitored to ensure that no over-expenditure takes place of which management is not aware.

As at year-end the total Operating revenue was R2 030 889 billion vs an adjusted budget of R2 177 055 billion, resulting in an actual achieved of 93% with a satisfactory variance of minus 7%. This mainly attributable to an under performance on Service charges as a result of iGRAP1, with relation to the treatment of Consumption for own use and Discount on early payment. Total Operational expenditure amounted to R1 860 987 billion vs an adjusted budget of R2 000 941 billion, resulting in an actual of 93%, with a satisfactory variance of minus 7%.

The municipality is facing some major challenges, with cash flow remaining the most critical as the non-availability of cash can have serious repercussions with service delivery being affected the worst. The municipality has implemented cost containment measures and strategies are in place to collect outstanding debt.

5.2 GRANTS

The following grants were gazetted and transferred to the municipality:

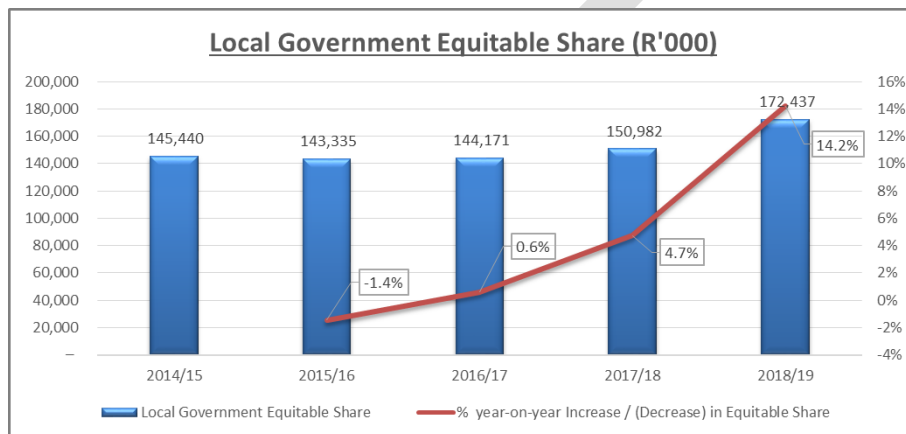
5.2.1 Grant Performance

Description	2017/2018	2018/2019			2018/2019 Variance	
	Actual	Budget	Adjust. Budget	Actual	Original Budget	Adjust. Budget
	R'000				Percentage	
Operating Transfers and Grants						
National Government	158 936	180 061	183 202	182 323	1.26%	-0.48%
Equitable share	150 982	171 424	171 424	172 437	0.59%	0.59%
Financial Management Grant	1 700	1 700	1 700	1 700	0.00%	0.00%
Municipal Systems Improvement						
Expanded Public Works	4 762	3 137	3 137	3 137	0.00%	0.00%
Infrastructure Skills Development Grant (ISDG)	1 492	3 800	6 941	5 049	32.86%	-27.26%
Department of Water Affairs						
Provincial Government	7 599	8 813	10 078	8 267	-6.2%	-18.0%
Health subsidy			750	–		
Library Services	7 000	8 813	8 813	7 800	-11.5%	-11.5%
COGHSTA						
Department of Economic Development & Tourism	599		515	467	#DIV/0!	-9.3%
Other Grants						
District Municipality	3 908	–	1 450	1 520		4.8%
Frances Baard District Municipality	3 908		1 450	1 520		4.8%
Other grant providers	2 037	–	–	–		
MIG Operational	2 037					
Miscellaneous						
Other Donations						
Total Operating Transfers and Grants	172 480	188 874	194 729	192 110	1.7%	-1.3%

COMMENT ON OPERATING TRANSFERS AND GRANTS

The total operational grants received amounted to R192,110 million with an actual achieved of 98.65% versus the Adjusted budget of R194,729 million. Grants performed very well for the period under review. Expenditure on ISDG is lower than anticipated but the variance to this is explained in the section below.

Graph depicting Percentage year-on-year increase/(decrease) in Equitable Share



There was a substantial increase on Equitable Share receipts from R150,982 million (2017/2018) to R172,437 million (2018/2019) with a positive increase of 14.2% year-on-year. There was a marginal increase of 4.7% from 2016/2017 to 2017/2018. The municipality endeavours to spend the majority of the ES to subsidise indigent households.

Commented [CC32]: Comment updated

INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)

Unemployed Graduates Programme: funded by the Infrastructure Skills Development Grant of National Treasury

The Municipality is faced with several challenges with regard to infrastructure management, bulk infrastructure capacity shortage, poor water quality and compromised basic service delivery resulting from the shortage of technical skills. The purpose of the Infrastructure Skills Development Grant (ISDG) Programme is to professionalise interns in areas where there is a lack of manpower and professionalised skills to assist the municipality to improve on service delivery. The Infrastructure Skills Development Programme is funded under the Infrastructure Skills Development Grant of National Treasury.

Given the Infrastructure challenges, the Municipality fully supports this **Unemployed Graduate Project**. Sol Plaatje Municipality has managed to utilize this project to enhance skills particularly in the area of design and has consequently revived this section – a great asset to the municipality. Other areas where value has been added are: the workshop manufacture and installation of pipes in the inlet works of Riverton and in the Waterworks reservoir; Town planning; Laboratory; Civil (Roads and Sanitation); and Electrical projects. From this one can see that Sol Plaatje Municipality is serious about skills transfer in enabling it to achieve its strategic goals in the long term. Sol Plaatje has and will attempt to employ these professionalised graduates in vacant posts to comply with the relevant legislation.

This is the second intake of graduates for the municipality. During this year three GIS students were recruited and one left the group thus bringing the total to 14 interns. In the previous intake 93.3% were professionalised and all were employed. This intake focusses on the following areas of professionalization: Town Planners; Civil and Electrical Technicians, Civil Technologists and GIS graduates.

Since appointment of the new intake, all interns have been registered under the relevant professional body and have steadily been developed. All interns have individualised personal development plans and receive the required training. They work under the supervision of a qualified supervisor and a registered mentor. The mentors that have been selected for the project include: NC Haarhoff (Town Planners); Sarel Haasbroek (Civil Engineering); Hendrik Jonck (Electrical Engineering) and Herman Booysen (GIS).

CHALLENGES AND SOLUTIONS

This programme has had its challenges and some of these matters prevented us from reaching our goals, for example:

- The lack of professional bodies for certain fields of scarce skills (e.g. Property Developers; Building Controllers; etc).
- The shortage of engineering graduates in this region

- The disparity of stipends per field across the entire project was resolved and implemented; Several female candidates selected on merit, declined offers for other opportunities; and
- Interns from other areas found it hard to adjust to the cultures and local languages that are spoken in this region.

Overall it continues to be a privilege to be part of this National Treasury project. The interns have developed well during the past year and have really added much value to their sections. Sol Plaatje Municipality and the city has truly benefited from this programme. Highlights of the past year definitely include: the Professionalization of the Electrical Technician and his absorption.

THE EXPANDED PUBLIC WORKS PROGRAMME INCENTIVE GRANT

BACKGROUND

The Expanded Public Works Programme (EPWP) is a government strategy to reduce poverty and unemployment in society. EPWP involves creating work opportunities for the unemployed through maximising job opportunities within projects. In support to this SPLM has adopted the strategy and implementing it through its maintenance and capital programmes. This includes work done in-house and work contracted out to service providers. SPLM has so far been steadfast in the implementation of EPWP.

An amount of R3 137 000 was allocated to the municipality for the financial year. At year end the funds were fully spent on various projects. The municipality had to counter-fund the projects in order to ensure their continuation. The following projects were embarked on during 2018/19 Financial Year, these projects are not limited to the provided list however, are those reported on the EPWP MIS:

Table 5: List of EPWP Projects

	Project Name	No. of Work Opportunities	No of FTE created
1	CBD Taxi Rank 2016	30	22
2	Cleaning of Storm Water Intakes	46	23.9
3	Construction of Roads in Galeshewe - Phase 2	36	11.4
4	Electrification of Ivory Park	20	5.3
5	Electrification of various erven at SPLM -1515 Houses	17	8
6	IG/ Sol Plaatje Cleaning and Greening	456	360.7
7	Maintenance of Newton Reservoir	17	10.4
8	Refurbishment of Galeshewe Main Outfall Sewer	17	7.3
9	Replacement of water meters Phase 5	10	12.6
10	Special Cleaning Team	27	8.3
11	The construction of the bulk link water infrastructure for Lerato Park	13	2.0
12	The construction of the sewer infrastructure for Lerato Park	13	1.0
13	Upgrading of landfill Sol Plaatje	12	6.6
TOTAL		725	478.9

NB! Period 01 April 2018 to 30 June 2019

OVERALL SUMMARY FOR THE YEAR

The EPWP projects are progressing extremely well within the Sol Plaatje Local Municipality.

Number of projects: 13

Work Opportunities: 725

Estimated FTEs created: 479

CHALLENGES AND CONCLUSION

The incentive grant allocation continues to decline over the years. Despite this the municipality remains steadfast in the drive of combating unemployment through EPW Programmes within its community.

Sol Plaatje Municipality remain committed in supporting the EPWP as a government strategy to reduce poverty and unemployment. There are still challenges in terms of financing all anticipated initiatives however, the municipality strives to enhance job creations efforts within all its projects.

5.2.2 Grants expenditure from sources other than DoRA

Details of Donor	Actual Grant		Municipal Contribution	Date Grant Terminates	Date Municipal Contribution Terminates	Nature and benefit from the grant received, include description of any contributions in kind
	2017/2018	2018/2019	2018/2019			
	R'000					
FDBM	3 908	1 520	0	Annual allocation	N/A	The FBDM allocations are mainly utilised to fund repairs and maintenance related activities, especially with regards to Roads and Sanitation. The

Commented [CC33]: Actuals updated

Details of Donor	Actual Grant		Municipal Contribution	Date Grant Terminates	Date Municipal Contribution Terminates	Nature and benefit from the grant received, include description of any contributions in kind
	2017/2018	2018/2019	2018/2019			
	R'000					
						maintenance of Platfontein dry sanitation and gravel roads were funded out of this grant during the financial year.
Library Services	7 000	7 800	0	On-going	N/A	The municipality received an amount of R7 800 000 grant from Northern Cape Provincial Library Services which was utilised as set out in Chapter 3.
Department of Economic Development	599	467	0	As per application	N/A	The CBD Manager received this funding from the Department of Economic Development to run an EPWP programme for the cleaning and maintenance of the CBD.

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5.2.3 Comment on Conditional Grants and Grants Received from Other Sources

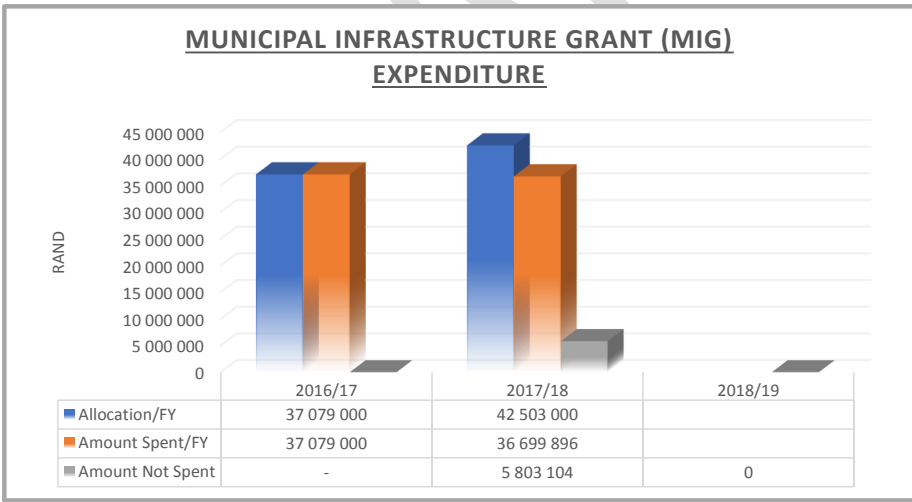
THE MUNICIPAL INFRASTRUCTURE GRANT (MIG)

BACKGROUND

The MIG programme is part of government’s overall strategy to eradicate poverty and create a conducive environment for local economic development. It is expected to maximize employment opportunities and enterprise development. The programme is also service delivery driven and central to the strategic objectives of municipalities.

Municipalities play a central role in the co-ordination of developmental activities and the delivery of municipal infrastructure projects within their area of jurisdiction. MIG is focused on improving the capacity, efficiency, effectiveness, accountability and thus sustainable service delivery in local government. National and provincial government are responsible for creating enabling policies, financial and institutional environment for the MIG programmes. Municipalities are responsible for planning and implementing of the municipal infrastructure.

Bar Chart depicting MIG Expenditure



ALLOCATION AND EXPENDITURE

	2016/2017	2017/2018	2018/2019
Allocation per FY	R 37 079 000	R 42 503 000	R 48 816 000
Expenditure per FY	R 37 079 000	R 36 699 896	R 48 816 000
Amount not spent	-	R 5 803 104	-

COMMENTS

An initial amount of R48 816 000 was allocated during the financial year 2018/2019 as per Division of Revenue Act (DoRA). The funding allocated to the Municipality was used to finance the following MIG projects during the financial year:

List of Projects for 2018/2019 Financial Year

PROJECT NAME
Homevale Satellite Fire Station
Lerato Park: Construction of Bulk Water Mains
Lerato Park: Construction of link Sewer and upgrading of downstream infrastructure
Sol Plaatje: Galeshewe Wards 6, 7, 9, 10 & 15 upgrading of gravel to paved roads
De Beers Stadium Athletic Track Upgrading
Galeshewe Stadium Upgrading Phase 1

The following projects deliverables were achieved for financial year 2018/2019:

Project Name	Project Deliverables
Homevale satellite Fire Station	The municipality advertised for tenders during the financial year and a contractor was appointed for the construction works. Work commenced in February 2019 however, at a slow pace due to various contractual challenges by both the consultant and the contractor. At the end of the financial year only 7% progress could be reported. The project will be rolled-over into the 2019/2020 financial year for continuity.
Lerato Park: Construction of Bulk Water Mains	This is a multi-year project that started in November 2018 and is planned for completion in 2019/20 financial year. Work is almost complete on the link water pipeline. The contractor awaits a site instruction to proceed with work at the connection point. The contractor is yet to install four air valves and to construct the valve chambers and install thrust blocks. The contractor is yet to tie in into the existing line in Lerato Park.
Lerato Park: Construction of link Sewer and upgrading of downstream infrastructure	This is a multi-year project that started in November 2018 and is planned for completion in 2019/2020 financial year. Work has commenced on the outfall sewer line and continued well along the Eagle Street rising main. Work has been progressing slowly on the main sewer line due to unforeseen circumstances on site where a portion of the line had to be re-routed and re-designed. No work has yet been done on the pump stations.
De Beers Stadium Athletic Track Upgrading	Work commenced in July 2018 and has now been completed. The following activities were completed: Re-painting of the athletic track; resurfacing of long-jump and vault strip; upgrading of infrastructure for Shot Put, Discus, High-jump and Pole Vault; Refurbishment of storm water drainage and installation of kerbing along the track. Work also included the renovation of the Multi-purpose sports hall.
Galeshewe Stadium Upgrading Phase 1	The project involved the construction of two multi-purpose courts including surrounding fencing. The project was successfully completed end of May 2019.

Project Name	Project Deliverables
Sol Plaatje: Galeshewe Wards 6, 7, 9, 10 & 15 upgrading of gravel to paved roads	The project involved the upgrade of gravel roads to paved standards within Wards 6, 7, 9, 10 & 15. This is a multi-year project and will continue into the 2019/2020 financial year. During this financial year 9km of roads were paved in various wards within Galeshewe. The following streets have been paved: Maphuta, Mathibe, Kgarebe, Maiteko, Mathew Goniwe and Johannes Lekgotla Street, Phetolo. Moretele, Tladi, Tlhapi, Maputle, Mojanaga, Kgopisho, Melesi, Gaborone, Malebe, Chou, Boitumelo and Lenong Street.

Despite the actual project outputs achieved; the following outcomes benefited the community of Sol Plaatje municipality through the MIG programme:

- Poverty alleviation through temporary jobs created during project implementation was possible;
- Improved road network not only provide improved access for communities and businesses but also improves connectivity, safety, storm water management and less maintenance on vehicles using these routes.
- While provision of bulk infrastructure is key in supporting new development and the expansion of the city. With such initiatives comes possible investments and economical boost for the city which in turn will be beneficial to the community at large.

THE WATER SERVICES INFRASTRUCTURE GRANT (WSIG)

An amount of R17 million was gazetted under WSIG of which R14 million was dedication for the reconstruction of zinc toilets in the Kutlwanong, Kagisho and Phomolong areas. The remaining R3 million was dedicated towards a feasibility study, planning, design and tender of the new Carters Ridge pump station project. Details on these projects are narrated under the water and sanitation section comments.

THE REGIONAL BULK INFRASTRUCTURE GRANT (RBIG)

An amount of R10 million was gazetted under RBIG, funds were dedicated towards the completion of the Ritchie Water Treatment Works (WTW) augmentation project. This is a multi-year project that started during the 2016/2017 financial year with phase 1 and was successfully completed in 2018/2019 financial year with phase 2. The project involved the supply, deliver and erect elevated and ground water tanks; supply, delivery and installation of pumps and associated electrical requirements and electronics at the WTW.

CHALLENGES AND REMEDIAL MEASURES

Challenges were encountered with delays in the implementation of the WSIG, this was due to problems experienced during the procurement process. The municipality had to resume the tender process to overcome the challenge.

RELATING BACKLOGS TO MUNICIPAL SPENDING ON SERVICE DELIVERY INFRASTRUCTURE

One of the municipal IDP objectives is that the municipality must concentrate on its core functions that is to improve efficiency of its service delivery to households who are in dire need of basic services.

5.3 ASSET MANAGEMENT

5.3.1 Introduction to Asset Management

The implementation of GRAP within the public sector requires of entities to perform a review of useful lives as well as to conduct impairment testing on an annual basis.

A direct relationship exists between conditional assessment and the useful life assessment, as the condition of an asset will inform the municipality of its remaining useful life.

This exercise was duly completed and the necessary journals to adjust the RUL (Remaining Useful Lives) of the assets was implemented.

National Treasury indicates that the review of useful life is a check to see if there is any evidence to suggest that the expected life should be changed. This evidence could be internal or external.

These factors will provide evidence of an asset's function and capacity/utilisation from which to form an opinion on the condition of the asset (Conditional assessment).

The DPLG Guidelines for infrastructure management suggests this simple generic five-point grading:

Grade	Description	Detailed description	Indicative RUL
1	Very good	Sound structure, well maintained. Only normal maintenance required.	71-100% EUL
2	Good	Serves needs but minor deterioration (< 5%). Minor maintenance required.	46-70% EUL
3	Fair	Marginal, clearly evident deterioration (10-20%). Significant maintenance required.	26-45% EUL
4	Poor	Significant deterioration of structure and/or appearance. Significant impairment of functionality (20-40%). Significant renewal/upgrade required.	11-25% EUL
5	Very poor	Unsound, failed needs reconstruction/replacement (> 50% needs replacement)	0-10% EUL

HERITAGE ASSETS

The Municipality has identified the following categories of heritage assets.

- Municipal jewellery

- Other antiques and collections
- Antique paintings
- Areas of land of historic or specific significance
- Monuments

COMMUNITY ASSETS

Community Assets are defined as any asset that contributes to the community's well-being. Examples are parks, libraries and fire stations.

5.3.2 Repair and Maintenance Expenditure 2018/2019

Detail	Original Budget	Adjustment Budget	Actual	Budget variance
	(Rands)			
Repairs and Maintenance Expenditure	170 611 520	172 946 245	159 129 786	-7.99%

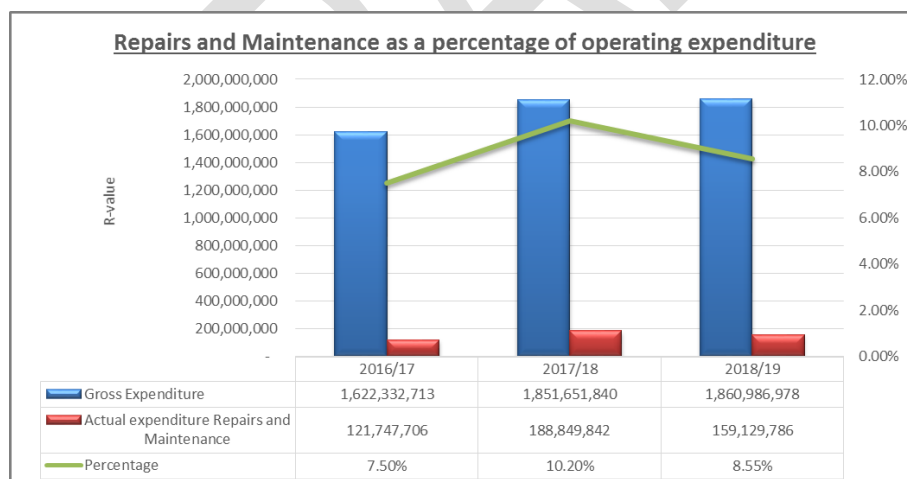
5.3.3 Repairs and Maintenance over the past three financial years

Commented [CC34]: Table updated

Repairs and Maintenance	2016/2017	2017/2018	2018/2019
Actual expenditure Repairs and Maintenance	121 747 706	188 849 842	159 129,786
Gross Expenditure	1 622 332 713	1 851 651 840	1 860 986 978
Percentage	7.50%	10.20%	8.55%

Graph depicting Repairs and Maintenance as a percentage of operating expenditure

Commented [CC35]: Graph updated



5.3.4 Comment on Repair and Maintenance 2018/2019

For the 2018/2019 financial year, 82% of the Adjusted R&M budget was spent, resulting in a negative variance of 7.99%. It should be noted that at year-end, certain qualifying R&M expenditure gets capitalised as soon as the useful life of the asset is extended, and this negative influences the overall expenditure on the operational R&M. R&M spending can be improved but with the lack of maintenance plans, funds are not always spent cost-effectively. This has a negative impact on service delivery and the availability funds for routine, planned maintenance.

Commented [CC36]: Comment updated

There appears to be a high level of crises management which is exacerbated by aging infrastructure and lack of routine maintenance. This urgently needs to be addressed to ensure the surety and sustainability of services.

Wastage of material and labour also needs to be addressed to maintain assets and ensure that it operates at optimal levels. It is imperative that assets are maintained at periodic intervals to ensure that the useful life of an asset is maximised. Repairs and Maintenance as a percentage of Property, Plant and Equipment and Investment Property (Carrying Value) was 8% for the period under review, against a norm of 8%.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

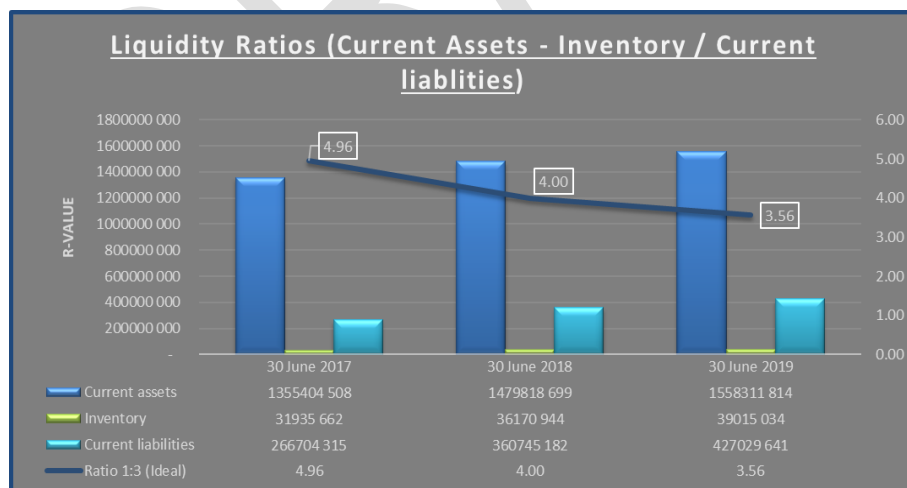
5.4.1 Liquidity Ratio

Liquidity Ratio	30 June 2017	30 June 2018	30 June 2019
Current assets	1 355 404 508	1 479 818 699	1 558 311 814
Inventory	31 935 662	36 170 944	39 015 034
Current liabilities	266 704 315	360 745 182	427 029 641
Ratio 1:2 (Ideal)	4.96	4.00	3.56

Comment on Liquidity Ratio

The liquidity ratio of the municipality has declined when compared to the previous financial year, from 1:4.00 to 1:3.56, against a National Treasury norm of 1:3, which is still positive, however distorted by a significant Trade Receivables balance at year end. This means that each rand of current liabilities of the municipality is covered 3.56 times by current assets. It further indicates that the municipality can meet its short to medium term commitments from a liquidity perspective not necessarily from a cash perspective, especially when considering the debtors collection rate and cost coverage ratio's below.

Graph depicting Liquidity Ratios (Current Assets - Inventory / Current Liabilities)



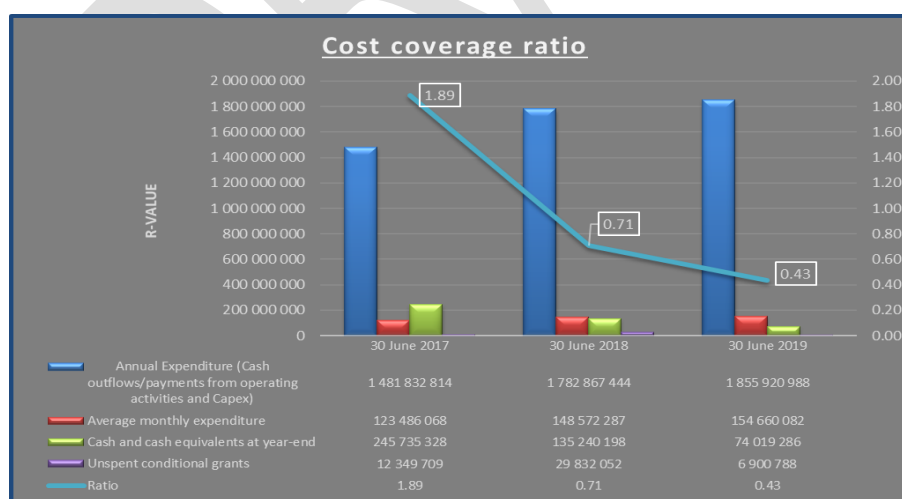
5.4.2 Cost Coverage Ratio

Cost Coverage Ratio	30 June 2017	30 June 2018	30 June 2019
Annual Expenditure (Cash Flows)	1 481 832 814	1 782 867 444	1 855 920 988
Average monthly expenditure	123 486 068	148 572 287	154 660 082
Cash and cash equivalents at year-end	245 735 328	135 240 198	74 019 286
Unspent conditional grants	12 349 709	29 832 052	6 900 788
Ratio 1 to 3 months (Ideal)	1.89	0.71	0.43

Comment on Cost Coverage Ratio

The cost coverage ratio of the municipality has declined significantly from 0.71 months in the previous year to 0.43 months' coverage. The ratio shows the number of months for which the municipality would be able to fund its monthly expenditure should no revenue be received. This in fact means that the municipality has less than one month's cash reserves available. This ratio is very alarming and serious interventions will have to be put in place to drastically turn the situation around. The main reason for the decline is the decrease in the cash balance as at year-end, increased capital expenditure, repayment of long-term borrowing, the lower collection rate, and high operational expenditure, including excessive expenditure on overtime, EPWP and various other factors.

Graph depicting Cost Coverage Ratio (Cash and cash equivalents at year-end - Unspent conditional grants / Average monthly expenditure)



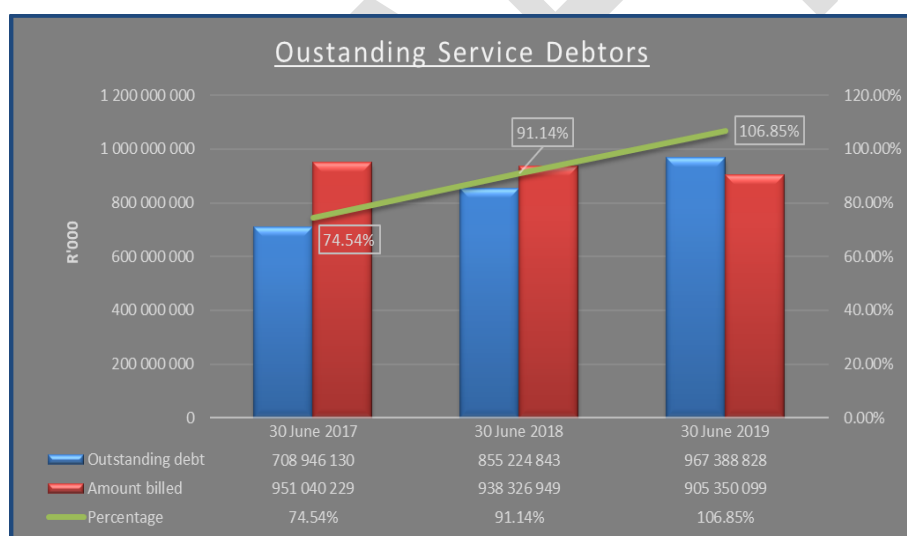
5.4.3 Total outstanding service debtors

Total Outstanding Service Debtors	30 June 2017	30 June 2018	30 June 2019
Outstanding debt	708 946 130	855 224 843	967 388 828
Amount billed	951 040 229	938 326 949	905 350 099
Percentage	74.54%	91.14%	106.85%

Comment on Total Outstanding Service Debtors

Outstanding service debtors have increased from 91.14% as at 30 June 2018, to 106.85% as at 30 June 2019. This is a worrying trend and debt collection measures need to be put in place to address the increasing outstanding debtors of the municipality. Tough economic conditions have largely contributed to the increase in outstanding debtors.

Graph depicting Outstanding Debtors as a percentage of billed revenue



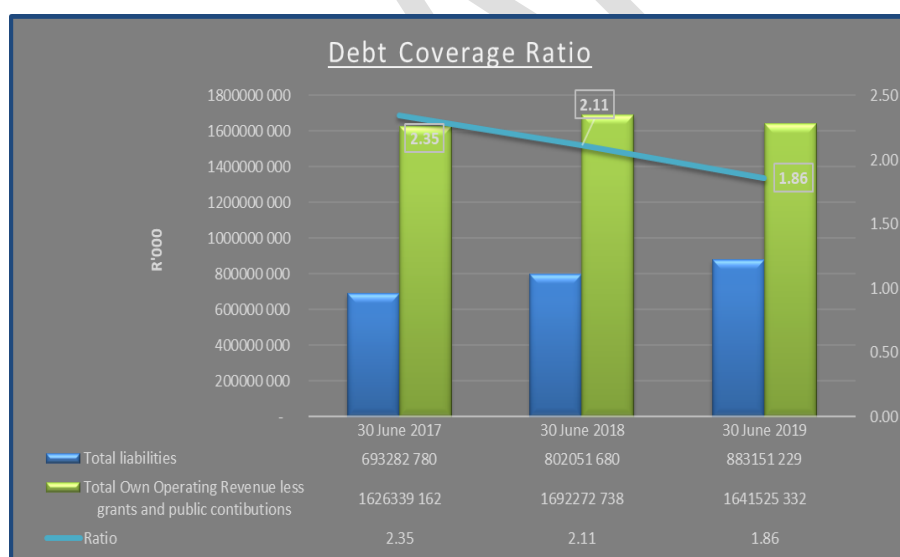
5.4.4 Debt Coverage

Debt Coverage	30 June 2017	30 June 2018	30 June 2019
Total liabilities	693 282 780	802 051 680	883 151 229
Total Own Operating Revenue less grants and public contributions	1 626 339 162	1 692 272 738	1 641 525 332
Ratio	2.35	2.11	1.86

Comment on Debt Coverage

The debt coverage ratio examines the relationship between the municipality's own generated revenue (revenue excluding grants, subsidies and public contributions received) and the total liabilities of the municipality. This ratio has declined from the previous financial year, mainly because Total liabilities increased by 10%, whilst the own revenue decreased by 3% because of lower electricity sales and implemented tariffs. Consumers are also turning to alternative sources due to economic conditions.

Graph depicting Debt Coverage



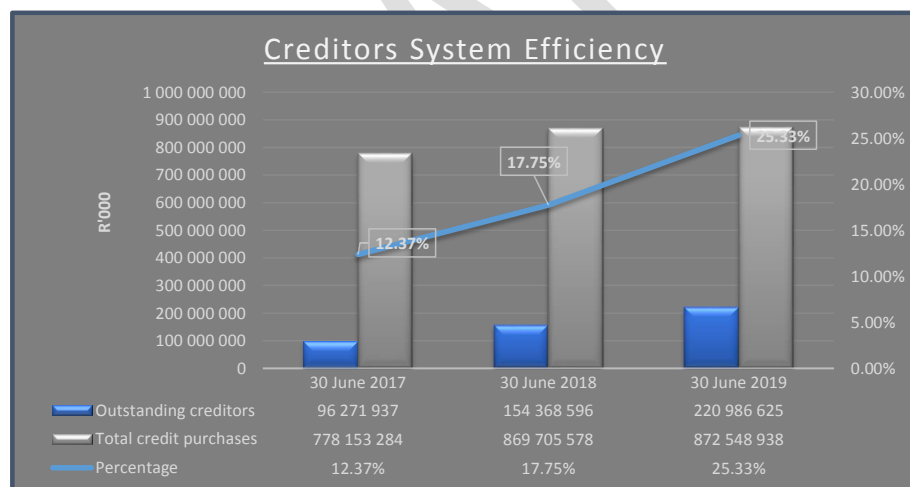
5.4.5 Creditors System Efficiency

Creditors System Efficiency	30 June 2017	30 June 2018	30 June 2019
Outstanding creditors	96 271 937	154 368 596	220 986 625
Total credit purchases	778 153 284	869 705 578	872 548 938
Percentage	12.37%	17.75%	25.33%

Comment on Creditors System Efficiency

The percentage of outstanding creditors as a percentage of the total credit purchases of the municipality have significantly increased compared to the previous financial year. This is mainly due to the cash flow constraints experienced by the municipality and the high ESKOM accounts during the winter months of June, July and August resulting in the significant increase in outstanding creditors as at 30 June 2019.

Graph depicting Creditors System Efficiency



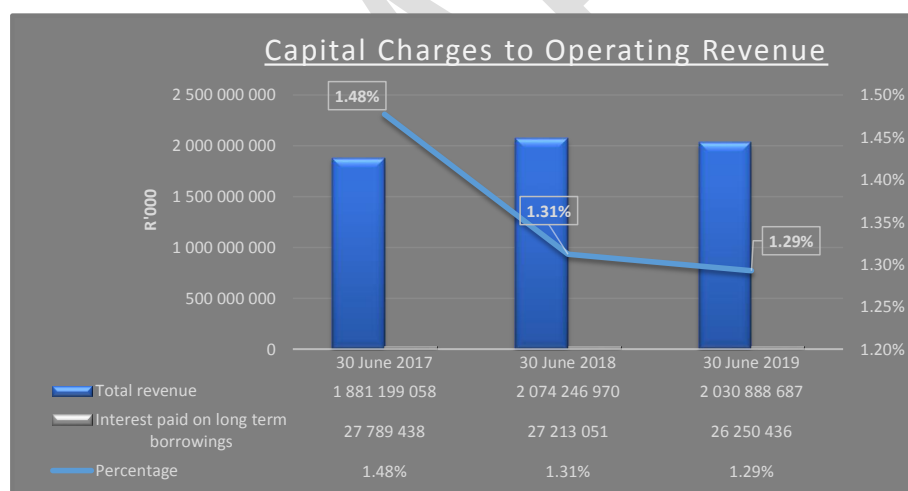
5.4.6 Capital Charges to Operating Revenue

Capital Charges to Operating Revenue	30 June 2017	30 June 2018	30 June 2019
Total revenue	1 881 199 058	2 074 246 970	2 030 888 687
Interest paid on long term borrowings	27 789 438	27 213 051	26 250 436
Percentage	1.48%	1.31%	1.29%

Comment on Capital Charges to Operating Revenue

The interest paid as a percentage of total revenue has decreased from the previous financial year. The main reason for this is that no additional long-term financing has been incurred and as such the interest is decreasing proportionately year-on-year.

Graph depicting Capital Charges to Operating Revenue



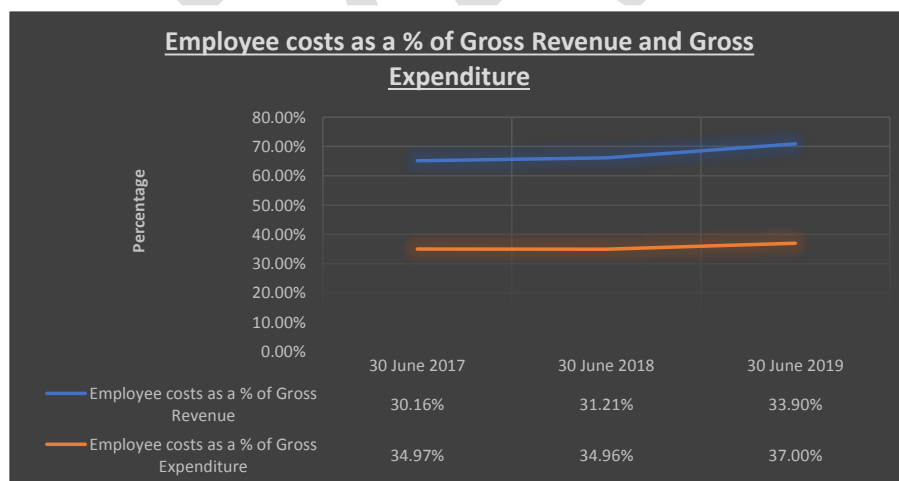
5.4.7 Employee costs

Employee costs	30 June 2017	30 June 2018	30 June 2019
Gross Revenue	1 881 199 058	2 074 246 970	2 030 888 687
Gross Expenditure	1 622 332 713	1 851 651 840	1 860 986 978
Employee costs	567 316 834	647 309 202	688 565 281
Employee costs as a % of Gross Revenue	30.16%	31.21%	33.90%
Employee costs as a % of Gross Expenditure	34.97%	34.96%	37.00%

Comment on Employee Costs

Employee cost as a percentage of total revenue and total expenditure has increased from the previous financial year. The main contributor is the increase in salaries and wages, travel, subsistence and other allowances as well as the increase in the defined benefit plan expenses for the 2018/2019 financial year.

Graph depicting Employee Costs as a percentage of Gross Revenue and Gross Expenditure



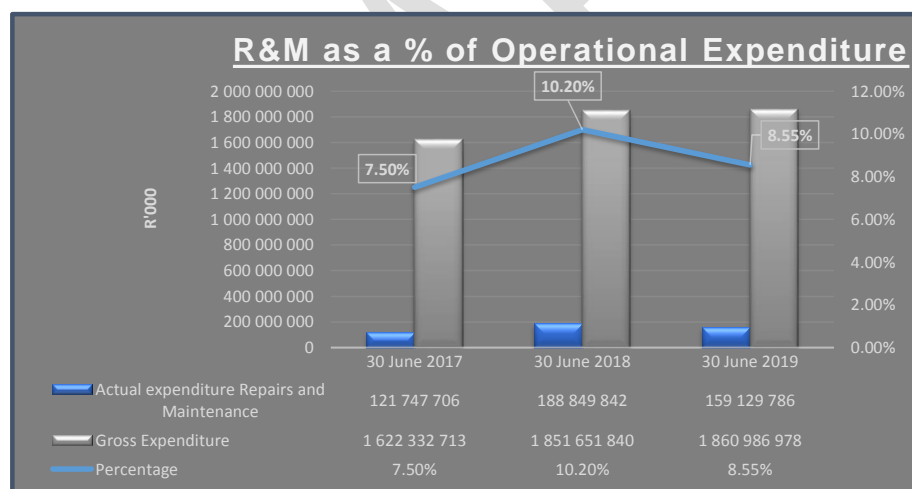
5.4.8 Repairs and Maintenance

Description	30 June 2017	30 June 2018	30 June 2019
Actual expenditure Repairs and Maintenance	121 747 706	188 849 842	159 129 786
Gross Expenditure	1 622 332 713	1 851 651 840	1 860 986 978
Percentage	7.50%	10.20%	8.55%

Comment on Repairs and Maintenance

Repairs and Maintenance cost as a percentage of total expenditure has decreased from the previous financial year. The main contributor is cost containment measures which have been implemented to assist with the cash flow constraints being experienced by the municipality during the 2018/2019 financial year.

Graph depicting Repairs and Maintenance as a percentage of Operating Expenditure

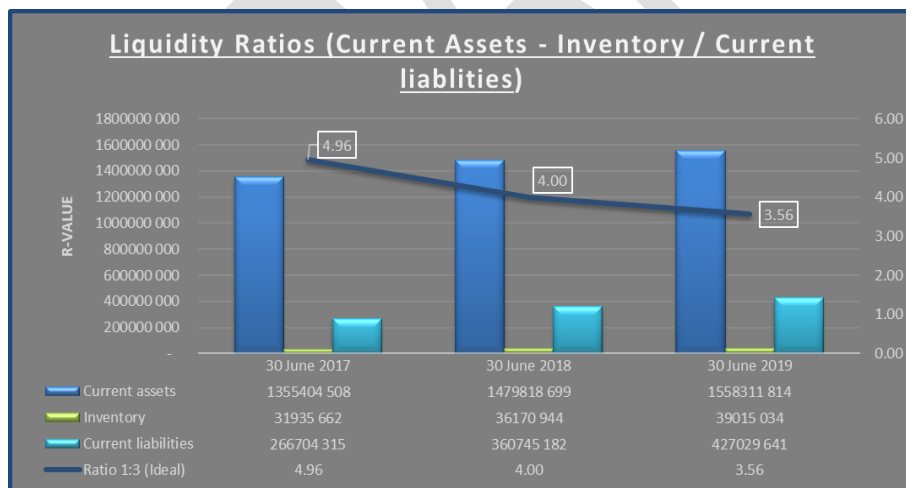


Liquidity Ratio	30 June 2017	30 June 2018	30 June 2019
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Inventory	31 935 662	36 170 944	39 015 034
Current liabilities	266 704 315	360 745 182	427 029 641
Ratio 1: (Ideal)	4.96	4.00	3.56

Comment on Liquidity Ratio

The liquidity ratio of the municipality has declined when compared to the previous financial year, from 1:4.00 to 1:3.56, against a National Treasury norm of 1:3, which is still positive, however distorted by a significant Trade Receivables balance at year end. This means that each rand of current liabilities of the municipality is covered 3.56 times by current assets. It further indicates that the municipality can meet its short to medium term commitments from a liquidity perspective not necessarily from a cash perspective, especially when considering the debtors collection rate and cost coverage ratio's below.

Graph depicting Liquidity Ratios (Current Assets - Inventory / Current Liabilities):



COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned.

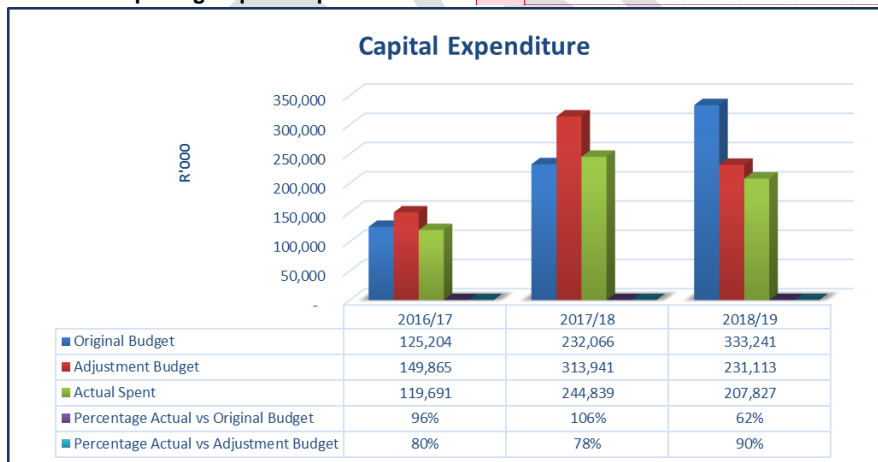
The five largest capital projects constitute 53.65% of the total adjustment budget of R231 113 million.

This is representative of the most important infrastructure programmes because it comprises of Roads, Water and Sanitation and Electricity projects. Of the projects mentioned, three of those are new projects which are the Lerato Park Sewer and Water projects as well as the Electricity project. The other two projects are renewal/upgrade projects which are linked to the new Lerato Park Presidential project.

Commented [CC37]: Removed the triple zeros rather.

Bar chart depicting Capital Expenditure 2018/2019

Commented [CC38]: Chart updated

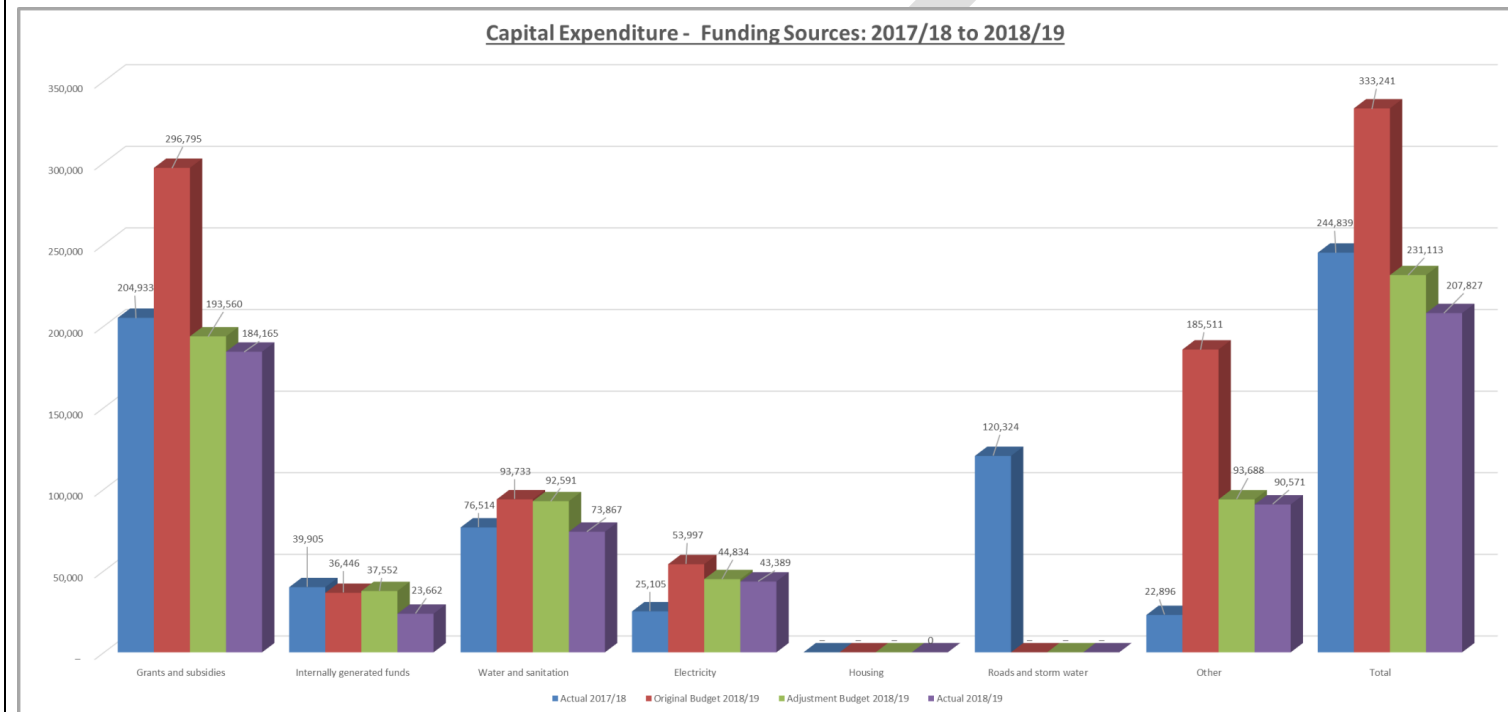


5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2017/2018 to 2018/2019						
Details	2017/2018	2018/2019				
	Actual	Original Budget (OB)	Adj Budget	Actual	Adj to OB Variance	Actual to OB Variance
	R' 000				%	
Source of finance						
External loans	–	–	–	–		
Public contributions and donations	–	–	–	–		
Grants and subsidies	204 933	296 795	193 560	184 165	-4.85%	-37.95%
Internally generated funds	39 905	36 446	37 552	23 662	-36.99%	-35.08%
Total	244 839	333 241	231 113	207 827	-10.08%	-37.63%
Percentage of finance						
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants and subsidies	83.7%	89.1%	83.8%	88.6%	48.2%	100.8%
Internally generated funds	16.3%	10.9%	16.2%	11.4%	367.1%	93.2%
Capital expenditure						
Water and sanitation	76 514	93 733	92 591	73 867	-20.22%	-21.19%
Electricity	25 105	53 997	44 834	43 389	-3.22%	-19.65%
Housing	–	–	–	0		
Roads and storm water	120 324	–	–	–		
Other	22 896	185 511	93 688	90 571	-3.33%	-51.18%
Total	76 514	93 733	92 591	73 867	-20.22%	-21.19%
Percentage of expenditure						
Water and sanitation	31.3%	28.1%	40.1%	35.5%	200.7%	56.3%
Electricity	10.3%	16.2%	19.4%	20.9%	32.0%	52.2%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roads and storm water	49.1%	0.0%	0.0%	0.0%		
Other	9.4%	55.7%	40.5%	43.6%	33.0%	136.0%

Commented [CC39]: Table updated

Combined bar and line graph chart depicting Source of Finance and Capital Expenditure



FUNDING THE CAPITAL BUDGET

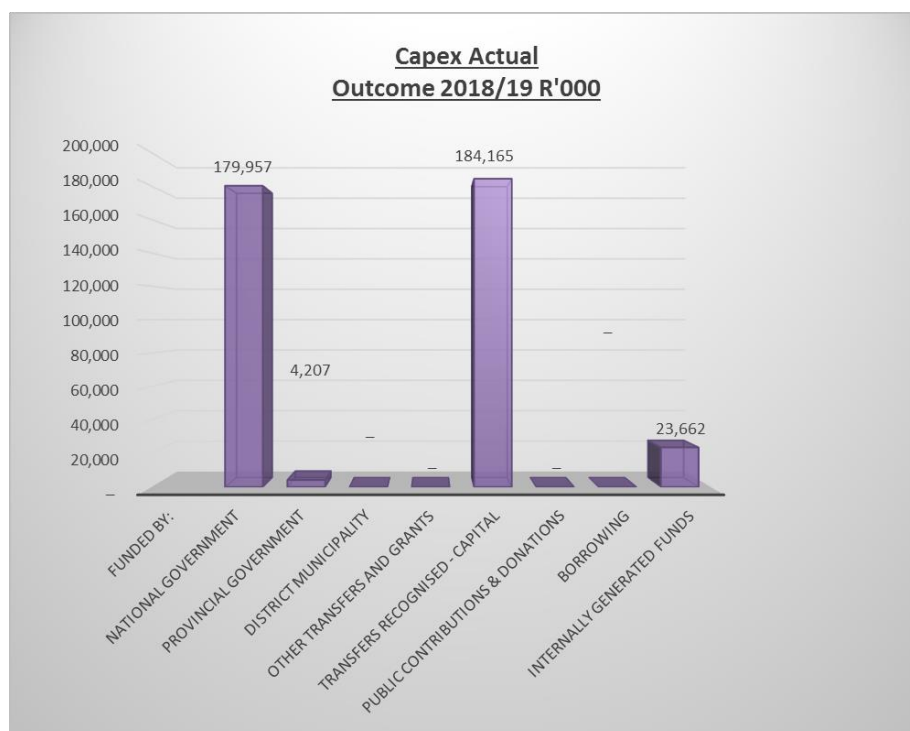
Total Capital Expenditure	Original Budget	Final adjustments budget	Actual Outcome
Funded by:			
National Government	296,795	193,560	179,957
Provincial Government	–	–	4,207
District Municipality	–	–	–
Other transfers and grants	–	–	–
Transfers recognised - capital	296,795	193,560	184,165
Public contributions & donations	–	–	–
Borrowing	–	–	–
Internally generated funds	36,446	37,552	23,662
Total Capital Funding	333,241	231,113	207,827

Commented [CC40]: Replacement for the above table

COMMENT ON SOURCES OF FINANCE

The bulk of capital is funded by National Government, Provincial Government and Own funding (CRR). National funding constitutes 84% of total capital funding.

Bar chart depicting Capex Actual Outcome 2018/2019 (R'000)



5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Capital Projects	20108/2019				
	Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment Variance
				%	
A. Galeshewe Storm water Project	171 699 000	58 000 000	50 341 851	-71%	-13%
B. Gogga Pump station	0	19 425 219	19 348 832	-	0%
C. Electrification Snake Park	29 997 000	15 658 500	15 334 431	-49%	-2%
D. Lerato Park Sewer	20 800 855	17 691 140	10 512 109	-49%	-41%
E. Lerato Park Water	17 381 140	13 222 614	11 227 464	-35%	-15%

Name of Project – A	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	
Name of Project – B	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	
Name of Project – C	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

Name of Project – D	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	
Name of Project – E	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

COMMENT ON CAPITAL PROJECTS

COMMENT ON CAPITAL PROJECTS:

Delete Directive note once comment is completed - Provide information in the template above on the 5 largest projects, ranked according to their approved budget provision year 2018/2019. Comment on the variance between the original and adjustment budgets and on availability of future Budget provision to operate the projects and lessons learnt in the year about capital project implementation on time to budget.

T 5.7.1.1

The capital projects per ward are depicted in the following table:

Capital Project per ward: 2018/2019							
Capital Project	Original Budget	Adj Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)	Physical Progress	Ward s
	R' 000			%			
Water							
Ritchie Water Augmentation	10 551	15 494	14 713	-5%	39%	95%	Al
Replacement of water meters	3 000	3 000	3 166	6%	6%	106%	Al
Water Pipe Replacement	3 000	3 000	2 971	-1%	-1%	99%	Al
Lerato Park Water	17 381	16 732	11 995	-28%	-31%	72%	Al
Riverton Pump Station	–	6 224	7 302	17%	–	117%	Al
Tlhageng Retention Dam	20 000	–	–	#-!	-100%	–	Al
Sanitation/Sewerage							
Gogga pump station	–	19 425	21 287	10%	#DIV/0!	110%	Al
Carter's Glen Pump Station	3 000	2 500	2 261	-10%	-25%	90%	Al
Reconstruction of sink toilets Kutlwanong	14 000	6 525	1 859	-72%	-87%	28%	Al
Lerato Park Sewer20 80117 69111 479-35%-45%65%AllGogga pump station	–	19 425	21 287	10%	#DIV/0!	110%	Al
Electricity							
Upgrade Riverton transformer	4 000	1 000	4 886	389%	22%	489%	Al
Herlear 66KV circuit breaker	3 000	1 000	–	-100%	-100%	0%	14,20
Herlear 11KV circuit breaker	7 000	3 000	2 817	-6%	-60%	94%	14,20
Carter's Glen and Galeshewe substation	5 337	5 760	4 935	-14%	-8%	86%	Al
Streetlights	7 000	7 000	6 734	-4%	-4%	96%	Al
Electrification of houses	24 661	24 237	24 017	-1%	-3%	99%	
Prepaid Meter Replacement Programme	3 000	2 837	1 197	-58%	-60%	42%	20

Capital Project per ward: 2018/2019							
Capital Project	Original Budget	Adj Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)	Physical Progress	Ward s
	R' 000			%			
Housing							
Not Capital							
Refuse removal							
No Capital projects							
Roads							
Resealing of Roads	13 048	18 709	18 677	0%	43%	100%	1,2,3, 18,29
Storm water							
Galeshewe Storm water Projects	151 699	58 000	51 582	-11%	-66%	89%	18,5
Economic development							
Planning and surveying plots to be sold	5 000	2 800	2 660	-5%	-47%	95%	All
ICT							
Replacement Programme: IT Hardware	4 000	5 000	3 208	-36%	-20%	64%	All
Sports, Arts & Culture							
Upgrade Sports DeBeers stadium	–	2 107	1 421	-33%	–	67%	All
Upgrade Sports Stadium Galeshewe	–	1 191	–	-100%	–	0%	All
Other							
Fleet Replacement Programme	4 000	1 000	–	-100%	-100%	0%	All
Capitalisation of Loose Equipment	3 000	1 000	–	-100%	-100%	0%	All
Satellite Fire station	4 765	2 473	1 856	-61%	-61%	75%	All
Nelson Mandela Monument	–	–	4 207	–	–	–	All
Upgrade Florianville Swimming Pool	–	1 409	1 221	–	–	87%	All
Install new Lift at Civic Centre	–	2 000	1 806	0%	0%	90%	All

Capital Project per ward: 2018/2019							
Capital Project	Original Budget	Adj Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)	Physical Progress	Ward s
	R' 000			%			
Intangibles	–	–	–	0%	0%	–!	Al
TOTAL	331 241	231 113	208 256	-10%	-37%	90%	

There were no capital projects for the period under review for the following sections:

- Housing
- Fleet Replacement Programme
- Refuse Removal
- Galeshewe Urban Renewal Programme
- Local Economic Development
- Corporate Services
- Safety and Security

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS– OVERVIEW

5.8.1 Introduction

BACKLOGS TO MUNICIPAL SPENDING ON SERVICE DELIVERY INFRASTRUCTURE

One of the municipal IDP objectives is that the municipality must concentrate on its core functions which is to improve efficiency of its service delivery to households who are in dire need of basic services.

In the past years the main focus of the Municipality was to upgrade its bulk infrastructure capacity and provision of housing to complement basic service delivery needs. The bulk infrastructure priorities were meant to expedite human settlement programmes within the Municipality. The mentioned strategic programmes are currently ongoing and there has been a significant progress to realise these municipal objectives.

The increase in informal areas is still a major challenge for the municipality. And the rate at which the informal settlements grow fast outpaces the funding availed to eradicate service backlogs. The current municipal backlogs as presented in the IDP are as follows:

Services backlogs

Service	Backlog Census 2011	Balance at 30 June 2017	Growth 2011 to 2014
New Houses (subsidised)	7,846	5,296	11,693
New Erven Planned and Surveyed	7,846	2,618	11,693
Houses connected to water	8,743	4,507	10,846
Houses connected to sanitation	9,343	4,076	10,415
Houses connected to electricity	9,127	4,222	12,094
Houses provided with waste removal	9,490	6,190	12,406
Roads Paved all	297km	260km	-
Roads resurfaced all	337km	257km	-

Source: Municipal IDP document 2017 -2022

5.8.2 Service Backlogs as at 30 June 2019

Service backlogs refer to access to services by all formalised areas without considering the development of top-structures for low cost housing projects and subsidised houses. Formalised areas are installed with a standpipe water meter and should receive a weekly refuse collection accordingly. Where this service is not provided, these will form part of the backlogs that must be planned and eradicated.

Households (HHs) ¹				
Description	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	72,012	98.5	617	0.9
Sanitation	69,710	96.8	2,302	3.2
Electricity	66,896	93.0	5,042	7.0
Waste management	59,526	92.9	4,526	7.1
Housing	60,297		10,186	
<i>% HHs are the service above/below minimum standard as a proportion of total households. 'Housing' refers to * formal and ** informal settlements.</i>				

BACKLOGS IN SERVICE DELIVERY

WATER BACKLOGS

SANITATION BACKLOGS

ELECTRICITY BACKLOGS

HOUSING BACKLOG

IMPLEMENTATION OF BNG HOUSING PROJECTS

THE MUNICIPALITY'S RENTAL STOCK

**FACILITATING THE IMPLEMENTATION OF THE NATIONAL UPGRADING
SUPPORT PROGRAMME**

ROADS AND STORM WATER BACKLOGS

TABLE: BULK INFRASTRUCTURE BACKLOG

5.8.3 MIG Expenditure 2017/2018 on Service Backlogs

An initial amount of R48 816 000 was allocated during the financial year 2018/2019 as per Division of Revenue Act (DoRA). The funding allocated to the Municipality was used to finance the following MIG projects during the financial year:

PROJECT NAME
Homevale Satellite Fire Station
Lerato Park: Construction of Bulk Water Mains
Lerato Park: Construction of link Sewer and upgrading of downstream infrastructure
Sol Plaatje: Galeshewe Wards 6, 7, 9, 10 & 15 upgrading of gravel to paved roads
De Beers Stadium Athletic Track Upgrading
Galeshewe Stadium Upgrading Phase 1

The following table contains MIG Expenditure on Service Backlogs:

Municipal Infrastructure Grant (MIG)* Expenditure Year 2018/2019 on Service backlogs						
Details	Original Budget	Adjust. Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Original Budget	Adjust. Budget	
	R'000			%		
Infrastructure - Road transport						
Roads, Pavements & Bridges	11 619	15 500	15 245	31%	-2%	
Storm water						
Infrastructure – Electricity						
Generation						
Transmission & Reticulation						
Street Lighting						
Infrastructure – Water						
Dams & Reservoirs						
Water purification						
Reticulation	7 590	7 960	6 787	-11%	-15%	
Infrastructure – Sanitation						
Reticulation	2 000	2 000	2 000	0%	0%	
Sewerage purification						
Infrastructure – Other						
Waste Management	15 530	10 148	10 122	-35%	-0.3%	
Transportation						
Gas						
Other Specify:						
Homevale Satellite Station	8 694	1 470	994	-89%	-32%	
Operational Costs PMU	2 120			-100%	–!	
VAT claimed as own Revenue	–		1 931	–	–	
Total	47 552	37 079	37 079	-22%	0%	

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

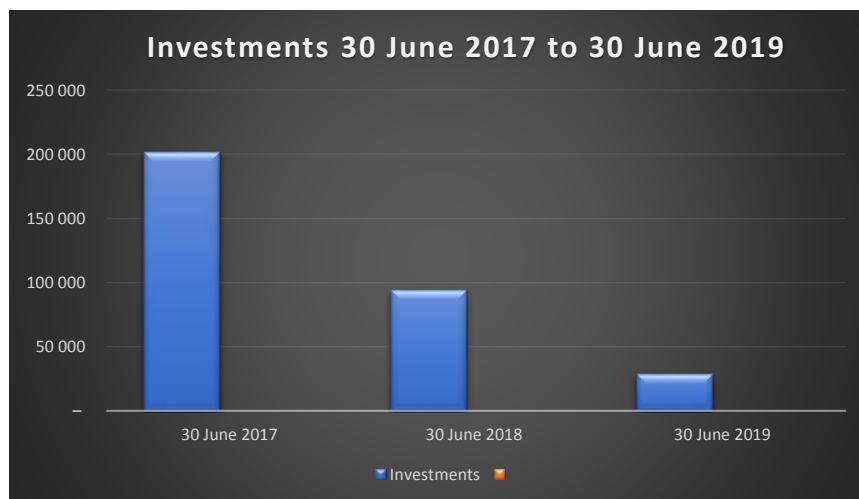
5.9 CASH FLOW OUTCOMES

The management of cash flow is one of the pivotal tasks of the finance department of the municipality. Adequate cash management enables effective decision making and the identification of early warning signs in terms of potential cash flow constraints. It is therefore imperative that cash flow trends be closely monitored and corrective action be taken timeously when required. Sol Plaatje Local Municipality invests in short term call investment and notice deposits, all with maturity dates of less than twelve months. The cash flow status of the municipality is currently being monitored on a daily basis due to the constraints being experienced as depicted in the charts below.

The table below reflects the cost coverage ratio of the municipality for the last three years.

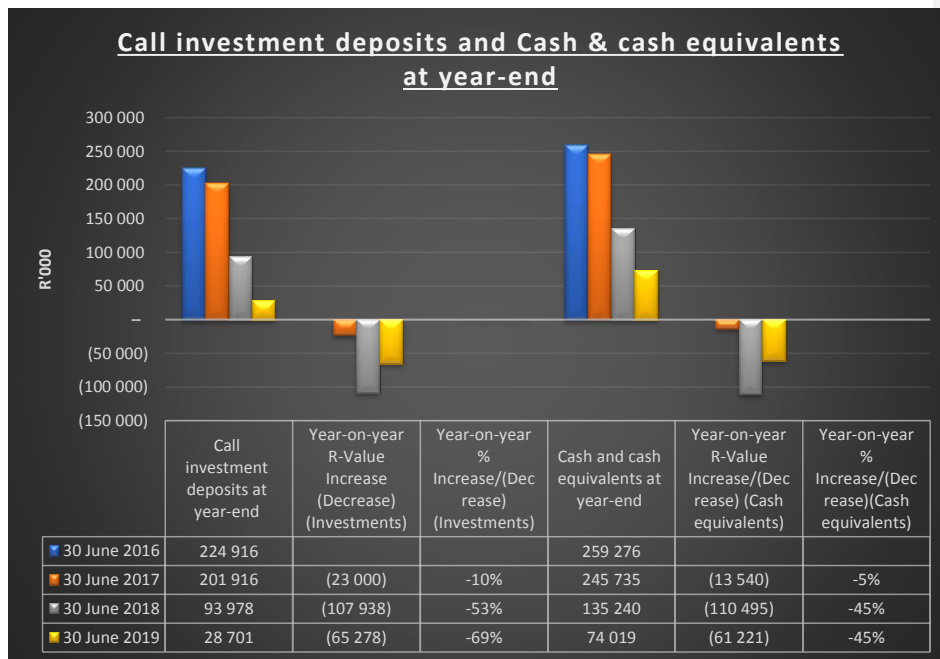
Cost Coverage Ratio	30 June 2017	30 June 2018	30 June 2019
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Average monthly expenditure	123 486 068	148 572 287	154 660 082
Cash and cash equivalents at year-end	245 735 328	135 240 198	74 019 286
Unspent conditional grants	12 349 709	29 832 052	6 900 788
Ratio 1 to 3 months (Ideal)	1.89	0.71	0.43

Bar chart depicting Call Investment Deposits at year-end



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Bar chart depicting Call investment deposits and Cash & cash equivalents at year-end



Detail	30 June 2019	30 June 2018	30 June 2017
Cash and cash equivalents	74 019 286	135 240 198	245 735 328

COMMENT ON CASH FLOW OUTCOMES

From the above tables, the cash flow position of the municipality is under severe pressure. Although the net cash generated from operating activities (after interest), is still positive there is a declining trend in the cash balance held by the municipality. This is the third consecutive year that a decrease in the cash balance was realised and this financial year the decrease has been very significant with a decrease of R61 million.

Factors that contribute to the declining cash balance, is the weaker debt collection rate, fuelled by the economic climate and high unemployment rate within the municipal area. Stringent measures to control cash outflow and curb expenditure have been implemented by the municipality to ensure that the situation is properly controlled and monitored. The municipality's contribution of own revenue to fund capital expenditure have been reviewed.

DRAFT

The cash flow outcomes at year end are presented in the table below:

Description	2017/2018	2018/2019		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Cash flow from Operating Activities				
Receipts				
Property rates, penalties & collection charges	368 027	452 210	415 089	405 607
Service charges	664 706	935 307	843 107	611 325
Other revenue	68 143	65 655	65 655	71 278
Government – operating	172 480	190 155	194 729	192 110
Government – capital	204 933	282 795	193 560	197 254
Interest	193 494	52 623	156 490	151 431
Payments				
Suppliers and employees	(1 501 491)	(1 660 740)	(1 614 825)	(1 440 343)
Finance charges	(27 213)	(25 799)	(26 299)	(26 250)
Transfers and Grants	(9 325)	(9 670)	(6 970)	(3 940)
Net Cash from (used) Operating Activities	133 754	282 536	220 536	158 470
Cash flow from Investing Activities				
Receipts				
Proceeds on disposal of PPE	2, 357			–
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	(244 839)	(332 420)	(231 114)	(207 827)
Net Cash from (used) Investing Activities	(242 482)	(332 420)	(231 114)	(207 827)
Cash flow from Financing Activities				
Receipts				
Short term loans				
Borrowing long term/refinancing	6 480			(2 604)
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(8 247)	(9 399)	(9 399)	(9 260)

Description	2017/2018	2018/2019		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Net Cash from (used) Financing Activities	(1 767)	(9 399)	(9 399)	(11 864)
Net Increase/(Decrease) in Cash Held	(110 495)	(59 283)	(19 977)	(61 221)
Cash/cash equivalents at the year begin	245 735	243 689	135 240	135 240
Cash/cash equivalents at the year end	135 240	184 406	115 263	74 019

Detail	30 June 2019	30 June 2018	30 June 2017
Cash and cash equivalents	74 019 286	135 240 198	245 735 328

COMMENT ON CASH FLOW OUTCOMES

From the above tables, the cash flow position of the municipality is under severe pressure. Although the net cash generated from operating activities (after interest), is still positive there is a declining trend in the cash balance held by the municipality. This is the third consecutive year that a decrease in the cash balance was realised and this financial year the decrease has been very significant with a decrease of R61 million.

Factors that contribute to the declining cash balance, is the weaker debt collection rate, fuelled by the economic climate and high unemployment rate within the municipal area. Stringent measures to control cash outflow and curb expenditure have been implemented by the municipality to ensure that the situation is properly controlled and monitored. The municipality's contribution of own revenue to fund capital expenditure have been reviewed.

5.10 BORROWING AND INVESTMENTS

The municipality currently has long term borrowings at the Development Bank of South Africa (DBSA). The municipality applies a conservative approach to borrowing. No additional long-term debt was incurred for the year under review. The balance of these loans amount to R201 166 524 as at 30 June 2019.

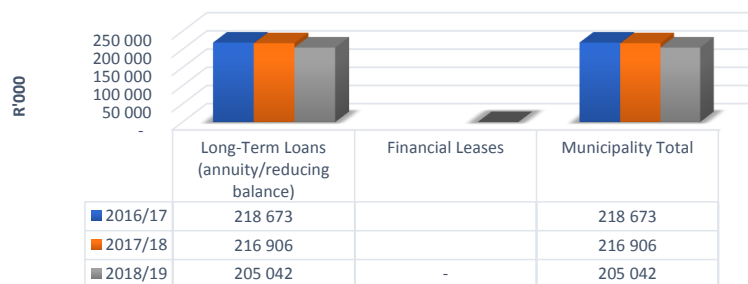
The table below reflects movement on the loan for the year reported on:

Description	Original Budget 2018/2019	Adjustment budget 2018/2019	Actual spent 30 June 2019
External borrowings	191 933 614	191 933 614	205 041 738

5.10.1 Actual borrowings: 2017/2018 to 2018/2019

Instrument	2016/2017	2017/2018	2018/2019
	(R'000)		
Municipality			
Long-Term Loans (annuity/reducing balance)	218 673	216 906	205 042
Municipality Total	218 673	216 906	205 042

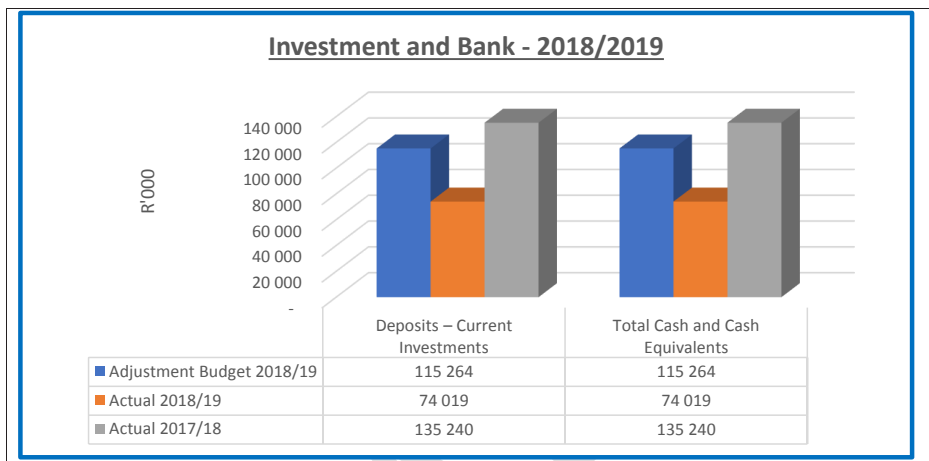
Borrowings at year-end



5.10.2 Municipal Investments

Investment type	Adjustment Budget 2018/2019	Actual 2018/2019	Actual 2017/2018
	(R'000)		
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits – Current Investments	115 264	74 019	135 240
Deposits - Public Investment Commissioners		-	
Deposits - Corporation for Public Deposits			
Bankers' Acceptance Certificates			
Negotiable Certificates of Deposit – Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements – Banks			
Municipal Bonds			
Other - Bank including petty cash			

Total Cash and Cash Equivalents	115 264	74 019	135,240
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5.10.3 Comment on Borrowing and Investments

The cash and investment balance have declined for the second consecutive financial year, due to several factors which are described in more detail elsewhere in this document. The external borrowing balance is gradually decreasing as interest and capital is redeemed. No additional loan agreements were entered into for the 2018/2019 financial year. The repayment terms on all loans are bi-annual instalments payable in December and June of each year.

External Loans	Loan Number	Redeemable Date	Balance at 30.06.18	Received during the period	Redeemed written off during the period	Balance at 30.06.19	Carrying Value of Property Plant & Equipment
(Rands)							(Rands)
LONG TERM LIABILITIES							
ANNUITY LOANS							
DBSA Loan @ 10 01%	101452	31-12-2019	2,663,765		1,728,415	935,350	
DBSA Loan @ 12 61%	102855/1	31-12-2028	14,352,346		715,510	13,636,836	
DBSA Loan @ 6 75%	102855/3	31-12-2023	2,325,866		362,286	1,963,580	
DBSA Loan @ 12.445%	103958/2	30-06-2031	191,084,245		6,453,488	184,630,757	
Subtotal DBSA			210,426,223	-	9,259,699	201,166,524	
Total Annuity loans			210,426,223	-	9,259,699	201,166,524	209,512,047
TOTAL EXTERNAL LOANS			210,426,223	-	9,259,699	201,166,524	209,512,047

The municipality only has long term borrowings at the Development Bank of South Africa (DBSA). The municipality applies a conservative approach to borrowing. No additional long-term debt was incurred for the year under review, and as at year end, the balance of these loans amount to R201 166 524.

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

Please provide narrative

SUPPLY CHAIN MANAGEMENT

Delete Directive note once comment is completed - Provide a brief narrative that describes the progress made by your municipality in developing and implementing policies and practices in compliance with the guidelines set out in SCM Regulations. State the number of Supply Chain officials that have reached the prescribed levels required for their positions (See MFMA Competency Regulation Guidelines) and state the number of prescribed officials that are yet to reach the necessary competency levels; and set out any remarks made in the previous Auditor-General's report or the report for year 2018/2019 concerning the quality of Supply Chain Management and detail the remedial action taken. Note comments made in Chapter 2, under section 2.8.

T 5.12.1

5.12 GRAP COMPLIANCE

The municipality has adopted the Generally Recognised Accounting Practices (GRAP) as the accounting reporting framework. As such, the annual financial statements are prepared in accordance with the approved GRAP standards. Where there are no approved GRAP standards, principles of accounting in terms of International Accounting Standards (IASs) and International Public Sector Accounting Standards (IPSASs).

In preparing the financial statements for 2018/2019, the municipality complied with all the issued and approved accounting standards. The accrual basis of accounting informed the preparation of the financial statements and all amounts are disclosed in the South African Currency, the ZAR. The municipality is a going concern business and it is expected to continue to exist in the foreseeable future.

The municipality also limits its exposure to foreign currency by ensuring that all contracts are expressed in ZAR. However, there is a single three-year contractual obligation in USD which the municipality has entered into with Microsoft.

Assets are disclosed at cost less accumulated depreciation, whilst inventory is carried at the lower of cost or net realisable value. The weighted average cost method is utilised for the valuation of inventory.

All financial instruments are recognised at amortised cost. There were interpretation GRAPs issued by ASB to give clarity and further information with regards to disclosure requirements such as i-GRAP1 and i-GRAP17. These are also considered in formulating policy and procedures for recognition and measurement.

CHAPTER 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2017/2018

6.1 AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE 2017/2018 (PREVIOUS YEAR)

Audit report status (2018)	Qualified Audit Opinion
Audit Findings	63
Basis for qualified opinion	
Property, Plant and Equipment	
Investment Property	
Service charges	
Material Losses	
Emphasis of matter paragraphs	
Restatement of corresponding figures	
Material losses – Electricity	
Material impairments – trade receivables	

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2018/2019

6.2 AUDITOR-GENERAL OPINION 2018/2019

Audit report status (2018)	Qualified Audit Opinion
Audit Findings	72
Basis for qualified opinion	
Investment Property	
Service charges	
Irregular expenditure	
Non-current assets	
Emphasis of matter paragraphs	
Restatement of corresponding figures	
Material impairments – trade receivables	
Material losses – Electricity and Water	

6.2.1 Report of the Auditor-General to the Northern Cape Provincial Legislature and the Council on Sol Plaatje Local Municipality

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified opinion

- 1 I have audited the financial statements of the Sol Plaatje Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
- 2 In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Sol Plaatje Municipality as at 31 June 2019, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora).

Basis for qualified opinion

Investment Property

- 3 The municipality did not recognise all items of investment property in accordance with GRAP 16, *Investment property*. As the municipality did not maintain adequate records of land under the control of the municipality, I was unable to determine the full extent of the misstatement of investment property for the current and previous year as it was impracticable to do so. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.

Service charges

- 4 The municipality did not recognise all service charges accurately that have accrued in accordance with GRAP 9, *Revenue from exchange transactions*. As the municipality did not maintain adequate and complete records of services rendered, I was unable to determine the full extent of the understatement of service charges for the current and previous year as it was impracticable to do so. Consequently, service debtors included in trade receivables from exchange transactions and Value Added Taxes payable from exchange transactions were understated. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.

Irregular expenditure

- 5 The municipality did not include the required information on irregular expenditure in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. The extent of the payments made in contravention of the supply chain management requirements in the prior year were not determined by the municipality. I was unable to determine the full extent of the understatement of irregular expenditure as it was impracticable to do so.

Aggregation of immaterial uncorrected misstatements

Non-current assets

- 6 In addition to the individually material uncorrected misstatement on investment property, non-current assets was materially misstated in the prior year by R25 336 007 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:
- Community assets and infrastructure assets included in Property, Plant and Equipment stated at R1 598 060 041 was understated by R24 198 281.
 - Intangible assets stated at R9 207 324 was understated by R1 137 726.

Context for the opinion

- 7 I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
- 8 I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
- 9 I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Restatement of corresponding figures

- 11 As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2018 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2019.

Material impairments – trade receivables

- 12 As disclosed in note 4.3 to the financial statements, material losses of R56 000 184 (2017/2018: R357 859 475) were incurred as a result of a write-off of irrecoverable trade debtors.
- 13 As disclosed in note 4.3 to the financial statements, material provision for impairment of R959 712 311 (2017/2018: R807 423 840) was provided for as a result of poor collection trends.

Material losses

- 14 As disclosed in note 46.9 to the financial statements, material water losses of R58 422 743 (2017/2018: R42 408 522) was incurred, which represents 61.65% (2017-18: 52.77%) of total water purchased.
- 15 As disclosed in note 46.9 to the financial statements, material electricity losses of R117 523 957 (2017-18: R54 722 704) was incurred, which represents 25.57% (2017-18: 13%) of total electricity purchased.

Other matters

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

Unaudited disclosure notes (MFMA 125)

- 17 In terms of section 125(2)(e) of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Unaudited supplementary schedules

- 18 The supplementary information set out on pages **XX to XX** does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

- 19 The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA and the Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- 20 In preparing the financial statements, the accounting officer is responsible for assessing the Sol Plaatje Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

- 21 My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial statements.
- 22 A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

- 23 In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I was engaged to perform procedures to raise findings but not to gather evidence to express assurance.

- 24 I was engaged to evaluate the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2019:

Development priority	Pages in the annual performance report
Basic and Sustainable Service Delivery and Infrastructure Development	x – x

- 25 I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 26 The material findings in respect of the usefulness and reliability of the selected development priorities are as follows:

Various indicators

- 27 I was unable to obtain sufficient appropriate audit evidence for the reported achievements in the annual performance report of the indicators listed below. This was due to a lack of technical indicator descriptions, proper performance management systems and processes with formal standard operating procedures that predetermined how the achievement would be measured, monitored and reported. I was unable to confirm that the reported achievements of these indicators were reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements.

Indicator description	Strategic objective	Reported achievement
Respond to 85% of emergency call-outs within time limits as prescribed in table 1 and table 2 of SANS 10090 by 30 June 2019	To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM	85%
To replace at least 2500 prepaid electricity meters by 30 June 2019	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	1 900

Various indicators

28 A comparison between the performance of the year under review and previous year were not included in the annual performance report for the indicators listed below:

KPI	Strategic Objective
To complete the construction of the Homevale Fire Station by 30 June 2019	To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM
Respond to 85% of emergency call-outs within time limits as prescribed in table 1 and table 2 of SANS 10090 by 30 June 2019	To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM
To complete 80% of the upgrade of the Galeshewe Sport Stadium by 30 June 2019	To build equitable, cohesive, sustainable and caring communities with improved access to work and social amenities, including sports and recreational facilities (community development and optimal access/inclusion)
To upgrade at least 7 km of Galeshewe access roads to a paved surface by 30 June 2019 (Wards 6, 7, 9, 10 and 12)	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects
To complete the upgrading of the Carters Glen substation with 1 x 20 MVA transformers by 30 June 2019	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure
To complete 50% of the project to replace the 66KV oil circuit breakers at the Herlear substation with SF6 by 30 June 2019	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure
To complete the upgrading of Riverton substation equipment with 2 x 10 MVA transformers by 30 June 2019	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure
To complete the water connections for the Lerato Park development by 30 June 2019	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure
To complete the sewer connections for the Lerato Park development by 30 June 2019	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure
To complete the upgrading of various facilities at the De Beers Stadium by 30 June 2019	To build equitable, cohesive, sustainable and caring communities with improved access to work and social amenities, including sports and recreational facilities (community development and optimal access/inclusion)

KPI	Strategic Objective
To complete 60% of the repair / refurbishment of the sewer outfall main from Gogga to Homevale Wastewater Treatment Plant by 30 June 2019	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure

Various indicators

- 29 The measures taken to improve performance were not included in the annual performance report for the indicators listed below:

Indicator description	Strategic objective	Reported target
To complete the construction of the Homevale Fire Station by 30 June 2019	To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM	100%
To complete the upgrading of the Carters Glen substation with 1 x 20 MVA transformers by 30 June 2019	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	100%
To complete the upgrading of Riverton substation equipment with 2 x 10 MVA transformers by 30 June 2019	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	100%
To complete the water connections for the Lerato park development by 30 June 2019	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	100%
To complete the sewer connections for the Lerato park development by 30 June 2019	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	100%

Indicator description	Strategic objective	Reported target
To complete the electrification of 1591 houses (Snake Park, Platfontein, Ramorwa, Fluffy Park, Santa Centre and Kutlwanong) by 30 June 2019	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	1 591
To replace at least 2500 prepaid electricity meters by 30 June 2019	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	2 500
To ensure through effective monitoring that a 90% Green Drop Status is achieved by 30 June 2019	To ensure management of the quality of the drinking water and waste water through compliance with the applicable legislation	90%
To plan and survey 2000 erven in Lethabo Park by 30 June 2019	Develop suitable located and affordable housing (shelter) and decent human settlements	2 000

Various indicators

- 30 I was unable to obtain sufficient appropriate audit evidence to validate the existence of a system and processes that enable reliable reporting of actual achievement against the indicators listed below.

Sufficient appropriate audit evidence could not be provided to the reported achievements in the annual performance report. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievements as reported in the annual performance report.

Indicator description	Reported target	Reported achievement
To complete the upgrading of the Carters Glen substation with 1 x 20 MVA transformers by 30 June 2019	100%	85%

Indicator description	Reported target	Reported achievement
To complete the upgrading of Riverton substation equipment with 2 x 10 MVA transformers by 30 June 2019	100%	98%
To complete the electrification of 1,591 houses (Snake Park, Platfontein, Ramorwa, Fluffy Park, Santa Centre and Kutlwanong) by 30 June 2019	1,591	1,361

Various indicators

- 31 The targets for the indicators listed below were inconsistent between the integrated development plan and annual performance report. In addition, these targets were changed without obtaining the necessary approval.

Indicator number	Indicator description	Planned target	Reported target
TL55	To upgrade at least 7 km of Galeshewe access roads to a paved surface by 30 June 2019 (Wards 6, 7, 9,10 and 12)	7 km	4 km
TL85	To complete 85% of the mechanical electrical installation in the new Riverton Pump Station by 30 June 2019	100%	85%
TL68	To complete the electrification of 1591 houses (Snake Park, Platfontein, Ramorwa, Fluffy Park, Santa Centre and Kutlwanong) by 30 June 2019	1 591	1 515

Various indicators

- 32 The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows:

Indicator description	Reported achievement	Audited Value
To upgrade at least 7 km of Galeshewe access roads to a paved surface by 30 June 2019 Wards 6, 7, 9,10 and 12)	9.290 km	7.695 km
To complete the sewer connections for the Lerato park development by 30 June 2019	36%	24.45%
To complete the water pipe replacement projects at the following areas: Newton, Community, Adam Namakola, Nobengula, Bultfontein Road and Gogga Pump Station by 30 June 2019	100%	83.00%
To ensure through effective monitoring that a 90% Green Drop Status is achieved by 30 June 2019	0%	5.69%
To plan and survey 2000 erven in Lethabo Park by 30 June 2019	1 844	0

Various indicators

- 33 I was unable to obtain sufficient appropriate audit evidence for the reported achievements of 4 of the 33 indicators relating to this programme. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

Indicator number	Indicator description	Reported achievement
TL12	15 500 Indigent households to receive free basic services (water, electricity, sanitation and waste removal according to national guidelines) by 30 June 2019	14,647
TL76	To replace 2500 water meters by 30 June 2019	2 141
TL85	To complete 85% of the mechanical electrical installation in the new Riverton Pump Station by 30 June 2019	96%

To complete the construction of the Homevale Fire Station by 30 June 2019

- 34 The reported achievement of 7% for target 100% of the construction of the Homevale Fire Station is not reliable as the municipality did not have an adequate performance management system to maintain records to enable reliable reporting on achievement of targets. As a result, I was unable to obtain sufficient appropriate audit evidence in some instances while in other cases the supporting evidence provided did not agree to the reported achievement. Based on the supporting evidence that was provided, the achievement was 6%, but I was unable to further confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievement.

15,500 Indigent households to receive free basic services (water, electricity, sanitation and waste removal according to national guidelines) by 30 June 2019

- 35 I was unable to obtain sufficient appropriate audit evidence to support the measures taken to improve performance against the target of 15,500 indigents as reported in the annual performance report. This was due to limitations placed on the scope of my work. I was unable to confirm the reported measures taken by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported measures taken to improve performance.

Decrease water losses to 45% by 30 June 2019

- 36 The achievement for target 45% reported in the annual performance report was 61.5%. However, due to the municipality not maintaining adequate records of the

number of water units distributed under water losses, the full extent of the misstatement on the reported achievement could not be determined.

Other matter

37 I draw attention to the matter following matter

Achievement of planned targets

38 Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 27 to 36 of this report.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

39 In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

40 The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements, performance reports and annual reports

41 The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

42 The council failed to adopt an oversight report containing the council's comments on the annual report (within the prescribed timelines), as required by section 129(1) of the MFMA.

Expenditure management

43 Money owed by the municipality municipal entity was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

44 Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification

paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM Regulations. Irregular expenditure amounting to R26 084 174 was incurred on phase 1 and 2 for electrification in indigent areas.

Revenue management

- 45 An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

Asset management

- 46 An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

Strategic planning and performance management

- 47 The performance management system and related controls were inadequate as it did not describe how the performance review, reporting and improvement processes should be conducted and managed, as required by municipal planning and performance management regulation 7(1).

Procurement and contract management

- 48 Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.
- 49 Quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
- 50 Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the prior year.
- 51 Invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM regulation 22(1) and 22(2).
- 52 Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and Preferential Procurement Regulations.
- 53 Sufficient appropriate audit evidence could not be obtained that all extensions or modifications to contracts were approved by a properly delegated official, as required by SCM regulation 5.

- 54 The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
- 55 The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.

Consequence management

- 56 Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
- 57 Allegations of financial misconduct against senior managers were not always investigated, as required by disciplinary regulations for senior managers 5(3) and section 171(4) of MFMA.

OTHER INFORMATION

- 58 The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.
- 59 My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
- 60 In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
- 61 I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary

INTERNAL CONTROL DEFICIENCIES

- 62 I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation;

however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified of opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

- 63 The leadership of the municipality did not exercise their oversight responsibility to ensure that proper internal control procedures were developed and implemented that would have enabled the municipality to produce accurate and complete financial and performance reports. No action was taken on material findings on laws and regulations that were reported in the previous year. Further to that, ineffective monitoring and guidance was provided on the regulated transactions in the current year.
- 64 The accounting officers and senior management did not create an effective control environment to promote financial and performance reporting disciplines. The instability in leadership contributed to the deteriorating control environment. Repeat and new findings were identified on transactions, balances and disclosures in the financial statements and activities in the performance report. Of concern is the impact of the control environment on compliance requirements which also has regressed.
- 65 The annual financial statements and annual performance report were subjected to material amendments that can be attributed to weaknesses in the implementation of controls. In addition, the collation of different information from various units for incorporation into the financial statements and annual performance report was not done in time to allow for sufficient and adequate reviews.

OTHER REPORTS

- 66 I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
- 67 The Department of Cooperative Governance, Human Settlements and Traditional Affairs was investigating allegations of possible non-performance and maladministration as referred to in section 106 of the Municipal Systems Act. The outcome of the investigation was not made public at the date of this report.

68 The Directorate for Priority Crime Investigation (Hawks) are investigating allegations of theft and irregularities in the supply chain management processes. These proceedings were in progress at the date of this report.

Kimberley

28 November 2019



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected development priorities and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sol Plaatje Local Municipality ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

6.3 MFMA SECTION 71 RESPONSIBILITIES

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed:
Chief Financial Officer

Dated:

6.4 AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 30 JUNE 2019

6.4.1 Overview

The Audit Committee (AC) is a formal committee of the Council and its functions are as per section 166 of the Municipal Finance Management Act (Act No 56 of 2003).

We are pleased to present our report for the financial year ended 30 June 2019.

6.4.2 Audit Committee Members and Attendance

The audit committee consists of the members listed hereunder and meets as often as it deems necessary as per the approved terms of reference.

During the period under review, there were four normal meetings and one special meeting held on the following dates:

- 29 August 2018
- 26 November 2018
- 25 February 2019
- 11 March 2019 (special meeting)
- 24 June 2019

The attendance of meetings by audit committee members is reflected in the table below:

Name of the Member	Position	Date of Appointment/renewal	Number of meetings attended
Shelley Thomas	Chairperson	December 2017	5 out of 5
Lattief Kimmie	AC member	December 2017	4 out of 5
Thembeke Semane	AC member	December 2017	4 out of 5
Letlhogonolo Berend	AC member	December 2017	5 out of 5
Bongani Mathae	AC member	December 2017	5 out of 5

In addition to the above meetings the Audit Committee attended a risk workshop on 26 November 2018.

6.4.3 Audit Committee Responsibility

The Audit Committee has fulfilled its responsibilities as stipulated in the Municipal Finance Management Act read in conjunction with Treasury Regulations. The Committee has adopted an appropriate formal charter, which regulates its affairs. It has also discharged its responsibilities in compliance with the approved Audit Charter.

6.4.4 The effectiveness of internal control

In line with the MFMA and the latest King IV Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the management report of the Auditor-General South Africa, it was noted that matters were reported that indicated significant deficiencies or deviations in the system of internal control. There were a significant number of instances where matters reported by internal audit were not satisfactorily resolved.

Accordingly, we report that the system of internal control over financial reporting for the period under review, requires improvement. It was reported to management that closer monitoring and resolution of the audit action plan was required by management. The timeous implementation of the audit action plan will assist management to realise the objective to obtain a better/clean audit outcome.

6.4.5 Governance and Performance Management

The AC is concerned that the acting Municipal Manager and the acting Chief Financial Officer do not have signed contracts. Not all executive directors' performance assessments have been completed for the 2018/19 financial year. The executive

directors' performance assessments concluded for the 2018/19 were conducted on the 22 October 2019 for ED infrastructure, ED community services; ED SEDP and ED corporate services. The audit committee is of the opinion that significant improvement is required in governance and compliance, with the monitoring of risks, the management of the achievement of predetermined objectives and the implementation of improvement plans. Governance has remained stagnant when compared to the prior financial year.

6.4.6 Risk management

Concerns on the major risk areas were raised during engagement with management. An updated risk register and comprehensive report on the top five risks, including the effective management of these risks has been prepared by management. These risks will be monitored by the AC on an on-going basis.

The top five risks relate to:

- Sustainability of revenue generation
- Information technology
- Water losses
- Electricity losses
- Inadequate water and sanitation infrastructure

The following challenges/risks remain to be addressed:

- The reliability of reported information is improved.
- The review of the performance management system and determining alignment is done quarterly.
- The implementation of performance management principles that will include corrective action for poor performance
- An accounting process that will deal with the challenges posed by the billing methodology and still ensure compliance with the relevant accounting standards
- The risk management strategic plan must include assets in future.

6.4.7 Submission of in- year management and monthly/ quarterly reports in terms of the Municipal Finance Management Act and the Treasury Regulations.

The committee has been assured by management that the monthly/ quarterly in-year management reports were compiled and submitted timeously as required in terms of legislation.

6.4.8 Municipality's compliance with legal and regulatory provision

The committee has been assured by management during the in- year reporting that Sol Plaatje Local Municipality has over the years put in place a regulatory framework or a set of policies to govern the institution. The Municipal Systems Act, the Municipal Structures Act, The MFMA, the Property Rates Act and the Constitution of 1996. In determining legislative and regulatory compliance, the above set of laws were selected as they are considered the core of the local government legislative framework.

6.4.9 Information Technology and other corporate related policies

In order to ensure the IT Department is fully compliant with the requisite policy framework, a number of policies were approved by the Municipal Manager in accordance a Council resolution empowering the Municipal Manager to approve administrative policies. These, together with the Risk Management Policy Framework, the Policy on Land and other Immovable Assets and other corporate policies were approved ensuring that going forward the Municipality complies substantially with the broader policy framework.

6.4.10 Evaluation of Financial Statements

The committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General South Africa and the Accounting Officer.
- Reviewed the Auditor-General South Africa's management report and management's response thereto;
- Reviewed changes in accounting policies and practices;
- Reviewed the municipalities compliance with legal and regulatory provisions;
- Reviewed significant adjustments resulting from the audit.

We concur with and accept the Auditor-General of South Africa's report on the annual financial statements and are of the opinion that the audited annual financial statements read together with the report of the Auditor-General South Africa should be accepted.

6.4.11 Internal audit

We are satisfied that the internal audit function is operating efficiently and effectively and that the internal audit plan has addressed the risks pertinent to the municipality during the year under review.

6.4.12 Progress against Plan

The performance of the Internal Audit for the year ending June 2019 is as follows:

Task	Status	Timing as per audit plan	Date of final issue	Hours allocated	Comments
DIRECTORATE FINANCIAL SERVICES					
Annual Financial statement desktop review	Completed	August 2018	30.08.18	32	Report issued to management and AC in August 2018
Intangible assets review	Completed	August 2018	20.02.19	200	Final Report issued to management and AC in February 2019
ICT business continuity and disaster recovery	In progress	February 2019	20.06.19	160	Completed and reported to management and audit committee.
DIRECTORATE CORPORATE SERVICES					
Sale of leave	Completed	July 2018	09.10.18	200	Final report issued to management and AC November 2018
DIRECTORATE COMMUNITY AND SOCIAL SERVICES					
Administration of learners and driver's license	Cancelled	July 2018	n/a	250	The project commenced as planned, however during testing of control, challenges were encountered which were communicated to responsible ED. A memorandum sent to Acting MM and ED indicating challenges and decision to discontinue the project.
OFFICE OF THE MUNICIPAL MANAGER					
Performance management	Ongoing	Quarterly	August 2018	600	Second quarter 2018/2019 review completed in May 2019
DIRECTORATE STRATEGY ECONOMIC DEVELOPMENT PLANNING					
SMME Village	Cancelled	July 2018	n/a	200	Refer to communication from ED: SEDP, requesting cessation of the project.
ADHOC ASSIGNMENTS					

Task		Status	Timing as per audit plan	Date of final issue	Hours allocated	Comments
1.	Electricity tariffs	Completed	n/a	January 2019	160	Final report issued to management and AC
FOLLOW UP AUDITS						
1.	Annual audit of action plan	In progress	Quarterly	N/A	600	Follow up conducted on the following: <ul style="list-style-type: none"> • SCM and contract management • Revenue
2	Housing Rentals	Completed	N/A	January 2019	200	Report submitted to management and AC February 2019
3	Compliance with respective legislation	Completed	n/a	31.05.19	200	Final report issued to management and AC June 2019
4	OHS	Completed	N/A	04.04.19	200	Final report issued to management and AC June 2019
5	Overtime (water and sanitation)	Completed	N/A	25.06.19	200	Completed and reported to management and audit committee.
6	Contract management	Completed	N/A	June 2019	200	Completed and reported to management and audit committee.

6.4.13 Auditor-General South Africa

We have met with the Auditor- General South Africa to ensure that there are no unresolved issues and report that there are none.

6.4.14 Recommendations made by the Audit Committee

The Audit Committee recommends:

- Robust performance management be embedded into the organisational culture.
- That consequence management be implemented.
- Continuation of these committed and concerted efforts by the leadership of Sol Plaatje municipality to implement the recommendations of internal audit and the AGSA.

6.4.15 Conclusion

The Audit Committee has noted the matters and concerns raised by the Auditor General and accept that there is still significant improvement required in the accounting and internal control environment at the municipality.

It is recognised that much work still lies ahead, and the Committee will continue to monitor the various interventions aimed at ensuring that improved external audits are achieved in the years ahead.

6.4.16 Appreciation

The committee expresses its sincere appreciation to the Honourable Executive Mayor, Accounting Officer, Executive management team, Internal Audit and the Auditor General.

Ms. S Thomas

Chairperson of the Audit Committee

6.5 MPAC OVERSIGHT REPORT

MPAC Oversight Report to be inserted once it is received. (Due date end February 2020)

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries can access services or outputs.
Accountability documents	Documents used by executive authorities to give " <i>full and regular</i> " reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. Activities describe " <i>what we do</i> ".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.

Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and

	operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a “vote” as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

APPENDIX A: COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/ Part-time	Committees Allocated (Only the Chairperson will be stipulated, if no stipulation, the Cllr is listed as a member of the various committees)	*Ward and/or Party Represented	Council Meetings Attended	Apologies for non-attendance
	FT/PT			%	
Matika OM (Mayor) Resigned 26.09.2018	FT	Mayco Chairperson OCM	ANC	86	14
Mabilo SP (Mayor) Appointed on 28.11.2019 Ref. C101/11/18	FT	Mayco Chairperson OCM General Appeals Chairperson Municipal Advisory Chairperson	ANC	76	24
Johnson E (Speaker) Expelled by Party 26.10.2018	FT	OCM Ward Participatory Chairperson	ANC	90	10
Koopman I (Speaker) Appointed on 24.01.2019 Ref. C02/01/19	FT	OCM Ward Participatory: Chairperson Disciplinary Chairperson Ad Hoc Nelson Mandela:	ANC	76	24
Keetile WM (Whip)	PT	OCM Rules Municipal Advisory Committee	ANC Ward 15	71	29
Badenhorst EL	PT	OCM Human Settlement Services Disciplinary	DA	57	43
Banda, F		OCM IDP, Budget & PM	ANC Ward 32	56	44
Beylefeld MJ	PT	OCM Spelum Disciplinary	DA	71	29
Bishop PD	PT	OCM	ANC	62	38

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/ Part-time	Committees Allocated (Only the Chairperson will be stipulated, if no stipulation, the Cllr is listed as a member of the various committees)	*Ward and/or Party Represented	Council Meetings Attended	Apologies for non-attendance
	FT/PT			%	
Boqo AN	FT	Mayco OCM Corporate Services & Human Resources Chairperson Disciplinary	ANC	67	33
Britz, S	PT	OCM	ANC Ward 16	0	0
Boshoff WJ Resigned 14.05.2019	PT	OCM	VF+	74	26
Buda HU Resigned 20.07.2018	PT	MPAC Chairperson OCM	ANC	75	25
Chinkuli DS	PT	OCM MPAC General Appeals	ANC	57	43
Doyle MS Resigned 30.01.2019	PT	OCM	EFF	67	33
Duba LF (Tito) Resigned 21.05.2019	PT	OCM	EFF	35	65
Diphahe JG	PT	OCM	ANC Ward 7	100	0
Farland LK	PT	Mayco OCM Community Services Chairperson Ad Hoc Nelson Mandela	ANC	60	40
Fourie OC	PT	OCM Finance Utility Trading Services	DA Ward 25	67	33
Francis BP	PT	OCM Community Services Rules	DA Ward 1	76	24
Gilbert BP (Tshite) Expelled by Party 26.10.2018	PT	OCM Economic Development, Urban Renewal & Tourism Transport, Roads & Storm Water	ANC Ward 19	83	17
Gomba JT	PT	Mayco OCM Utility Trading Services	ANC Ward 10	52	48
Griqua SH Resigned DA 17.01.2019	PT	OCM Human Settlement Services Utility Trading Services	DA Ward 28	75	25

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/ Part-time	Committees Allocated (Only the Chairperson will be stipulated, if no stipulation, the Cllr is listed as a member of the various committees)	*Ward and/or Party Represented	Council Meetings Attended	Apologies for non-attendance
	FT/PT			%	
Griqua SH Appointed 24.01.2019	PT	OCM Economic Development, Urban Renewal & Tourism Human Settlement Services IDP, Budget & PM	ANC	69	31
Hammer N	PT	OCM	IND Ward 27	90	10
Jaffer CB	PT	OCM Transport, Roads & Storm Water	DA	0	0
Japhta H	PT	OCM Corporate Services & Human Resources Spelum	DA Ward 28	89	11
Keme BJ	PT	OCM Inter-Governmental, International Relations & Customer Services Safety & Security Transport, Roads & Storm Water Disciplinary	ANC Ward 31	76	24
Kika SN	PT	OCM Community Services Inter-Governmental, International Relations & Customer Services	DA	62	38
Kock GP	PT	OCM IDP, Budget & PM Safety & Security Ward Participatory Rules	ANC Ward 30	67	33
Kok, PK	PT	OCM	EFF	100	0
Kruger F	PT	Mayco OCM Inter-Governmental, International Relations & Customer Services Chairperson	ANC	62	38
Kruger IM	PT	OCM	ANC	0	0
Kwagile PP Resigned 12.06.2019	PT	OCM Corporate Services & Human Resources IDP, Budget & PM	ANC Ward 7	21	79
Lekhatlanya MJ Expelled by Party 26.10.2018	PT	OCM MPAC Safety & Security	ANC Ward 32	92	8

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/ Part-time	Committees Allocated (Only the Chairperson will be stipulated, if no stipulation, the Cllr is listed as a member of the various committees)	*Ward and/or Party Represented	Council Meetings Attended	Apologies for non-attendance
	FT/PT			%	
Lekoma, IA	PT	OCM Economic Development, Urban Renewal & Tourism General Appeals	ANC Ward 19	58	42
Lewis CB	PT	OCM Inter-Governmental, International Relations & Customer Services	DA Ward 3	86	14
Liebenberg R Resigned 14.05.2019	PT	OCM Finance	DA	81	19
Liebenberg, CR	PT	OCM	Cope	44	56
Louw M	PT	OCM Corporate Services & Human Resources General Appeals	DA	52	48
Ludick RA Resigned 30.01.2019	PT	OCM	COPE	75	25
Maditse ND	PT	OCM Community Services Human Settlement Services	DA Ward 22	95	5
Makhamba BJ	PT	OCM Finance Spelum Chairperson Rules Ad Hoc Nelson Mandela	ANC Ward 26	55	45
Matshediso OE	FT	Mayco OCM Finance Chairperson Ad Hoc Nelson Mandela	ANC	48	52
Meintjies M	FT	Mayco OCM Transport, Roads & Storm Water Chairperson	ANC	76	24
Meleng LP Deceased 05.08.2019	FT	Mayco OCM Safety & Security	ANC	76	24
Miller HB	PT	OCM	EFF	33	67
Mocwagole LL	PT	OCM Finance	ANC Ward 12	58	42

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/ Part-time	Committees Allocated (Only the Chairperson will be stipulated, if no stipulation, the Cllr is listed as a member of the various committees)	*Ward and/or Party Represented	Council Meetings Attended	Apologies for non-attendance
	FT/PT			%	
Mohamed L	PT	OCM Safety & Security	DA Ward 2	95	5
Mohapi PM	PT	OCM Human Settlement Services Transport, Roads & Storm Water Ward Participatory Spelum	ANC Ward 5	57	43
Mojakwe IM	PT	OCM Community Services	ANC Ward 11	78	22
Mokae OJ Resigned 11.09.2019	PT	OCM Corporate Services & Human Resources Economic Development, Urban Renewal & Tourism	DA	45	55
Mokgalagadi M Expelled by Party 26.10.2018	PT	OCM Utility Trading Services	ANC Ward 12	71	29
Monyamane GK Expelled by Party 26.10.2018	PT	OCM Human Settlement Services IDP, Budget & PM	ANC Ward 9	92	8
Molatudi MK	PT	OCM Human Settlement Services	ANC Ward 13	44	56
Morwe RT	FT	Mayco OCM Human Settlement Services Chairperson General Appeals	ANC	62	38
Moshweu MM	PT	OCM Inter-Governmental, International Relations & Customer Services	ANC	57	43
Mothelesi FK	PT	OCM	EFF	100	0
Mpampi S Resigned 11.12.2018	FT	Mayco OCM Utility Trading Services Chairperson	ANC	75	25
Mpanza TH	PT	OCM Finance Spelum	ANC Ward 4	38	62
Ngoma TC	PT	OCM Spelum Disciplinary Municipal Advisory Committee Ad Hoc Nelson Mandela	ANC Ward 8	71	29

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/ Part-time	Committees Allocated (Only the Chairperson will be stipulated, if no stipulation, the Cllr is listed as a member of the various committees)	*Ward and/or Party Represented	Council Meetings Attended	Apologies for non-attendance
	FT/PT			%	
Niemann E	PT	OCM Safety & Security	DA	71	29
Pearce C	PT	OCM Transport, Roads & Storm Water	DA Ward 20	67	33
Petoro GI	PT	OCM Human Settlement Services	ANC Ward 17	76	24
Phillipus G	PT	OCM Community Services Inter-Governmental, International Relations & Customer Services	ANC	60	40
Phiri KC	PT	OCM Finance Spelum Ward Participatory General Appeals Municipal Advisory	DA	57	43
Pholoholo IM	PT	OCM	EFF	29	71
Pieterse LHS	PT	OCM IDP, Budget & PM MPAC	DA Ward 14	65	35
Plaatjie OB	FT	Mayco OCM Safety & Security Chairperson	ANC	57	43
Qonga YT Expelled by Party 26.10.2018	PT	OCM Spelum Transport, Roads & Storm Water	ANC Ward 11	92	8
Sebego KM	PT	OCM Safety & Security Utility Trading Services Municipal Advisory	ANC Ward 33	67	33
Settholo DT	PT	OCM Corporate Services & Human Resources Economic Development, Urban Renewal & Tourism Utility Trading Services Ward Participatory Municipal Advisory	ANC Ward 6	71	29

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/ Part-time	Committees Allocated (Only the Chairperson will be stipulated, if no stipulation, the Cllr is listed as a member of the various committees)	*Ward and/or Party Represented	Council Meetings Attended	Apologies for non-attendance
	FT/PT			%	
Shushu LN	PT	Mayco OCM IDP Budget & PM Chairperson Ad Hoc Nelson Mandela	ANC	67	33
Springbok B	PT	OCM Corporate Services & Human Resources Rules Chairperson	ANC Ward 29	67	33
Steenkamp DL Resigned 21.06.2019	PT	OCM MPAC Utility Trading Services	ANC	45	55
Steenkamp GE	PT	OCM	DA	0	0
Steyn SM	PT	OCM Economic Development, Urban Renewal & Tourism IDP, Budget & PM	DA Ward 24	80	20
Stout BJ Expelled by Party 26.10.2018	PT	OCM	ANC Ward 16	62	38
Swazi DM	PT	OCM Corporation Services & Human Resources	Ward 9	67	33
Thabane MP Expelled by Party 26.10.2018	PT	OCM Inter-Governmental, International Relations & Customer Services	ANC	91	9
Thulo FL	PT	OCM Municipal Advisory	EFF	74	26
Van den Berg HJ	PT	OCM	VF	83	17
Van Rooyen WA	PT	OCM Utility Trading Services Ward Participatory	DA Ward 21	38	62
Van Wyk PR	PT	OCM Community Services Transport, Roads & Storm Water MPAC Chairperson	ANC Ward 18	52	48
Vorster PJ	PT	OCM MPAC Municipal Advisory	DA Ward 23	90	10

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/ Part-time	Committees Allocated (Only the Chairperson will be stipulated, if no stipulation, the Cllr is listed as a member of the various committees)	*Ward and/or Party Represented	Council Meetings Attended	Apologies for non-attendance
	FT/PT			%	
Wapad MR Expelled by Party 26.10.2018	PT	OCM Community Services Inter-Governmental, International Relations & Customer Services	ANC Ward 13	67	33
Note: * Councillors appointed on a proportional basis do not have wards allocated to them					T A

APPENDIX B: COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Section 80 Committees	The terms of reference of these committees are policy formulation and implementation monitoring within the following functional areas:
Community Services	Sports, parks and recreation; library and information services; commonage; social development; primary health care services and municipal health care services.
Corporate Services & Human Resources	Communication; customer relationship management/service delivery; employment equity; information systems and technology; legal services; personnel service; strategic human resources; strategic support.
Economic Development, Urban Renewal & Tourism Committee	Economic development; local tourism; urban renewal; markets; street trading and informal trading schemes; advertising.
Finance	Revenue; treasury and accounting.
Human Settlement Services	New and existing settlements; housing finance, social housing; housing policy, research planning and monitoring.
IDP, Budget & Project Management	Development and review of IDP, budget and SDBIP
Inter-governmental & International Relations	Intergovernmental projects and programmes
Safety & Security	Emergency services; law enforcement; traffic management; motor registration and licensing services
Transport, Roads & Storm water	Transport planning; infrastructure planning, development and maintenance
Utility Services	Electricity infrastructure planning, development and maintenance; water and sanitation infrastructure planning, development and maintenance; solid waste infrastructure planning, development and maintenance.

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Section 79 Committees	Proposed terms of reference for section 79 committees:
Disciplinary Committee	<p>To investigate and make findings on any alleged breach of the Code of Conduct and to make appropriate recommendations to council. To investigate and make a finding on non-attendance of meetings and to impose a fine as determined by the Standard Rules of Order of council. In terms of section 59 of the Municipal Systems Act, council delegated the following powers, functions and duties to the committee:</p> <ol style="list-style-type: none"> 1 To co-opt advisory members who are not members of council provided that such members may not vote on any matter. 2 To instruct any councillor(s) and request official(s)/or other affected parties to appear before the committee to give evidence. 3 To appoint a legal advisor to assist the committee including the obtaining of internal/external legal opinions. 4 To make written representations to the MEC for local government pertaining to an appeal to the MEC by a councillor(s) who has been warned, reprimanded or fined in terms of paragraph item 14(2)(a), (b) or (d) of the Code of Conduct for councillors. 5 In appropriate instances act in terms of section 14(2) impose a fine in respect of contraventions in item 4 of the Code of Conduct for councillors.
General Appeals Committee	Consider appeals from any person affected by the exercise of a delegated power by a structure or person to whom such power is delegated.
Municipal Public Accounts Committee (MPAC)	The terms of reference of these committee are to review the Auditor-General's Annual Report and when instructed by council or on its own initiative, to investigate and advise council in respect of unauthorised, irregular or fruitless and wasteful expenditure in terms of section 32(2) of the MFMA.
Rules Committee	Rules of Order; attendance of meetings; delegation register.
Spatial Planning, Environment and Land Use Management Committee (SPELUM)	Spatial development framework (SDF); land use management scheme (LUMS); Land use applications; building plans; immovable property; environmental and heritage authorisations and development and appeals.
Ward Participatory Committee	To oversee the establishment and co-ordination of ward committees. To determine administrative arrangements to enable ward committees to execute duties and exercise powers. To recommend to council in terms of dissolution of ward committees. To determine roles and responsibilities of ward committees. To

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
	facilitate enabling environment for ward committees to function optimally (training, stipends).
Other Committees of Council	
Audit	A committee of council typically charged with oversight of financial reporting and disclosure. Their responsibilities are to advise the municipal council, political office bearers, the accounting officer and the management staff of the municipality on matters relating to: internal financial control and internal audits; risk management; accounting policies; the adequacy, reliability and accuracy of financial reporting and information; review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality; respond to council on any issues raised by the Auditor General in the audit report.
Performance Audit Committee	A committee of council typically charged with oversight responsibilities relating to the performance management and achievement of pre-determined objectives. Their responsibilities are to advise the municipal council, political office bearers, the accounting officer and the management staff of the municipality on matters relating to: internal financial control and internal audits; effective governance; the adequacy, reliability and accuracy of financial reporting and information; performance management; performance evaluation; respond to council on any issues raised by the Auditor General in the audit report.
Section 57 Appointments Committee	In terms of section 54A of the LG: Municipal Systems Amendment Act, 2011 (Act No 7 of 2011) the section is aimed at regulating the appointment of municipal managers (MMs) and acting municipal managers and has introduced a new approach in terms of recruitment of MMs and section 56 managers. Municipalities must ensure that the Provincial Departments of Co-operative Governance, Treasury, SALGA and Development Bank of SA (DBSA) forms part of the shortlisting and interview panels for MMs and managers reporting to the MM.

APPENDIX D: FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	
Building regulations	Yes	
Child care facilities	Yes	
Electricity and gas reticulation	Yes	
Firefighting services	Yes	
Local tourism	Yes	
Municipal airports	No	
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	No	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	
Storm Water management systems in built-up areas	Yes	
Trading regulations	Yes	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
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	No	
Facilities for the accommodation, care and burial of animals	Yes	
Fencing and fences	No	
Licensing of dogs	Yes	
Licensing and control of undertakings that sell food to the public	Yes	
Local amenities	Yes	
Local sport facilities	Yes	
Markets	Yes	
Municipal abattoirs	No	
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	Yes	
Pounds	Yes	
Public places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
Street lighting	Yes	
Traffic and parking	Yes	
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		T D

APPENDIX E: WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Francis BP Ward Committee Members Carmen Abdeziet Lettie Witbooi Sarah van Heerden Latoya Settley Bonita T Katz Deon R Katz Megan S Bosch Klaas S Katz Brenelda B Simons Felicity P Phillipus	Yes	Two	Twelve	Two
2	Visagie L Ward Committee Members Andrew S Lenyora Hespter P Solomon Chatine Jantjies Nadine Bedwell Micheal Abrahams Stephen Visagie Agnes Phafodi Allisar G Hofsta Diane C Lemmetjie Lionel Pieterston	Yes	Three	Twelve	Three
3	Lewis CB Ward Committee Members Andrew van der Merwe Johanna Visagie Gloria van der Merwe Vincent C Swartz Fawzia Africa Florence Bailey Maureen van Wyk Ursula Hendricks	Yes	Six	Twelve	Four

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Daphne Olyn Mary Mabilo				
4	Mpanza TH Ward Committee Members Cyril Lekhwi Jabulani Mbambo Thabiso Maleyoane Paricia Matthews Thomas C Jantjies Nthabiseng Ledbane Angela Albertus Nhlanhla Sithole Jane Riet Bakang Mokgoro	Yes	Zero	Twelve.	Zero
5	Mohapi PM Ward Committee Members Rebecca Leepile Mosekimang Dikgetsi Cecil Setlogelo Jennifer Masilo Thabo Seekoei Dipuo Tshenkeng Benjamin G Samplie Mcedisi R Nolitye Olebogeng Itumeleng Mirriam Jafta	Yes	Five	Twelve	Three
6	Setholo DT Ward Committee Members Kagisho G Nembe Francina Maris Thandiwe E Molose Keseneile Bella Msomi Ilse Ntombi Thahane Matha Kobona Jackson Tlhomelang Gavin Esau Mantwa A Tshoaedi Hilda V Sehularo	Yes	Nine	Twelve	Four

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
7	Kwagile PP Ward Committee Members John Diphane Tuelo Pharasi Sipho W Matika Macdonald T Kesekile Jemima N Stemmer Motswakong C Thupane (Deceased) Fransiena Chou Abigile Gwele Goitseman M Senye Joseph L Henyekane	Yes	Seven	Twelve	Two
8	Ngoma TC Ward Committee Members Israel van der Linda Rethabile Hendricks Diah Mdebuka Eremiah Mosikare Angelina Gasetsiwe Kelebogile Phakedi Apathea Rameriti Rachel Ndebuka Kereeditse Visagie Tshepo Nkukane	Yes	Six	Twelve	Three
9	Monyamane GK Ward Committee Members Seiso Moroka Tshepo Sealira Patience T Mohosh Lucia Moerane Neo G Bacon Ntsikeleho Makehle Obakeng Mousi Susan M Kkolwane Katlego Tswaile Richard Galehole	Yes	Five	Twelve	Two

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
10	Gomba JT Ward Committee Members Malefa Diphokje Dimakatso J Modisane Thuso Jood Samson Gumbo Ronald S Modutle Keitumetse Molale Junior P Mokomela Ben M Kosegomi Moeti MJ Mpete Oduetse K Malebono	Yes	Seven	Twelve	Three
11	Gonga YT Ward Committee Members Modingwane Tsholofelo Mpho Tawane Ntshenge Dumi Patricia Aaron Lebenkele Thamsanqa Ntombizodwa Banda Mpho Jennifer Montge Mpha Karabo Mothibi Itumeleng M Mojakwe Tsamaesi Boitshwarelo	Yes	Four	Twelve	Two
12	Mokgalagadi M Ward Committee Members David Koopman Masimo Kgatlane Lshego Kock Katie Gaborone Keitumetse Pholo Selelo A Mothelesi Seitisho Liphoko Saul Mohapi Kedibone V Mokulupi Lorraine Lester	Yes	Eight	Twelve	Three

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
13	Wapad MR Ward Committee Members Patience Aaron Mirriam Maredi Kwamongwe Moilwa Maggie Pienaar Vinolia P Jonathan Nelson Macomo Tomeletso P Khatwane Maria Mvelase Iris D Thalogang Babalwe Walaza	Yes	Eight	Twelve	Four
14	Pieterse LHS Ward Committee Members Nicole C Mangal Andre J Pailman Beryl de Klerk Arno C Pearce Felecity R Swarts BradleyL Fritz Mark Jooste Micayla Carelse Jayd-Lynn Jood Rhoda Fawzia	Yes	Two	Twelve	One
15	WM Keetile Ward Committee Members Nontiantla Hoye Lerato Sithole Kabane Mirriam Mogape Veronica Booysen Michael Molefeeugalia Mogate Dipuo Rebecca Moilwa Lettie Mocwagole Benjamin Bosman (Deceased) Florence Faniswa	Yes	Five	Twelve	Three

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
16	Stout BJ Ward Committee Members Joyce Ndi Licwidi BoitumeloOwen Mokgoro Guys chandler Moses B wechoemang Neo Reginald Molusi Catherine Banda Floria Jeleni Donald Tebogo Bokote Phemelo Leburu Benjamin Mangungwana	Yes	Seven	Twelve	Four
17	Peto GI Ward Committee Members Tshepang Mothelesi Obakeng Kepadia Majan Setlhodi Mosweu Moleko Bonga Tshidiso Lucia Motaung Tebogo Pharisi Leonard Jossi Kgosiemang Boitumelo Sarah Moduo	Yes	Five	Twelve	Three
18	Van Wyk PR Ward Committee Members Gerladine Phama Tau Yvonne Lesego Sei Lindiwe Mdutyona Tumiso Phoolo Maagdeline Mjoli Brandon Oliphant Ingrid Ndawande Boitumelo G Moigoda Christopher Swartz	Yes	Five	Twelve	Three

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
19	Gilbert BP Ward Committee Members Reggie Thamoethata Itumeleng Lekoma Olga Moroka Flatela Mzwandile Cecilia Oliphant Marrian Seakeco Jonas Peterson Nicholas Ndayi Nontsilelelo Selatolo Dinilelizwe Geco	Yes	Seven	Twelve	Four
20	Pearce C Ward Committee Members Kgalaelo Matsime Maria Matsime Phillow O Beukes Lize-Mari Niemann Sandra Stassen Chery E Valentine Hazel C Harmse Johannes H Niemann Pieter HS Stassen Jacobus P Jansen	Yes	One	Twelve	One
21	Van Rooyen WA Ward Committee Members Sureya Moti Moira Willeen Ferris Obrey Mabija Zenzisa Solomon Khumalo Johannes Baoitsiwe Chanel Bowler Leboan Lebenya Maggie Joyce Nkoane	Yes	Two	Twelve	One

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
22	Maditse ND Ward Committee Members Graham Davids Leon Monyoba Leroy Stone Veronica January Venessa Sebusang Shaun Witbooi Ann Fisher Gertrude Appies Glynnis Mathews Paul Stone	Yes	Four	Twelve	Three
23	Vorster PJ Ward Committee Members Jan Viljoen Zacharias Blomerus RJ Gibson Magriet Louw Sune Louverdie Derick Payne Johannes Aucamp Martha de Kock Juan du Plooy	Yes	One	Twelve	One
24	Steyn SM Ward Committee Members Gertruida S van der Merwe MH van Vuuren Francis H Dippenaar JT de Kock GA Bessinger Wynand G Delpont Helena C Scheepers Johan A Scheepers	Yes	One	Twelve	One

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
25	Fourie OC Ward Committee Members Sandra Paekensen Irene etersen Elona M Davis Zwelinzima Ntsabo Jacobus van der Berg Sone van der Berg Sphiwe Shadrack Makhaye Daniel Slamet Gloria Nozuko Tsiloane Ingrid Lehata	Yes	Three	Twelve	Two
26	Makhamba BJ Ward Committee Members Margaret D Maphalla Martha D Tembani Lydia J Lewane Cynthia Mojaki Grace M Martins Eveline Ngeezzer Georgina Seekoei Desmond Jonkers Marthinus Botha	Yes	Four	Twelve	Three
27	Hammer N Ward Committee Members Adam Kortman Lorein Mlaza Mabeta Metteheus Ursula Zeekoei Johanna Malan Bianca van rooyen Maria Adamds Bettie Afrika Driene Denster Charmaine Lawan	Yes	Five	Twelve	Four

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
28	Griqua SH Ward Committee Members Cayleen Petersen Darien Juries Janup Meyers Winston Fredricks Chantelle Jood Shandrie Petersen Margaret van wyk Louwtjie Doyle Jenine le Grange Peter May	Yes	Four	Twelve	Three
29	Springbok B Ward Committee Members Abel Raad Lorry-Ann Brandt Wilhelmina Mathabatha Michelle G Mogole Ellen Setlhabi Tshenolo Setlhabi Setlhabi Tshenolo Sadrick du Plooy Doris Koopman Ivan Damins Eva Springkaan	Yes	Five	Twelve	Four
30	Kock GP Ward Committee Members Janet Ditlhobolo Lerato Mongale Martin Bantjies Andrew Jantjies Daniel Julies Petrus Mothibi Kabelo G Segami Anneline Benjamin Tebogo Rooibaadjie Samson Squire	Yes	Five	Twelve	Five

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
31	Keme BJ Ward Committee Members Viola Modise Emily Andrew Mpho Seribe Kedibone M Springkaan Seadimo Toalo Davind Mohleleng Joseph Zomdo Jansen Sarah Vis Selena Omega Fortuin Moyce Molao	Yes	Six	Twelve	Five
32	Banda Frikkie..... Ward Committee Members Martha Mangumbu Fernando Kayundu Mate Mbangu J Tshabalala Kelebogile V Kgoakgoe Phatekile November Clifford Moremi Rainy Sophazi Goofy Jack Motsamai Molale	Yes	Four	Twelve	Three
33	Sebego M..... Ward Committee Members Gideon K Mapolai Unica Mosamo Lerato Mothelesi Keatlaletse E Kwanaco Vera Muller Boipelo S Moagwe Deboah Libang Clement Moenko Eunice Ditshake Portia Monase	Yes	Four	Twelve	Three

APPENDIX F1: CAPITAL PROJECTS IN WARDS

Ward	Project Name and detail	Start Date	End Date	Total Value (R'000)
Water				
All	Replacement of water meters	01.07.2013	30.06.2020	40 000
	Lerato Park Water	01.07.2016	30.06.2020	33 000
	Water zone metering			
	Riverton Pump Station	01.07.2015	30.06.2019	32 000
Sanitation/Sewerage				
All	Gogga pump station	01.07.2010	30.06.2019	119 000
	Lerato Park Sewer	01.07.2014	30.06.2020	28 000
Electricity				
All	Upgrade Riverton transformer	01.07.2017	30.06.2019	36 000
14,20	Herlear 66KV circuit breaker	01.07.2017	30.06.2019	8 000
All	Carter's Glen and Galeshewe substation	01.07.2017	30.06.2020	28 000
20	Prepaid Meter Replacement Programme	01.07.2013	30.06.2020	36 000
Housing				
No Capex				
Fleet Replacement Programme				
No Capex				
Refuse Removal				
No Capex				
Roads and Storm Water				
18	Galeshewe Storm water Project	01.07.2016	30.06.2021	498 000
Galeshewe Urban Renewal Programme				
No Capex				
Local Economic Development				
No Capex				
ICT				
All	Replacement Programme, IT Hardware	01.07.2014	30.08.2020	39 000
Parks and Recreation				
All	New Nelson Mandela Memorial Monument	01.07.2015	30.06.2025	500 000

Ward	Project Name and detail	Start Date	End Date	Total Value (R'000)
Other				
All	Fleet Replacement Programme	01.07.2015	30.06.2020	32 000
	Upgrade test station	01.07.2017	30.06.2019	750
Corporate Services				
No Capex				
Safety and Security				
No Capex				

APPENDIX F2: BASIC SERVICE PROVISION

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	72,012	69,710	66,896	59,526	50,111
Households without minimum service delivery	6,398	2,302	5,042	4,526	10,186

APPENDIX J: DISCLOSURE OF FINANCIAL INTERESTS

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June of 2019		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Cllr SP Mabilo	No submissions
Member of Mayoral Committee		
Chairperson: IDP, Budget & Project Management Committee	Cllr LN Shushu	No submissions
Chairperson: Safety & Security Committee	Cllr OB Plaatje	Remuneration-Dept of Sprts and Art-EPWP Admin R2 613 per month Property: RDP House Phutanang R105 000
Chairperson: Community Services Committee	Cllr L Farland	Nothing to declare
Chairperson: Utility Trading Services Committee	Cllr JT Gomba	100% Shares Phiwe Trading Shares in Peja Trading and never give up. Res property Tswaragano R60 000.00 Director Salophiwes General Trading (Not Active)
Chairperson: Finance Committee	Cllr OE Matshediso	Nothing to disclose
Chairperson: Transport, Roads & Storm water Committee	Cllr M Meintjies	Nothing to disclose

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June of 2019		
Position	Name	Description of Financial interests* (Nil / Or details)
Chairperson: Inter-Governmental & International Relations Committee	Cllr F Kruger	No submissions
Chairperson: Human Settlement Services Committee	Cllr RT Morwe	Land & Property: House Ubuntu Galeshewe.
Chairperson: Economic Development, Urban Renewal & Tourism Committee		
Chairperson: Corporate Services & Human Resources Committee	Cllr AN Boqo	Remunerated Work outside the Municipality & Pension: Education – General Cleaner.
Councillor		
	Cllr EL Badenhorst	Land and Property - House-Pescodia Value R1.5Million Husband is Director of Afrikhaya Housing Development Agency.
	Cllr F Banda	Nothing to declare
	Cllr MJ Beyleveld	Land & Property: Residence – Kimberley Remunerated work outside the Municipality & Pension income: Dept. Finance – Pension. Land & Property: Residence – South Ridge.
	Cllr PD Bishop	Nothing to declare
	Cllr WJ Boshoff	No submission

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June of 2019		
Position	Name	Description of Financial interests* (Nil / Or details)
	Cllr UH Buda	Fumamo G.T. Close Corp. R0.00 Remuneration, NC Provincial Registry-R17 599.50 per month (R12224.69)
	Cllr DS Chinkuli	Nothing to disclose
	Cllr MS Doyle	Nothing to disclose
	Cllr OC Fourie	Shares – Roodeheuwel Sand (Bpk) Minerals.
	Cllr BP Francis	Nothing to disclose
	Cllr LF Duba	No submission
	Cllr BP Gilbert	Nothing to declare
	Cllr SH Griqua	Nothing to disclose
	Cllr N Hammer	No submission
	Cllr MM Itumeleng	Remuneration: Merseta (Project Manager) R6 000, Pensioner R6 430.39
	Cllr C Jaffer	Land and property- Residential – Colville R100 000

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June of 2019		
Position	Name	Description of Financial interests* (Nil / Or details)
	Cllr E Johnson	Directorships & Partnerships Santoma Inn (Tavern). Land & Property: Residence – Two-room dwelling in Pescodia.
	Cllr WM Keetile	No submission
	Cllr JB Keme	Residential House Soul City Ward 31 R45 000
	Cllr SN Kika	Directorship & Partnership- Barkley West Sherrifs plus/minus R15 000 Property-House Moghal Park R600 000
	Cllr GP Kock	Nothing to disclose
	Cllr PK Kok	Nothing to declare
	Cllr F Kruger	No submission
	Cllr PP Kwagile	Shares: Seed of Life 2% Director/Partnership: Shepulma general cleaning 0% Child Grant Gov SASSA R350 x 2
	Cllr IA Lekoma	Nothing to declare

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June of 2019		
Position	Name	Description of Financial interests* (Nil / Or details)
	Cllr MJ Lekhatlanya	Dept of Social Development-Social Auxillary Worker R10 434 per month
	Cllr CB Lewis	Directorships & Partnerships: Taxi Remunerated work outside the Municipality & Pensions: De Beers Pension Fund. Property Homevale R200 000
	Cllr CR Liebenberg	Nothing to declare
	Cllr R Liebenberg	Directorships & Partnerships: Mein Heim Estate – Conference/Guest House (Dormant - No income)
	Cllr M Louw	No submission
	Cllr RA Ludick	Directorships & Partnerships: Women in Pride (no income). SAWIF (no income to date) Seed of Life Investment (no income to date).
	Cllr ND Maditse	Nothing to disclose
	Cllr BJ Makhamba	Shares & financial interests – 5% shares, transport, Transline.

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June of 2019		
Position	Name	Description of Financial interests* (Nil / Or details)
		10% shares, Cooperative, 111 Holdings. Directorship and partnership – Raymix, Stonecrushing, R3 000 per month Remuneration
	Cllr OM Matika	No submission
	Cllr OE Matshedisho	Nothing to disclose
	Cllr M Meintjies	Nothing to disclose
	Cllr LP Meleng	Nothing to disclose
	Cllr HB Miller	No submission
	Cllr LL Mocwagole	Shares and Directorships- 50% SNM Mining 100% LLM 50% Mentorza Holding & Invest
	Cllr L Mohamed (Visagie)	Shares and Financial interests – Co-owner Toyota Quantum, Taxi Business, R300 000.00 Value, Name- Taxi Cab
	Cllr PM Mohapi	Nothing to disclose

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June of 2019		
Position	Name	Description of Financial interests* (Nil / Or details)
	Cllr OJ Mokae	Nothing to disclose
	Cllr M Mokgalagadi	No submission
	Cllr MK Molatudi	Nothing to declare
	Cllr GK Monyamane	Nothing to disclose
	Cllr RT Morwe	Land & Property: House Ubuntu Galeshewe
	Cllr MM Moshweu	Directorship&Partnership: Moshweu General trading CC Cleaning services *AdHoc -Kabothisabo CC *Ad Hoc – Itereleng Corp- Remunerated work- Mental health DOH-Board Member R13 116 per month
	Cllr FK Mothelesi	Receives disability Pension R1 780 per month Property: House, 146 Edward Bonbani, Retswelele, Value R700 000
	Cllr S Mpampi	Mpampi Construction R0.00
	Cllr IM Mpangiso	No submission

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June of 2019		
Position	Name	Description of Financial interests* (Nil / Or details)
	Cllr TH Mpanza	No submission
	Cllr TC Ngoma	Remuneration – NC Department of Education
	Cllr E Niemann	Residential House, 21 Mallet street, Albertynshof KBY R1 000 000
	Cllr CA Pearce	Directorship & Partnership - Women Liberation Trading (Pty) Limited, General Trading. No Income Residential-Property Hillcrest 809M2 Value:R2 800 000 Remunerated work Eskom Electrician No amount Disclosed
	Cllr GI Petoro	No submission
	Cllr G Phillipus	Nothing to declare
	Cllr KC Phiri	Residential House Vergenoeg KBY R75 0000 Work for Dept of Agriculture. Security Services R9 300
	Cllr LHS Pieterse	NC Department of Education-Educator R15 391.31 per month
	Cllr OB Plaatjie	Remuneration-Dept of Sprts and Art-EPWP Admin R2 613 per month Property: RDP House Phutanang R105 000

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June of 2019		
Position	Name	Description of Financial interests* (Nil / Or details)
	Cllr YT Qonga	No submission
	Cllr KM Sebegu	Nothing to disclose
	Cllr DT Setholo	Nothing to disclose
	Cllr LN Shushu	No submission
	Cllr B Springbok	Nothing to disclose
	Cllr DL Steenkamp	No submission
	Cllr SM Steyn	CEO, NOCCI Income R25 402.30 per month
	Cllr BJ Stout	Shares : De Beers
	Cllr MP Thabane	Remunerations – Self employed – construction. Land & Property – residence in Vergenoeg.
	Cllr FL Thulo	No submission
	Cllr HJ van den Berg	Directorships-Kimprint (Pty) Limited General Printers R2 000 per month
	Cllr WA van Rooyen	No submission
	Cllr PH Vorster	Shares – Old Mutual. Remuneration – Frances Baard District Council. Land & Property – Residence - Roylepark 12.

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June of 2019		
Position	Name	Description of Financial interests* (Nil / Or details)
	Cllr MR Wapad	Nothing to disclose
Deputy MM and (Executive) Directors		
Acting Municipal Manager	T Mabija	No submission
Acting Executive Director: Finance	Z Cader	No submission
Executive Director: Corporate Services	KS Sebolecewe	Directorship & Partnerships – Clisa 22 CC (Commercial); Land & Property - Residence 1 – Kimberley, Residence 2 – Kimberley).
Executive Director: Community & Social Development Services	K Bogacwi	Nothing to declare
Executive Director: Infrastructure & Services	B Dhlwayo	
Executive Director: Strategy, Economic Development & Planning	N Kesiamang	Shares – MTN (Public), Telkom (Public) JM & N Trading (CC member), Nqobile Planners & Development Specialists T/a N12 (CC member), Woesa (Public); Land & Property - Residence 1 (Kimberley), Residence 2 (Kimberley),

Disclosure of Financial Interests		
Period 1 July 2018 to 30 June of 2019		
Position	Name	Description of Financial interests* (Nil / Or details)
		Flat (50% ownership – East London). Christmas Gift voucher from Frances Baard SMME Trust – R500, 2018). Christmas Gift from BrandIQ – consumables (2018). (Afri-Devo (Pty) Limited- Company belongs to brother-in-law.
Acting IDP Manager	V Mpekula	No submission
Policy Manager	S Setlogelo	No submission
Chief Internal Auditor	N Molepo	No submission
PMU Manager	MGM Jele	Shares – MTN (Asonke), Vodacom; Land & Property - Residence
Communications Manager	S Matsie	No submission
<i>* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A</i>		<i>T J</i>

APPENDIX REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Vote Description	2017/2018	Current: 2018/2019			2018/2019 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust. Budget
	R'000				%	
Executive and Council	-	-	-	-		
Municipal and General	495 127	554 304	472 784	463 788	-16%	-2%
Municipal Manager	2 037	2 268	-	-	-100%	-
Corporate Services	4 553	7 564	10 705	6 007	-21%	-44%
Community Services	101 492	93 894	106 694	96 992	3%	-9%
Financial Services	497 735	556 928	556 928	533 870	-4%	-4%
Strategy Economic Development and Planning	6 861	8 895	8 895	5 309	-40%	-40%
Infrastructure Services	966 442	1 115 049	1 021 049	924 923	-17%	-9%
Total Revenue by Vote	2 074 247	2 338 902	2 177 055	2 030 889	-13%	-7%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						

APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Description	2017/20158	2018/2019			2018/2019 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjust. Budget
	R'000				%	
Property rates	492 309	541 312	541 312	512 886	-5.3%	-5.3%
Service Charges - electricity revenue	603 857	727 992	617 992	552 454	-24%	-11%
Service Charges - water revenue	227 137	268 108	268 108	236 691	-12%	-12%
Service Charges - sanitation revenue	62 103	63 813	68 813	67 424	6%	-2.0%
Service Charges - refuse revenue	45 229	47 595	60 395	48 780	2%	-19%
Service Charges – other	-	-	-	-	-	-
Rentals of facilities and equipment	10 566	11 257	11 257	11 092	-1%	-1%
Interest earned - external investments	18 700	20 000	15 000	10 002	-50%	-33%
Interest earned - outstanding debtors	174 794	130 490	141 490	141 429	8%	0%
Dividends received	-	-	-	-	-	-
Fines	21 830	25 735	25 735	36 982	44%	44%
Licences and permits	5 312	3 450	3 450	6 319	83%	83%
Agency services	5 539	-	-	576	-	-
Transfers recognised – operational	172 480	188 874	194 729	192 110	2%	-1%
Other revenue	24 895	25 213	25 213	16 309	-35.3%	-35%
Gains on disposal of PPE	-	-	10 000	579		
Total Revenue (excluding capital transfers and contributions)	1 864 753	2 053 839	1 983 495	1 833 635	-11%	-8%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i>						

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Description	Budget	Adjust. Budget	Actual	Variance Budget	Variance Adjust. Budget
	R'000			%	
Neighbourhood Development Partnership Grant	71 699	58 000	51 582	30%	89%
DSAC	-	-	4 207	-	-
Other (specify)					
Integrated National Electrification Programme	29 997	29 997	28 952	-3%	-3%
Department of Water Affairs	17 000	28 450	25 407	149%	-11%
Total	218 696	116 447	110 148	-50%	-5%

There were no major conditions applied by donor.

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (I): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
Description	2017/2018	2018/2019			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2019/2020	2020/2021	2021/2022
	R'000						
Capital expenditure by Asset Class							
Infrastructure – Total	79 314	114 393	93 903	78 099	56 180	33 547	36 266
Infrastructure: Road transport – Total							
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity – Total	14 465	31 661	31 237	30 751	30 998	16 000	15 880
Generation	14 465	31 661	31 237	30 751	30 998	16 000	15 880
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water – Total	64 849	47 932	38 450	34 009	377	17 547	20 386
Dams & Reservoirs					-	10 000	6 156

Capital Expenditure - New Assets Programme*							
Description	2017/2018	2018/2019			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2019/2020	2020/2021	2021/2022
	R'000						
Water purification							
Reticulation	64 849	47 932	38 450	34 009	377	7 547	4 230
Infrastructure: Sanitation – Total		34 801	24 216	13 338	24 806	-	-
Reticulation		34 801	24 216	13 338	24 806	-	-
Sewerage purification				-			
Infrastructure: Other – Total					-	-	-
Waste Management							
Transportation							
Gas							
Other							
Community – Total	958	4 765	2 473	1 856			
Parks & gardens				-			
Sports fields & stadia				-			
Swimming pools							
Community halls							
Libraries							
Recreational facilities							

Capital Expenditure - New Assets Programme*							
Description	2017/2018	2018/2019			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2019/2020	2020/2021	2021/2022
	R'000						
Fire, safety & emergency	958	4 765	2 473	1 856			
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets – Total		–	–	4 207	–	–	–
Buildings							
Other		0	0	4 207			
Investment properties – Total	813				–	–	–
Housing development							
Other	813				2 000	2 000	2 000
Other assets	10 775	16 000	9 800	5 869	14 000	14 000	33 000
General vehicles	6 844	4 000	1 000	-	6 000	6 000	10 000
Specialised vehicles							
Plant & equipment							

Capital Expenditure - New Assets Programme*							
Description	2017/2018	2018/2019			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2019/2020	2020/2021	2021/2022
	R'000						
Computers - hardware/equipment	3 932	4 000	5 000	3 208	5 000	5 000	20 000
Furniture and other office equipment		3 000	1 000	-	3 000	3 000	3 000
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other		5 000	2 800	2 660			
Agricultural assets					-	-	-
List sub-class							
Biological assets					-	-	-
List sub-class							
Intangibles	3 000				-	-	-
Computers - software & programming							
Other (list sub-class)	3 000						
Total Capital Expenditure on new assets	94 860	135 158	106 176	90 030	84 849	49 547	71 266

APPENDIX M (II): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
Description	2017/2018	2018/2019			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2019/2020	2020/2021	2021/2022
	R'000						
Capital expenditure by Asset Class							
Infrastructure – Total	134 848	196 083	118 231	113 778	23 000	51 000	67 000
Infrastructure: Road transport –Total	111 608	164 747	76 709	70 259	-	-	-
Roads, Pavements & Bridges	14 736	13 048	18 709	18 677			
Storm water	96 872	151 699	58 000	51 582			
Infrastructure: Electricity – Total	10 638	22 337	13 597	13 834	8 000	8 000	9 000
Generation	10 638	22 337	13 597	13 834	8 000	8 000	9 000
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water – Total		6 000	6 000	6 137	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation		6 000	6 000	6 137	-	-	-
Infrastructure: Sanitation – Total	12 602	3 000	21 925	23 548	15 000	43 000	58 000
Reticulation	12 602	3 000	21 925	23 548	15 000	43 000	58 000

Capital Expenditure - Upgrade/Renewal Programme*							
Description	2017/2018	2018/2019			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2019/2020	2020/2021	2021/2022
	R'000						
Sewerage purification							
Infrastructure: Other – Total					-	-	-
Waste Management							
Transportation							
Gas							
Other							
Community	8 313	-	4 706	2 642	-	-	-
Parks & gardens							
Sports fields & stadia	3 141	-	3 297	1 421			
Swimming pools	5 389	-	1 409	1 221			
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							

Capital Expenditure - Upgrade/Renewal Programme*							
Description	2017/2018	2018/2019			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2019/2020	2020/2021	2021/2022
	R'000						
Cemeteries							
Social rental housing							
Other	(216)						
Heritage assets					-	-	-
Buildings							
Other							
Capital expenditure by Asset Class							
Investment properties					-	-	-
Housing development							
Other					-	-	-
Other assets	1 096	-	2 000	1 806	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment	1 096						
Abattoirs							
Markets							

Capital Expenditure - Upgrade/Renewal Programme*							
Description	2017/2018	2018/2019			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2019/2020	2020/2021	2021/2022
	R'000						
Civic Land and Buildings		-	2 000	1 806			
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets							
List sub-class							
Biological assets							
List sub-class							
Intangibles	11 340						
Computers - software & programming	11 340						
Other (list sub-class)							
Total Capital Expenditure on renewal of existing assets	155 597	196 083	124 937	118 226	23 000	51 000	67 000
Specialised vehicles					-	-	-
Refuse							
Fire							
Conservancy							

Capital Expenditure - Upgrade/Renewal Programme*							
Description	2017/2018	2018/2019			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2019/2020	2020/2021	2021/2022
	R'000						
Ambulances							
Total	250 457	331 241	231 113	208 256	107 849	100 547	138 266

APPENDIX N: CAPITAL PROGRAMME BY PROJECT 2018/2019

Capital Programme by Project: Year 2018/2019					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)
	R'000			%	
Water					
Ritchie Water Augmentation	10 551	15 494	14 713	-5%	39%
Replacement of water meters	3 000	3 000	3 166	6%	6%
Water Pipe Replacement	3 000	3 000	2 971	-1%	
Lerato Park Water	17 381	16 732	11 995	-28%	-31%
Riverton Pump Station	–	6 224	7 302	17%	
Tlhageng Retention Dam	20 000	–	–	#DIV/0!	-100%
Sanitation/Sewerage					
Gogga pump station	–	19 425	21 287	10%	#DIV/0!
Carter's Glen Pump Station	3 000	2 500	2 261	-10%	-25%
Reconstruction of sink toilets Kutlwanong	14 000	6 525	1 859	-72%	-87%
Lerato Park Sewer20 80117 69111 479-35%-45%Gogga pump station	–	19 425	21 287	10%	#DIV/0!
Electricity					
Upgrade Riverton transformer	4 000	1 000	4 886	389%	22%
Herlear 66KV circuit breaker	3 000	1 000	–	-100%	-100%
Herlear 11KV circuit breaker7 0003 0002 817-6%-60%Carter's Glen and Galeshewe substation	5 337	5 760	4 935	-14%	-8%
Streetlights	7 000	7 000	6 734	-4%	-4%
Electrification of houses	24 661	24 237	24 017	-1%	-3%
Prepaid Meter Replacement Programme	3 000	2 837	1 197	-58%	-60%
Upgrade Riverton transformer	4 000	1 000	4 886	389%	22%
Housing					
Not Capital project					
Refuse removal					

Capital Programme by Project: Year 2018/2019					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)
	R'000			%	
No Capital project					
Roads					
Resealing of Roads	13 048	18 709	18 677	0%	43%
Storm water					
Galeshewe Storm water Projects	151 699	58 000	51 582	-11%	-66%
Economic development					
Planning and surveying plots to be sold	5 000	2 800	2 660	-5%	-47%
Sports, Arts & Culture					
Upgrade Sports DeBeers stadium	–	2 107	1 421	-33%	#DIV/0!
Upgrade Sports Stadium Galeshewe	–	1 191	–	-100%	#DIV/0!
Environment					
No Capital projects					
Health					
No Capital projects					
Safety and Security					
No Capital projects					
ICT					
Replacement Program: It Hardware	4 000	5 000	3 208	-36%	-20%
Parks and Recreation					
No Capital projects					
Corporate Services					
Other					
Fleet Replacement Programme	4 000	1 000	–	-100%	-100%
Capitalisation of Loose Equipment	3 000	1 000	–	-100%	-100%
Satellite Fire station	4 765	2 473	1 856	-25%	-61%
Nelson Mandela Monument	–	–	4 207	#DIV/0!	#DIV/0!
Upgrade Florianville Swimming Pool	–	1 409	1 221	-13%	#DIV/0!

Capital Programme by Project: Year 2018/2019					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)
	R'000			%	
Install new Lift at Civic Centre	–	2 000	1 806	-10%	#DIV/0!
Intangibles	–	–	–	#DIV/0!	#DIV/0!
TOTAL	331 241	231 113	208 256	-10%	-37%

APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD 2018/2019

Capital Project	Ward(s) affected	Works completed (Yes/No)
Water and Sanitation		
Electricity		
Housing (Not on Municipal Budget)		

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools and Clinics				
All schools and clinics are connected to basic municipal services				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				

APPENDIX Q: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Services and Locations	Scale of Backlogs	Impact of Backlogs
Clinics: All clinics are connected to basic municipal services		
Housing (Informal Settlements)		
Water		
Electricity		
Sanitation		
Licensing and Testing Centre: Connected to all services		
Reservoirs: Connected to all services		
Schools (Primary and High): Connected to all services		
Sports Fields: Connected to drinking water and some to grey water		

APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

All Organisations or Persons in receipt of Loans*/Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2018/2019	Total Amount committed over previous and future years
			(Rand)	
SPCA	Stray animal pound	Impounding of stray animals	1,700,000	9,300,000
Donation Keep Kimberley Clean	Educational	Outreach programmes to schools and communities	240,000	1,190,000
Sol Plaatje Educational Trust	Upkeep of Sol Plaatje Museum	Upkeep	120,000	600,000
Diamonds and Dorings	Arts and culture	Annual event	-	10,230,000
Meals on Wheels	Poverty Alleviation	Providing a meal a day to the poor	50,000	250,000
Other	On merit	Based on application	1,830,284	14,824,237
Total			3,940,284	36,394,237
<i>* Loans/Grants - whether in cash or in kind</i>				

ABBREVIATIONS AND ACRONYMS

AARTO	Administrative Adjudication of Road Traffic Offences
AGSA	Auditor-General South Africa
BBBEE	Broad-based Black Economic Empowerment
BNG.....	Breaking New Ground
BTO	Budget and Treasury Office
CBD.....	Central Business District
CBPWP	Community-based Public Works Programme
CFO.....	Chief Financial Officer
CIDB.....	Construction Industry Development Board
CIPC.....	Companies and Intellectual Property Commission
CIPRO	Companies for Intellectual Property Registration Office (now CIPC)
COGHSTA.....	Department of Co-operative Governance, Human Settlement and Traditional Affairs
CPA	Communal Property Association
CRU.....	Community Residential Units Programme
DBCM.....	De Beers Consolidated Mines
DBSA.....	Development Bank of South Africa
DEA	Department of Environmental Affairs
DLTC	Driving Licence Testing Centre
DoRA.....	Division of Revenue Act
DPLG.....	Department of Provincial and Local Government
DTI.....	Department of Trade and Industry
DWA	Department of Water Affairs

ED	Executive Director
EE.....	Energy Efficiency
EEDG	Energy Efficiency and Demand Side Management Grant
EM.....	Executive Mayor
EMT	Executive Management Team
ENaTIS.....	Electronic national administration traffic information system
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
EUL	Economic Useful Life
FABCOS.....	Foundation for African Business and Consumer Services
FLISP	Finance Linked Individual Subsidy Programme
FMPPI	Framework for Managing Programme Performance Information
FPM.....	Fresh Produce Market
FT/PT	Full-time/Part-time
FTE.....	Full-time Equivalent to Jobs
GIS	Geographic Information Systems
GRAP	Generally Recognised Accounting Practices
GURP	Galeshewe Urban Renewal Programme
HAD.....	Housing Development Agency
HDSA	Historically Disadvantaged South African
HRA.....	Human Resource Administration
HRD.....	Human Resource Department
HRM	Human Resource Management Plan
ICT.....	Information and Communication Technology
IDP	Integrated Development Plan

IUDF	Integrated Urban Development Framework
IGR	Inter-governmental relations
INEP	Integrated National Electrification Programme
IP	Implementation Protocol
IRDP	Integrated Residential Development Programme
ISDG	Infrastructure Skills Development Grant
IT	Information Technology
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LGSETA	Local Government Sector Education Training Authority
LGTAS	Local Government Turnaround Strategy
LUMS	Land Use Management Scheme
MBD	Municipal Bid Document
MBRR	Municipal Budget and Reporting Regulations
MFMA	Municipal Finance Management Act
MFP	Multi-Function Printer
MHS	Municipal Health Services
MIG	Municipal Infrastructure Grant
MIIF	Municipal Infrastructure Investment Framework
MIS	Management Information System
MM	Municipal Manager
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MPAC	Municipal Public Accounts Committee

MPRDA.....	Mineral and Petroleum Resources Development Act
MSA.....	Municipal Systems Act
MSIG	Municipal Systems Improvement Grant
MTREF	Medium Term Revenue and Expenditure Framework
NBRBSA.....	National Building Regulations and Building Standards Act (Act No. 103 of 1977)
NDP.....	National Development Plan
NDPG	Neighbourhood Development Partnership Grant
NERSA	National Energy Regulator of South Africa
NRW	Non-revenue water
NT.....	National Treasury
NUSP	National Upgrade Support Programme
O&M	Operations and Maintenance
PDI	Previously Disadvantaged Individual
PDP	Provincial Development Plan
PMS.....	Performance Management System
PPA	Private Partnership Agreement
PPE	Property, Plant and Equipment
PPPF	Preferential Procurement Policy Framework
PRDP	Professional Driving Permit
PV.....	Photovoltaic
R&M	Repairs and Maintenance
RUL	Residual Useful Life
SALBC.....	South African Local Bargaining Council
SALGBC.....	South African Local Government Bargaining Council

SAN.....	Storage Area Network
SANS.....	South African National Standard
SAPS.....	South African Police Services
SCM	Supply Chain Management
SCOA	Standard Charts of Account Plan
SDA	Swiss Agency for Development and Co-operation
SDBIP.....	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SECCU.....	Sustainable Energy and Climate Change Unit
SEDA.....	Small Enterprise Development Agency
SEDP.....	Strategic Economic Development and Planning
SEZ	Special Economic Zones
SG	Surveyor General
SIP.....	Strategic Integrated Project
SLA.....	Service Level Agreement
SMME.....	Small, Medium and Micro Enterprises
SoER	State of Energy Report
SPECCS.....	Sol Plaatje Energy and Climate Change Strategy
SPELUM.....	Spatial Planning, Environment and Land Use Management Committee
SPM.....	Sol Plaatje Municipality
SPU	Sol Plaatje University
ToU.....	Time of Use
UISP	Upgrading Informal Settlements Programme
UNS.....	Urban Network Strategy
URP.....	Urban Renewal Programme

YTD Year-to-date

WESSA..... Wildlife and Environment Society of South Africa