

DRAFT ANNUAL REPORT

2023/24

EXECUTIVE MAYOR'S FOREWORD

EXECUTIVE MAYOR'S FOREWORD



SIGNATURE

EXECUTIVE MAYOR

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SIGNATURE

MUNICIPAL MANAGER

CHAPTER 1: MUNICIPAL OVERVIEW

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 Demographic Information

MUNICIPAL GEOGRAPHICAL INFORMATION

The Sol Plaatje Local Municipality is a Category B Municipality located in the Frances Baard District in the Northern Cape Province. The geographic area of the Municipality is 3 145 km². It is bordered by Dikgatlong in the north, the Pixley ka Seme District in the south and west, and the Free State Province in the east. It is one of the four municipalities that make up the district, accounting for a quarter of its geographical area. It includes the diamond mining City of Kimberley and Ritchie, in the south eastern corner of the area. Kimberley is approximately 110 km east of the confluence of the Vaal and Orange Rivers. The N12 highway, which connects Gauteng to the Western Cape Province, runs through Kimberley.

Sol Plaatje Municipality is named after Solomon Tshekisho Plaatje, who was a South African intellectual, journalist, linguist, politician, translator and writer. Solomon Plaatje was born just outside Boshof, formerly the Orange Free State (now Free State Province).

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.

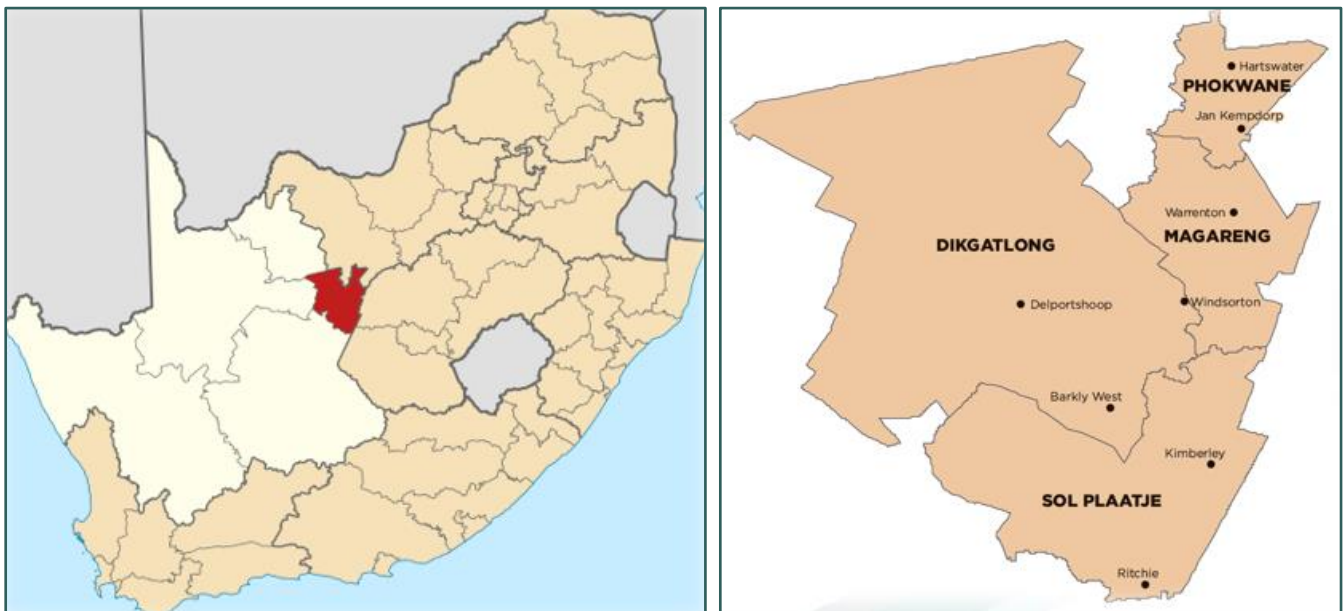


Figure 1: Sol Plaatje Municipal Area

MUNICIPAL WARDS AND NEIGHBOURHOODS

CHAPTER 1: MUNICIPAL OVERVIEW

There are 33 wards within the Sol Plaatje municipal area with several wards overlapping. The table below indicates the various neighbourhoods within the wards:

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
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, Tswelelang
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, Greenside
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

Table 1: Municipal Wards

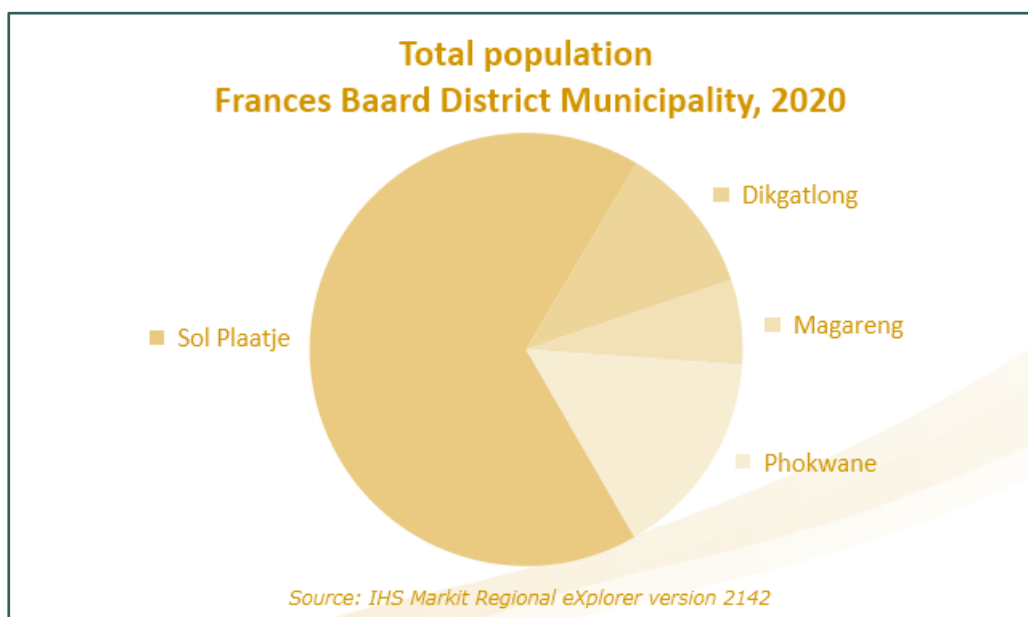
TOTAL POPULATION

CHAPTER 1: MUNICIPAL OVERVIEW

With 299,000 people, the Sol Plaatje Local Municipality housed 0.5% of South Africa's total population in 2020. Between 2010 and 2020 the population growth averaged 2.45% per annum which is close to double than the growth rate of South Africa as a whole (1.59%). The Sol Plaatje Local Municipality accounts for a total population of 299,000, or 66.8% of the total population in the Frances Baard District Municipality, which is the most populous region in the Frances Baard District Municipality for 2020.

Year	Sol Plaatje	Frances Baard	Northern Cape	National Total	% of District Municipality	% of Province	% of National
2010	235 000	359 000	1 120 000	51 100 000	65.5	20.9	0.46
2011	242 000	368 000	1 150 000	52 000 000	65.7	21.0	0.46
2012	248 000	377 000	1 170 000	52 900 000	65.9	21.1	0.47
2013	255 000	386 000	1 200 000	53 700 000	66.1	21.3	0.47
2014	262 000	395 000	1 220 000	54 600 000	66.3	21.4	0.48
2015	268 000	404 000	1 250 000	55 500 000	66.4	21.5	0.48
2016	274 000	412 000	1 270 000	56 400 000	66.5	21.5	0.49
2017	281 000	421 000	1 300 000	57 200 000	66.6	21.6	0.49
2018	287 000	430 000	1 320 000	58 100 000	66.7	21.7	0.49
2019	293 000	439 000	1 340 000	59 000 000	66.8	21.8	0.50
2020	299 000	447 000	1 370 000	59 800 000	66.8	21.9	0.50
% Average Annual growth							
2010- 20	2.45%	2.24%	1.98%	1.59%			

Source: IHS Markit Regional eXplorer version 2142



Graph 1: Total Population - Sol Plaatje and the rest of Frances Baard, 2020

a) Population by Population Group, Gender and Age

CHAPTER 1: MUNICIPAL OVERVIEW

Sol Plaatje Local Municipality's male/female split in population was 94.3 males per 100 females in 2020. The Sol Plaatje Local Municipality appears to be a fairly stable population with the share of female population (51.47%) being very similar to the national average of (51.03%). In total there were 154,000 (51.47%) females and 145,000 (48.53%) males. This is different from the Frances Baard District Municipality as a whole where the female population counted 230,000 which constitutes 51.53% of the total population of 447,000.

In 2020, the Sol Plaatje Local Municipality's population consisted of 65.14% African (195,000), 6.98% White (20,900), 26.99% Coloured (80,700) and 0.89% Asian (2,670) people.

Age	African		White		Coloured		Asian	
	Male	Female	Male	Female	Male	Female	Male	Female
0-04	10 200	10 600	538	588	3 750	3 680	96	120
05-09	9 330	10 100	531	499	3 130	3 320	117	78
10-14	8 940	8 740	480	485	3 100	3 220	34	41
15-19	7 400	7 230	654	484	3 280	3 160	96	89
20-24	7 040	6 360	631	652	3 710	3 690	115	26
25-29	8 860	7 630	729	637	3 700	3 720	53	119
30-34	9 890	9 030	740	772	3 390	3 180	118	95
35-39	8 620	8 900	757	749	3 210	2 970	128	164
40-44	7 020	7 920	751	583	2 690	2 500	53	110
45-49	5 650	6 000	673	659	2 510	2 400	56	163
50-54	5 200	4 420	671	669	2 350	2 070	109	197
55-59	3 910	2 730	824	657	2 050	1 640	49	116
60-64	2 460	1 710	739	652	1 610	1 290	55	57
65-69	1 850	1 190	648	579	1 260	807	38	26
70-74	1 710	1 130	609	458	942	765	51	15
75+	1 990	1 020	1 040	741	954	658	54	33
Total	100 000	94 700	11 000	9 860	41 600	39 100	1 220	1 450

Source: IHS Markit Regional eXplorer version 2142

Table 2: Population by Population Group, Gender and Age - Sol Plaatje Local Municipality, 2020

1.2.2 Socio-Economic Information

HOUSEHOLDS

In 2020, the Sol Plaatje Local Municipality comprised 79,500 households. This equates to an average annual growth rate of 2.80% in the number of households from 2010 to 2020. With an average annual growth rate of 2.45% 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 2010 decreased from approximately 3.9 individuals per household to 3.8 persons per household in 2020.

CHAPTER 1: MUNICIPAL OVERVIEW

Relative to the district municipality, the Sol Plaatje Local Municipality had a higher average annual growth rate of 2.80% from 2010 to 2020. In contrast, the province had an average annual growth rate of 2.28% from 2010. South Africa as a whole had a total of 17 million households, with a growth rate of 1.88%, thus growing at a lower rate than the Sol Plaatje.

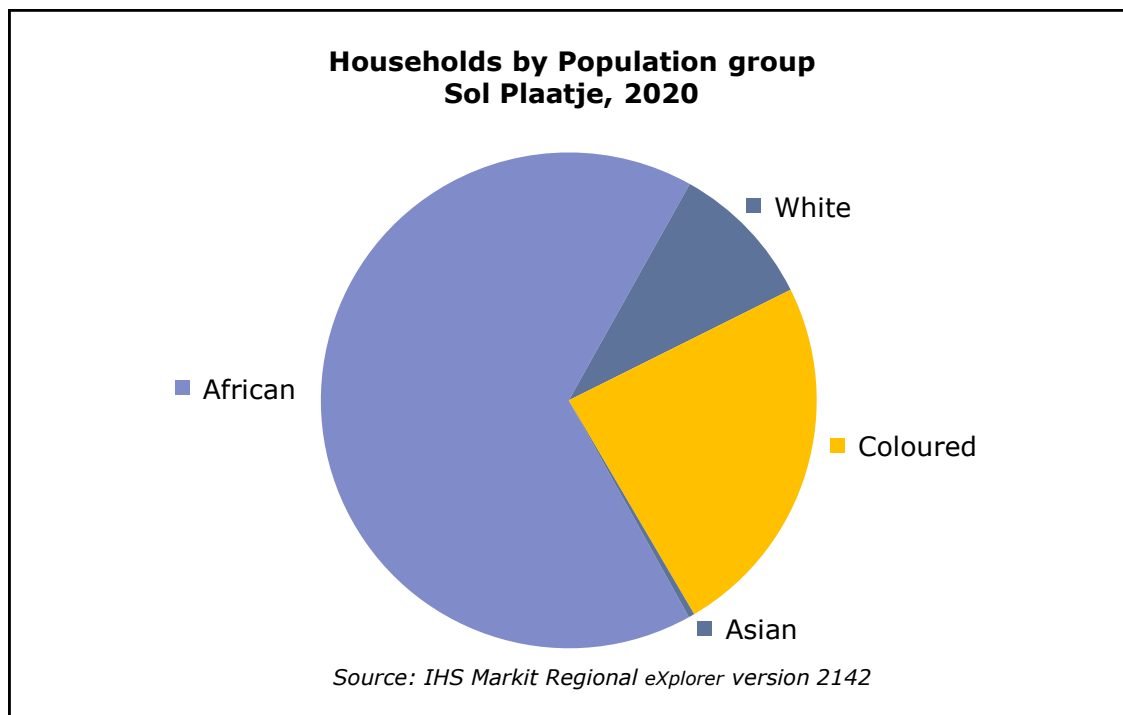
The composition of the households by population group consists of 66.2% which is ascribed to the African population group with the largest number of households by population group. The Coloured population group had a total composition of 23.9% (ranking second). The White population group had a total composition of 9.5% of the total households. The smallest population group by household is the Asian population group with only 0.4% in 2020.

Period	Sol Plaatje	Frances Baard	Northern Cape	National Total	% Of District Municipality	% Of Province	% Of National
	No				%		
2010	60 300	93 400	297 000	14 100 000	64.6	20.3	0.43
2011	62 500	96 500	306 000	14 400 000	64.8	20.4	0.44
2012	64 900	99 700	316 000	14 700 000	65.1	20.6	0.44
2013	67 200	103 000	325 000	15 000 000	65.4	20.7	0.45
2014	69 000	105 000	332 000	15 300 000	65.6	20.8	0.45
2015	70 800	108 000	338 000	15 700 000	65.8	21.0	0.45
2016	73 300	111 000	347 000	16 100 000	66.0	21.1	0.46
2017	76 100	115 000	358 000	16 400 000	66.0	21.3	0.46
2018	77 700	118 000	365 000	16 600 000	66.1	21.3	0.47
2019	78 700	119 000	370 000	16 800 000	66.2	21.3	0.47
2020	79 500	120 000	372 000	17 000 000	66.2	21.4	0.47
Average Annual growth							
2010-2020	2.80%	2.54%	2.28%	1.88%			

Source: IHS Markit Regional eXplorer version 2142

Table 3: Number of Households - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2010-2020

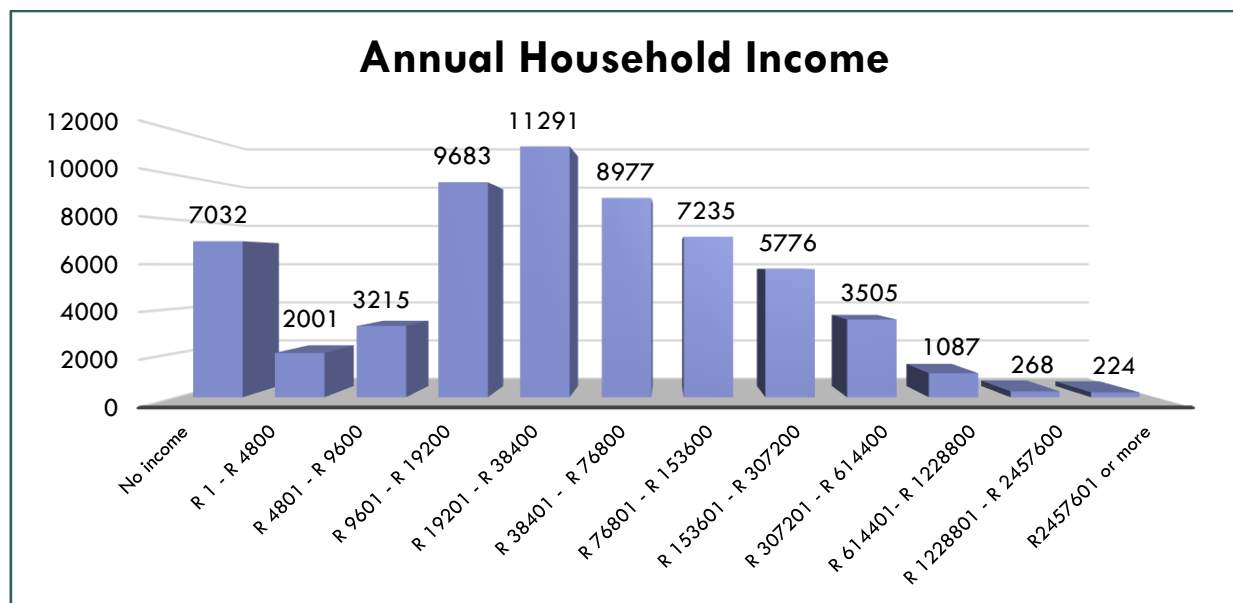
CHAPTER 1: MUNICIPAL OVERVIEW



Graph 2: Number of Households by Population Group - Sol Plaatje Local Municipality, 2020

ANNUAL HOUSEHOLD INCOME

The graph below indicates the annual household income as per Census 2011. The highest proportion of households earned between R19,201 – R38,400 annually.



Graph 3: Annual Household Income, 2011

CHAPTER 1: MUNICIPAL OVERVIEW

UNEMPLOYMENT LEVELS

In 2020, there were a total number of 29,900 people unemployed in Sol Plaatje, which is an increase of 2,580 from 27,400 in 2010. The total number of unemployed people within Sol Plaatje constitutes 67.63% of the total number of unemployed people in the Frances Baard District Municipality. The Sol Plaatje Local Municipality experienced an average annual increase of 0.91% in the number of unemployed people, which is worse than that of the Frances Baard District Municipality which had an average annual increase in unemployment of 0.73%.

Year	Sol Plaatje	Frances Baard	Northern Cape	National Total	% Of District Municipality	% Of Province	% Of National
	No				%		
2010	27 300	41 100	105 000	4 490 000	66.5	26.0	0.61
2011	28 800	43 300	110 000	4 590 000	66.4	26.1	0.63
2012	30 500	46 000	117 000	4 710 000	66.4	26.1	0.65
2013	32 200	48 500	126 000	4 870 000	66.3	25.5	0.66
2014	34 900	52 300	135 000	5 070 000	66.8	25.9	0.69
2015	37 000	54 800	140 000	5 320 000	67.5	26.5	0.70
2016	37 100	54 700	141 000	5 700 000	67.8	26.4	0.65
2017	36 200	53 300	139 000	6 020 000	67.9	26.0	0.60
2018	34 100	50 200	134 000	6 130 000	67.9	25.4	0.56
2019	32 700	48 100	132 000	6 480 000	67.9	24.7	0.50
2020	29 900	44 200	129 000	6 660 000	67.6	23.1	0.45
Average Annual growth							
2010-2020	0.91%	0.73%	2.11%	4.01%			

Source: IHS Markit Regional eExplorer version 2142

Table 4: Unemployment (Official Definition) - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2010-2020

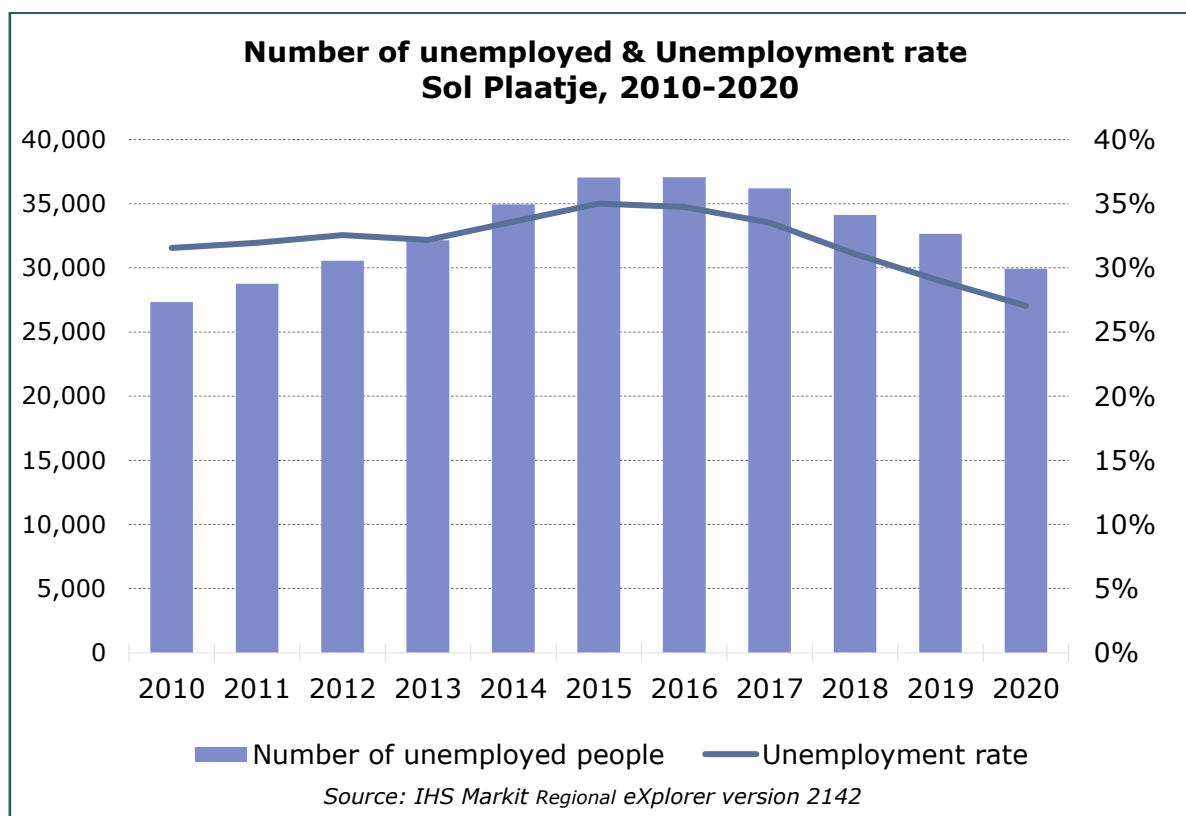
In 2020, the unemployment rate in Sol Plaatje Local Municipality (based on the official definition of unemployment) was 27.05%, which is a decrease of -4.5 percentage points as indicated in the table below. The unemployment rate in Sol Plaatje Local Municipality is lower than that of Frances Baard. Compared to the Northern Cape Province it can be seen that the unemployment rate for Sol Plaatje Local Municipality was lower than that of Northern Cape which was 27.60%. The unemployment rate for South Africa was 29.93% in 2020, which is an increase of -5 percentage points from 24.93% in 2010.

CHAPTER 1: MUNICIPAL OVERVIEW

Year	Sol Plaatje	Frances Baard	Northern Cape	National Total
2010	31.5%	33.4%	27.7%	24.9%
2011	32.0%	34.1%	28.1%	25.1%
2012	32.6%	34.7%	28.4%	25.1%
2013	32.2%	34.5%	29.0%	25.2%
2014	33.6%	35.7%	29.7%	25.2%
2015	35.0%	36.8%	30.1%	25.5%
2016	34.7%	36.4%	30.0%	26.4%
2017	33.5%	35.1%	29.4%	27.2%
2018	31.1%	32.7%	28.1%	27.4%
2019	29.0%	30.5%	27.3%	28.4%
2020	27.0%	28.7%	27.6%	29.9%

Source: IHS Markit Regional eXplorer version 2142

Table 5: Unemployment Rate (Official Definition) - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2010-2020



Graph 4: Unemployment and Unemployment Rate

CHAPTER 1: MUNICIPAL OVERVIEW

EDUCATION LEVELS

The table below indicates the highest level of education: Age 15+. The number of people without any schooling in Sol Plaatje Local Municipality accounts for 42.23% of the number of people without schooling in the district municipality, 12.56% of the province and 0.39% of the national. In 2020, the number of people in Sol Plaatje Local Municipality with a matric only was 65,900 which is a share of 73.77% of the district municipality's total number of people that have obtained a matric. The number of people with a matric and a Postgrad degree constitutes 85.91% of the district municipality, 35.99% of the province and 0.47% of the national.

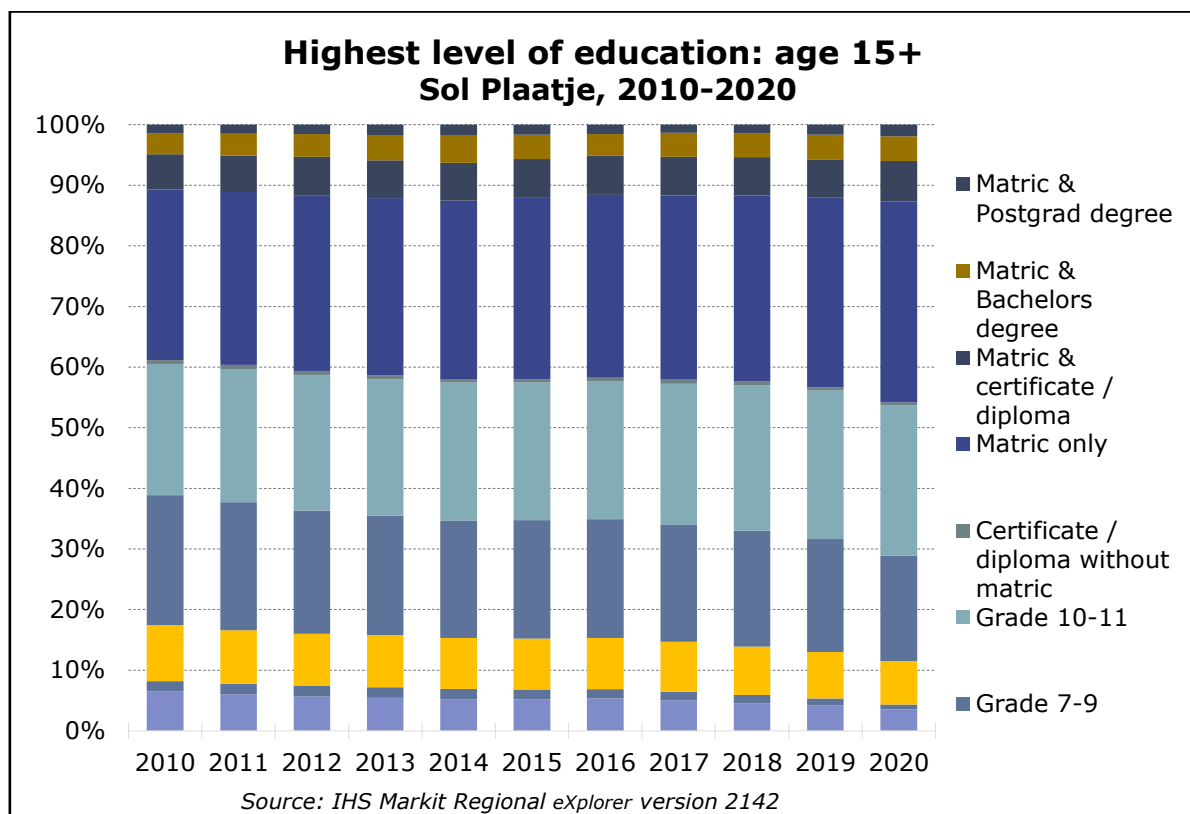
Period	Sol Plaatje	Frances Baard	Northern Cape	National Total	% Of District Municipality	% Of Province	% Of National
	No				%		
No schooling	7 110	16 800	56 600	1 810 000	42.2	12.6	0.39
Grade 0-2	1 580	3 280	11 600	551 000	48.1	13.6	0.29
Grade 3-6	14 200	26 700	93 700	2 900 000	53.1	15.1	0.49
Grade 7-9	34 600	52 400	187 000	6 020 000	66.1	18.5	0.58
Grade 10-11	49 400	70 200	205 000	9 480 000	70.3	24.1	0.52
Certificate/diploma without matric	978	1 200	3 580	197 000	81.5	27.3	0.50
Matric only	65 900	89 300	246 000	12 100 000	73.8	26.8	0.55
Matric certificate/ diploma	13 300	16 100	46 500	2 570 000	82.5	28.6	0.52
Matric bachelor's degree	8 010	9 320	22 200	1 720 000	85.9	36.0	0.47
Matric Postgrad degree	3 890	4 590	9 830	848 000	84.7	39.5	0.46

Source: IHS Markit Regional eXplorer version 2142

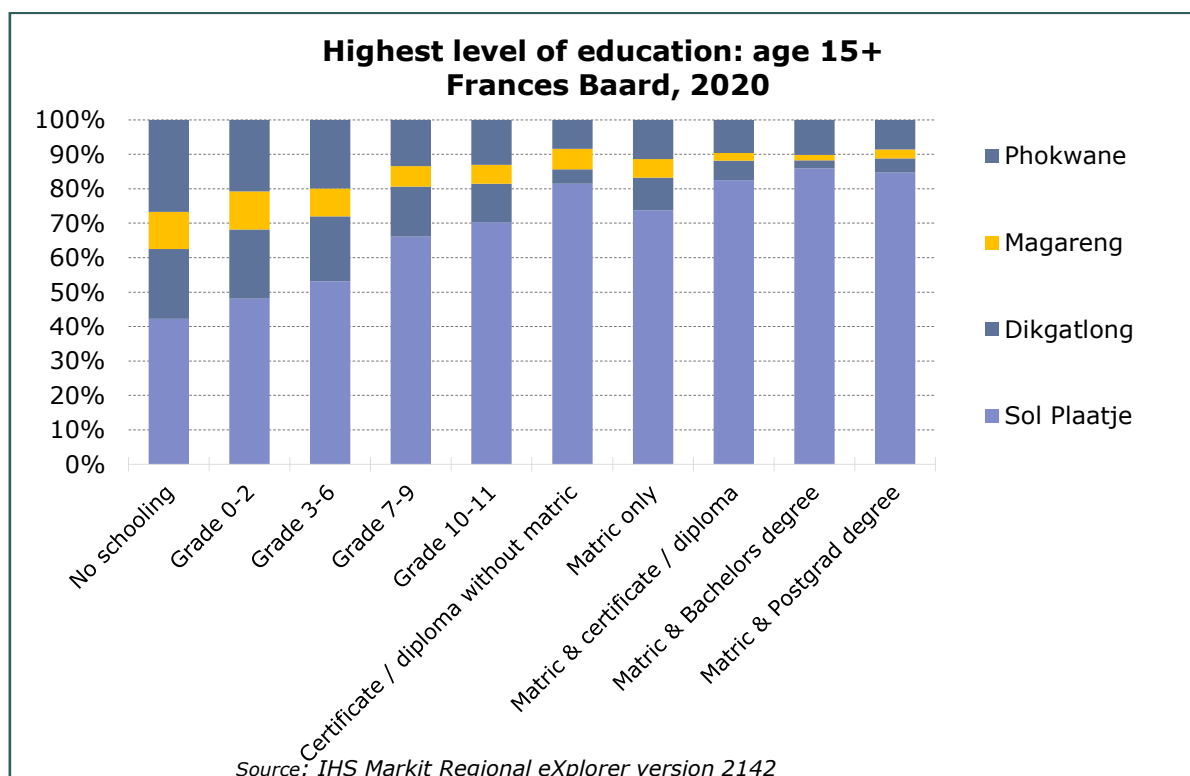
Table 6: Highest Level of Education: Age 15+

Within Sol Plaatje Local Municipality, the number of people without any schooling decreased from 2010 to 2020 with an average annual rate of -3.08%, while the number of people within the 'matric only' category, increased from 42,100 to 65,900. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 4.38%, with the number of people with a 'matric and a Bachelor's degree' increasing with an average annual rate of 4.42%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

CHAPTER 1: MUNICIPAL OVERVIEW



Graph 5: Highest Level of Education: Age 15



Graph 6: Highest Level of Education: Age 15, Sol Plaatje, Dikgatlong, Magareng and Phokwane 2020

CHAPTER 1: MUNICIPAL OVERVIEW

1.2.3 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%).

The Sol Plaatje Local Municipality does not function in isolation from Frances Baard, Northern Cape Province, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

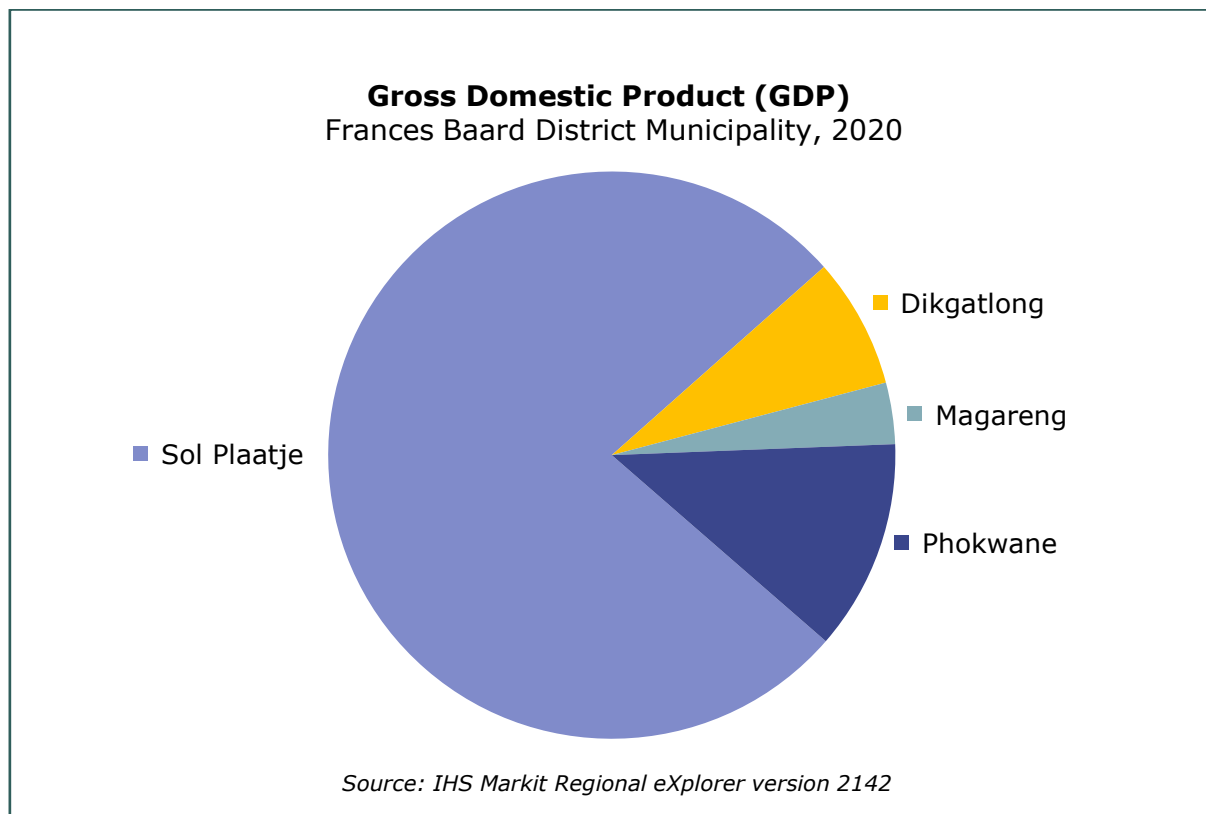
The table below indicates the Gross Domestic Product (GDP) for Sol Plaatje, Frances Baard, Northern Cape and National from 2010 to 2020. The Sol Plaatje Local Municipality contributes 27.63% to the GDP of Northern Cape Province and 0.56% to the GDP of South Africa which had a total GDP of R4.97 trillion in 2020 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2010 when it contributed 0.58% to South Africa, but it is lower than the peak of 0.60% in 2014.

Period	Sol Plaatje	Frances Baard	Northern Cape	National Total	% Of District Municipality	% Of Province	% Of National
	No				%		
2010	15.9	20.7	60.1	2,748.0	76.8	26.5	0.58
2011	17.1	22.2	64.0	3,023.7	77.1	26.7	0.57
2012	18.4	23.8	68.2	3,253.9	77.2	26.9	0.56
2013	19.7	25.5	72.5	3,540.0	77.1	27.1	0.56
2014	23.0	29.8	83.5	3,805.3	77.2	27.5	0.60
2015	24.0	31.0	86.2	4,049.9	77.3	27.8	0.59
2016	25.3	32.7	90.4	4,359.1	77.2	28.0	0.58
2017	26.8	34.7	96.5	4,653.6	77.2	27.8	0.58
2018	28.0	36.2	100.1	4,873.9	77.2	27.9	0.57
2019	28.9	37.4	103.4	5,077.6	77.2	27.9	0.57
2020	27.8	36.1	100.7	4,973.0	77.1	27.6	0.56

Source: IHS Markit Regional eExplorer version 2142

Table 7: Gross Domestic Product (GDP) - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2010-2020

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Graph 7: Gross Domestic Product (GDP) Frances Baard District Municipality, 2020

The Sol Plaatje Local Municipality had a total GDP of R27.8 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 2010. In terms of its share, it was in 2020 (77.1%) slightly larger compared to what it was in 2010 (76.8%). For the period 2010 to 2020, the average annual growth rate of 0.6% of Sol Plaatje was the third relative to its peers in terms of growth in constant 2010 prices.

District	2020 (Current prices)	Share of district municipality	2010 (Constant prices)	2020 (Constant prices)	Average Annual growth
Sol Plaatje	27.83	77.07%	15.94	16.89	0.58%
Dikgatlong	2.68	7.43%	1.73	1.85	0.63%
Magareng	1.26	3.50%	0.73	0.74	0.14%
Phokwane	4.34	12.01%	2.32	2.59	1.12%

Source: IHS Markit Regional eXplorer version 2142

Table 8: Gross Domestic Product (GDP) - Regions within Frances Baard District Municipality, 2010 to 2020, Share and Growth

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1.3 SERVICE DELIVERY OVERVIEW

Sol Plaatje Local Municipality performs the 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 the 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 the Water Services Act. In terms of the Water Services Act, these services must be provided progressively, efficiently, economically, sustainably and affordable to consumers.

Kimberley is an old city that was designed as a mining town that 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 the 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 the 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 the 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 economic provision of services.

The table below indicates the percentage of households that have access to the minimum levels of basic services according to the Census 2011 and 2016:

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

Table 9: Access to Basic Services

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The table below indicates service backlogs per service and provision by the Municipality:

Service	2015/16	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Balance	2023/24
	Service Backlogs Census 2016	Provision	Provision	Provision	Provision	Provision	Provision		Provision
New Erven Planned and Surveyed*	6 427	235	1 844	0	0	512	1 533	3 647	
Erf connected to Water	6 061	0	0	842	0	0		2 114	
Erf connected to Sanitation	5 438	0	0	842	0	0		4 596	
Houses connected to Electricity	6 692	635	1 090	1055	742	1 577	1 344	1 553	1187
Houses provided with Refuse Removal	4 526	0	0	0	0	4 526	0	0	

Table 11: Service Backlogs per Service and Provision

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 the difficulty of:

- Addressing historical backlog regarding adequate access to quality basic services;
- Influx of people which increases demand for basic services in addition to normal growth demand;
- Achieving progressive development of services provided above the basic level of service, whilst trying to address aging infrastructure; and
- 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 households having access to basic services. Connection to Sewerage and Electricity shows improvement in the level of service provided.

1.3.1 Electricity

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

CHAPTER 1: MUNICIPAL OVERVIEW

Description	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 another source which household pays for	600	0.8%
Connected to another 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%

Table 10: Number of Households by Main Type of Energy Source

1.3.2 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. The 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 the main source of water for drinking as per Census 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.

Description	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 the 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 the yard	0.0	0.0%
Watercarrier/tanker	46	0.1%
Flowing water/stream/ river/other	303	0.4%
Total	71 940	100.0%

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Table 11: Water and Sanitation Services

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

Description	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 a 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 the municipality)	3 280	4.6%
Bucket toilet (emptied by household)	1 072	1.5%
None	1 086	1.5%
Total	71 938	100.0%

Table 12: Households by Type of Toilet Facility

1.3.3 Roads And Storm Water

Roads and stormwater management is the responsibility of Sol Plaatje Local Municipality. As such, the municipality strives to improve the provision of these services, and to maintain a high level of service in respect of access to roads and storm water, and their management and maintenance.

Although all residents have access to a road meeting a basic level of service, most streets may have challenges with regard to surface quality and effective stormwater management. This is the reason for the flagship project of upgrading streets to paved roads and resealing of roads.

1.4 FINANCIAL HEALTH OVERVIEW

1.4.1 Financial Overview

The table below shows the financial overview of the municipality for the 2023/24 financial year:

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Details	Original budget	Adjustment Budget	Actual	% Achieved Original budget	% Achieved Adjustment Budget
	(R'000)				
Revenue					
Grants received	392 455	399 219	372 806	95%	93%
Taxes, levies and tariffs	2 000 857	1 978 226	1 797 695	90%	91%
Other	228 235	251 721	329 232	144%	131%
Sub-total	2 621 547	2 629 165	2 499 732	95%	95%
Less Expenditure	(2 465 128)	(2 698 200)	(2 561 276)	104%	95%
Net surplus/(deficit)	156 419	(69 034)	(61 545)	-39%	89%
Note: surplus/(deficit) The surplus at year-end includes an operational deficit of R173,081 million whilst Capital Grants amounts to R108,149 million and Public contributions & donations amounts to R3,387 million					

Table 13: Financial Overview

For the financial year ended 30 June 2023, the total operating revenue was R2 499 732 billion versus an adjusted budget of R2 629 165 billion, resulting in an actual achieved of 95% with a satisfactory variance of minus 5%. Total operational expenditure amounted to R2 561 276 billion versus an adjusted budget of R2 698 200 billion, resulting in an actual of 95%, with a satisfactory variance of minus 5%.

1.4.2 Operating Ratios

The key operating ratios are indicated in the following table:

Detail	2020/21	2021/22	2022/23
Employee costs as a % of total expenditure	33,60%	29,77%	30,71%
Repairs and maintenance as a % of total expenditure	7,66%	10,33%	10,65%
Bulk Purchases as a % of total expenditure	25,02%	26,25%	24,72%
Finance charges as a % of total expenditure	1,69%	4,45%	2,82%
Debtors impairment as a % of total expenditure	15,93%	14,79%	17,70%

Table 14: Operating Ratios

Employee costs as a percentage of total operating expenditure increased from 29.77% (2021/22) to 30.71% (2022/23), it is still within the national norm of 35 to 40 percent. For the 2019/20 financial, in an attempt to reduce overtime expenditure, overtime hours were capped at 30 hours per employee amongst most units within the municipality. This control was not as effective for 2021/22 and 2022/23 financial year which was further impeded by a lack of capacity and the full implementation of the Overtime Policy which makes provision for employees to take hours off, in lieu of overtime remuneration.

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The bulk purchases as a percentage of total operational expenditure, remains relatively constant over the three years and constitutes on average about 25% of the municipality's total operational expenditure.

Finance charges as a percentage of total operational expenditure is within the norm of 6 to 8 percent. The municipality managed to maintain its obligations in terms of the long-term loan. Currently the municipality is not in a financial position to incur any further long-term loans.

Depicted in the table below is the year-on-year movement in the cash and cash equivalents of the Municipality. Cash and cash equivalents deteriorated by R84,713 million from 2021/22 to 2022/23. There is a significant improvement as cash and cash equivalents increased by R152,116 million from 2020/21 to 2021/22. This is as a result of a portion of the Equitable Share allocation for the prior year that the municipality was saving to build up some kind of reserve. The cost coverage ratio at year-end was just over 2 weeks which seriously threatens the municipality's ability to continue as a going concern in order to remain operational. The current norm is 3 months. This is evident by the fact that the Municipality is struggling to pay major creditors like ESKOM and the Department of Water and Sanitation.

Detail	2020/21	2021/22	2022/23
Cash and cash equivalents	39 009 634	191 125 575	106 412 540
Year-on-year Increase (decrease)	-	152 115 941	(84 713 035)
Cost coverage ratio	0,23	1,15	0,59
Number of days coverage	7 Days	34 Days	18 Days

Table 15: Cash and Cash Equivalents

1.4.3 Total Capital Expenditure

The table below indicates the total capital expenditure for the last two financial years:

Detail	2021/22	2022/23	2023/24
	(R'000)		
Original budget	179 266	190 043	249 473
Adjustment budget	154 666	188 893	216 739
Actual	183 271	125 559	176 438
Percentage Actual vs Original Budget	102%	66%	71%
Percentage Actual vs Adjustment Budget	118%	66%	81%

Table 16: Total Capital Expenditure

During 2023/24, the capital budget was adjusted upwards from R249 473 million to R216 739 million. Spending on capital versus the adjustment budget in 2022/23 resulted in 66% spent which then decreased in 2023/24 as the spending against the adjustment budget was 81%.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

CHAPTER 1: MUNICIPAL OVERVIEW

The municipality invests 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 improving knowledge and skills to ultimately improve service delivery.

The training varied from bursaries, online training, and across the spectrum of fields.

Management and Professionals received focused on the minimum competency training and training specific for their professions. The minimum competencies in June 2024 were as listed in the table below:

Position	Highest Educational Qualification	Work Related Experience	Performance Agreement Signed (where required)	Completed Required Unit standards	Requirement met	Compliant (consider budget)
Accounting Officer	√	√	√	√	4	√
CFO Municipality (Acting)	√	√	√	X	3	X
Senior Manager (\$56) (Acting)	√	√	√	X	3	X
Senior Manager (\$56) (Acting)	√	√	√	√	4	√
Senior Manager (\$56)	√	√	√	X	3	X
Senior Manager (\$56)	√	√	√	X	3	X
Middle Manager: Finance	√	√	√	X	3	X
Middle Manager: Finance (Acting)	√	√	√	X	3	X
Middle Manager: Finance (Acting)	√	√	√	X	3	X
Middle Manager: Finance	√	√	√	X	3	X
Middle Manager: Finance	√	√	√	√	4	√
SCM Head (Acting)	√	√	√	√	4	√
SCM Manager	√	√	√	X	3	X
SCM Manager	X	√	√	√	3	X
SCM Manager	√	√	√	√	4	√

Table 17: Minimum Competencies in June 2024

Councillors were capacitated in various areas related to their portfolios; SALGA training; and funding received by COGHSTA from the LGSETA for the Certificate in Leadership Development and National Diploma in Municipal Finance Management.

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

CHAPTER 1: MUNICIPAL OVERVIEW

Employment Category	Total (Percentage)		
	2021/22	2022/23	2023/24
Legislators	13.2	11.9	4.8
Directors and Corporate Managers	4.3	4.5	5.02
Professionals	4.9	5.6	5.1
Technicians and Trade Workers	9.9	8.9	11.52
Community and Personal Service Workers	4.8	5.8	5.24
Clerical and Administration Workers	16.3	19.1	18.98
Machine Operators and Drivers	2.7	2.6	5.54
Labourers	30.1	27.5	32.05
Sales and Service Workers	13.8	14.1	11.74

Table 18: Training Beneficiaries as a Percentage of the total per Group

The following table provides a breakdown of ABET attendance:

Description	Number
ABET Level 2	0
ABET Level 3	0
ABET Level 4	0

Table 19: ABET Attendance

The following table provides a summary of beneficiaries' trained data:

Description	2020/21	2021/22	2022/23	2023/24
Total number of beneficiaries	413	997	1 323	955
Black beneficiaries as % of total beneficiaries	91.77%	91.7%	96.22%	91%
Total number of woman beneficiaries	142	411	603	414
Women beneficiaries as % of total beneficiaries	34.38%	41.2%	45.6%	43%

Table 20: Beneficiaries Trained

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

Description	2020/21	2021/22	2022/23	2023/24
Total number of beneficiaries	413	997	1 323	955
Beneficiaries as % of the total workforce	20.92%	72.6%	75%	70.53%

Table 21: Total Number of Beneficiaries Receiving Training

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

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Employment Category	Total			
	2020/21	2021/22	2022/23	2023/24
ASDSA Virtual Session	0	1	2	0
5th Annual Local Gov Labour Law Seminar	0	0	2	0
Accredited First Aid	0	0	20	1
Anti-Corruption, Fraud & Ethics Workshop	0	0	1	0
Assessment of Electrical RPL	0	0	10	6
Basic Computer Training	11	0	27	40
Basic Supervision	0	17	10	19
Boilermaker	0	5	7	0
Call Centre Training	0	0	13	0
Cane Handling Training	0	0	1	0
Capacity Building Support for Municipal Cllrs	0	0	48	0
Career Guidance Workshop	0	0	1	0
Code (8/10/14) Driver's License	13	121	217	0
Communication & Aids	0	0	6	0
Confined Space Entry Accredited Training	14	0	24	0
CPD Point Workshop	0	0	1	0
CPMD / MEFMP/ modules	42	29	29	222
Development & Performance Plans Training	0	0	0	103
Digital Security Firewall: Virtual Training	0	0	2	0
Effective Report Writing, Minute Taking and Excel	0	0	21	0
Electrical Power Systems Protection Workshop	0	0	0	1
Elementary Fire Fighting	0	0	21	0
Employee Rights and Obligations	12	8	6	8
Employment Equity Online	0	0	0	1
End-user Computer Training	0	0	41	0
Environmental Practice Training	0	0	0	33
Factory Acceptance Test of E- Houses	0	0	0	1
GAP Skills Training	0	0	0	3

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Employment Category	Total			
	2020/21	2021/22	2022/23	2023/24
GAP Training Online	0	0	0	1
Gender Responsive Procurement Training	0	0	22	0
Getting acquainted with Basic Contract Admin & Quality Control	0	0	0	1
Getting acquainted with Basic Stormwater Design	0	0	0	1
Getting acquainted with Road Construction Maintenance	0	0	0	1
GIS Exam	0	0	1	0
Global Dev in credentialing & a SA Case Study	0	0	1	0
Health and Safety Representative	0	0	13	0
HRD Workshop	0	0	2	0
HV Regulations / HV cable fault finding	1	1	16	41
Hygiene & Cleaning	0	0	0	7
IMESA Conference	0	0	0	6
Induction Training	0	131	456	83
Inspection of Material of Sewer Pump Station	0	0	0	1
Install, use & perform basic rescue from fall arrest systems & implement the fall protection plan	0	0	6	0
ISDG Workshop	0	0	1	7
Job Description Writing Training	0	0	2	0
Knowledge sharing workshop	0	0	0	1
Labour Relations from a Legal Perspective	0	0	17	0
Labour Relations Practice Group 1 & 2	0	0	0	27
Late submission: Explain and perform fall arrest techniques when working at heights	0	0	8	0
Late submission: Install, use and perform basic rescue from fall arrest systems and implement the fall protection plan	0	0	8	0
Leadership Development Programme Session	0	0	0	15

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Employment Category	Total			
	2020/21	2021/22	2022/23	2023/24
Lekoko Consulting Validation Engagement	0	0	0	30
LGSETA Research Webinar	0	0	3	0
Local Labour Forum Training	13	23	16	9
Master of Land & Property Development Management	0	0	0	1
Middle management coaching	0	21	25	7
Mobility Training	0	0	1	0
Module 4: Business Sector & Industry	0	0	6	0
Module 5: Financial Requirements	0	0	6	0
Module 6: Business Operations	0	0	6	0
Motivation	0	0	0	4
Multiple: Specify Techniques, Floorwax & ACO	0	0	0	1
Municipal Staff Regulations	0	1	1	7
National Treasury Online Training	0	0	0	4
National Treasury Workshop	0	0	0	2
NCP Skills Dev Forum	0	0	1	0
NCUTVET College Dip Graduation Ceremony	0	0	1	0
NEMISA Digital Training	0	0	0	7
None Revenue Water Losses	0	0	4	0
Occupational Health & Safety	0	0	7	1
On-the-job Basic Computer Training	0	0	5	0
Operate a Backhoe/Grader	0	0	0	3
Operate a Front-End Loader re-certification	0	1	3	0
Operate a Low Voltage Network	0	0	0	9
Operate an excavator	0	0	2	0
Operate Tractor Mobile Work Platform	10	0	3	0
Overtime Policy	0	0	3	6
Peace Officer	0	15	22	0
Peer Educators Training	0	0	0	8

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Employment Category	Total			
	2020/21	2021/22	2022/23	2023/24
Performance Management	22	22	18	0
Practical Sustainability	0	0	0	1
Professional Client Service Delivery	47	61	8	72
Project Management	4	22	10	0
Protocol & Etiquette	0	14	2	5
PSDF Meeting LGSETA Virtual	0	1	2	19
Re-certificate Operate a Grader	0	0	3	1
Re-certificate Operate a Mobile Elevating Work Platform	0	0	1	0
Retirement Trustee Training	0	0	1	0
Risk Champions Training Workshop	0	0	0	10
Risk Management Training	0	0	24	0
SA - German P2P Learning Network 5th Workshop	0	0	0	2
SACPCMP	0	1	2	0
SALGA Talent Management Virtual Webinar	0	1	3	0
Skills Dev Provider Workshop LGSETA	0	0	0	2
Technical Report Writing	0	0	0	1
Truck Mounted Crane Re-cert	0	3	3	0
Trustee Training LARF	0	1	1	0
Understanding the Concept of Labour Intensive Construction	0	0	0	6
Vision, Mission & Batho Pele	14	13	2	0
Webinar FSCA Contraventions of PFA	0	0	1	0
WIL Induction Session	0	0	49	107
Workplace Communication	13	53	15	0
Total	413	997	1 323	955

Table 22: Number of Employees Trained per Course



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The table includes the Councillor unit standards in the qualifications and the Work integrated learners (18.2).

1.6 AUDITOR-GENERAL REPORT

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements.
- Reliable and credible performance information for predetermined objectives.
- Compliance with all laws and regulations governing financial matters.

There can be 5 different outcomes to an audit, once the municipality has submitted its financial statements to the Auditor-General, which can be simply defined as follows:

- **Unqualified audit without findings:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation. This is commonly referred to as a "clean audit" outcome.
- **Unqualified audit with findings:** The financial statements contain material misstatements. Unless a clean audit outcome is expressed, findings will be raised on either reporting on predetermined objectives or non-compliance with legislation, or both of these aspects.
- **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated.
- **Adverse audit opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.
- **Disclaimer of audit opinion:** Insufficient evidence was provided in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts or represents a substantial portion of the information contained in the financial statements.

1.6.1 Audited Outcomes

The table below indicates the audit outcomes for the past four years:

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Year	2020/21	2021/22	2022/23	2023/24
Status	Qualified	Qualified	Qualified	Qualified

Table 23: Audit Outcomes

1.6.2 Auditor-General Report 2023/24

Audit Findings	119
The basis for qualified opinion	Property, Plant and Equipment
	Service charges
	Trade Receivables from exchange transactions
	Investment Property
	Material Losses - Electricity
The emphasis of matter paragraphs	Restatement of corresponding figures
	Material losses - Water

Table 24: Auditor-General Report

1.7 IDP, BUDGET AND PMS PROCESS

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, and 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 with the KPIs in the strategic plan?	Yes
Do the IDP KPIs align with 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 Twelve Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four-quarter aligned reports submitted within stipulated timeframes?	Yes
* Section 26 Municipal Systems Act 2000	

Table 25: IDP Participation and Alignment

The table below is a summary of key activities that took place throughout the 2023/24 financial year in terms of the IDP, Budget and PMS process:

CHAPTER 1: MUNICIPAL OVERVIEW

No.	Activity	Timeframe
1	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	July 2023
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 feed seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	August 2023
3	Finalise the fourth quarter Report for the previous financial year	July 2023
4	The audit committee considers draft Annual Financial Statements, performance report and draft annual report of municipality and entities (where relevant) (not the draft AR)	August 2023
5	Municipal entities submit draft annual reports for 2020/21, 2021/22 and 2022/23 to MM	May 2024
6	Submit the first draft for years 2020/21, 2021/22 and 2022/23 to Internal Audit and Auditor-General	May 2024 (except for Annual reports to AG)
7	Auditor-General audits Annual Reports (2020/21, 2021/22 and 2022/23) including consolidated Annual Financial Statements and Performance data	Aug – Sep 2023 (except Annual reports)
8	Municipalities receive and start to address the Auditor-General's comments	September to November 2023
9	The mayor tables the unaudited Annual Reports (2020/21, 2021/22 and 2022/23)	June 2024
10	The municipality submits the Annual Reports (2020/21, 2021/22 and 2022/23) including the audited annual financial statements and performance report to Auditor-General	August 2023 (except annual reports)
11	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase	October 2023
12	Mayor tables Annual Performance Report and audited Financial Statements to Council complete with the Auditor-General's Report	January 2024
13	The audited Annual Report is made public, and representation is invited	June 2024
14	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January 2024
15	MPAC Committee assesses Annual Report	June 2024
16	Council adopts Oversight report	June 2024
17	MPAC report is made public	June 2024
18	MPAC report is submitted to relevant provincial councils	August 2024

Table 26: Key Activities Linked to the 2024/25 IDP & Budget Planning Cycle, and 2023/24 PMS Implementation Cycle

CHAPTER 1: MUNICIPAL OVERVIEW

The Municipality develops a process plan for the approval of the annual report. The Annual Report assists the municipal councillors, and officials as well as residents and other stakeholders with information and progress made on service delivery.

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

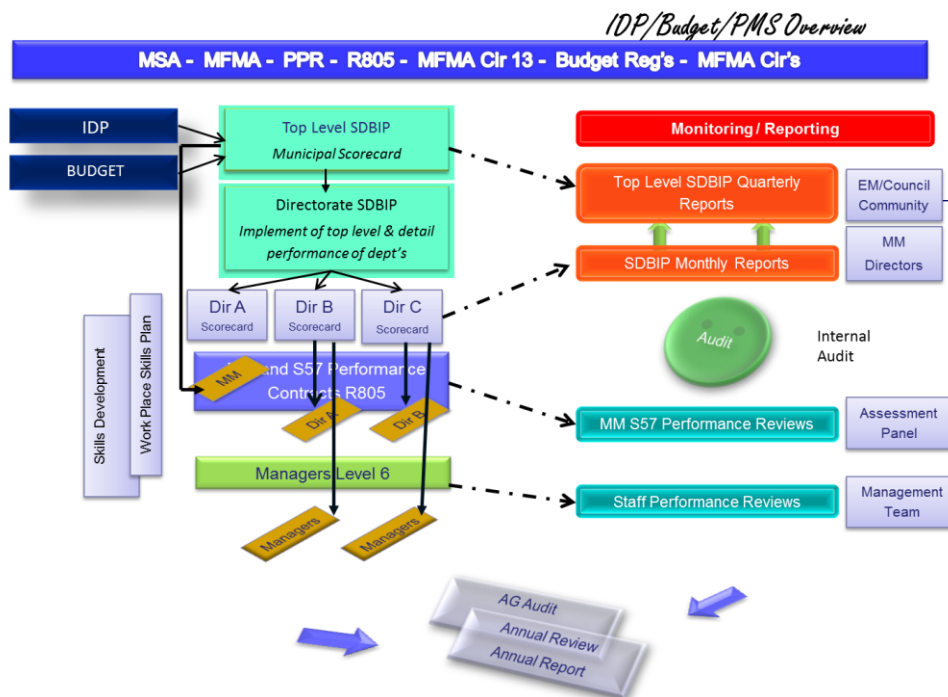
It is vital to align the IDP, Budget and Performance Management systems to ensure the achievement of the Municipality's strategic objectives. The IDP sets out the vision, objectives/goals and development plans of the Municipality. It is presented to the Council who adopts it and undertakes an annual 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.

CHAPTER 1: MUNICIPAL OVERVIEW

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



CHAPTER 2: GOVERNANCE

CHAPTER 2: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

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

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 the 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 is responsible to ensure smooth functioning 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:

In terms of Section 79 of the Municipal Structures Act (Act No. 117 of 1998), Section 62 of the Municipal Systems Act, (Act No. 32 of 2000), and Section 66 of the Municipal Finance Management Act, (Act No. 56 of 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:

In terms of Section 166 of the MFMA, the Audit Committee exists within Council. The Municipal Public Accounts Committee (MPAC) adopts the responsibilities of the Oversight Committee by reviewing the Auditor-General's annual report and, on its own initiative or Council instruction investigates and advise 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.

The table below indicates the committees (other than the Mayoral/Executive Committee) functioning in the municipality and their purposes:

CHAPTER 2: GOVERNANCE

Municipal Committees	Purpose
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
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 the 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 the council. In terms of section 59 of the Municipal Systems Act, council delegated the following powers, functions and duties to the committee:</p> <ul style="list-style-type: none"> ● To co-opt advisory members who are not members of council provided that such members may not vote on any matter; ● To instruct any councillor(s) and request official(s)/or other affected parties to appear before the committee to give evidence; ● To appoint a legal advisor to assist the committee including obtaining internal/external legal opinions; ● 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; and ● In appropriate instances act in terms of section 14(2) and 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 delegated power by a structure or person to whom such power is delegated.
Municipal Public Accounts Committee (MPAC)	The terms of reference of these committees are to review the Auditor-General's Annual Report and when instructed by the 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; Immoveable Property; Environmental and Heritage Authorisations and Development and Appeals.

CHAPTER 2: GOVERNANCE

Municipal Committees	Purpose
Ward Participatory Committee	<ul style="list-style-type: none"> To oversee the establishment and coordination 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 facilitate enabling environment for ward committees to function optimally (training, stipends)
Other Committees	
Audit	<p>A committee of the 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:</p> <ul style="list-style-type: none"> 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; and respond to council on any issues raised by the Auditor-General in the audit report.
Performance Audit Committee	<p>A committee of the 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:</p> <ul style="list-style-type: none"> internal financial control and internal audits; effective governance; the adequacy, reliability and accuracy of financial reporting and information; performance management; performance evaluation; and respond to council on any issues raised by the Auditor-General in the audit report.
Section 57 Appointments Committee	<p>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) form part of the shortlisting and interview panels for MMs and managers reporting to the MM.</p>

Table 27: Municipal Committees and Purposes

2.1 POLITICAL GOVERNANCE STRUCTURE

The Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles and has delegated its executive function to the Executive Mayor and the Mayoral Committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policymakers, councillors are also actively involved in community work and the various social programmes in the municipal area.

Description	Number
Total number of councillors	65
Ward councillors	33
Proportional councillors	32

Table 28: Political Governance Structure

CHAPTER 2: GOVERNANCE

2.1.1 Council

The table below categorises the councillors within their specific political parties and wards for the 2022/23 financial year:

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/Part-time (FT/PT)	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 / Absent
				%	
Sonyoni KJB	FT	<ul style="list-style-type: none"> Executive Mayor OCM MAYCO (Chair) General Appeals: Chairperson Municipal Advisory: Chairperson 	ANC – Ward 8	100	0
Maputle NN	FT	<ul style="list-style-type: none"> Speaker OCM Ward Committee (Chair) 	ANC – Ward 17	100	0
Adams EK	PR	<ul style="list-style-type: none"> OCM Community Services (Chair) MAYCO 	PA	93	7
Aaron MC	FT	<ul style="list-style-type: none"> OCM Inter-Gov Safety & Security Committee 	ANC – Ward 29	93	7
Badenhorst EL	PT	<ul style="list-style-type: none"> OCM Community Services 	DA	77	23
Beylefeld MJ	PT	<ul style="list-style-type: none"> OCM Transport, Road & Stormwater Committee 	DA	93	7
Banda F	FT	<ul style="list-style-type: none"> OCM MPAC (Chair) 	ANC – Ward 32	97	3
Bobape TH	FT	<ul style="list-style-type: none"> OCM Finance Committee SPELUM 	ANC – Ward 4	97	3
Brown JE	FT	<ul style="list-style-type: none"> OCM Corporate Service & Human settlement Safety & Security Committee 	ANC – Ward 2	97	3
Bosman A	PR	<ul style="list-style-type: none"> OCM 	ANC	44	56

CHAPTER 2: GOVERNANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/Part-time (FT/PT)	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 / Absent
				%	
Bosman MS	PR	<ul style="list-style-type: none"> OCM Corporate Service & Human settlement (Chair) MAYCO 	ANC	80	20
Boqo A	PR	<ul style="list-style-type: none"> OCM MAYCO Inter-Gov (Chair) 	ANC	28	76
Diphahe JG	FT	<ul style="list-style-type: none"> OCM Finance Committee Utility Trading Committee Ward Committee 	ANC – Ward 7	97	3
Dioka DI	FT	<ul style="list-style-type: none"> OCM SPELUM Ward Committee 	ANC – Ward 9	87	13
Esau AJ	PT	<ul style="list-style-type: none"> OCM 	SPSDF	90	10
Engelbrecht ST	PT	<ul style="list-style-type: none"> OCM Finance Committee (Chair) Inter-Gov (Chair) MAYCO 	ANC	83	17
Fourie OC	FT	<ul style="list-style-type: none"> OCM Utility Trading Committee 	DA – Ward 25	73	27
Ferris AB	FT	<ul style="list-style-type: none"> OCM 	PA – Ward 28	44	56
Gallant A	FT	<ul style="list-style-type: none"> OCM MPAC Safety & Security Committee 	ANC – Ward 1	97	3
Joseph GH	FT	<ul style="list-style-type: none"> OCM Advanced Economic Dev, Urban Renewal and Tourism Committee 	DA – Ward 14	88	12
Johnson E	PR	<ul style="list-style-type: none"> OCM 	GOOD	93	7
Korkie DD	FT	<ul style="list-style-type: none"> OCM Corporate Service & Human settlement 	ANC – Ward 3	97	3

CHAPTER 2: GOVERNANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/Part-time (FT/PT)	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 / Absent
				%	
Kgadiete KV	FT	<ul style="list-style-type: none"> OCM Human Settlement Transport, Road & Stormwater Committee 	ANC – Ward 11	97	3
Kok R	FT	<ul style="list-style-type: none"> OCM Human Settlement IDP, Budget and Performance Committee 	ANC – Ward 30	97	3
Kock KC	PT	<ul style="list-style-type: none"> OCM Finance Committee IDP, Budget and Performance Committee 	EFF	87	13
Koos LJ	PT	<ul style="list-style-type: none"> OCM Safety & Security Committee 	EFF	97	3
Lekoma IA	FT	<ul style="list-style-type: none"> OCM Advanced Economic Dev, Urban Renewal and Tourism Committee 	ANC – Ward 19	97	3
Lephoi C	FT	<ul style="list-style-type: none"> OCM Community Services Human Settlement Utility Trading Committee 	ANC – Ward 31	93	7
Loff RR	PT	<ul style="list-style-type: none"> OCM 	ACDP	93	7
Loff J	FT	<ul style="list-style-type: none"> OCM 	PA – Ward 1	100	0
Louw PJF	FT	<ul style="list-style-type: none"> OCM MPAC 	DA – Ward 23	63	37
Louw M	PT	<ul style="list-style-type: none"> OCM Corporate Service & Human settlement 	DA	55	45
Landella ST	PT	<ul style="list-style-type: none"> OCM Advanced Economic Dev, Urban Renewal and Tourism Committee Inter-Gov MPAC 	EFF	83	17
Molale KM	FT	<ul style="list-style-type: none"> OCM Community Services IDP, Budget and Performance Committee 	ANC – Ward 10	97	3

CHAPTER 2: GOVERNANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/Part-time (FT/PT)	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 / Absent
				%	
Molatudi MK	FT	<ul style="list-style-type: none"> OCM SPELUM (Chair) 	ANC – Ward 13	97	3
Mofokeng GP	FT	<ul style="list-style-type: none"> OCM MAYCO. Safety and Security Committee (Chair) 	ANC – Ward 18	87	13
Mokwang C	FT	<ul style="list-style-type: none"> OCM Inter-Gov SPELUM 	ANC – Ward 26	83	17
Mouers PM	PT	<ul style="list-style-type: none"> OCM MAYCO Transport, Road & Stormwater Committee (Chair) 	ANC	97	3
Matika ET	PT	<ul style="list-style-type: none"> OCM Advanced Economic Dev, Urban Renewal and Tourism Committee (Chair) MAYCO 	ANC	100	0
Moses BB	FT	<ul style="list-style-type: none"> OCM Ward Committee 	DA – Ward 20	83	17
Mocwana PM	PR	<ul style="list-style-type: none"> OCM Community Services Corporate Service & Human settlement Human Settlement SPELUM Utility Trading Committee 	EFF	76	24
Mesha P	PR	<ul style="list-style-type: none"> OCM 	EFF	77	23
Metsimetsi BS	PR	<ul style="list-style-type: none"> OCM 	SPSDF	80	20
Nolitye MR	FT	<ul style="list-style-type: none"> OCM Human Settlement (Chair) MAYCO 	ANC – Ward 5	97	3
Nkukane TE	FT	<ul style="list-style-type: none"> OCM MPAC 	ANC – Ward 15	80	20
Niemann E	PT	<ul style="list-style-type: none"> OCM Safety & Security Committee 	DA	77	23

CHAPTER 2: GOVERNANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/Part-time (FT/PT)	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 / Absent
				%	
Nathane PE	PT	<ul style="list-style-type: none"> OCM Transport, Road & Stormwater Committee Ward Committee 	EFF	73	27
Pietersen J	FT	<ul style="list-style-type: none"> OCM MAYCO Utility Trading Committee (Chair) 	ANC – Ward 22	93	7
Phiri KC	PT	<ul style="list-style-type: none"> OCM 	DA	47	53
Pieterse LHS	PT	<ul style="list-style-type: none"> OCM IDP, Budget and Performance Committee 	DA	63	37
Pearce C	FT	<ul style="list-style-type: none"> OCM 	DA – Ward 20	39	61
Philander MM	FT	<ul style="list-style-type: none"> OCM 	PA – Ward 21	85	15
Pienaar D	PT	<ul style="list-style-type: none"> OCM 	SPSDF	73	27
Riet NR	FT	<ul style="list-style-type: none"> OCM Inter-Gov Utility Trading Committee 	ANC – Ward 6	90	10
Ruiter I	FT	<ul style="list-style-type: none"> OCM Community Services Advanced Economic Dev, Urban Renewal and Tourism Committee Finance Committee 	ANC – Ward 12	93	7
Rammutle CB	FT	<ul style="list-style-type: none"> OCM Advanced Economic Dev, Urban Renewal and Tourism Committee IDP, Budget and Performance Committee 	ANC – Ward 16	97	3
Reichert F	PT	<ul style="list-style-type: none"> OCM 	VF+	79	21
Smit J	PT	<ul style="list-style-type: none"> OCM 	VF+	63	37
Tawana M	PT	<ul style="list-style-type: none"> OCM 	ANC	88	12
Tau YK	FT	<ul style="list-style-type: none"> OCM Corporate Service & Human settlement Ward Committee 	ANC – Ward 33	97	3

CHAPTER 2: GOVERNANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/Part-time (FT/PT)	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 / Absent
				%	
Van Rooyen WA	PT	<ul style="list-style-type: none"> OCM SPELUM 	DA	63	37
Van Den Berg HJ	PT	<ul style="list-style-type: none"> OCM 	VF+	83	17
Wapad R	PT	<ul style="list-style-type: none"> OCM 	GOOD	93	7
Wagter IB	FT	<ul style="list-style-type: none"> OCM MPAC Transport, Road & Stormwater Committee 	ANC – Ward 27	90	10
Greef JAS	FT	<ul style="list-style-type: none"> OCM 	DA – Ward 21	95	5
White M	FT	<ul style="list-style-type: none"> OCM IDP, Budget and Performance Committee (Chair) MAYCO 	ANC – Ward 28	89	11
Whittaker CP	FT	<ul style="list-style-type: none"> Finance Committee OCM 	DA – Ward 24	92	8

Table 29: Council 2022/23

2.1.2 Disclosure of Financial Interests

This disclosure of interest is to ensure that councillors adhere to the statutory requirements to avoid conflict of interest.

Paragraph 6 of Schedule 7 (Code of Conduct for Councillors) of the Municipal Structures Act [Act 117 of 1998] as amended in term of Act 3 of 2021 on 1 June 2021 determines that a councillor must –

- disclose to the municipal council, or to any committee of which that councillor is a member, any direct or indirect personal or private business interest that the councillor, or any spouse, partner or business associate of that councillor may have in any matter before the council or the committee; and*
- withdraw from the proceedings of the council or committee when that matter is considered by the council or committee unless the council or committee decides that the councillor's direct or indirect interest in the matter is trivial or irrelevant."*

Paragraph 8 of Schedule 7 determines that the following financial interests have to be disclosed by a councillor within 60 days of his/her appointment/election:

CHAPTER 2: GOVERNANCE

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

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

2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

By law the Municipal Manager is the head of administration, as well as the Accounting Officer. The Municipal Manager has extensive statutory and delegated powers and duties, as well as powers and duties that can be inferred from such statutory and delegated powers and duties.

- The Municipal Manager is, amongst others, responsible for:
 - for the formation and development of an economical, effective, efficient and accountable administration;
 - to ensure that the municipal “machine” operates efficiently, that the organisational structure can perform the various tasks and exercise the necessary controls;
 - to fulfil a leadership role in the administration; this is of utmost importance to influence the actions of staff and to inspire and persuade them to work together to realise the municipality’s goals;
 - for the implementation of the municipality’s IDP, and the monitoring of progress with implementation of the plan; and
 - for the financial responsibilities as accounting officer as determined by the MFMA.

The Municipal Manager is the chief adviser of the Municipality and must advise the political structures and political office-bearers of the municipality. The Municipal Manager must see to the execution of the decisions of the political structures and political office-bearers of the Municipality.

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The Municipal Manager must facilitate participation by the local community in the affairs of the Municipality and must also develop and maintain a system whereby community satisfaction with municipal services is assessed.

He is assisted by his Executive Management Team (EMT) as indicated in the table below:

Name of official	Position	Performance agreement signed
		(Yes/No)
Bartholomew Matlala	Municipal Manager	Yes
Nomonde Tyabashe-Kesiamang	Executive Director: Strategy, Economic Development and Planning	Yes
Tebogo Desmond Lang	(Acting) Executive Director: Corporate Services	N/A
Khuza Bogacwi	Executive Director: Community and Social Development Services	Yes
Kenneth Samolapo	(Acting) Chief Financial Officer	N/A
Sabelo Mkhize	(Acting) Executive Director: Infrastructure and Services	N/A

Table 30: Administrative Governance Structure

COMPONENT B: INTER GOVERNMENTAL RELATIONS

2.3 INTER GOVERNMENTAL RELATIONS (IGR)

2.3.1 National Inter Governmental 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 visits 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 the National level, thus giving the municipality an early awareness of new developments in the accounting and reporting framework.

2.3.2 Provincial Inter Governmental Structure



CHAPTER 2: GOVERNANCE

The municipality is a full-time member of the Provincial Inter Governmental 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 delivery by individual municipalities as well as the municipalities on the 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 cooperation 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 co-ordinate IDP related issues within the district. When required provincial sector departments are also invited for their specific input.

Service delivery, in this case by an individual, as well as the municipalities on the 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 cooperation on local government level as well as different spheres of government.

COMPONENT C: PUBLIC ACCOUNTABILITY

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MSA Section 15(b) requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16(i) states that a municipality must develop a system of municipal governance that complements formal representative governance with a system of participatory governance. Section 18(i)(d) requires a municipality to supply its community with information concerning municipal governance, management and development.

Such participation is required in terms of:

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

In line with the requirements of the 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 success 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 the 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

Feedback is given directly to the community members during public meetings. The table below provides detail of the public meetings that took place during the year under review:

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
IDP REVIEW MEETING (CLUSTER)	29 January 2024	Colville Swedish Hall	3	4	69
IDP REVIEW MEETING (CLUSTER)	30 January 2024	City Hall	5	5	34
IDP REVIEW MEETING (CLUSTER)	31 January 2024	Bantu Hall	5	4	133

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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
IDP REVIEW MEETING (CLUSTER)	01 February 2024	Recreation Hall	5	4	95
IDP REVIEW MEETING (CLUSTER)	05 February 2024	Motswedimosa Hall	3	3	75
IDP REVIEW MEETING (CLUSTER)	06 February 2024	Platfontein Open Space	3	4	40
IDP REVIEW MEETING (CLUSTER)	07 February 2024	Housing Support Centre	5	5	207
IDP REVIEW MEETING (CLUSTER)	12 February 2024	Roman Catholic Church	3	4	137
IDP REVIEW MEETING (CLUSTER)	13 February 2024	Pastor Moses Church	4	3	164
IDP REVIEW MEETING (CLUSTER)	14 February 2024	Jacksonville Church	2	2	126
IDP REVIEW MEETING (CLUSTER)	15 February 2024	Mandela Precinct	7	4	59
IDP REVIEW MEETING (CLUSTER)	19 February 2024	Odion Hall	3	4	110
IDP REVIEW MEETING (CLUSTER)	20 February 2024	Vuyolwethu High School	5	4	160
IDP REVIEW MEETING (CLUSTER)	21 February 2024	Beaconsfield / Gardener Williams	4	3	28
IDP REVIEW MEETING (CLUSTER)	22 February 2024	Platfontein High School	2	3	52
IDP REVIEW MEETING (CLUSTER)	27 February 2024	City Hall	3	3	50

Table 31: Public Meetings

2.4.1 Ward Committees

The purpose of a ward committee is:

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

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and acts as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific

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submissions directly to Council. These committees play a very important role in the development and annual revision of the IDP of the area.

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

The table below indicates the ward committee members and the capacity they are representing.

Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
1	Johan Loff	Tania Ngano Wilders Kaunda Venecia Mangambu Motheo Kanye Linda Links Stephen Katz Venesie Nel Jesmine Bezuidenhout Aria Oliphant Festus Jana	Yes	11	7	4
2	Emmanuel Brown	Andrew S Lenyora Sophia Buffel Chaselee-Ann Links Lionell Pieterse Rose Mpoane Kock Clive Steenkamp Margaret T Lang Crystal James Wilnah Rasau Lionel Pieterse	Yes	3	2	2
3	Derrik Korkie	Kevin Andrews Marlon Africa Thabo Seekoei	Yes	4	1	3

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Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
		Priscilla Mcgluwa David Marks Elna D Magalty Phomolo Empokile Gloria Van Der Merve Joyce Frans Reginald Geweer				
4	Tebogo Bopape	Seitisho Kammies Nomvuyo Frans Jane Riet Boitumelo Sago Lindiwe Moroka Pelonomi Namakando Tlhonohatse Riet Jabulani Mbambo Dipuo Marwane Thembisa Sonti	Yes	3	2	2
5	Mcedisi R Nolitye	Mosekimang Dikgetsi Prudence Leburu Kagisho Loabile Hilda Longane Tshepo Pheneyo Thabo Seekoei Philadelphia Donolo Nene Mochai Benedict Kulumalo Mbulelo Banga	Yes	4	3	7
6	Rosemary Riet	Nomvula Sekonyela Bonolo Nkukane Ayanda Morumolwane Sana Modise	Yes	7	4	7

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Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
		Keitumetsi Oliphant Nomvuyo Mzilile Nthombi Thahane Nomathamsanqa Mshudulu Atlegang Mabilo Sanah Hoff				
7	Diphahe JG	Clifford Longane Margaret Khunou Anthony Moncho Patricia Jantjies Gololang Tanke Charlotte Tlhagaeng Nthabise Khiba Kgositsile Marumo Rebecca Makhurumeza Nono Sehume	Yes	20	9	5
8	Kagisho Sonyoni	Nonhlanhla Siyeni Veronica Duiker Nombulelo Maqubu Tebogo Moepeng Precious Ngalo Beresford Phepheng Nthabizandile Modise Elizabeth Malagabi Obrey Swartz Walter Vykens	Yes	5	4	4
9	Dioka	Katlego Macomo Jason Itaoleng	Yes	20	5	4

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Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
		Lesego Thebe Lopang Mokgoro Seloane Mokeng Elizabeth Ramaru Mzuthulani Ndlovu Mamohau Mokgosi Bonolo Selote Austin Itaoleng				
10	Keitumetsi Molale	Edwin Williams Elsabe Mokhachwe Dibueng Mabeka Samson Gumbu John Mpete Sibongile Segami Kamogelo Moshweu Dimakatso Modisane Ronald Mdutle Metsing Seepemere	Yes	5	6	4
11	Khotso Kgadiete	Shiline Senne Veronica Sedukane Collin Makhadu Betty Motaung Rachel Matshoba Refiloe Mathlong Mpho Manege Mildred Balepile Thembisile Gabuza Dorah Nyembezi	Yes	10	11	2
12	Isaac Ruiter	Tshepo Peters Gloria Tlhageng Lizzie Witkoei	Yes	7	8	3

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Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
		Confidence Cidraas Obakeng Sei Mummy Moqhobai Marie Modise Abel Seekoei Daniel Malgas Dorcas .M.Sinombi				
13	Molatudi MK	Jaunita Van Wyk Maureen Mzolo Agnes Mahloko Andries Rankwe Anna Abrahams Tumeletso Khatwane Alfred Mlindini Ronald Ngubane Ruth Johann Maria Mvelase	Yes	3	2	4
14	G.H.Joseph	Dorothy Rowan Neville Mongal Joan .M.Davids Johannes Syzaar Lemone Ramzan Esterlieta Bartlet Samantha Malan Kaylene Longley Latief Kenney Andrew Baraine	Yes	0	3	2
15	Thapelo Nkukane	Nomvulo Matyalane Janet Galeboe Nontlantla .M.Hoye Doreen Goeiemaan Veronica Booysen	Yes	22	7	5

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Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
		Debora Sebogodi Lizzy. D.Magabane Zandisile Thezela Bonolo Boduelo Betty Mmolete				
16	Casper Rammutle	Thato Madikgetla Maria Mogoje Eleki Thembani Johanna Molifi Neo Mojakoe Ben T Serule Gladys Tshobeng Betty Debruin Benjam Manyungwana Neo Tshipinyane	Yes	2	1	2
17	Nomazizi Maputle	Neo Milas Susan Mongale Themba Teisho Maria Mosetla Rosina Mothelesi Bongani Khabeni Nosipho Ngwenya Elizabeth Seritshane Lady Malat Melanie Louw	Yes	22	8	6
18	Gabriel Mofokeng	Lebogang Lephoi Chistopher Swartz Phumelele Ndawonde Masego Thobego Thami Mdutyana Bothoboile Phama	Yes	5	3	2

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Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
		David November Ronny Drury Rashid Letsie Karel Boikanyo				
19	Lekoma IA	Dimakatso Tshipa Letta Abrams Tumelo Jood Patricia Moitsi Jerelda Kwes Robert. O.Neddy Mzwandile Flathele Malebogo Molebatse Shirley Cosa Dimakatso Sethe	Yes	1	4	2
20	Belinda Moses	Bryan Goeieman Kabelo Motshaledi Anna Pharedi Sussana Van Bosch Luthando Botshobana Zaineab Vuyeka Itumeleng .D.Letsholo Segomolo Jack Phillow.O.Beukes Sandra Stassen Jacobus P Jansen	Yes	2	1	1
21	Van Rooyen WA	Veronica Williams Moiria Ferris Emily Rooibaattjie Obrey Mabija Sybil Bailey Kelebogile Vassen Wendell Stevens	Yes	4	4	2

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Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
		Sanna Voster Matshidiso Perkins Lydia Moses				
22	Jan Pietersen	Jason Leshou Jo-Ann January Venessa Sebusang Martha Matewis Dorothy Van Heerded Lareen Pretorius Denzil Mitchel Getrude Appies Elizabeth McCarthy Johnny Leeuw	Yes	11	7	4
23	Johannes Louw	Farrel Moses Bakokele Nqadala Meshack Modise Johannes Aucump Derick Payne Johannes Aucamp Neo Sesenyamotse Roben Gibson Reginald Schikering	Yes	7	5	4
24	Whittaker	Gertruida S van der Merwe Donathan Meyer Johanna Esterhuizen Francina Esterhuizen Wynard Delport GA Bessinger	Yes	2	3	2

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Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
25	Fourie OC	Boitumelo Setsheogelo Glen Maquba Daniel Slamat Neo Sebolai Sandra Parkersen Ronel Jackson Jean-Anne Cwaile Richard Anndrew Vanheerded Daniel Jacobs	Yes	8	7	3
26	C Mokwang	Veronica Van Wyk Mpendulo Taweni Siphiwe Makhaye Elnecia Van Wyk Marie Masimeni Lydia J. Lelwana Nomaindia Malebigo Temptation Komazi Sanny Swats	Yes	2	1	2
27	I Wagter	Susan Vos Olivia Speak Betty Afrika Lorraine Meyers Betty Doyle Lienie Grond Quin N Wild Evelyn Mona Johanes Jafta Samuel Malebogo	Yes	5	4	2
28	Martin White	Kenneth Jurries Dalene Juries Rene Moroco	Yes	8	9	4

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Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
		Tyslan Japhta Denise moss Clarence Joseph Martin Legrange Phillip Guys Nadine Jafta Jean Barends				
29	Malebo Aaron	Christopher Mamapula Maggie Thipe Emanuel Moswete Diana Moloi Mieta Miershop Baranise Van Nel Moeti Mampula Kenneth Kolberg Veronica Alexander Freddie Louw	Yes	6	3	3
30	RM Kock	Brenda Segobaetso Lydia Botlaleboile Bonolo Matiabe Anneline Benjamine Andy Alexander Magawu Goodman Kutlwano Cidraas Anneline Benjamin Albert Mauza Catherine Ramorakgari Deon George	Yes	3	2	3
31	S Lephoi	Beverley Thompson Keitumetse T Gwala	Yes	16	5	4

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Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
		Gloria Peterson Rachel Modise Keitumetse Seroba Emily Motlhanke Sarah Vis Elsa Ngedwa				
32	Banda F	Rena Kashe Soshiena Kuwia Alfred Makaties Tressel Katembo Irene Mokgoro Dineo Ramoane Lerato Fanapi Maphefo Thamaghe Onthatile Moholo Irene Kopeledi	Yes	17	9	5
33	Yvonne Tau	Deborah Libang Kabelo Tsiane Mary Bojosi Thobeka Ncwadi Joy Moipolai Julia Shuping Clement Moenko Tebogo Mocumi Kabelo Tsiane Blessing Sohlezi Modiegi Namate	Yes	5	5	2

Table 32: Ward Committees for 2022-2024

2.4.2 Capital Projects in Wards

The table below indicates the wards:

Wards	Project Name and detail	Start Date	End Date	Total value
				R'000
Water				

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Wards	Project Name and detail	Start Date	End Date	Total value
				R'000
Al	Lerato Park Water	20-Sep-18	To be determined	49 285
All	Replacement of water meters	01-Jul-23	30-Jun-24	0
All	Water Pipes Refurbishment	01-Jul-22	01-Jun-23	8 569
All	WSDP Development	01-July-23	30-Jun-24	337
All	Smartball Leak Detection	01-July-23	30-Jun-24	796
All	Emergency Meter Installations (Phase 1)	01-July-23	1-Feb-27	28,465
All	Emergency Leak Repair On 6 Major Leaks	01-July-23	To be determined	99
All	Mr Leak And Sleak Data System	01-July-23	To be determined	133
All	Pipe Condition Assess And Cathod Protect	01-July-23	To be determined	394
26,27	Ritchie WTW Upgrade And Bulk Pipeline	01-July-23	To be determined	338
All	Smartball Survey Priority Leak Repairs	24-Jan-24	24-April-25	18 972
All	WTW OHS & Security Management	01-July-23	To be determined	1,593
All	Kby Network Leak Detection & Repair Ph 2	01-July-23	To be determined	795
All	Kby Network Leak Detection & Repair Ph 1	01-July-23	To be determined	608
All	Kby Bulk Meters & Pressure Management	01-July-23	23-Apr-25	21 742
All	Water Pipes Refurb Prog Various Wards	01-July-22	To be determined	15 396
All	Power; Abstraction & Pumpstation Repairs	29-Apr-24	15-Apr-25	47,359
All	Newtown Reservoir Emergency Leak Repairs	01-July-23	To be determined	858
All	Old WTP Chlorine & Dosing Works Upgrade	01-July-23	To be determined	4,697
All	New WTP Chlorine & Dosing Works Upgrade	01-Feb-24	15-Jan-25	40,827
All	New WTW Filter Refurbish & Backwash System	01-July-23	To be determined	2,845
Sanitation/Sewerage				
All	Lerato Park Sewer	20-Sep-18	To be determined	49 285
All	Carter's Glen Pump Station	09-Sep-21	To be determined	75 251
Electricity				
All	EEDSM Projects	01-Jul-24	To be determined	5 999

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Wards	Project Name and detail	Start Date	End Date	Total value
				R'000
14,28	Colville Electrification	01-Jul-24	To be determined	1 996
14,28	Ashburnham/Colville Upgrades	01-Jul-24	To be determined	448
25	Ronald's Vlei Switch House No.1	01-Jul-24	To be determined	1 996
1	Electrification Lethabo Park	01-Jul-21	To be determined	11,711
30	Electrification Lerato Park Link Serv Network	23-May-22	To be determined	4,272
All	Capital Spares-Acq-Prepaid Meters	01-Jul-24	To be determined	174
Roads				
All	Resealing Of Roads Fbdm	01-Jul-23	01-Jun-24	6 000
All	P-Cier Rds Roads	01-Jul-23	01-Jun-24	19 491
All	Upgrade Gravel Roads Wards Various	01-Jul-23	01-Jun-24	19 717
Stormwater				
Economic Development				
All	Planning and surveying plots to be sold	01-Jul-23	01-Jun-24	4 367
All	European Union Bear Project	07-Dec-20	To be determined	17 073
All	PHDA Planning and Surveying	01-Jul-23	To be determined	6 946
Sports, Arts & Culture				
Environment				
Health				
Safety and Security				
ICT				
All	Replacement Program: It Hardware	01/07/2023	31/06/2024	1 059
Corporate Services				

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Wards	Project Name and detail	Start Date	End Date	Total value
				R'000
Other				
All	Fleet Replacement Programme	01-Jul-23	01-Jun-24	6 881
All	Replacement Furniture and Office Equipment	01-Jul-23	30-Jun-24	339

Table 33: Capital Projects in Wards

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 many stakeholders involved and the goals by which the institution is governed.

2.5 RISK MANAGEMENT

2.5.1 Executive Summary

This annual report provides an overview of the risk management initiatives undertaken by the sol Plaatje municipality over the past fiscal year. The report highlights the key risks identified, measures implemented to mitigate those risks, training program conducted for risk champions, findings from risk assessments, recommendations for improvement and concludes with a summary of actions taken to enhance the municipality's risk management framework. Risk management activities are reported Quarterly to the risk management and audit committee.

2.5.2 Introduction

In terms of section 62(1)c(1) and 95c (1) of the MFMA (Act 56 of 2003) the accounting officer is required to ensure that the municipality has and maintains effective, efficient and transparent systems of risk management. The main reason for risk management is that service delivery environment and the public sector's interface with stakeholders have become more far more demanding and volatile than before historical ways of doing things are no longer effective by several service delivery and general failures.

The sol Plaatje municipality is committed to effectively managing risks to ensure the smooth and successful operation of its services. this report aims to outline the municipality's approach to identifying, assessing, and addressing risks, as well as the strategies in place to strengthen its risk management.

2.5.3 Procedures in Place

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To enhance risk management within the municipality the following procedures have been implemented:

- Regular risk assessments conducted across directorates to identify potential risks and vulnerabilities;
- Establishment of a risk management committee responsible for overseeing risk mitigation strategies;
- Implementation of risk control measures to minimize the impact of identified risks;
- Implementation of risk control measures to minimize the impact of identified risks;
- Adoption of a risk register to document and monitor risk management activities;
- Communication of risk management policies and procedures to all employees and stakeholders

2.5.4 Risk Assessment

A comprehensive risk assessment was conducted to identify and prioritize risk facing sol Plaatje municipality. The assessment highlighted risks related to financial management, cyber security, natural disasters, and compliance with regulatory requirements.

2.5.5 Training Initiatives

In order to build awareness and capacity in managing risks, the sol Plaatje municipality has implemented the following training initiatives:

Risk management training for risk champions and workshop for risk owners and managers to enhance their understanding of risk management principles;

Scenario based training exercises (physical exercises with risk owner, risk champions and managers) to stimulate potential risk scenarios and test response capabilities.

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.

2.5.6 Top Residual Risks as of 30 June 2024

- Water losses/leaks;
- Inadequate compliance on OHS Legislation and workplace issues;
- Non-compliance on landfill site operations and lack of management at landfill site;
- Municipal debt (Eskom),
- Inability to generate enough revenue;
- Cyber security posture;
- Fire and explosions in substations (aged and poor maintenance of infrastructure);
- Develop, build a skilled and knowledgeable workforce;
- Inadequate response to current and future climate change;
- inadequate security of works and equipment;



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2.5.7 Recommendations

- Enhance communication and collaboration among different directorates to ensure holistic approach to risk management; (risk management topic shall be a standing item on sectional heads meeting);
- Implement robust monitoring and reporting system to track the effectiveness of risk mitigation strategies;
- Progress monitoring shall be monitored on monthly basis by risk owners and risk champions;
- Allocate resources to address high-risk assessments;
- Conduct training/workshop for risk owners and managers;

2.6 FRAUD AND CORRUPTION

2.6.1 Executive Summary

This annual report on fraud and corruption within the municipality PROVIDES A comprehensive overview of the current state of AFFAIRS, HIGHLIGHTING key FINDINGS, AREA of concern and RECOMMENDATIONS FOR improvement and summary actions to be taken to address the challenges faced. The report aims to enhance transparency, ACCOUNTABILITY, and integrity within the organization.

2.6.2 Introduction

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

The institution is committed to upholding the highest standards of ethics and integrity in all its operations .As part of this COMMITMENT, AN in-depth analysis of fraud and corruption risks and prevention STRATEGIES HAS been conducted. this REPORT PROPOSED actions to mitigate these risks effectively.

2.6.3 Types of Fraud that Possible can happen/happened

Misuse of FUNDS: INSTANCES WHERE finds were allocated for specific projects or programs were diverted for personal gain by certain employees as officials;

Theft of money (cahiers section).

Misuse of state vehicle where municipal vehicle used doing privates for employees;

Officials receiving kickbacks from vendors in exchange of awarding the contracts;

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2.6.4 Procedure in Place

The municipality has implemented procedures and controls to PREVENT TO address incidences of fraud and corruption which are:

Regular internal audits of financial transactions and procurement;

Enhanced oversight and monitoring of contracts and vendor management;

Establishment of fraud hotline for employees and RESIDENTS TO report suspicious activities; (IT to review the hotline system);

Cooperation with law enforcement agencies for thorough investigation of any identified fraud;

2.6.5 Risk Assessment

A detailed risk ASSESSMENT WAS conducted to identify the key areas of vulnerability. The assessment highlighted weaknesses in internal CONTROLS;

- A need for enhanced training /awareness on fraud, prevention and detention;
- A need to ENHANCE WHISTLEBLOWER HOTLINE system for residents and employees to report anonymously;
- A private person to handle the hotline number;

Risk ASSESSMENT ENCOURAGES the institution to prioritize its EFFORTS AND resources towards mitigating high-risk AREAS AND enhancing controls in place.

2.6.6 Training Initiatives

To address the findings of the risk ASSESSMENT, the municipality has INITIATED COMPREHENSIVE training programs for employees and management on fraud and prevention and detection:

- To educate employees and stakeholders on the dangers of fraud and CORRUPTION;
- To foster a culture of integrity and ethical behaviour;
- Training programs will increase awareness, promoting compliance, and empowering individuals to report suspicious activities promptly;

2.6.7 Recommendations

Based on risk assessment conducted the following RECOMMENDATIONS HAVE been put forward:

- Implementing a system of rotating responsibilities to reduce the risk of corruption and fraud;
- conducting regular risk assessment to identify vulnerabilities and address them proactively;
- increasing transparency in procurement processes to ensure fair COMPETITION AND prevent bid rigging;

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- strengthening financial controls and SEGREGATION OF duties to PREVENT MISAPPROPRIATION of FUNDS;

2.7 SUPPLY CHAIN MANAGEMENT (SCM)

Supply chain management (SCM) refers to the process of planning, implementing, and controlling the flow of goods, services, and information from suppliers to the local government and ultimately to the community it serves. It involves the coordination of various resources, including people, equipment, materials, and financial assets, to ensure that municipal operations run smoothly, efficiently, and effectively.

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.

The Supply Chain Management Unit (SCM) is a strategic key driver for service delivery and the implementation of projects within the municipality. The SCM is a multi-faceted process with many stakeholders and more moving projects. The procurement of goods and services is mainly done through the SCM. The lack of proper functioning of SCM impacts negatively on the municipality's performance which leads to delays in the appointment of Service Providers and/or Contractors or Consultants. The SCM consist of the bid committee such as *Bid Specification Committee (BSC)*, *Bid Evaluation Committee (BEC)*, and *Bid Adjudication Committee (BAC)* to ensure proper and compliance of the appointment of the contracts/ contractors in line with the MSCR 19.

SCM comprises Demand and Specifications Management, Acquisition Management, Logistics and Disposal Management, and Risk and Performance Management.

SCM requires new financial procurement systems to make the supply chain more efficient however the SCM is current operating manuals which complicates productivity while hindering sustainability and causing supply chain problems. The lack of proper SCM systems and the use of manual systems hamper operational efficiencies and effectiveness in the municipality's service delivery mandate.

In the financial year 2023/2024, the SCM was advertising and evaluating tenders in line with Regulation (PPR) 2022. In January 2023, the municipality started with the implementation of the new PPR 2022. The PPP policy of the municipality was approved by the council. The PPR 2022 emphasis is on specific goals as outlined in the RDP. All the formal written quotation below the value of R30 000 and above are evaluated and advertised with specific goals as well as the tender value above R300 000.

2.8 POLICIES AND BY-LAWS

Section 11 of the MSA gives a Municipal Council the executive and legislative authority to pass and implement by-laws and policies. Section 24 (1) prescribes that the municipal council must at least 30 days before the start of the budget year (1 July of each year) consider the approval of the budget. Accordingly, the attached list of reviewed budget-

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related policies was approved before the start of the budget year for implementation in the 1 July 2023 – 30 June 2024 budget cycle.

Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/revised	Date adopted	Resolution Number
Policy Asset Management	31 May 2023	C47/05/23
Policy Cash Management & Investment	31 May 2023	C47/05/23
Policy Customer Services Credit Control Debt Collection	31 May 2023	C47/05/23
Policy Indigent	31 May 2023	C47/05/23
Policy Internal Audit	31 May 2023	C47/05/23
Policy Property Rates	31 May 2023	C47/05/23
Policy Risk Management	31 May 2023	C47/05/23
Policy Supply Chain Management	31 May 2023	C47/05/23
Preferential Procurement Policy	31 May 2023	C47/05/23
Deviation Procedures Policy	31 May 2023	C47/05/23
Procedure for Variation Orders	31 May 2023	C47/05/23
Tariff Policy on Property Rates	31 May 2023	C47/05/23
Tariff Policy on Electricity	31 May 2023	C47/05/23
Tariff Policy on Water	31 May 2023	C47/05/23
Tariff Policy on Sanitation	31 May 2023	C47/05/23
Tariff Policy on Refuse Removal/Solid Waste	31 May 2023	C47/05/23
Policy Debt Write-off	31 May 2023	C47/05/23
Policy Regarding Audit Committees	31 May 2023	C47/05/23
Disposal of Moveable Assets Policy	31 May 2023	C47/05/23
Policy Borrowing	31 May 2023	C47/05/23
Policy Irregular, fruitless and wasteful expenditure	31 May 2023	C47/05/23
Budget Implementation and Management Policy (Budget policy)	31 May 2023	C47/05/23
Budget and Reserves Policy	31 May 2023	C47/05/23
Policy Short- and Long-term borrowing	31 May 2023	C47/05/23
Financial Management and Revenue Enhancement Strategy policy	31 May 2023	C47/05/23
Policy related to long-term financial planning	31 May 2023	C47/05/23
Consumer Deposit Policy	31 May 2023	C47/05/23
Free Basic Services Policy	31 May 2023	C47/05/23
Sol Plaatje Materiality and Significance Framework	31 May 2023	C47/05/23
Contracts Performance Management Policy	31 May 2023	C47/05/23
SSEG PV Policy	31 May 2023	C47/05/23

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Table 34: Policies

Municipal by-laws are adopted by Council in terms of section 12 of the Local Government: Municipal Systems Act, No. 32 of 2000. In terms of Section 13 thereof, a by-law takes effect when published in the Provincial Gazette, or on a future date as determined in terms of the by-law. In compliance with the Systems Act, prior to the adoption of by-laws, the Municipality follow public participation processes, affording the public the opportunity to submit comments and/or objections to the proposed by-law, which are subsequently considered by Council. There were no by-laws reviewed for the 2023/24 financial year.

2.9 WEBSITE

The Municipality maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Sections 21A and B of the MSA as amended.

The website serves as a mechanism to promote accountability and transparency to communities. It is a key communication mechanism in terms of service offering, information sharing and public participation. A website is a communication tool that allows easy and convenient access to relevant information and is an integral part of the Municipality's Communication Strategy.

The information and documents that were published on our website include the following:

Documents published on the Municipality's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	01 June 2023(Annual Budget) 28 February 2024(Adjustment Budget)
All current budget-related policies	Yes	03 April 2023 05 June 2023
Annual report (2020/21)	Yes	12 August 2024
Annual report 2021/22	Yes	12 August 2024
Annual Report 2022/23	Yes	12 August 2024
All current performance agreements required in terms of Section 57(1)(b) of the Municipal Systems Act (2023/24) and resulting scorecards	Yes	11 August 2023 20 September 2023 03 April 2024 15 August 2024
All service delivery agreements	No	
All long-term borrowing contracts	Yes	

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Documents published on the Municipality's Website	Yes / No	Publishing Date
All supply chain management contracts above R200,000 for 2023/24	Yes	Published 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 2023/24	No	
Contracts agreed in 2023/24 to which subsection (1) of Section 33 apply, subject to subsection (3) of that section		
All quarterly reports tabled in the council in terms of Section 52 (d) during 2023/24	Yes	Published day of receipt

Table 35: Municipal Website: Content and Currency of Material

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 compliance with Section 75 of the MFMA

Documents published on the Municipal Website	Date Published
Annual Budget for 2023/24	1 June 2023
Adjustment Budget for 2023/24	16 August 2023
Annual Report 2020/21	12 August 2024
Annual Report 2021/22	12 August 2024
Annual Report 2022/23	12 August 2024
IDP 2023/24	01 June 2023
IDP Review (Planning) 2023/24	07 September 2022
Performance Agreements 2023/24	11 August 2023
Quarterly Reports tabled to Council	Published day of receipt
Mid-Year Assessment Report	25 January 2024
SDBIP 2023/24	29 June 2023
Policies	
Asset Disposal Policy 013 (Revision)	10 June 2023
Cash Management & Investment Policy revised 2013	N/A
Policy on Ward Committees	N/A

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Documents published on the Municipal Website	Date Published
SLA Treasury - Infrastructure Skills Development Grant	N/A
SLA Department of Health	N/A
SLA Nugen	N/A
SLA Department Sports, Arts & Culture	N/A
SLA FBDM and SPLM (Municipal Health Services MHS)	N/A

Table 36: Website Publications

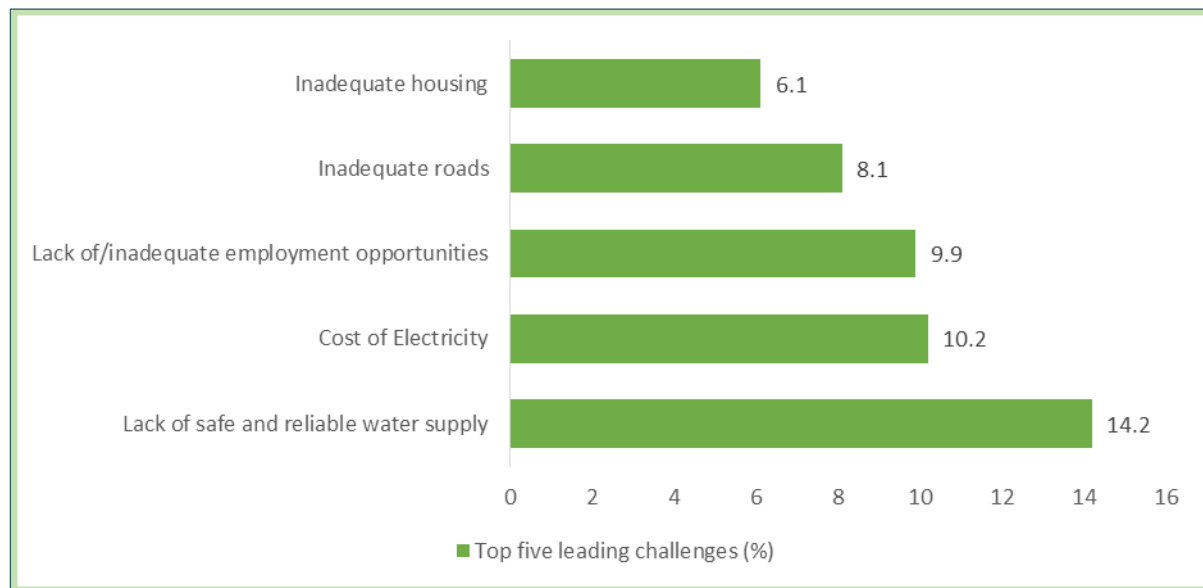
2.10 PUBLIC SATISFACTION WITH MUNICIPAL SERVICES

The Municipality did not conduct a public satisfaction survey on municipal services for the 2023/24 financial year. However, through public meetings held, it can be said that the public is 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 outstanding debt. Comments and posts on social media platforms clearly show that the overall general view is extremely negative. Improving on service delivery and handling of customer complaints or queries will go a long way in addressing this. Required for this to materialize is improved communication amongst different departments, providing timeous feedback and reducing the turnaround time to address calls logged with the Municipality.

2.10.1 Perceptions on Municipal Problems and Services

As per CS 2016, indicated in the following charts 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.

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Graph 8: Five Leading Problems or Challenges Facing Municipalities in the Northern Cape

2.10.2 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 at 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.

2.10.3 Comment on Satisfaction Levels

The municipality has established a fully-fledged Call Centre to log community infrastructure queries and dispatch them to the technical teams on the ground to resolve. Consumers personally visit the municipality for municipal account queries. Queries can also be done telephonically or via e-mail. The municipality is also in the process of making an application (app) available to log queries and service delivery interruptions.

During the 2023/24 financial year 39 088 calls were officially logged with Edams (Call Log System). Indicated in the following table are all the services affected. It should be noted that Stores Call-out (fuel, material, tyre bay, mechanical workshop, fitter, and turner) are internally reported calls amongst the different departments during working hours. After-hours callouts for the Stores distributed by the Call Centre.

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Service	No of calls	Weighting per Service
Community & Social Development	6	0.01%
Properties and Structures	16	0.04%
Electricity Distribution	11791	30.16%
Metering & testing (traffic lights & geysers)	388	0.99%
Potable water	8548	21.86%
Prepaid metering	4368	11.17%
Roads & potholes	262	0.67%
Stores Call-out (fuel, material, tyre bay, mechanical workshop, fitter and turner)	1372	3.51%
Storm water	28	0.07%
Wastewater	12302	31.47%
Grand Total	39088	100%

Table 37: Calls Logged per Service

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 30.92 and 25.53 percent respectively.

Complaint issue	No of calls	Weighting per Complaint issue
Blocked Sewer	9936	30.92%
No Electricity	8527	25.53%
Prepaid Meter Problem	3481	10.82%
Blocked Manhole	1843	5.73%
Burst Pipe	1344	4.18%
Meter is leaking	2253	7.01%
Leaking Pipe	990	3.08%
Streetlight Not Working	976	3.03%
No Water	1140	3.54%
Broken Pipe	443	1.37%
Damaged Water Service	541	1.68%
Suspected Tampering	660	2.05%
Grand Total	32134	100%

Table 38: Calls Logged per Issue

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

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Complaint issue	No of calls	Weighting per Complaint issue
Prepaid metering	4368	11.80%
Potable water	8548	23.09%
Electricity distribution	11791	31.85%
Waste water	12302	33.24%
Grand Total	37009	100%

Table 39: Top Four Service Category Calls

Indicated in the following table 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 statuses 1, 2, 3 and 6 and does not have status 4 and 5. It is concerning that the majority of calls resorts under Task Outstanding with a weighting of 48.19%, whilst Tasks Completed has a weighting of 44.45%.

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 2021 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
The task not given out yet.	786	1.03%
Task outstanding	12743	48.19%
Task identified but outstanding	2324	6.31%
Task completed	23235	44.45%
Grand Total	39088	100%

Table 40: Status of Calls per Task

Indicated in the following table is the number of calls per status per month. The average number of calls per month was approximately 3 257 calls. The highest call volumes were experienced in July 2023 and April 2024 with a total of 3 681 and 3 879 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.

Month	The task not given out yet.	Task outstanding	Task identified but outstanding	Task completed	Total
Jul-23	55	1577	117	1932	3681

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Month	The task not given out yet.	Task outstanding	Task identified but outstanding	Task completed	Total
Aug-23	16	1667	159	1545	3387
Sep-23	63	1339	118	1786	3306
Oct-23	40	1472	157	1339	3008
Nov-23	72	934	178	1916	3100
Dec-23	68	692	177	1948	2885
Jan-24	51	1047	123	2146	3367
Feb-24	82	865	192	1508	2647
Mar-24	41	602	250	2263	3156
Apr-24	163	779	259	2678	3879
May-24	56	863	311	2046	3276
Jun-24	79	906	283	2128	3396
Grand Total	786	12743	2324	23235	39088

Table 41: Call Status per Month

Indicated in the following table is the task status for each service. Electricity distribution, prepaid metering and waste water show the highest totals of tasks being completed. And as 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	The task not given out yet	Task outstanding	Task identified but outstanding	Task completed	Total
Community & Social Development	0	2	0	4	6
Properties and Structures	1	5	1	9	16
Electricity Distribution	244	1448	462	9637	11791
Metering & Testing (Traffic Lights & Geysers)	21	184	39	144	388
Potable Water	131	4418	858	3141	8548
Prepaid Metering	36	787	826	3019	4368
Roads & Potholes	6	159	43	54	262
Stores, Mechanical Workshop, Fitter, and Turner	0	1	5	1366	1372
stormwater	3	23	1	1	28
Waste Water	344	5711	388	5859	12302
Grand Total	786	12743	2324	23235	39088

Table 42: Task Status

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CHAPTER 3: SERVICE DELIVERY PERFORMANCE

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2022/23 in terms of the deliverables achieved compared to the key performance objectives and indicators in the Integrated Development Plan (IDP).

3.1 MUNICIPAL FUNCTIONS

ANALYSIS OF FUNCTIONS

The municipal functional areas are as indicated below:

Municipal function	Municipal function: Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Childcare 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 are limited to potable water supply systems and domestic waste water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes

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Municipal function	Municipal function: Yes / No
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
Street lighting	Yes
Traffic and parking	Yes

Table 43: Municipal Functions

COMPONENT A: BASIC SERVICES

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

To achieve the 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 municipal services. The Infrastructure

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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.

3.3.2 WATER PROVISION

3.2.1 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 means that the municipality is 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 of the 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 the Department of Water and Sanitation. Thereafter it will be administered through municipal processes for approval by Council.

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

At face value the unaccountable water losses are almost double that of 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

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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 as non-revenue water is concerned.

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

Completed projects:

- Lerato Park Bulk Water Link services
- Construction of 320 toilet top structures

Multi-year projects:

- Lerato Park bulk linking sewer services (95% complete).
- Sewer Outfall Main from Gogga and Galeshewe to Homevale WWTW (practical completion).
- Carters Ridge Sewer Outfall Project – Construction Phase
- Lerato Park – Mechanical and Electrical Project – Construction Phase
- Elevated water tanks distribution – Construction phase

3.2.2 Comment on Water use by Sector

Household and per capita water usage is the highest in this category, followed by industrial water use. There is no significant consumption for the agricultural sector and forestry from the municipal water system. These sectors are serviced directly by different agencies of state such as the Department of Water and Sanitation, and Water Users Associations.

Non-revenue water (NRW), which includes technical and commercial water losses, is not decreasing despite the interventions implemented in the past financial year. The municipality has acknowledged that calculation of NRW is not consistent with International Water Association (IWA) and national norms. As such, NRW figure reported includes operational losses (abstraction and purification), not only the system input volume (SIV) as per IWA Water Balance guide-lines. The establishment of a special committee that monitors the performance of all activities and projects aimed at improving NRW shows significant progress, on programs related to NRW.

Total Use of Water by Sector (cubic meters)						
Period	System Input Volume	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2020/2021	36,923,530	-	-	4,670,884	9,474,668	22,777,978
2021/2022	35,220,273	-	-	3,719,280	8,737,433	22,763,560

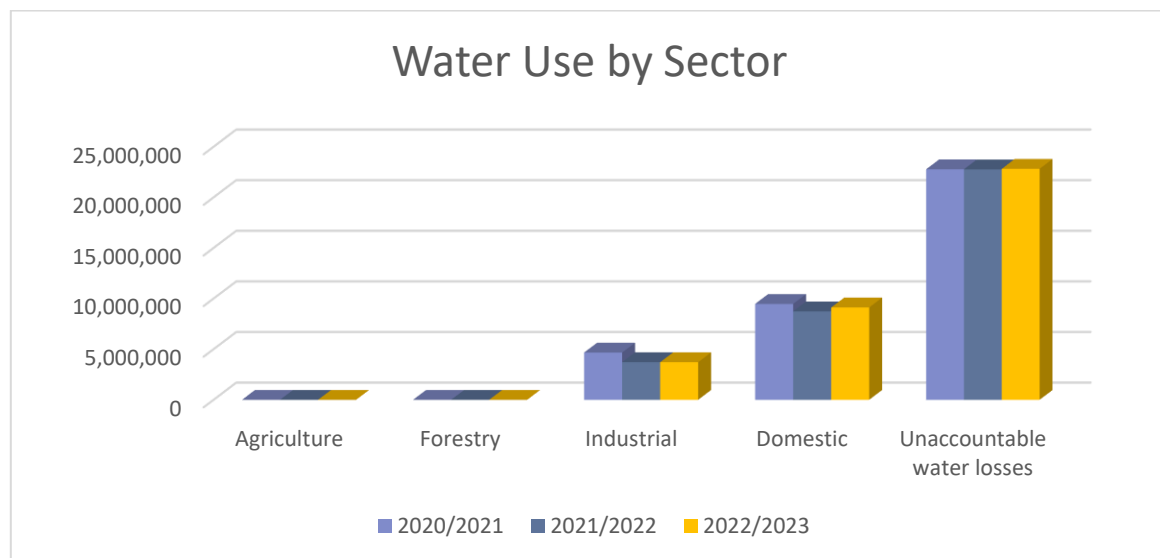
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Total Use of Water by Sector (cubic meters)						
Period	System Input Volume	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2022/2023	35,657,743	-	-	3,716,065	9,122,930	22,818,749

Table 44: Total Use of Water by Sector

Total per Customer Group			
Period	Domestic Use %	Industrial Use %	% Unaccounted Water
2020/2021	25.66%	12.65%	61.69%
2021/2022	24.81%	10.56%	64.63%
2022/2023	25.58%	10.42%	63.99%

Table 45: Total per Customer Group



Graph 9: Water Use by Sector

The above figures and charts considered raw water abstracted or purchased as the System Input Volume (SIV), to align with Auditors' approach and principle when auditing NRW. This is, however, contrary to the International Water Association (IWA) best practice in calculating NRW. 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 in water infrastructure such as a 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.

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The municipality is also struggling to improve response times when attending water reticulation leakages due to a 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 the pipe replacement program will start in the 2023/24 financial year.

3.2.3 Water Service Delivery Levels

Below is a table that specifies the different water service delivery levels per household for the financial years 2022/23 to 2023/24.

Description	2022/23	2023/24
	Actual	
	Household	
Water: (above minimum level)		
Piped water inside dwelling	48 711	
Piped water inside yard (but not in dwelling)	20 391	
Using public tap (within 200m from dwelling)	2 070	
Other water supply (within 200m)	1 240	
Minimum service level and above sub-total	72 412	
Minimum service level and above percentage	99.73%	
Water: (below minimum level)		
Using a public tap (more than 200m from dwelling)	0	
Other water supply (more than 200m from the dwelling)	0	
No water supply	197	
Below minimum service level sub-total	197	
Below minimum service level percentage	0.27%	
Total number of households	72 609	

Table 46: Water Service Delivery Levels

3.2.3 Water Service Delivery Levels Below the Minimum

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Description	Households	
	2022/23	2023/24
	Actual	
Formal Settlements		
Total households	72 291	
Households below minimum service level	197	
Proportion of households below minimum service level	0.27%	
Informal Settlements		
Total households	7 334	
Households below the minimum service level	197	
Proportion of households below the minimum service level	0.27%	

Table 49: Water Service Delivery Levels Below the Minimum

3.2.4 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 is not proceeding. The Municipality is providing access in terms of water stand pipes as well as jojo tanks for potable water. These households put a lot of pressure on the municipality because the majority of these community members are perceived to be indigent although the majority have not officially declared that status. All formalized areas are in the process of water reticulation services being installed by CoGTA implemented project that include Lethabo and Lerato Park areas.

3.2.5 Water Service Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	Limit unaccounted for water (Non-Revenue Water) to less than 40% annually {(Number of Kilolitres Water Purified - Number of kilolitres Water Sold) / Number of kilolitres Water Purified x 100}	50%	63,99%	40%	66%	40%
Improved Service Delivery	99% water quality level achieved as per SANS 241 annually	98%	86.30%	99%	89,98%	99%

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Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	% Progress on the construction of the foundations for 2 elevated water tanks by 30 June 2024 as per the project plan	100,00%	50,00%	Not a target		Not a target
Improved Service Delivery	% Completion of the Homevale Fire Station by 30 June 2024	100,00%	97,00%	Not a target		100,00%
Improved Service Delivery	Review of the WSDP	Not a target		1	0	Not a target
Improved Service Delivery	% progress on the completion of the technical assessment of the bulk water supply pipeline	Not a target		100,00%	100,00%	Not a target
Improved Service Delivery	% Progress on the refurbishment of the filters and backwash system for the new Waste Water Treatment Works (WWTW) , Phase 1	Not a target		100,00%	20,00%	100,00%
Improved Service Delivery	% progress on the repair of emergency leakages at the Newton reservoir	Not a target		100,00%	20,00%	100,00%
Improved Service Delivery	% Progress on the completion of the emergency water meter installation and procurement of a water quality monitoring hardware	Not a target		100,00%	62,50%	100,00%
Improved Service Delivery	% Progress on the completion of the Emergency Bulk leak repairs and Corrosion Protection	Not a target		100,00%	0,0%	100,00%
Improved Service Delivery	% progress on the upgrade of the power supply and refurbishment of the abstraction pump station (Old and New Plant - Riverton) Ph 1	Not a target		100,00%	53,00%	100,00%
Improved Service Delivery	% Completion on the design work for Ph 1 of the Kimberley network leak detection and repair	Not a target		30,00%	20,00%	100,00%
Improved Service Delivery	% replacement of internal water pipes in Main Rd, Reservoir Rd, Dalham Rd, Carrington Rd, Central Rd and Broadway	Not a target		100,00%	52,50%	Not a target
Improved Service Delivery	Upgrade water infrastructure (replace 2 000 water meters)	Not a target		2 000	0	2 000
Improved Service Delivery	% Progress on the upgrade of the security at the Riverton water treatment works	Not a target		50,00%	20,00%	100,00%
Improved Service Delivery	% Completion on the repairs of Smart ball survey priority leaks	Not a target		100,00%	58,50%	100,00%
Improved Service Delivery	% Development of a data system for the identification and repairs of leakages	Not a target		100,00%	100,00%	100,00%
Improved Service Delivery	% Progress on the installation of bulk water meters and pressure regulating valves	Not a target		50,00%	52,50%	100,00%
Improved Service Delivery	% Progress on the upgrade of the old Water Treatment Plant (WTP) chlorine and dosing works	Not a target		50,00%	20,00%	100,00%
Improved Service Delivery	% Progress on the upgrade of the new Water Treatment Plant (WTP) chlorine and dosing works	Not a target		50,00%	50,00%	100,00%

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Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	% Completion on the design work for Ph 2 of the Kimberley network leak detection and repair	Not a target		30,00%	20,00%	100,00%
Improved Service Delivery	% Completion on the design work for the upgrade of the Ritchie Water Treatment Works (WTW) and Bulk pipeline	Not a target		30,00%	20,00%	100,00%

Table 50: Water Service Objectives included in the IDP

3.2.6 Employees: Water and Sanitation Services

The table below indicates the number of employees for water services:

Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	0	1	100.0%
Other Managers	4	14	1	13	92.9%
Professionals	2	2	2	0	0.0%
Technicians & Trade Workers	18	35	18	17	48.6%
Clerks & Administrative Workers	4	7	4	3	42.9%
Community and Personal Workers	2	15	1	14	93.3%
Service and Sales Workers	0	0	0	0	0.0%
Plant & Machine Operators	24	56	23	33	58.9%
Elementary Occupations	105	196	92	104	53.1%
Total	159	326	141	185	56.7%

Table 51: Employees: Water Services

3.2.7 Financial Performance: Water Services

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	307,957	364,714	373 694	352 402	-6%
Expenditure:					
Employees	51,850	57,673	61 365	59 634	-3%

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Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Repairs and Maintenance	87,709	105,314	130 737	97 227	-26%
Other	111,781	61,614	59 614	56 267	-6%
Total Operational Expenditure	251,340	224,600	251,716	213 128	-15%
Net Operational Expenditure	(56,618)	(140,114)	(121,978)	(139 274)	14%

Table 52: Financial Performance: Water Services

3.2.8 Capital Expenditure: Water Services

The table below indicates the amount that was actually spent on water services projects for the financial year.

Capital projects	2023/24				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Lerato Park Water	–	–	–	#DIV/0!	#DIV/0!
Replacement Of Water Meters	2,000	2,000	–	-1.00	-1.00
Wsdp Development	1,200	337	337	-0.72	0.00
Smartball Leak Detection	5,848	796	796	-0.86	0.00
Emergency Meter Installations (Phase 1)	6,225	14,527	14,194	1.28	-0.02
Emergency Leak Repair On 6 Major Leaks	169	1,893	99	-0.42	-0.95
West Bypass Leak Repairs And Refurbish	293	–	–	-1.00	#DIV/0!
Mr Leak And Sleak Data System	880	451	133	-0.85	-0.71
Pipe Condition Assess And Cathod Protect	1,849	737	394	-0.79	-0.47
Ritchie Wtw Upgrade And Bulk Pipeline	–	391	388	#DIV/0!	-0.01
Project Management	3,230	–	–	-1.00	#Div/0!
Smartball Survey Priority Leak Repairs	12,955	7,217	7,217	-0.44	0.00
Wtw Ohs & Security Management	5,920	1,593	1,593	-0.73	0.00
Kby Network Leak Detection & Repair Ph 2	4,843	890	795	-0.84	-0.11
Ritchie Subzone Smart Meter Install	107	–	–	-1.00	#Div/0!
Riverton To Midstation Bulk Pipeline Rep	3,741	–	–	-1.00	#Div/0!

CHAPTER 3: SERVICE DELIVERY

Capital projects	2023/24				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Eastern Bypass Repair Coating And Refurb	2,820	–	–	-1.00	#Div/0!
West Bypass Replace Of Corroded Section	579	–	–	-1.00	#Div/0!
East Bypass Replace Of Corrode10km Line	5,069	–	–	-1.00	#Div/0!
Kby Network Leak Detection and Repair Ph 1	4,532	938	938	-0.79	0.00
Kby Bulk Meters and Pressure Management	767	3,147	3,076	3.01	-0.02
Water Pipes Refurb Prog Various Wards	19,207	8,000	6,828	-0.64	-0.15
Power; Abstraction and Pumpstation Repairs	9,487	5,702	5,689	-0.40	0.00
Newtown Reservoir Emergency Leak Repairs	4,725	911	858	-0.82	-0.06
Old Wtp Major Refurbish And Build Works	468	–	–	-1.00	#DIV/0!
New Wtw Filter Refurbish and Backwash System	502	–	–	-1.00	#DIV/0!
New Wtp Major Refurbish and Build Works	1,306	–	–	-1.00	#DIV/0!
Old Wtp Chlorine and Dosing Works Upgrade	16,598	4,697	4,697	-0.72	0.00
New Wtp Chlorine and Dosing Works Upgrade	10,628	11,656	11,656	0.10	0.00
New Wtw Filter Refurbish and Backwash System	–	2,857	2,845	#DIV/0!	0.00
Total All	125,947	68,740	62,534	(0)	(0)

Table 53: Capital Expenditure: Water Services

3.2.9 Comment on Water Services Performance Overall

The Sub Directorate Water and Sanitations' key objective is to primarily ensure that bulk, reticulation and supply facilities have the required capacity to meet the current and future demand. The key objective was to ensure that the requirements of bulk have been met. The bulk projects have met the intended objectives, however concurrent reticulation projects have not yet unfolded. Water pipe replacement projects have been implemented through operational budget to ensure sustainable provision of water supply. Lastly, the water teams work full time to attending to burst pipes and leaking meters.

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Even though the objectives have been met, there is still extensive planning that needs to be undertaken to meet the required needs such as implementing the replacement of the bulk pipelines from Riverton to Kimberley. Furthermore, refurbishment is required at Riverton purification plant as well as the refurbishment of the Pump Station at the Newton Reservoir complex.

3.3 SANITATION SERVICES

3.3.1 Introduction to Sanitation Provision

Provision of waste-water services is an ongoing concern and a well renowned challenge for the municipality due to the lack of service provision in informal areas. The ever-increasing demand of waste-water services due to mushrooming of informal human settlements is posing a serious risk and failure to implement sustainable mitigating measure will worsen the situation. Although the Corporate Governance, Human Settlement and Traditional Affairs (CoGHSTA) is the custodian of waste water provision for newly established areas (installation of sanitation reticulation to households), and thus declaring it a non-core function by the municipality, overall performance of sanitation services is affected negatively by this condition. The Municipality is therefore only responsible for the provision of bulk sanitation services to newly formalized informal settlements which is limited to bulk sewer pipelines and pump stations.

Challenges relating to sewer collector system or reticulation and services of informal areas remains a huge challenge with vandalism, theft and misuse of infrastructure remains a challenge and is of the core challenges that must be addressed when improved service delivery standards is targeted. The municipality has effectively started to address sanitation provision to informal areas in the current year. Provision of basic sanitation to informal areas will improve significantly in the years to come because a lot of time and resources to plan for this objective was done in the current year.

3.3.2 Sanitation Service Delivery Levels

The table below specifies the different sanitation service delivery levels per household for the financial years 2021/22 tot 2023/24.

Description	2022/23	2023/24
	Actual	
	Households	
Flush toilet (connected to sewerage)	64 672	
Flush toilet (with septic tank)	1 816	

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Description	2022/23	2023/24
	Actual	
	Households	
Chemical toilet	3 760	
Pit toilet (ventilated)	1 235	
Other toilet provisions (below minimum service level)	293	
Minimum service level and above sub-total	71 776	
Minimum service level and above percentage	99.1%	
Bucket toilet	453	
Other toilet provisions (below minimum service level)	0	
No toilet provisions	361	
Below minimum service level sub-total	814	
Below minimum service level percentage	0,9%	
Total number of households	72 590	

Table 54: Sanitation Service Delivery Levels

The provision of sanitation services by means of buckets/pails is no longer considered as an acceptable level of service by the sector department (DWS). By implementing a chemical toilet system, the municipality has improved access to this service by gradually reducing bucket sanitation services with minimum acceptable forms of sanitation (chemical toilets).

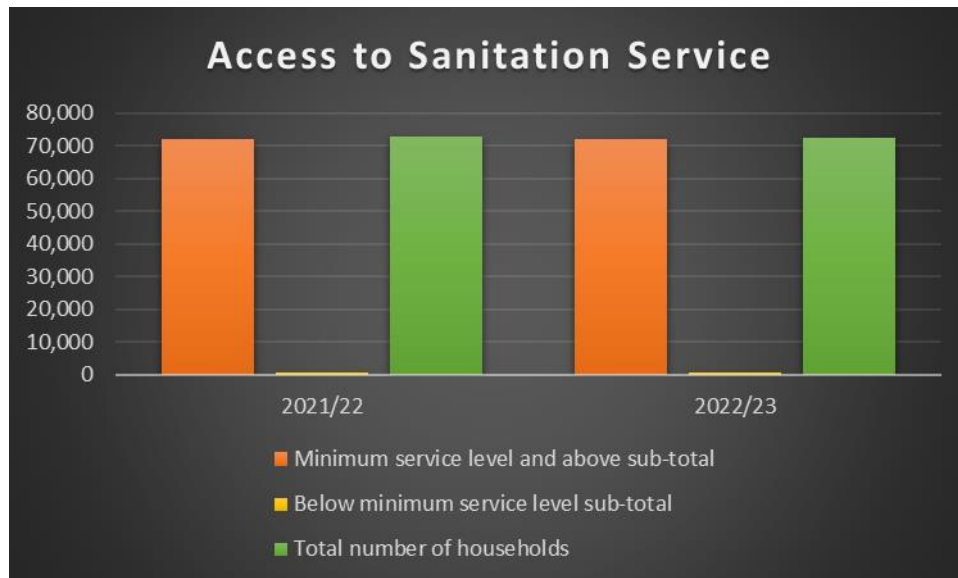
3.3.3 Sanitation Service Delivery Levels Below the Minimum

Description	Households	
	2022/23	2023/24
Formal Settlements		
Total households	71 766	
Households below minimum service level	814	
Proportion of households below the minimum service level	0.9%	
Informal Settlements		
Total households	814	
Households below minimum service level	814	
Proportion of households below the minimum service level	0,9%	

Table 55: Sanitation Service Delivery Levels Below the Minimum

3.3.4 Access to Sanitation

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Graph 10: Access to Sanitation Services

3.3.5 Sanitation Service Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	80% waste water effluent quality level achieved as per National Effluent Quality Standards annually	60,00%	72.10%	80,00%	66,17%	80,00%
Improved Service Delivery	% Completion for the installation of electrical and mechanical components in Lerato Park Sewer pump Station as per the project plan by 30 June 2024	100,00%	28.50%	100,00%	62,80%	100,00%
Improved Service Delivery	% Completion for the reconstruction work of 320 aged sink toilets in Kagisho, Kutlwanong and Phomolong by 30 June 2023 as per the project plan	100,00%	100,00%	Not a target		100,00%
Improved Service Delivery	% Progress on the construction phase for the Carters Ridge sewer pump station building with all electrical and mechanical equipment as per the Project Plan by 30 June 2024	60,00	12,00%	100,00%	47,60%	Not a target

Table 56: Sanitation Service Objectives included in the IDP

3.3.6 Financial Performance: Sanitation Services

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Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	108,190	101,358	116,048	121,173	20%
Expenditure:					
Employees	57,541	50,262	55,163	75,685	51%
Repairs and Maintenance	19,227	20,754	30,054	17,971	-13%
Other	17,825	20,011	20,561	16,928	-15%
Total Operational Expenditure	94,593	91,027	105,778	110,585	21%
Net Operational Expenditure	(13,597)	(10,332)	(10,270)	(10,588)	2%

Table 57: Financial Performance: Sanitation Services

3.3.7 Capital Expenditure: Sanitation Services

The table below indicates the amount that was actually spent on sanitation services projects for the financial year.

Capital projects	2023/24					
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Variance from adjustment budget	Total project value
	(R)					
Lerato Park Sewer	–	11,300	4,676	#DIV/0!	-59%	4,676
Carter's Glen Pump Station	–	8,540	–	#DIV/0!	-100%	–
Total All	–	19,840	4,676	#DIV/0!	-76%	4,676

Table 58: Capital Expenditure: Sanitation Services

3.3.8 Comment on Sanitation Services Performance Overall

The Sub Directorate Water and Sanitation's key objective is to primarily ensure that bulk, reticulation and supply facilities have the required capacity to meet the current and future demand.

The bulk projects have met the intended objectives, however concurrent reticulation projects have also unfolded such as the upgrading of the Gogga outfall sewer line from Galeshewe to Homevale WWTW which is at practical completion stage as well as the Lerato Park link sanitation project. Sanitation operational teams work full time to ensure that blockages are minimized and that the provision of quality services is maintained. The construction of the Carters Ridge

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sewer pump station commenced with construction of the second phase of the project as well as the construction of the Legaeng and Eagle street pump station is underway.

Even though the objectives have been met in terms of bulk services, there is still extensive planning that needs to be undertaken to meet the required needs of the reticulation network such as there are sewer pipe replacement projects that need to unfold to meet the current demand and maintenance projects to extend the operational life of the existing infrastructure.

3.4 ELECTRICITY

3.4.1 Introduction To Electricity

Sol Plaatje Local Municipality is licensed to purchase electricity from Eskom and then distribute the electricity via the 66kV, 11kV and 400V/230V low-voltage electrical network.

There are three bulk 66kV electricity supply points from Eskom namely: Herlear and HA Morris Substations supplying the Kimberley area and Riverton Substation which supplies the water purification plant of Kimberley. 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.

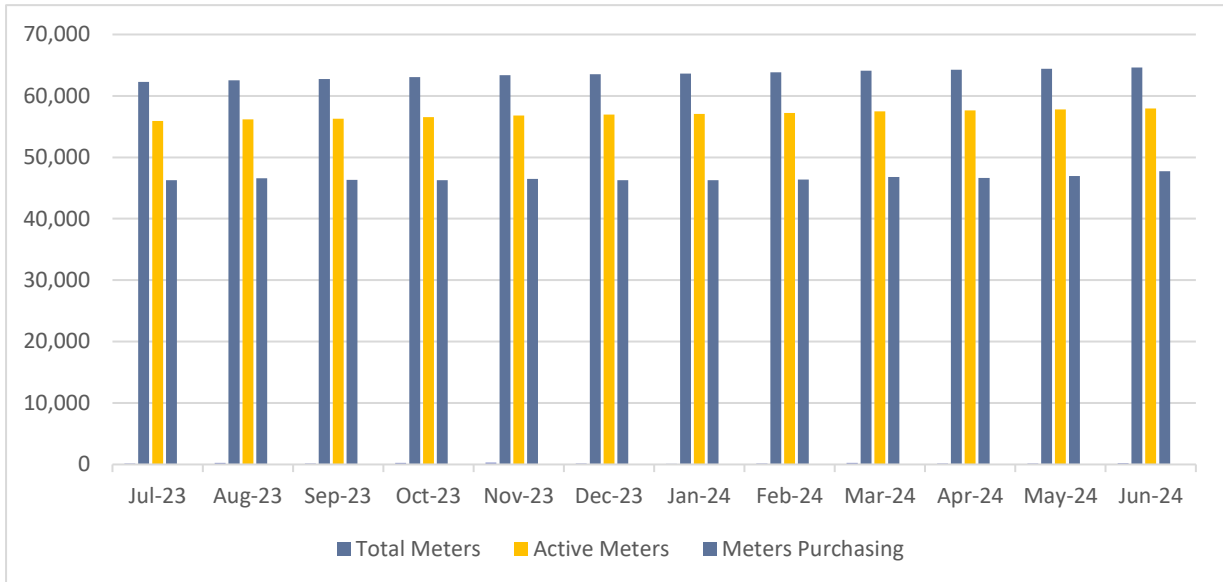
Over the past eight years, great progress has been made on the Electrification Programme under the Integrated National Electrification Programme (INEP), duly funded by the Department of Mineral Resources and Energy (DMRE). For the financial year period 2023/24, 1 344 households have been supplied with electricity under the Electrification Program.

Challenges do however impact on the implementation progress of this program 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 processes being completed.

Other major challenges regarding electricity are vandalism and copper theft that led to equipment damage, electrical supply interruptions and possible fatalities to municipal employees or members of the public. This puts a strain on the maintenance and management of the electrical infrastructure and thus responding to faults and providing mitigation remedies as a result may take longer than anticipated.

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3.4.2 Pre-Paid Electricity Supply



Graph 11: Pre-paid Meter Purchases

The above Graph clearly indicates that on average only 81.87% of Pre-paid meter consumers are purchasing electricity.

3.4.3 Electricity Service Delivery Levels

The table below indicates the different service delivery level standards for electricity within the urban edge area of the Municipality:

Description	2022/23	2023/24
	Actual	
	Household	
Energy: (above minimum level)		
Electricity (at least minimum service level)	3 026	
Electricity - prepaid (minimum service level)	63 965	
Minimum service level and above sub-total	72 852	
Minimum service level and above percentage	94%	
Energy: (below minimum level)		
No access to electricity (< minimum service level)	3 012	

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Description	2022/23	2023/24
	Actual	
	Household	
Other energy sources	1 357	
Below minimum service level sub-total	2 974	
Below minimum service level percentage	5%	
Total number of households	75 826	

Table 59: Electricity Service Delivery Levels

3.4.4 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 DMRE makes provision for a supply of 20 Amp per household. However, to allow for growth of areas and longer lasting networks, a 40 Amp per household is provided with new settlement developments. 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	2022/23#	2023/24#
	Actual	Actual
Households		
Formal Settlements		
Total households	63 966	
Households below minimum service level	3 142	
Proportion of households below the minimum service level	3 318	
Informal Settlements		
Total households	3 829	
Households below minimum service level	3 195	
Proportion of households below minimum service level	3 123	

Table 60: Electricity Service Delivery Levels below minimum

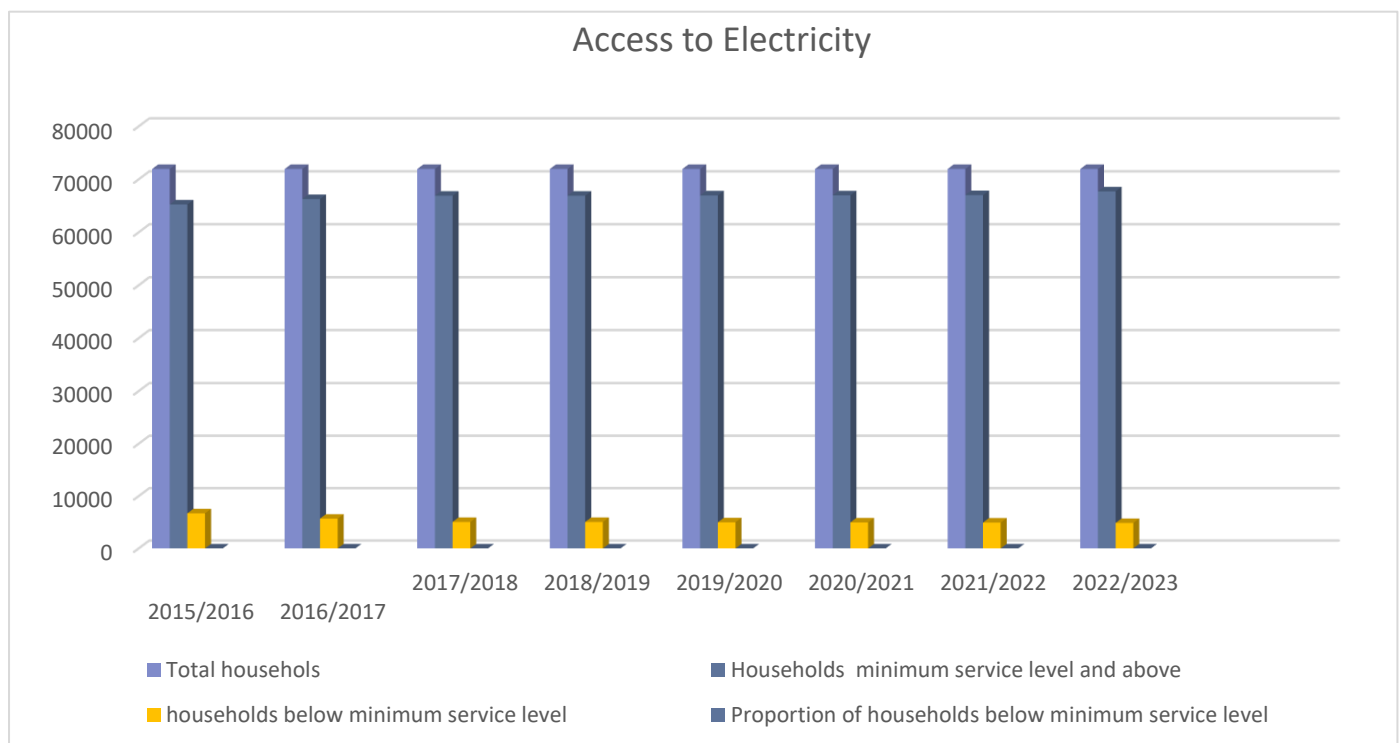
The major electricity connection backlogs are in the informal settlements that have not been formalised in terms of surveying and township establishment. The backlog decreased from 6,692 in 2015/16 to 5,677 as a result of 1,015 households being electrified during 2016/17. From 2016/17 to 2017/18, a further 635 households in Ivory Park were connected to electricity.

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In 2018/19 a further 1,060 households in Ivory Park and Snake Park were connected to electricity. In 2019/20 a total of 1,743 households were added into the network from informal areas Ivory Park, Snake Park, Platfontein, Kutlwanong and Ramorwa. A further 917 households were added in 2020/21, together with 1,121 connections archived in 2021/22 that were added to the formal settlement of SPLM. A total of 771 households were added to the network in 2022/23 financial year.

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

3.4.5 Access to Electricity



Graph 12: 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. In 2019/20 a total of 1 743 households were added into the network from informal areas being Ivory Park, Snake Park, Platfontein, Kutlwanong and Ramorwa. A total of 750

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households were added into the formal settlement of SPLM. Additional of 771 households were added in Lerato park phase 6 and 7 respectively, as well as for Soul City and Witdam.

As at the end of June 2023, Households below the minimum service level amounted to 3,213 resulting in a 2.6% proportion of households below the minimum service level.

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 **2023/24** financial year.

Date	Total No of forced interruptions after which supply was restored	Supply restored within								Supply restored after 24 hours	
		1.5 hours		3.5 hours		7.5 hours		24 hours			
		Target 30%		Target 60%		Target 90%		Target 98%		Target 100%	
		Actual	%	Actual	%	Actual	%	Actual	%	Actual	%
July	654	293	38.57	540	79.46	636	95.35	654	99.22	654	100.00
August	480	240	50.00	411	85.63	472	98.33	480	100.00	480	100.00
September	637	311	48.82	550	86.34	623	97.80	635	99.69	637	100.00
October	535	248	43.67	456	85.29	524	96.38	535	100.00	535	100.00
November	669	292	43.65	540	80.72	633	94.62	669	100.00	669	100.00
December	572	272	47.55	492	86.01	565	98.78	571	99.83	572	100.00
January	640	312	48.75	545	85.16	623	97.34	638	99.69	640	100.00
February	412	192	46.60	352	85.44	405	98.30	411	99.76	412	100.00
March	600	266	44.33	488	81.33	569	94.83	595	99.17	600	100.00
April	942	368	39.07	699	74.20	871	92.46	932	98.94	939	99.68
May	447	187	41.83	376	84.12	432	96.64	447	100.00	447	100.00
June	551	243	44.10	468	84.94	532	96.55	548	99.46	551	100.00
Total	7139	3224	45.16	5917	82.88	6885	96.44	7115	99.66	7136	99.96

Table 61: Electrical Restoration Times

3.4.6 Electricity Service Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development

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Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	Limit unaccounted for electricity to less than 15% by 30 June {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased} - 100}	16%	29.38%	15%	24.42%	25%
	Number of households in Lethabo Park connected to the electricity network (Phase 2)	1166	0	634	555	Not a Target
	Completion of a substation for Lerato park link services	Not a Target		50%	50%	Not a Target
	Construction of a Ring Main Unit (RMU) in Colville	Not a Target		100%	50%	Not a Target
	Construction of a 11 KV line in Ronald's Vlei	Not a Target		100%	90%	Not a Target
	Number of households in Colville to be connected to the electricity network	Not a Target		138	0	Not a Target
	Number of households in Lerato Park to be connected to the electricity network, Phase 6	411	0	411	411	Not a Target
	Number of households in Lerato Park to be connected to the electricity network, Phase 7	650	0	214	214	Not a Target
	Number of households in Lethabo Park to be connected to the electricity network, Phase 1	Not a Target		1 166	1 166	Not a Target
	Upgrade electricity infrastructure (replace 2 000 prepaid electricity meters)	Not a Target		2 000	0	2 000
	Replace 250W HPS luminaires with 100W LED luminaires	500	900	Not a target	311	262
	Replace 70W MV luminaires with 36W LED luminaires	Not a Target		200	293	200
	Replace 400W MV luminaires with 276W LED luminaires	Not a Target		315	262	301

Table 62: Electricity Service Objectives included in the IDP

3.4.7 Employees: Electricity Services

The table below indicates the number of employees for electricity services:

Job Level	2022/2023	2023/2024
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	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0.0%
Other Managers	6	9	5	4	44.4%
Professionals	1	13	1	12	92.3%
Technicians & Trade Workers	85	150	91	59	39.3%
Clerks & Administrative Workers	23	28	22	6	21.4%
Community & Personal Workers	0	0	0	0	0.0%
Service and Sales Workers	8	0	0	0	0.0%
Plant & Machine Operators	2	2	2	0	0.0%
Elementary Occupations	5	22	3	19	86.4%
Total	131	225	125	100	44.4%

Table 63: Employees: Electricity Services

3.4.8 Financial Performance: Electricity services

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	773,384,968	1,052,251,624	1,056,581,624	1,163,247,280	0
Expenditure:					
Employees	54,716,823	61,139,444	62,702,044	59,829,786	-0
Repairs and Maintenance	34,414,100	49,461,000	50,811,000	31,778,283	-0
Other	799,994,168	839,551,811	832,151,811	882,088,407	0
Total Operational Expenditure	889,125,091	950,152,255	945,664,855	973,696,476	0
Net Operational Expenditure	115,740,123	-102,099,369	-110,916,769	-189,550,804	1

Table 64: Financial Performance: Electricity Services

3.4.9 Capital Expenditure: Electricity Services

The table below indicates the amount that was actually spent on electricity services projects for the financial year.

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Capital projects	2023/24				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Upgrade Hadison Park 66/11 Kv Substation	23,546	1,264	–	-100%	-100%
Eedsm Projects	4,000	6,000	5,999	50%	0%
Electrification Witdam -138	900	–	–	-100%	0%
Colville Electrification	–	2,760	2,754	#DIV/0!	0%
Ashburnham/Colville Upgrades	1,500	500	448	-70%	-10%
Ronald's Vlei Switch House No.1	1,500	2,000	1,996	33%	0%
Electrification Letabo Park	12,680	12,680	11,711	-8%	-8%
Electrific Lerato Park Link Serv Network	7,900	7,900	4,272	-46%	-46%
Capital Spares-Acq-Prepaid Meters	2,000	2,000	174	-91%	-91%
Total all	54,026	35,104	27,354	-49%	-22%

Table 65: Capital Expenditure: Electricity Services

3.4.10 Comment on Electricity Services Performance Overall

The Electricity Department has supplied a reliable and secure electricity supply to numerous households of all sectors, within the jurisdiction of Sol Plaatje Local Municipality in the previous and current year. The Electrical Department has further embarked on bulk upgrade substation to strengthen the 66kV/11kV network in order to cater for expansion and growth within the electrical network. There are two types of projects which are of significance impact to service delivery and Sol Plaatje Local Municipality in general. These capital projects are Electrification and Substation 66/11kV Bulk Upgrades.

Electrification is the erection of 11kV/400V/230V electrical network and electrical infrastructure and auxiliary equipment to supply households with a secure and reliable source of electricity. Over the past two financial year periods, Sol Plaatje Local Municipality has electrified **2 207** households in Township Establishments. The Department of Mineral Resources & Energy caters to funding for electrification in the township area. The municipality do cater for funding for electrical reticulation in the suburban area through bulk infrastructure and link services

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Over the years, this has resulted in an imbalance in terms addressing the backlog of households without access to electricity in both areas, being township and suburban developments. However, the mitigation strategies have been set in place to cater for upcoming growth and developments, which may arise.

We have registered projects under the IDP and have implemented bulk upgrades in our substations to ensure we can accommodate growth in our network. Revenue generated from electrical supply to our customers and residents is inherently utilized to maintain electrical infrastructure and network, so a secure, protected and reliable point of supply is provided to all households and customers within Sol Plaatje Local Municipality.

Bulk Substation upgrades are the installation, upgrade, testing and commissioning of 66kV/11kV electrical infrastructure for our 66kV main substations and 11kV switching substation. These upgrades are implemented to cater for the growth of the electrical network, due to the advancement and expansion of Kimberley.

Over the recent years, the following upgrades have been implemented:

- 11kV bulk upgrade in Berbeck Sub Station to cater for the expansion of the New SPLM University and
- NMD bulk upgrade to cater for overall total growth.
- The Lerato park link service is also ongoing to provide a firm supply for phase 7 and 8 of electrification projects as well as any future development.
- There is currently an ongoing project of Carters Glen Substation to deload Galeshewe substation, by taking few areas off Galeshewe and transferring them to Carters Glen. Secondly Riverton Substation to cater for electrification and water purification treatment, respectively.

Future projects are registered on the IDP and implementation shall be done in relation need and growth of areas.

3.4.11 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 with OHS Act and provides support to Managers and Line Managers to fulfil their duties in terms of the Act.

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By means of the NOSA Miracles software application procured as a Health and Safety system management tool, controls were set up 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.

Nosa could not come and do presentation as they handover the system to Safety Cloud, Safety cloud will be the one running the system and the plan is to start with new system presentation sometime in the mid of February as per our agreement. It is the same system that Nosa used so Safety Cloud will be the one doing it to us and the system will have different packages to choose on .the name of the system is Safety Cloud. The advantage of this system is more friendly and easy to navigate on it.

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

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.

3.5.1 Waste Management Service Delivery Levels

The table below indicates the different refuse removal service delivery level standards of the Municipality:

Description	2022/23	2023/24
	Actual	
	Household	
Refuse removal: (Minimum level)		
Removed at least once a week	72 629	
Minimum service level and above sub-total	72 629	
Minimum service level and above percentage	100%	
Removed less frequently than once a week	0	
Using communal refuse dump	0	
Using own refuse dump	0	
Other rubbish disposal	0	
No rubbish disposal	9 615	
Below minimum service level sub-total	9 615	
Below minimum service level percentage	13.2%	
Total number of households	72 629	

Table 66: Refuse Removal Service Delivery Levels

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3.5.2 Waste Management Service Delivery Levels Below the Minimum

Description	Households	
	2022/23	2023/24
	Actual	
Formal Settlements		
Total households	72 629	
Households below minimum service level	9 615	
Proportion of households below the minimum service level	13.24%	
Informal Settlements		
Total households	9 615	
Households below minimum service level	5 089	
Proportion of households below minimum service level	52.92%	

Table 67: Solid Waste Service Delivery Levels

3.5.3 Waste Management Service Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	Provide a weekly refuse collection service (according to the revised collection route) to all formal households	59 500	59 500	72 629	72 629	72 629

Table 68: Waste Management Service Objectives included in the IDP

3.5.4 Employees: Waste Management

The table below indicates the number of employees for waste management (refuse collections, waste disposal, street cleaning and recycling):

Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	0	0	0	0.0%

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Other Managers	0	7	1	6	85.7%
Professionals	0	0	0	0	0.0%
Technicians & Trade Workers	1	0	0	0	0.0%
Clerks & Administrative Workers	1	9	1	8	88.9%
Community and Personal Workers	0	5	0	5	100.0%
Service and Sales Workers	0	0	0	0	0.0%
Plant & Machine Operators	23	75	23	52	69.3%
Elementary Occupations	88	253	88	165	65.2%
Total	113	349	113	236	67.6%

Table 69: Employees: Waste Management (Refuse Collections, Waste Disposal, Street Cleaning and Recycling)

3.5.5 Financial Performance: Waste Management

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	81,173	76,413	83,403	94,112	23%
Expenditure:					
Employees	47,236	45,542	46,875	54,666	20%
Repairs and Maintenance	17,702	20,731	19,751	14,617	-29%
Other	2,672	3,140	3,440	2,853	-9%
Total Operational Expenditure	67,610	69,413	70,066	72,136	4%
Net Operational Expenditure	(13,562)	(7,000)	(13,337)	(21,976)	214%

Table 70: Financial Performance: Waste Management

3.5.6 Capital Expenditure: Waste Management

There was no capital expenditure during the period under review.

3.5.7 Comments on Performance Overall

The Division continues to render a weekly refuse removal service within the residential areas and commercial sites are serviced daily and, in some instances, as per request. Bulk skip containers are placed strategically in informal areas for communal waste collections. Street sweepers and the cleaning team's main focus is on cleaning illegal dumps and littering in and around the CBD. Additionally, the cleaning team ensures all entrance routes in the City are well maintained and grass is cut. EPWP Teams are focused on cleaning illegal dumps within all 33 wards as the scourge of littering and illegal dumps remain on an unprecedented rise.



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The landfill site is still operational though we experience many challenges. The major problem is lack of adequate machinery for daily operation. Lack of Qualified staff at the facility is also a contributing factor to inefficient operation and management thereof. Due to lack of machinery, the division relies on hiring machinery for improved operation of the landfill site.

Aged Fleet

Cleansing Division faces significant challenges in delivering this service effectively, particularly due to aging fleet, mainly refuse compactors and insufficient personnel.

These issues have led to increased operational costs, particularly through excessive overtime claims, impacting both service delivery efficiency and budget allocations.

The cleansing division's refuse compactors are aged, with some having been out of service for over three years. This aging fleet leads to higher rates of breakdowns and increased maintenance needs, resulting in interruptions to service delivery and delays in refuse collection schedules. The division regularly experiences breakdowns resulting in refuse not being collected in some wards.

Additionally, repair costs have been rising significantly, leading to funds being diverted from other critical areas of the refuse removal budget. Frequent repairs require additional resources, and in most instances, the repair work must be outsourced, further straining the budget and manpower, as the municipal mechanical workshop is not always equipped to handle the required work.

Staff Shortages and Overtime Claims

The division currently has insufficient personnel, which increases the workload for staff and could potentially lead to burnout and decreased job satisfaction. The staff shortage results in a reliance on overtime to meet collection schedules, further increasing costs.

The teams that work on the compactors for refuse collection were initially employed to service the suburbs, while entrepreneurs were contracted to service the townships. In 2009, the contracts with the entrepreneurs were terminated, and the refuse collection function was brought under the cleansing division with the understanding that it would be a temporary arrangement. It was agreed with the staff that they would be compensated for six hours of overtime, referred to as "double beat," for each day they work in this capacity. Double beat collections occur each week from Monday to Thursday. On average, one employee can easily work 96 hours of overtime per month.

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This increased reliance on overtime to cover personnel shortages leads to excessive claims, placing additional financial burdens on the municipality. Chronic overtime can also result in worker fatigue, which may impact safety and service delivery.

Some staff members have retired and others have fallen ill, most being drivers within the division. This has placed enormous strain on the division as it impacts adversely on service delivery. Low staffing levels lead to missed pickups and delays, negatively impacting community satisfaction and public health.

3.6 HOUSING

3.6.1 Introduction to Housing

Housing provision is a provincial government function administered by the 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 prioritized on the IDP which must then be budgeted for under the Division of Revenue Act (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
- Integrated Human-Settlements 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 the Municipality and some of the projects were taken over from the Municipality.

THE NATIONAL UPGRADING SUPPORT PROGRAMME (NUSP)

The programme was initiated by the 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.

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The total number of sites is 10 393 and there are 31 settlements mentioned, of which 18 have been upgraded to a level of formalised settlements. The remainder to be formalised is thirteen (13).

Area	Number of Sites	State of Progress
Snake Park	1 660 sites	Electrified with 99% services
Ivory Park	1 174 sites	Electrified 60% services
Diamant Park	892 sites	300 + 100 Houses with all services
Jacksonville Ext	339 sites	72 Houses formalized and 339 electrified with services
Kutlwanong	48 sites	Formalised and electrified
Colville	130 sites	Formalised phases 1 & 3
Santa Centre	139 sites	Formalised 65 services and ready for electrification
Phomolong Ext	269 sites	Electrified without services on all sites
Greenpoint	155 sites	Project has started for top structures
Waterloo	240 sites	Formalised without services
Riemvasmaak	260 sites (plus/minus)	Electrified without services
Soul City	112 sites (64 sites Forest View & 48 sites King Senare)	Electrified without services
Beaconsfield	28 sites	Infills connecting services
Donkerhoek	111 sites	Formalised Catalytic Project in terms of National Priority, electrification done without services
Ramorwa	98 sites	Formalised and electrified
Witdam	138 sites	100% Formalised and electrified
Lerato Park	4 600 sites	Catalytic Project in terms of National Priority

Table 71: NUSP Sites in Progress

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

INTEGRATED RESIDENTIAL DEVELOPMENT PROGRAMME (IRDP)

The IRDP is a housing delivery programme that 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

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rental units of different sizes. The first phase of this project consists of approximately 142 units that was completed during April 2021.

The Municipality has a rental stock of 936 units. The demand for these units is very high due to the 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.

The said Company was indeed appointed in 2024 but however failed to deliver on the Project and the tender has to be re advertised.

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 tried to plan and avail land for future housing developments, these efforts worked against the Municipality where the illegal occupation of land became a norm. This condition has also compromised the housing readiness status.

3.6.2 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
2022/23	69 500	50 100	72.09%
2023/24	74 664	55 110	79..2%

Table 72: Households with Access to Basic Housing

3.6.3 Housing Services Objectives included in the IDP

There are no KPI's for Housing in the IDP

3.6.4 Employees: Housing

The table below indicates the number of employees for housing:

Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	0	1	100.0%

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Other Managers	2	2	0	2	100.0%
Professionals	0	0	0	0	0.0%
Technicians & Trade Workers	2	2	2	0	0.0%
Clerks & Administrative Workers	2	4	1	3	75.0%
Community and Personal Workers	4	20	4	16	80.0%
Service and Sales Workers	0	0	0	0	0.0%
Plant & Machine Operators	0	0	0	0	0.0%
Elementary Occupations	25	48	23	25	52.1%
Total	35	77	30	47	61.0%

Table 73: Employees: Housing

3.6.5 Financial Performance: Housing

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	12,972	26,701	28,101	28,843	7%
Expenditure:					
Employees	18,369	20,720	21,215	19,031	-9%
Repairs and Maintenance	1,940	3,497	3,497	2,239	-56%
Other	672	2,536	2,736	686	-270%
Total Operational Expenditure	20,980	26,752	27,448	21,956	-22%
Net Operational Expenditure	8,008	51	(653)	(6,887)	101%

Table 74: Financial Performance: Housing

3.6.6 Capital Expenditure: Housing

There was no capital expenditure during the period under review.

3.6.7 Comment on the Performance of the Housing Service Overall

The Municipality targeted to construct 800 households with BNG (Breaking New Grounds) houses in the financial year for Diamond Park. COGHSTA through its Project Management Unit (PMU) constructed 400 of the 800 houses in Diamond Park. In Jacksonville at total of 129 top structured were erected so far and the rest is expected to be completed in the next financial year. Santa Centre has 46 structures for this financial year for top structures and the construction is currently underway and to be completed soon. Lerato Park has a total of 100 top structures currently

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being built and work is in progress. A total of 9 houses has to be built for Military Veterans and work will commence any time.

Project Area	Number of Houses Built
Ivory Park (1,175)	1 175 Services Installation
Santa Centre (139)	65 Services designs
Rectification of houses (84)	54 Rectification stopped 11 Outstanding
Jacksonville Ext (339)	71 Units were built of which the remaining services are complete. Awaiting further allocation for 267 top-structures
Individual rectification (disaster houses) (10)	8 Done through emergency services funding
Total number of houses built	133

Table 75: Number of Houses Built

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 to eradicate the current and future demand.

3.7 FREE BASIC SERVICES AND INDIGENT SUPPORT

3.7.1 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 R4 500 per month
- Child-headed households
- Beneficiaries of low cost-free basic houses funded through subsidies and grants
- Certain geographic areas
- Exceptional circumstances

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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)

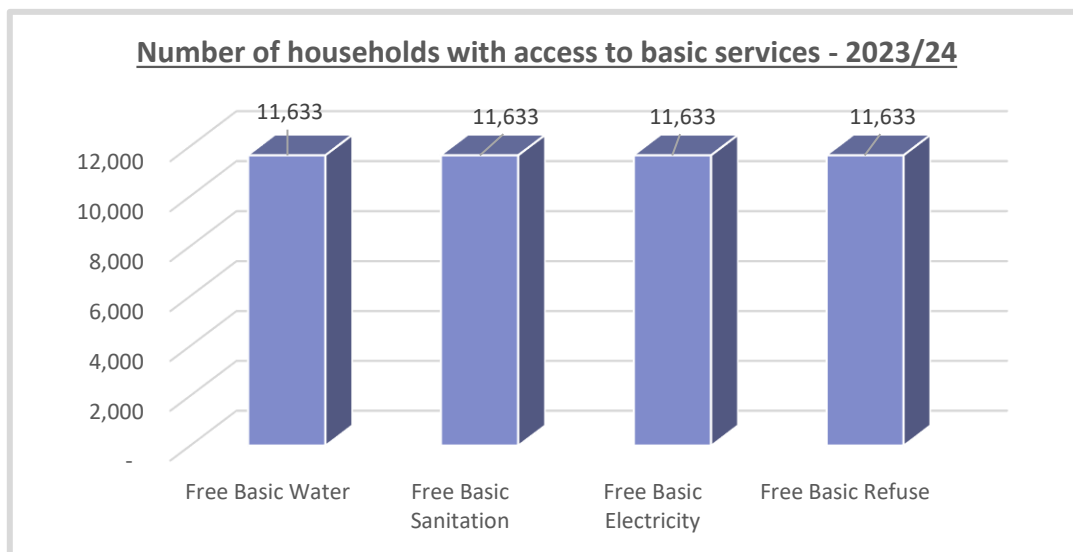
It is incumbent upon the indigent household to declare any change in their status that will necessitate review of the allocation.

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.

3.7.2 Free Basic Household Services

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Graph 13: Number of Households with Access to Basic Services

3.7.3 Free Basic Services to Low Income Households

Period	Number of households											
	Total [1]	Households earning less than R4,500 per month [2]										
		Total	Target	Revised	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
					Access	%	Access	%	Access	%	Access	%
2022/23	68,314	24,541	15,000	15,000	12,033	80%	12,033	80%	12,033	80%	12,033	80%
2023/24	68,314	24,541	11,800	11,800	11,633	99%	11,633	99%	11,633	99%	11,633	99%

Table 76: Free Basic Services to Low Income Households

It is noted that there has been a decline in the number of registrations on the indigent register. This is mainly attributable to the audit outcome, where a number of indigents for example did not have ID numbers and unfortunately had to be removed from the indigent totals. 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.

3.7.4 Free Basic Service Policy Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development

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Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	Number of indigent households earning less than R4 500 provided with free basic services (water, electricity, refuse and sanitation)	15 000	12 033	11 800	11 633	11 800

Table 77: Free Basic Service Policy Objectives included in the IDP

3.7.5 Comment on the Performance of Free Basic Service Overall

The income threshold of R4 500 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 R4 500 (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). Considering the levels of basic services provided where a household of ten must survive with 50kWH of electricity and 6KL of water per month compared to 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 not yet reached all our indigent households as the number may be as great at 25 000. A full-time verification team is urgently needed to do door-to-door verification of all the applications received before any approval can be implemented. 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 conducting 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 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.

Cost to Municipality of Free Basic Services Delivered						
Services Delivered	2022/23	2023/24				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Original Budget	Variance to Adjustment Budget

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Water	4,392,359	8,000,000	8,000,000	4,932,658	-38%	-38%
Waste Water (Sanitation)	20,051,102	21,000,000	21,000,000	21,084,307	0%	0%
Electricity	6,569,232	12,000,000	12,000,000	9,967,435	-17%	-17%
Waste Management (Refuse removal)	14,442,364	14,500,000	14,500,000	15,212,435	5%	5%
Total (FBS)	45,455,057	55,500,000	55,500,000	51,196,834	-8%	-8%

Table 78: Cost to Municipality of Free Basic Services Delivered

COMPONENT B: ROAD TRANSPORT

The White Paper on National Transport Policy (1996) spells out the following vision for South African transport: “provide safe, reliable, effective, efficient and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at improving levels of service and cost in a fashion which supports government strategies for economic and social development whilst being environmentally and economically sustainable.” This component includes roads and waste water (stormwater drainage).

3.8 ROADS AND STORMWATER

3.8.1 Introduction to Roads

The Roads and Stormwater Section provides an effective, competitive and responsive infrastructure by ensuring continuous maintenance, refurbishment, upgrade and replacement of existing roads and stormwater infrastructure assets in order to sustain service delivery and infrastructure development in the municipality.

This section therefore 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 Program completed by the consultants, the report indicates that the overall standard 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 fifteen to twenty years being less than the minimum maintenance required to sustain and conserve an intact infrastructure. This has caused a great

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backlog in the maintenance of tarred roads, resulting in the level of deterioration that we experience. This result in the municipality being unable to implement preventative maintenance but forced to catch up with reactive maintenance.

Due to financial constraints in recent years, the resealing of roads has not been budgeted for under the capital budget programme. The Road and Stormwater Section has to rely on its operational budget to maintain and reseal roads, which can basically only be patching of potholes. This further set back the efforts of focusing on preventative maintenance.

Only a little over 30% of municipal streets are dirt and gravel roads and thus not a great concern in terms of quality and maintenance requirements as other types of surfaces. Although the municipality may not have the sufficient yellow fleet to match our extent of gravel road network, great efforts are made to maintain the gravel road 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 a higher level of service. The gravel road backlog has decreased from 195.7km to 187.4km after approximately 8.3km of gravel roads were paved in the year under review.

STORMWATER STATUS QUO, CHALLENGES AND MITIGATION STRATEGIES

The management of stormwater 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 stormwater management. The city has grown exponentially over the years, resulting in additional surface runoff requiring upgrade of stormwater infrastructure to accommodate additional discharge.

Maintenance of stormwater infrastructure also remains a great challenge due to illegal dumping into stormwater network, Inadequate personnel resources and yellow fleet machinery at our disposal hampers our efforts to deal with the maintenance of stormwater infrastructure, specifically the cleaning of major stormwater canals and unblocking of catch pits.

3.8.2 Gravel Road Infrastructure

Period	Kilometres			
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2022/23	195.7	0	4	120
2023/24	187.4	0	8.3	60

Table 79: Gravel Road Infrastructure

3.8.3 Tarred Road Infrastructure

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Kilometres				
Period	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted
2022/23	589	0	0	20.5
2023/24	589	0	0	25

Table 80: Tarred Road Infrastructure

3.8.4 Cost of Construction/Maintenance

Period	Gravel			Tar		
	New	Gravel – Tar	Maintained	New	Re-worked	Maintained
	R'000					
2022/23	0	12 000	0	0	25 000	16 000
2023/24	0	20 000	2 000	0	20 000	30 000

Table 81: Cost of Construction/Maintenance

3.8.5 Roads and Stormwater Service Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	Distance of kilometres of residential roads upgraded from gravel to a paved surface (Finch, Weaver, Seeduif, Parakiet, Chrysanthemum Roads, Baracuda 22nd Str, Zenzeleni, Otto, Jerry Matlhome, Tlhabanelo, Soapberry, Sesing Streets, Barkly Road (behind Shoprite))	4 km	2.47 km	5 km	7.50 km	5 km
	Number of square metres of roads to be resealed	100 000 square metres	123 000 square metres	150 000 square metres	150 000 square metres	90 000 square metres

Table 82: Roads and Storm Water Service Objectives included in the IDP

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3.8.6 Employees: Roads and Stormwater

Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	0	1	100.0%
Other Managers	1	1	1	0	0.0%
Professionals	1	2	1	1	50.0%
Technicians & Trade Workers	2	6	2	4	66.7%
Clerks & Administration Workers	2	2	2	0	0.0%
Community and Personal Workers	1	1	1	0	0.0%
Sales and Service Workers	0	0	0	0	0.0%
Plant & Machine Operators	5	22	5	17	77.3%
Elementary Occupations	33	126	32	94	74.6%
Total	45	161	44	117	72.7%

Table 83: Employees: Roads and Stormwater

3.8.7 Financial Performance: Roads and Stormwater

Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	906	300	300	903	201%
Expenditure:					
Employees	27,491	29,523	32,099	32,979	3%
Repairs and Maintenance	24,028	46,038	42,438	46,765	9%
Other	738	928	928	712	-30%
Total Operational Expenditure	52,257	76,489	75,465	80,455	6%
Net Operational Expenditure	51,351	76,189	75,165	79,553	6%

Table 84: Financial Performance: Roads and Stormwater

3.8.8 Capital Expenditure: Roads and Stormwater

The table below indicates the amount that was actually spent on roads and stormwater projects for the financial year:

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Capital projects	2023/24					
	Budget	Adjustment budget	Actual expenditure		Variance from adjustment budget	Total project value
	R'000					
Acq stormwat proj-storwat channel galash	2,000	–	–	-100%	#DIV/0!	–
Resealing of Roads	20,000	19,500	19,491	-3%	0%	19,491
Upgrade Gravel Roads	20,000	20,000	19,717	-1%	-1%	19,717
Distribution FB District Grant	–	6,000	6,000	#DIV/0!	0%	6,000
Total Roads and Storm water	42,000	45,500	45,208	8%	-1%	45,208

Table 85: Capital Expenditure: Roads and Stormwater

3.8.9 Comment on the Performance of Roads and Stormwater Services Overall

Notwithstanding the above scenario, the Municipality managed to make some strides into improving the roads and stormwater conditions during the financial year.

The Municipality has over the past year been able to successfully implement periodic maintenance on some of the major arterial roads with funds allocated from IUDG and Frances Baard Grant. Residential roads were also upgraded from gravel to a paved standard through IUDG grant funding. Interlocking paving have proven to be more effective with minimum maintenance required and much longer life span than other types of seals, and the Municipality intends converting dilapidated tarred roads which cannot be salvaged to interlocking paving to reduce future maintenance costs of the road network.

Some of the areas that benefited from the paving of roads are Galeshewe, Roodepan, Homelite, Beaconsfield, Floors and CBD. This program saw approximately 8.3km of roads being paved.

Very little was done in the 2023/24 financial year in regard to the actual upgrading of stormwater infrastructure, although a number of major stormwater canals and catch pits were maintained in order to sustain the network and maintain an adequate level of stormwater management.

COMPONENT C: PLANNING AND DEVELOPMENT

3.9 STRATEGIC ECONOMIC DEVELOPMENT AND PLANNING (SEDP)

3.9.1 Introduction

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The directorate of Strategy, Economic Development and Planning plays a vital role in driving the economic growth and development of the Sol Plaatje Municipality, a key focus area for the directorate is the development of spatial strategies that stimulates economic activities, enhance business competitiveness and improve the overall quality of life for all residents within the Municipal jurisdiction.

In recent years, the Kimberley and the Central Business District has faced significant economic challenges including perpetual disinvestment and a decline in business activity. To address this, the directorate is prioritizing the implementation of City Improvement strategies such as the Urban Network Strategy.

This initiative aims to revitalise the Kimberley CBD by retaining existing business, attracting high impact investments and fostering a vibrant and sustainable urban environment. Through effective spatial planning, strategic investment promotion and collaborative partnerships with stakeholders, the directorate is committed to unlocking the economic potential of Sol Plaatje Municipality and positioning Kimberley as the economic hub of the Northern Cape province.

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.

The following sub-directorates are the cornerstone of the Strategy, Economic Development and Planning:

- Local Economic Development (LED)
- Fresh Produce Market
- Property Services
- Urban Renewal Programme
- Urban Planning Services

LED ECONOMIC DEVELOPMENT SUB-DIRECTORATE

The Local Economic Development sub- directorate, situated within the Strategy Economic Development and Planning (SEDP) plays a pivotal role in fostering socio-economic development within the Sol Plaatje Municipality. As a key driver of economic growth, LED focuses on creating employment opportunities through strategic investment facilitation

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within the Municipal area, this is done through processing of Building plans and Municipal Planning Tribunal applications.

Recognizing the limitations of a narrow economic outlook heavily reliant on social welfare and government sectors, the LED unit has been actively working to diversify the economic landscape. By leveraging spatial strategies such as precinct development we aim to attract new entrants and sectors within our jurisdiction. This spatial targeting approach is designed to stimulate economic growth, job creation, ultimately contributing to an increased in the municipality Gross Domestic Product (GDP).

Over the past three financial years we have made concerted efforts to create a business – friendly environment, streamlining digital interactions between private sector and the Municipality through the BEAR project by introducing one stop shops which will be finalised in the financial year 2024/2025. This innovation will significantly enhance the ease of doing business within the Sol Plaatje Municipality and fostering a more conducive and efficient business environment. By continuing to prioritize local economic development and embracing strategic initiatives we remain

FRESH PRODUCE MARKET

The Sol Plaatje Municipality fresh produce Market plays a vital role in ensuring food security for the municipality, despite its importance the market has faced significant infrastructural challenges including dilapidated cold storages and ripening rooms which hinders its ability to operate at optimum levels. To address these challenges substantial investments in market infrastructure is required to revitalize the market and unlock its revenue- generating potential. Currently the market operates on a concession model, where floor space is allocated to agents to sell produce to customers, with the municipality receiving a percentage of the profits furthermore only one agent has been utilizing the market, limiting the profitability of the market. To enhance the market viability its essential to reconfigure the market to attract additional agents and stimulate competition.

A comprehensive business plan has been developed to renovate the market but securing funding remains a significant challenge. Furthermore, there is a crucial need to transform the sector by introducing black agents to address transformation issues as highlighted in the Fresh Produce Market Inquiry report commissioned by the competition commission. In line with our commitment to promoting economic transformation and food security, we will continue to explore innovate solutions to revitalize the Sol Plaatje Municipality Fresh Produce Market, ensuring that it becomes a thriving hub for produce sales and a vital contributor to the economy.

PROPERTY SERVICES

A strategy section that is crucial in driving revenue growth and optimizing the municipality property, tasked with property management and administration, this sub directorate leverages the leasing and alienation of land parcels to

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enhance revenue collection and fostering private sector investment. In line with the municipality Spatial Development Framework this sub-directorate strategically targeted and reserved various parcels of land in a form precinct which is largely going to be driven by private sector and the municipality will fast track the sale and making available critical infrastructure available. The spatial targeted approach aims to unlock the value of those pieces of land to stimulate economic growth and contribute to the municipality fiscal sustainability.

Key objectives of the sub-directorate comprise of the following.

- Enhancing revenue collection through effective property management and leasing strategies.
- Fostering private sector investment and partnerships to drive economic growth and development.
- Optimizing the municipality's property portfolio to maximize returns and minimise costs.
- Ensuring compliance with relevant legislation, policies and regulations governing property management.

URBAN RENEWAL PROGRAMME

The Urban Network Strategy (UNS) seeks to create linkages between the primary (Greater Kimberley) and secondary (Galeshewe) hub, the link is complimentary in nature in terms of economic activities. The UNS is finalized with the only challenge being budgetary as there are projects contained within the Strategy that are already conceptualized and need to be taken to a bankable stage. There are continuous engagements with National Treasury through the neighbourhood partnership grant to explore ways to fund these projects in a blended approach of utilization of Municipal cash reserves ratio and National Treasury funding envelopes.

URBAN PLANNING

The urban planning unit plays a pivotal role in fostering transformation, spatial redress, and strategic investment within the Sol Plaatje Municipality. Guided by the spatial development framework the unit facilitates collaboration between the public and private sector to identify optimal investment opportunities that aligns to the municipality's developmental objectives. One of the unit apex priorities is the Formalisation of informal areas which has yielded significant results during the 2023/2024 financial year. Approximately 1 041 erven have been formalised in areas such as Madiba park, Roodepan, Ritchie and Riemvasmaak marking a substantial milestone in the municipality's efforts to promote spatial equality and access to basic services.

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The urban planning function is a critical precursor to the provision of basic infrastructure, including housing, electricity, water and sanitation, by mapping and projecting the needs of our communities, the urban planning unit enables the municipality to deliver targeted services that improves the quality of life for our residents. This integrated approach to planning and service delivery is essential to achieving the development goals and promoting sustainable growth.

The urban planning sub-directorate comprises of the following units.

- Building Control
- Maintenance
- Town planning services
- Urban Control

3.9.2 Employees: SEDP

Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0.0%
Other Managers	10	21	8	13	61.9%
Professionals	10	19	10	9	47.4%
Technicians & Trade Workers	14	29	14	15	51.7%
Clerks & Administrative Workers	11	61	9	52	85.2%
Community and Personal Workers	2	5	2	3	60.0%
Service and Sales Workers	2	7	2	5	71.4%
Plant & Machine Operators	1	2	1	1	50.0%
Elementary Occupations	17	34	16	18	52.9%
Total	68	179	63	116	64.8%

Table 86: Employees: SEDP

3.9.3 Directorate Performance Overall

The directorate of Strategy Economic Development and Planning has performed satisfactorily in the year under review. There are a few strategic initiatives that were undertaken by SEDP, such as Growth and Development Strategy (GDS), and IUDG. Sol Plaatje Municipality continues to be part of the Integrated Urban Development Grant, a grant that is aimed at upgrading infrastructure in low-income areas and improving the spatial fabric of the City in order to realise

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SPLUMA (16 of 2013) principles, inclusive of spatial equity and spatial transformation. The continued participation of SPM as a grant recipient is dependent on the review of the Capital Expenditure Framework (CEF) which is key in securing future allocation, and SEDP champions such review.

Another initiative started by SEDP, is the annual Tourism event – “Mayoral Christmas Carols by Candlelight”. It is aimed at fostering social cohesion and generally celebrate and welcome and celebrate the festive of season. This initiative is anticipated to be an annual event.

KEY ACHIEVEMENTS 2023/24

SPATIAL TARGETING

MARKET DEMAND REPORT AND LAND USE PLANNING

In response to the municipality's need to diversify and expand its revenue base, the Urban Planning Sub-Directorate has identified Carters Glen and Galeshewe as priority areas for human settlement and housing development. These areas offer significant potential for growth and investment, and the municipality has begun the process of testing project viability and preparing the land for development.

During the 2023/2024 financial year, a comprehensive market demand report was produced, which highlighted the potential for various land uses in the area, including residential, trade, automotive, healthcare, industrial, and retail. This report has informed the municipality's land use planning and development strategies, ensuring that they are aligned with market demand and the needs of the community.

ADDRESSING INFORMALITY AND HOUSING BACKLOG

In response to the pressing issues of informality and housing demand, the municipality embarked on four township establishment projects during the 2023/2024 financial year. These projects resulted in the formalisation of 1,041 erven, providing security of tenure to residents in Madiba Park, Roodepan, Ritchie, and Riemvasmaak.

BUSINESS PLAN FOR FRANS FARM EXTENSION

Furthermore, a business plan for the extension of Frans Farm was approved by COGSHTA, which will yield an additional 2,000 erven for middle-income and low-cost housing. This project will contribute significantly to addressing the housing backlog and providing affordable housing options for our residents. The combined total yield of 3,481 erven from these projects demonstrates the municipality's commitment to addressing the housing needs of our community.

ENHANCING EFFICIENCY AND TRANSPARENCY IN DEVELOPMENT APPLICATIONS

The establishment of the Municipal Planning Tribunal has significantly enhanced the Sol Plaatje Municipality capacity to process high – impact development applications in a timely and efficient manner. The MPT has been instrumental

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in streamlining our planning processes, enabling us to respond swiftly to development proposals and the support the and development of the Sol Plaatje Jurisdiction.

DIGITIZATION OF BUILDING PLANS AND TOWN PLANNING APPLICATIONS (TPAMS & BPAMS)

In line with our commitment to innovation and customer service, we have invested in digitizing submissions of building plans and town planning applications. During the 2023/2024 financial year, we acquired the necessary equipment and successfully completed a trial run and training of staff. This digital transformation is expected to greatly enhance the ease of doing business with our municipality, reducing bureaucratic red tape and enabling applicants to track the status of their applications with greater ease.

The digitization of our planning processes is a critical step towards creating a more business-friendly environment, one that supports economic growth and development while maintaining the highest standards of planning and regulatory compliance. By leveraging technology and streamlining our processes, we aim to provide a more efficient and transparent service to our customers, and to contribute to the overall prosperity of our community.

LAUNCH OF THE GIZ OPEN AIR ARENA LIVING LAB: EMPOWERING WOMEN AND SUPPORTING SMMEs

We are pleased to report that the GIZ Open Air Arena Living Lab was formally launched by Mayor Alderman Kagisho Sonyoni, marking a significant milestone in our efforts to support small, medium, and micro enterprises (SMMEs) and promote sustainable livelihoods. This innovative project provided trading spots to five women, empowering them to establish and grow their businesses. By offering access to economic infrastructure and support, we aim to foster a thriving entrepreneurial ecosystem that benefits our local community. The successful launch of the GIZ Open Air Arena Living Lab demonstrates our municipality's capacity to secure international funding and bring projects from conceptualization to execution. This achievement underscores our commitment to collaborative governance and our ability to leverage partnerships to drive development and growth. Through initiatives like the GIZ Open Air Arena Living Lab, we are working to create a more inclusive and supportive business environment that enables SMMEs to thrive and contributes to the overall prosperity of our community.

STUDENT ACCOMMODATION BOOM DRIVES ECONOMIC GROWTH IN SOL PLAATJE MUNICIPALITY

The Sol Plaatje Municipality has witnessed a remarkable surge in demand for student accommodation in recent years, triggering an unprecedented wave of development in the New Park and Kimberley CBD areas. This rapid growth has sparked a construction boom, resulting in a notable increase in job opportunities over the past five years.

The total demand for student beds in the area currently stands at approximately 6,700. To address this pressing need, the Municipal Planning Tribunal (MPT) has been fast-tracking development applications, enabling developers to bring their projects to fruition swiftly.

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The Sol Plaatje Municipality has played a pivotal role in facilitating investment in the student accommodation sector by prioritizing the speedy approval of building plans and town planning applications. This proactive approach has created a conducive environment for developers to invest in the area, driving economic growth and job creation.

By embracing this growth opportunity, we have demonstrated our commitment to creating a business-friendly environment that supports economic development and improves the quality of life for our residents. As we look to the future, we remain dedicated to fostering a thriving economy that benefits our community and cements our position as a hub for investment and growth.

LAW ENFORCEMENT

There has been a concerted collaborative effort to strengthen the implementation of Municipal by-laws, particularly on illegal businesses that operate without necessary permits and land-use rights. During our sting operations we found out there is a total of 603 guesthouses, day care centres, tuck shops, offices that operate without permits and/or expired. The dire impact of this illegality is loss of revenue as billing information is not based on current land-use.

CHALLENGES

- **HIGH VACANCY RATE IN KEY CRITICAL POSITIONS WITHIN THE DIRECTORATE**
 - LED General Manager (Funded and Vacant)
 - Properties Manager (Funded and Vacant)
 - Tourism Manager (Funded and Vacant)
 - Investment promotions manager (Funded and Vacant)
 - Area Based management manager (funded and Vacant)
 - Building Control Manager (Funded and Vacant)
 - Urban Planning Manager (Funded and Vacant)
- **NO BUDGET TO LEVERAGE PRIVATE SECTOR INVESTMENT THROUGH SERVICING OF STRATEGIC PARCEL OF LAND**
 - Precinct development
 - Kimberley Central Business District regeneration
 - Servicing of sites for middle income
- **NARROW ECONOMIC BASE**
 - Overreliance on government to be the biggest sector
 - Diminished Industrial activities within Sol Plaatje Municipality

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- **URBAN RENEWAL UNFUNDED MANDATES AND INSTITUTIONAL MISALIGNMENT**
 - Inadequate implementation of the Urban Network Strategy.
 - Unfunded business plans / Projects
- **THE PROLIFERATION AND SPIRALLING OF INFORMAL SETTLEMENT PLACES PRESSURE ON BULK INFRASTRUCTURE**
 - Inadequate implementation of the capital expenditure framework.

INTERVENTIONS

- Explore funding blended models to implement prioritised capital projects as per the capital expenditure framework.
- Develop sector targeting strategies to broaden the economic structure of the jurisdiction. Targeted sectors include renewable energy, agriculture/ Agri- processing, Information Communication Technology especially cloud storage, packaging, and logistics.
- Application to Municipal Institutional Support Agency (MISA) or Development Bank of South Africa for secondment of key unfunded position within the directorate (i.e economists, urban planners).

3.10 URBAN PLANNING

The Urban Planning Division continues to be a resilient and strategic division within the Sol Plaatje Municipality that focuses on the development and implementation of strategic tools that guide decision making in land development and investment thus steering the city towards spatial transformation as well as set the municipality on a path of sustainability and resilience with the following spatial development agenda:

- provide spatial leadership towards creating a vibrant, safe, and sustainable city.
- play a strategic role in developing and promoting an integrated town that addresses spatial injustices, promote integration and enhancement of industrial and agricultural belt ;
- implement initiatives that enhance a developmental and innovative city;
- support and facilitate strategic urban developments .

The operational capacity in Town Planning has been addressed through the appointment of 04 Interns via the ISDG programme to ensure enforcement of by-laws and legislation.

The Urban Planning Division oversees:

- Urban Planning Services, i.e. provision of zoning information and processing of various land use applications (rezoning, subdivision, consent use, consolidation, etc.).
- Building Control, i.e. building plans' submission, inspections, and approval / disapproval of building plans.

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- Urban Control, i.e. Enforcement of town planning scheme rules, prosecution of illegal land uses, e.g. tuck-shops
- Maintenance of municipal-owned buildings.

Collectively the Unit plays a pivotal role in the facilitation of spatial development, proper land use management and orderly built environment. The unit is responsible for development and implementation of strategic tools to guide decision-making in land development and investment that supports spatial transformation, promotes sustainability, and improve resilience.

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 local economy and achieve strategic goals of the Municipality.

Key Achievements in 2023/24

The Sol Plaatje Municipality has a competitive advantage given its prime land use of being an administrative hub , a Gate Way City and knowledge economy with a rich industrial and agricultural potential. These factors make the town the choice for investors and urban migrants yet impact on adequate bulk infrastructure and suitably located residential demands for urbanisation and migration.

The central location of the municipality have a comparative advantage in addressing densities along the R31, releasing strategic land parcels for future investment, designing precinct in identified areas and developing growth management strategies that will link to the broader District. There are also initiatives to design certain application processes related to electronic systems to enhanced ICT .This electronic system will form the start of making easy for applicants to do business with the municipality and fast track processing of application and ease of doing business. This will in turn accelerate development and investment within the city specifically economically and socially driven areas such as the Cater Glen Mixed Use precinct within the '**Priority Human Settlement and Housing Development Area (PHSHDA)**'.

a) Alignment with the Strategic Interventions to achieve Spatial Transformation “Priority Human Settlement Housing Development Areas (PHSHDA)

One of the strategic intervention proposed to achieve spatial Transformation and Integration is the development of the Priority Human Settlement and Housing Development Areas (PHSHDA) in Galeshewe and Carters Glen area.

The municipality continuously aim to invest in the land preparation process to achieve the desired PHSHDA. In the financial year 2023/2024, the municipality embarked on a process of land preparation and development of a Master

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Plan for the Carters Glen Mixed Use precinct that serves as a mixed-use corridor that provides a framework for new development strategies.

The corridor is located near major transit routes which are R31, R357 and N8. The proposed buildings will however vary in height and density. The new proposed development should maximise development opportunities yet be compatible with surrounding land uses and built form.

Access to the Carters Glen area can be gained via the R31 Road as well as Carters and MacDougall Road. The development is categorised according to the Southern Precinct and the Northern Precinct. This will enable the development to be implemented in phases commencing with the southern precinct as indicated below.

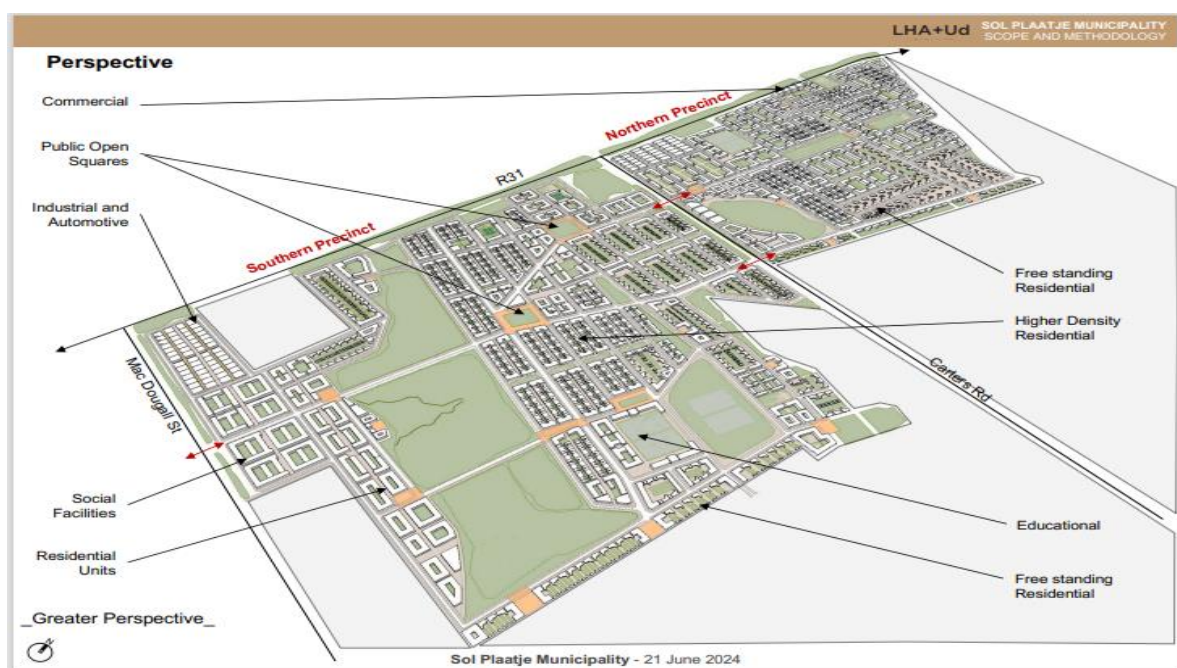


Figure 2: Southern and Northern Precinct

The Market Research Study was developed in April 2024 to determine the demand ratio of the developments to be proposed as well as financial viability and sustainability of the Land Uses. The Market Research Study indicated that the development site scored a rating of 79.0% for private education, 78.3% for residential, 77.8% for retail / trade / automotive / 75.7% for private healthcare, 75.0% for industrial, and 74.2 for office development. A site rating of above 70% indicates that all of the critical success factors for development are in place, whilst a rating of between 60% and 70% indicate that certain factors might be lacking and will have to be addressed to ensure successful development. The proposed layout incorporated all the significant and most needed land uses to address spatial transformation and economic growth.

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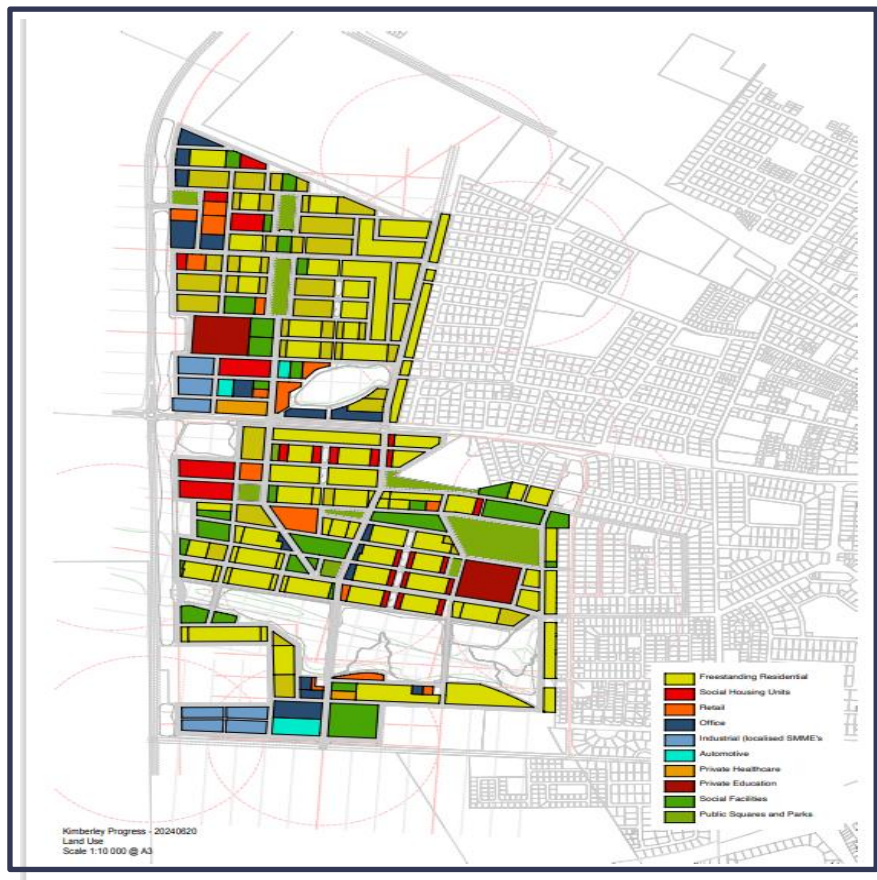


Figure 3: Land uses

b) Alignment with the Integrated Development Framework to improve service delivery through Planning and Surveying of various erven with Sol Plaatje Municipality

The Sol Plaatje Municipality as the only municipalities in the Northern Cape Province selected as a pilot project for the implementation of this national programme facilitated by National Department of Co-operative Governance and Traditional Affairs (COGTA) to foster liveable, safe, resource-efficient cities and towns that are socially integrated, economically inclusive, and globally competitive.

The municipality acquired an Integrated Urban Development Grant (IUDG) in 2020 wherefrom three (04) projects for Township Establishment including Geohydrological studies amounting to R5 000 000.00 were successfully implemented in the 2023/2024 financial year.

The three (04) projects funded through the IUDG yielded **±1041** Erven which then provided security of tenure to the residents of Sol Plaatje Municipality and henceforth providing sustainable service delivery which is a necessity in terms

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of the Constitution of South Africa. In addition, respond to the developmental goal of IUDF which place emphasis on inclusive , sustainable and safe human settlements.

Proposed layout plans , specialized studies , Draft SG diagram and Record of Decisions were completed in the financial year 2023/2024.

Planning and Surveying of erven in various wards within Sol Plaatje Municipality

The Sol Plaatje Municipality embarked on a project of planning and surveying of various municipal owned properties for mixed use particularly erven for churches, creches, businesses, municipal, parks and residential purposes. The total created erven were **±1041** in total. Some of the informal settlement areas which were formalized as part of the project by means of in-situ upgrading included:

- Planning and Surveying Phase 3- Roodepan- (± 140 Erven)
- Planning and Surveying Phase 4- Madiba Park, Behind the legislature: (± 640)
- Cadastral Rectification in Ritchie - (± 82 Erven)
- Planning and Surveying of various for middle income purpose (± 179 Erven)
- Geohydrological Studies for Riemvasmaak – Golf Course (±271)

Furthermore, in addressing the challenge of reducing backlog for the missing middle, other strategic land parcels in areas like Galeshewe and Ritchie were also planned for those who intend to buy land from the municipality and built for their families. The investment for the proposed middle income houses is projected at R200 million.

The land for middle income will be disposed of by the municipality's Property Section through complete bidding processes once installation of services is in place. The Municipality is also grateful to the Northern Cape Department of COGHSTA for supporting every effort to creating sustainable human settlement, such as in the case of Jacksonville in-situ upgrading project.

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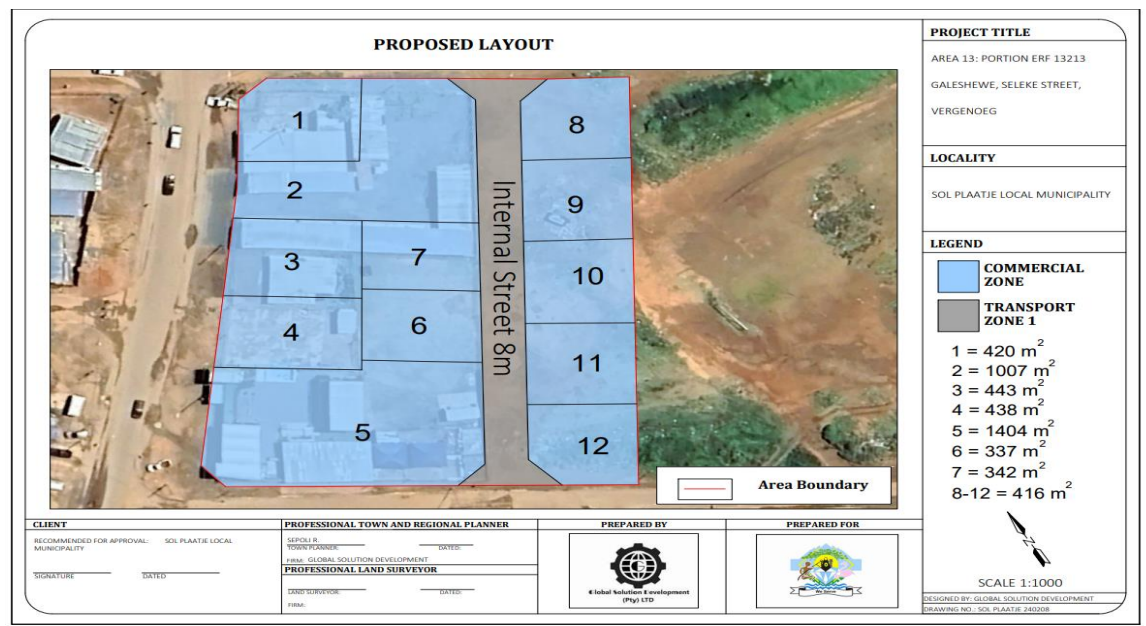


Figure 4: Planning and Surveying of various

Planning and Surveying of various erven adjacent to a well-known Business “Motswako” to ensure accurate property rates and security of tenure.

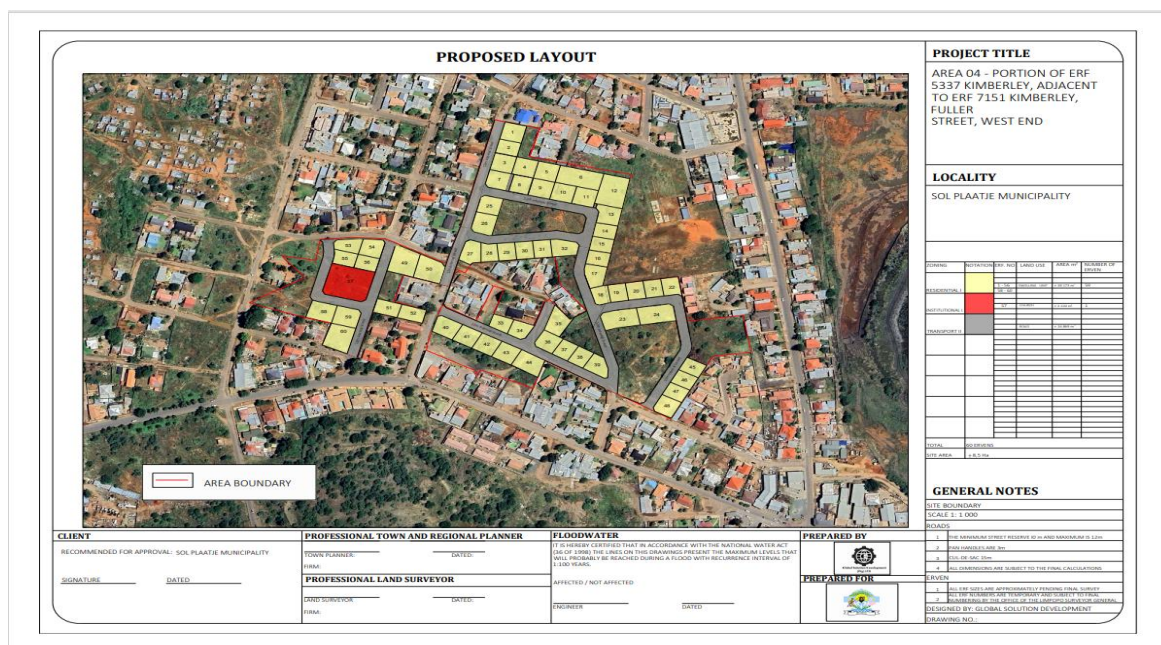


Figure 5: West End Middle Income Development (64 Erven)

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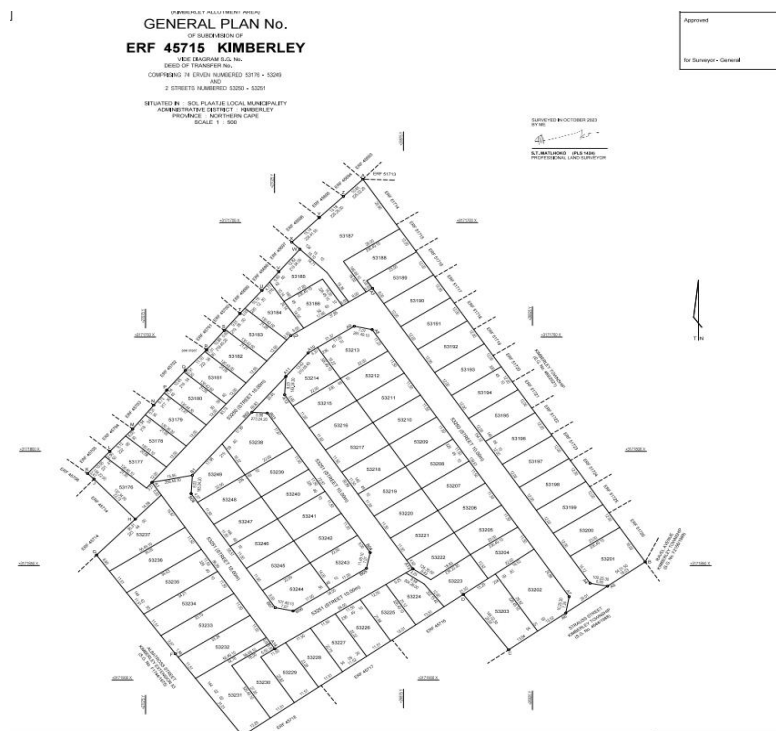


Figure 6: Roodepan (140 Erven)

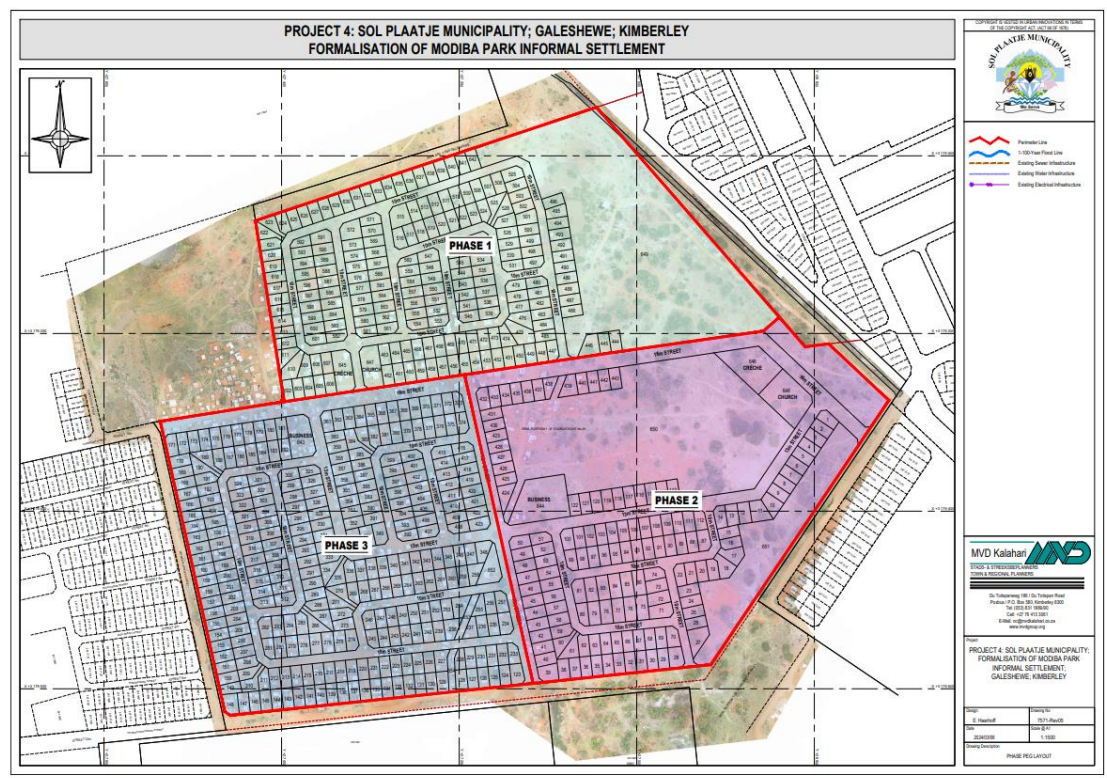


Figure 7: Madiba Park (behind the Legislature) – (640 Erven)

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Extension of Frans Farm Township (Planning and Surveying)

The Planning and Surveying of phase 1 of Frans Farm township establishment project facilitated by Sol Plaatje Municipality in collaboration with Northern Cape Department of COGHSTA is currently in the 2nd phase of installation of services and subsequently construction of top structure.

The project will create approximately 1481 mixed-use development that will cater for 400 middle income, 1000 low cost and 12 social and commercial amenities.

Due to the Demand for housing , COGHSTA further approved the business plan for the establishment of Extension of Frans Farm which will yield 2 000 Erven for middle income and low-cost housing making a total of 3481 Erven in total.

The project is located on a portion of the Remainder Farm Vooruitzigt No.81 Kimberley, Along R31 Road, opposite the Phutanang Township. This project is in line with the IDP objective of creating housing opportunities for the residents of the Municipality and assist reduce the housing backlog.

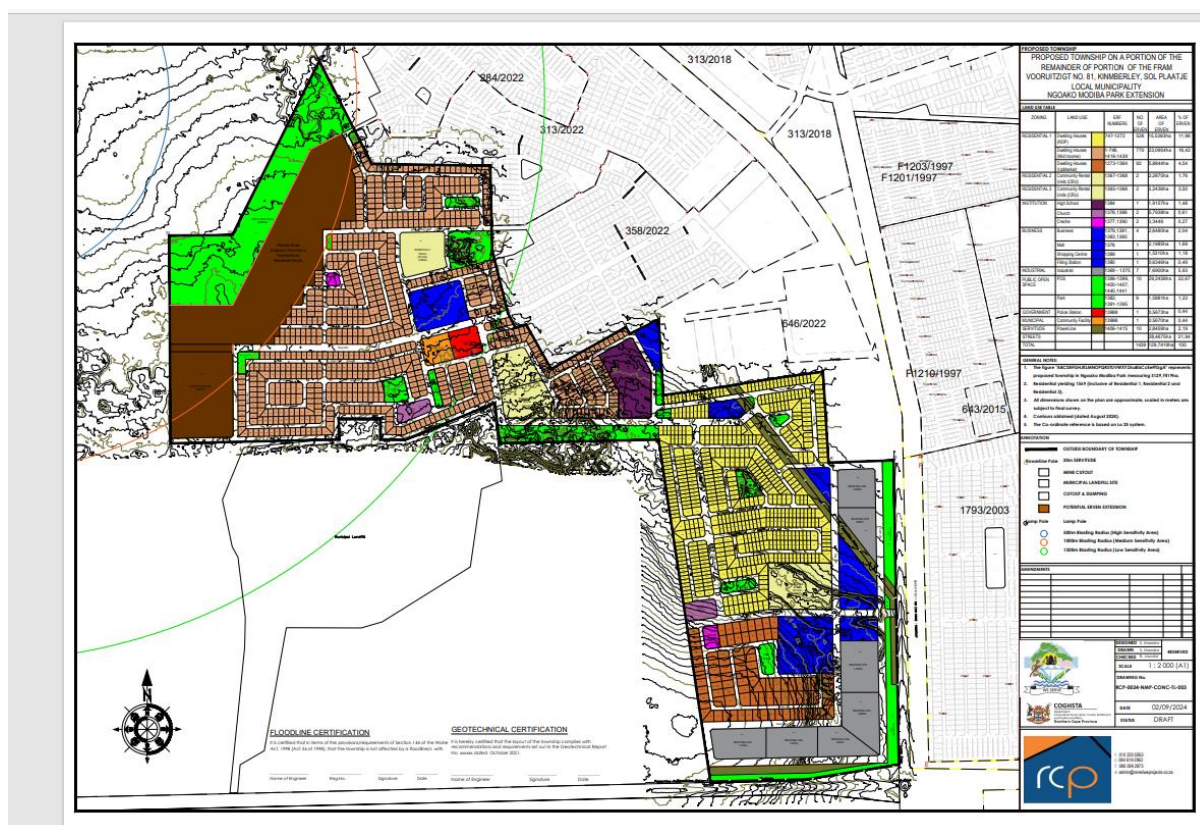


Figure 8: Draft Layout Plan for Planning and Surveying of Frans Farm

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SPLUMA (Municipal Planning Tribunal)

The establishment of the Single Municipal Planning Tribunal has ensured that high-value developments are processed quicker and hence increased private sector investment and turnaround time for approvals. As such, for the financial year 2023/2024, 10 MPT Hearings unfolded in order to consider various land development applications to ensure that private investment development is enhanced in the municipality.

The Municipality envisage to successfully advanced to a predominantly paperless system which will result to all land development, building plans, transfers and other applications processed by the Directorate are submitted online and processed electronically. In the financial year 2023/2024, the municipality has successfully purchased the required equipment to commenced with the TPMAS, BPAMS and PPAMS however, the roll-out process of the system require further improvements that will be completed in the next financial year.

To actively engage the Community in decision-making process, the Municipal Planning Tribunal has promoted a platform where objectors are requested to make representation prior a decision is taken to enable fairness and transparency. This has contributed to a minimum of 3 appeals lodged against a decision by the MPT nor the DO and all off which all appeals have been resolved.

Expansion of the Student Accommodations

One of the massive developments that was approved by the Municipal Planning Tribunal dated 21 February 2023 (MPT 16/2023) was the Proposed Student Accommodation that will accommodate 6700 students cnr of Reservoir and Birbeck within the Knowledge Economy Precinct as well as the Student accommodation along long street with 169 beds .

The proposed development is projected to attract Investment in Kimberley of a Total Development Cost of **R197 million. The number of job opportunities** during construction phase are projected to 300 to 500 job opportunities and prior contraction phase approximately 30 permanent jobs which decrease the unemployment rate.

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Governmental and Private Sector Engagements

Sol Plaatje Municipality particularly Kimberley has been identified as a *“National Urban Node”* and a *“Transformation corridor”* in terms of the National Spatial Development Framework, 2020 and the Provincial Spatial Development Framework, 2019.

The National, Provincial and District policies predominantly view Kimberley as an area of focus to attract private and public investment that will in turn encourage an environment that will foster opportunities for more labour-absorbing activities.

Based on the above, the Town Planning Unit fostered collaboration with the Sol Plaatje University to facilitate the preparation of Growth and Development Strategy. A letter was prepared to request SPU to facilitate the preparation

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of the Growth and Development Strategy on the 19 September 2023. This will strengthen the relationship between the University and Sol Plaatje Municipality and integration of strategic goals to ensure the city is vibrant and safe to live in.

SPLUMA (Municipal Appeals Tribunal)

During the final quarter of the 2023/2024 financial year, 03 appeals were lodged against the decision made by the Municipal Planning Tribunal in relation to availability of services. None of the appeals were in relation to the proposed land used. All the appeals were processed by the Municipal Appeals Tribunal (MAT) .

In addition, to promote fair and Just processing of applications for appeals, the aggrieved applicant is awarded an opportunity in terms of the Promotion of Administrative Justice Act 3 of 2000 <https://www.gov.za/documents/promotion-administrative-justice-act> (PAJA) read together with section 51 of the SPLUMA (Act 13 of 2015) to lodge an appeal on a decision made by the Municipal Planning Tribunal or Designated Official.

The Appeals Tribunal aims 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 Authorized Official are appealed.

Street Naming Project

The Urban Planning Division has commenced with the street naming/renaming for the financial year 2023/2024.

The naming and / or renaming of streets, public places, natural areas, council-owned buildings, facilities, and artefacts play a very important social role in the community. Names help generate a sense of identity; and streets are an important element of urban form – as they assist people to orientate and familiarise themselves in any given space and assist in identifying an area (residential, commercial, industrial, etc.).

The Urban Planning Unit has successfully gazette all the street names and proactively Installed and mounted street names in Greater Number 2 area.

Maintenance of Properties

The role of maintenance of properties at Sol Plaatje Municipality is crucial in ensuring the upkeep and preservation of municipal assets. This involves Regular Maintenance to prevent deterioration and costly repairs, as well as Reactive Maintenance to address defects and faults reported by occupants or identified during inspections.

Some of the key aspects of property maintenance at Sol Plaatje Municipality include:

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Maintenance Analysis: Conducting regular maintenance analysis to identify potential issues and prioritize maintenance activities.

Contract Administration: Managing contracts with service providers to ensure that maintenance work is carried out efficiently and effectively.

Asset Management: Implementing an asset management system to track and manage municipal assets, including properties.

Compliance with Legislation: Ensuring that property maintenance activities comply with relevant legislation and regulations.



The municipality's maintenance efforts aim to provide a safe, healthy, and comfortable environment for occupants, while also protecting the value of municipal assets. For example, one of the municipal assets being Seochoareng Old Age Home.

The Seochoareng Old Age Home, situated in Galeshewe, Kimberley, has a rich history of providing care and shelter to vulnerable seniors. Established to address the needs of the elderly community, the home has been a beacon of hope and support for many years. The home's mission is to provide a safe, comfortable, and supportive environment for its residents, enabling them to live their golden years with dignity and respect. Over the years, the home has been a refuge for many elderly individuals who have been abandoned, neglected, or need care and support.

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However, despite its noble mission, the Seochoareng Old Age Home had begun to show signs of wear and tear. The home's infrastructure and amenities had deteriorated over time, impacting the quality of life for its residents. The building's electrical and plumbing systems were outdated, and the facilities were in dire need of renovation. The home's management and staff faced numerous challenges in providing adequate care and support to the residents due to the constraints posed by the aging infrastructure. The situation was further exacerbated by the limited resources available to the home, making it difficult to address the pressing needs of the residents.

In response to the growing needs of the home and its residents, a facelift project was initiated in 2023/2024. This renovation project aimed to improve the living conditions, safety, and overall well-being of the elderly residents. The project involved a comprehensive overhaul of the home's infrastructure, including the replacement of electrical and plumbing systems, renovation of bathrooms and kitchens, and installation of new flooring and ceilings. Additionally, the project included the upgrading of safety features, such as new site boundary fence and closure of a pathway on the west side of the Erf, to ensure the residents' safety and security.

Through the efforts of Fifteen organisations, including the South African Army, Dri-way technologies, SA Army foundation, Mekan Engineering services, Abram Mashego Construction and Sol Plaatje Municipality, the renovation project has successfully transformed the Seochoareng Old Age Home, providing a safer, more comfortable, and dignified environment for its residents. The renovated home now boasts modern facilities and amenities, enabling the staff to provide better care and support to the residents. The facelift project has not only improved the physical environment but has also had a profound impact on the residents' quality of life, enabling them to live their golden years with dignity and respect.

Residential Businesses

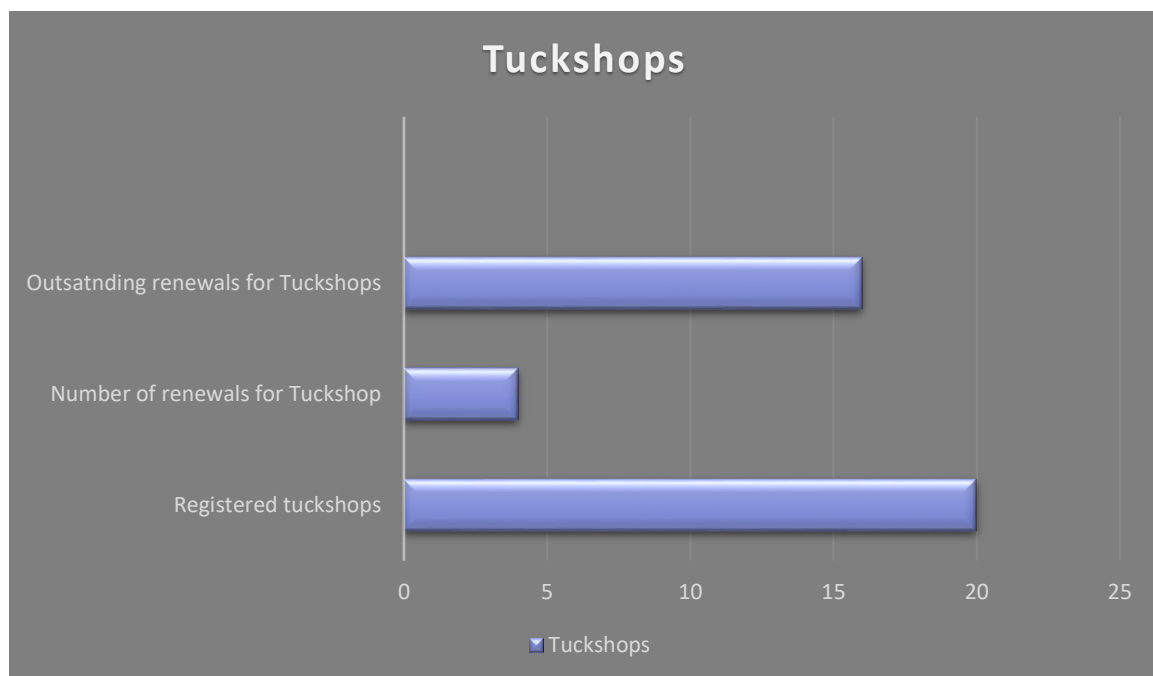
The Urban Planning Section is the custodian of Land Use Management and Control, where Residential Business (including Guesthouses and Tuckshops) is one of its core functions. All residential businesses including SPAZA Shops /Home Shops/ Tuckshop are regulated in Sol Plaatje Municipality in terms of the principles contained in Section 7 of SPLUMA, the Sol Plaatje Residential By-law read together with the section 8 of the Sol Plaatje land Use Management By-laws 2015, Land Use Scheme 2022 and Health Regulations.

The verification of residential businesses (Spaza shops/house shops/tuckshop) has necessitated the review of the bylaw that govern the function. The way the number of residential businesses has increased has pushed the need to have a reviewed bylaw.

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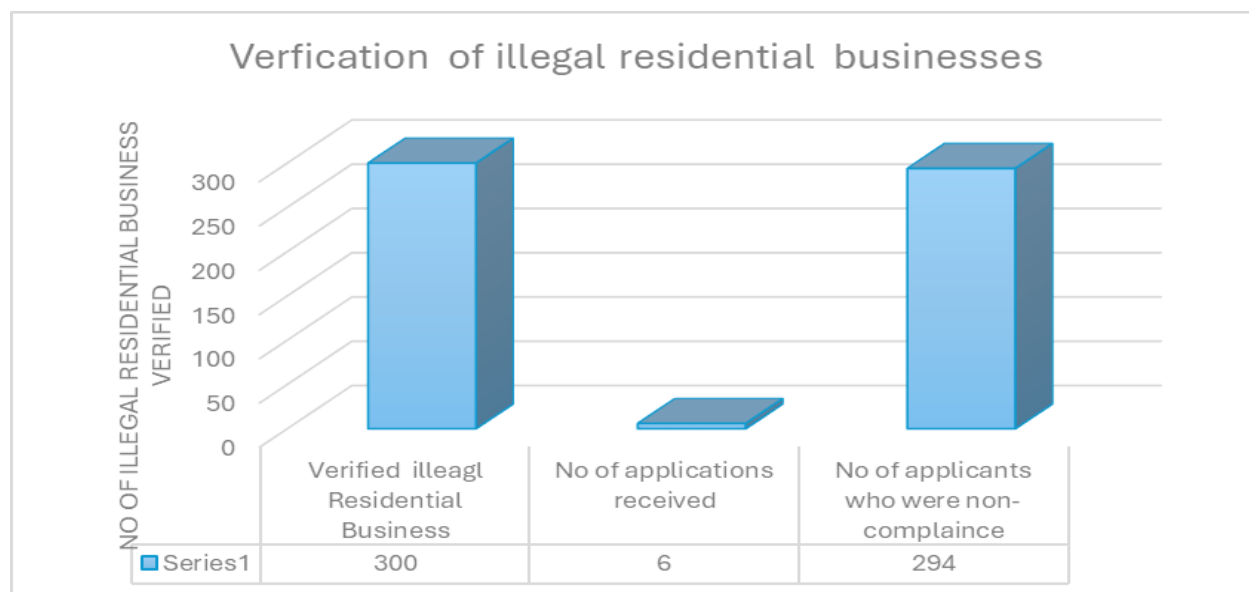
The verification process of all existing legal/ illegal tuckshops within the jurisdiction of Sol Plaatje Municipality is recorded at approximately 996 Tuckshops. The completion of the verification and mushrooming of tuckshops reported necessitate the lifting of the moratorium imposed on tuckshops as per Council resolution (C370/08 dated 12/11/2008) thus will assist in registering the fully compliant applicants that applied to have residential businesses (Spaza shops/house shops/tuckshop) on their property.

The Urban Control section conducted a tuckshop data collection and verification of existing residential businesses (Spaza shops/house shops/tuckshop) in the Sol Plaatje municipal area. The other Residential businesses are still using expired certificates and are reminded to apply for renewal however the renewals received are from (Spaza shops/house shops/tuckshop).

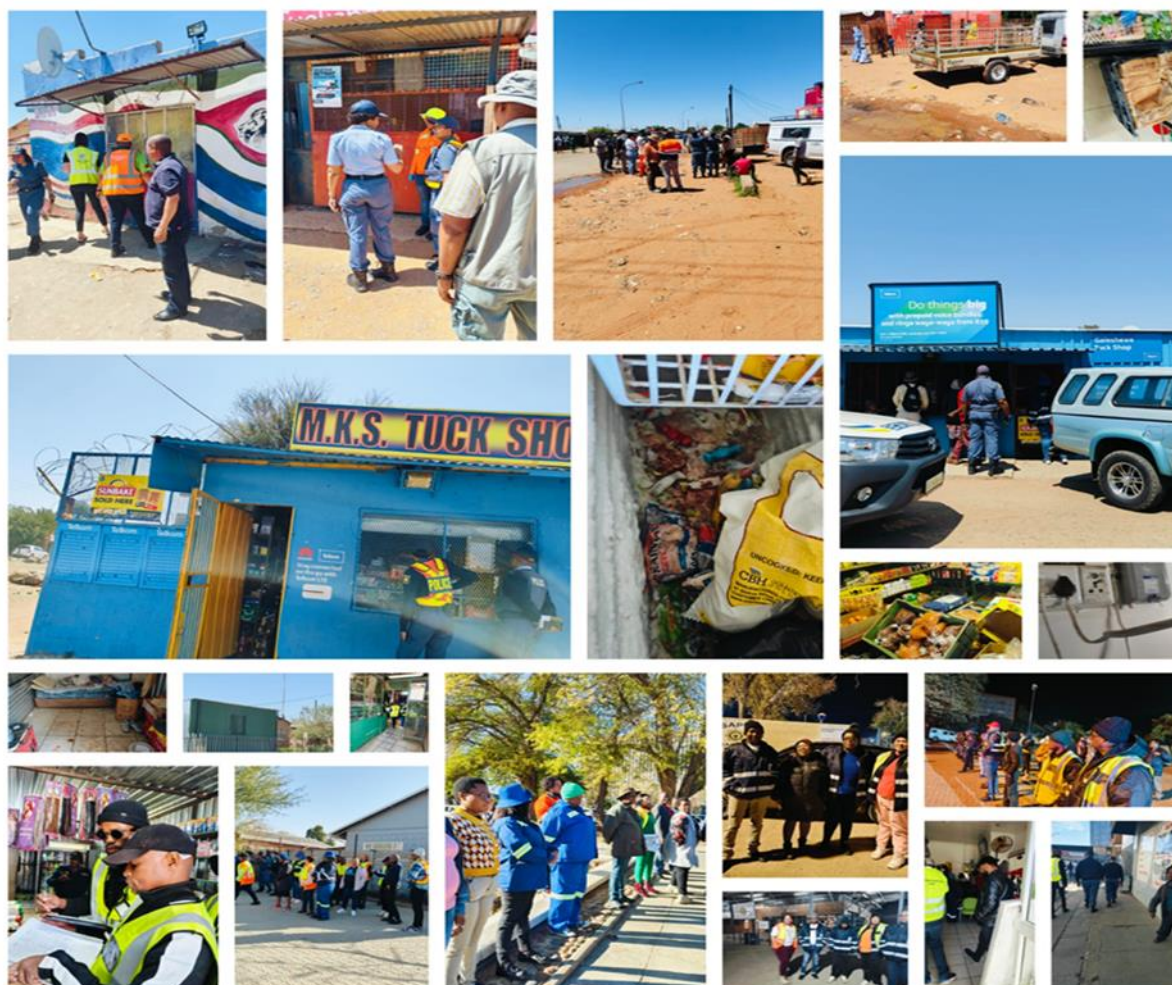


Graph 14: Tuckshop Data Collection

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Graph 15: Verified Illegal Residential Businesses



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Building Control Section

The Building Control Department serves as a vital entity within Municipal or Governmental structures responsible for overseeing and regulating construction activities to ensure compliance with Building codes, standards and regulations.

The Building Control department plays a pivotal role in promoting sustainability within the built environment through several key functions, such as:

- **Enforcement of Green Buildings**, which incorporates energy efficiency, water conservation and environmental quality. This includes reviewing Building Plans, conducting inspections and issuing of Occupational Certificates to ensure compliance with Green Building requirements as well as the National Building Regulations Act (Act No. 103 of 1977) and SANS 10400.
- **Ensuring Public Safety**: The Building Control Unit ensures that buildings are structurally sound and safe for occupancy, minimizing risks to residents, workers and the public.
- **Providing Guidance and Support**: The Building Control Unit provides guidance and support to developers, architects, the members of the public and builders on integrating sustainable design and construction practises into their projects.
- **Regulatory Compliance**: It ensures adherence to national and local building codes, zoning regulations, and environmental standards.
- **Issuance of Approvals**: The unit reviews and approves building plans, conducts site inspections, and issues certificates of compliance and occupancy.
- **Monitoring and Compliance**: The department monitors construction activities to ensure compliance with the Local Authority and National Building Regulations Act. Which includes, site inspections, reviewing documentation and issuing of Non-Compliance notices to those who are non-compliant.
- **Education and Outreach**: The unit has an intergovernmental relationship with a National Council of Professionals, South African Institute of Architectural Technologists (SAIAT) to promote awareness about the importance of sustainability in the built environment. In the next coming Financial Year, the unit will be launching a workshop with SAIAT for the public and stakeholders in regards to the importance of submitting Building Plans and adhering to National Building Regulations Act.

The turnaround time for the processing of completed buildings is between eight (08) to ten (10) weeks. There was an outcry from the community that the turnaround times on development applications are lengthy hence the municipality has increased Technical capacity and the turnaround time and response is much faster.

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There are also initiatives to implement electronic systems to enhanced ICT and monitor turnaround time processing of building plans i.e. Building Plan Management Systems (BPAMS)

The Building Control Unit has approved a significant number of student accommodation projects and office blocks exceeding 500 square meters during the financial year 2023-2024. These approvals have generated substantial revenue for the municipality through building plan submission fees, infrastructure connection fees and rates and taxes. Furthermore, they are expected to uplift the community of Kimberley by creating numerous job opportunities for the unemployed.



Figure 9: N12 Vermeulen's warehouse

New warehouses that will house various stakeholders, total building area amounts to 16 520 sqm.

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Figure 10: Sea of Mountains Student Accommodation – Lawson Street New Park

The newly developed student accommodation amounts up to 13 875 sqm.

Block 3 will house 140 students for 25-26 intake date.



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Figure 11: Oliver Road Office Park

Building Plans were approved for a newly developed office park amounting up to 1232 sqm.



Figure 12: Northern Cape Department of Health – Forensic Mortuary

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Challenges Faced by the Building Control Unit:

- **Resource Constraints:** Limited financial, technological and human resources.
- **Non-Compliance by Developers:** Some developers tend to bypass regulation, leading to unauthorized of substandard construction.
- **Rapid Urbanization:** The increasing pace of urban development can overwhelm the unit, resulting in delays in approvals and inspections.
- **Legal Disputes:** Conflicts between the unit, developers, and other stakeholders can arise over regulatory interpretations or project approvals.
- **Interdepartmental Cooperation:** Lack of cooperation from with few staff members dedicated to providing commentary on Building Plans, which results in a delay for approval.

The Building Control Unit plays a crucial role in ensuring safe, sustainable, and regulated urban and rural development within the city.

Challenges

- Due to budgetary and cash flow constraints the municipality is not in a position to fully implement the spatial strategy and should be then implemented over a multi-year period. E.g. The complete implementation of Priority Human Settlement and Housing Development Areas (PHSHDA's).
- Limitation in terms of Bulk Infrastructure have impact on densification of land use applications i.e. New Park area short of sufficient electrical bulk because of the Sol Plaatje University Precinct, which is growing at a rapid pace.
- Limitation in terms of Bulk Infrastructure the implementation of middle-income developments for revenue enhancement.
- Non-compliance of residents in terms of following correct land use management procedures through Sol Plaatje Land Use Management Bylaw, 2015 and SPLUMA (Act 16 of 2013) e.g. developing without following rezoning processes.

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Interventions

- Council should consider increasing the internal budget of the Urban Planning Section to affect the agenda of spatial transformation in the municipality.
- Strengthen external partner relationship to address structural impediments and improve on service delivery (e.g. DBSA, National Department of COGTA, Office of The Premier (Northern Cape), National Department of Public Works & Infrastructure, National Department of Rural Development & Land Reform).
- Municipality to provide co- funding for implementation of Precinct plan to unlock investment opportunity and diversify the economy.
- To effectively make use of the existing digital applications (TPAMS and BPAMS).

3.10.1 Planning Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development/Local Economic Development

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Economic growth through promoting Sol Plaatje Municipality as an economic hub	Ensuring a response time of 11 weeks for building plans submissions received in the current financial year for buildings / architectural buildings greater than 500m2 (number of plans received / divided by number of weeks to process	11 weeks	11 weeks	11 weeks	6,50 weeks	11 weeks
Economic growth through promoting Sol Plaatje Municipality as an economic hub	Ensuring a response time of 11 weeks for building plans submissions received in the current financial year for buildings / architectural buildings less than 500m2 (number of plans received / divided by number of weeks to process	11 weeks	8 weeks	11 weeks	9,71 weeks	11 weeks
Economic growth through promoting Sol Plaatje Municipality as an economic hub	To process 80% category 1 land-use applications received until 30 April through Municipal Planning Tribunal by 30 June	80%	89,80%	80%	92%	80%
Economic growth through	Number of processed building plans received before 1 July	200	200	200	206	200

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Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
promoting Sol Plaatje Municipality as an economic hub	Number of erven planned and surveyed	1 400	1 533	5 500	5 292	1 700
Economic growth through promoting Sol Plaatje Municipality as an economic hub	Development of the Draft Investment Promotion Strategy by 30 June	Not a Target		1	1	Not a Target
Economic growth through promoting Sol Plaatje Municipality as an economic hub	Review of Capital Expenditure Framework (CEF)	Not a Target		1	1	Not a Target

Table 87: Planning Objectives included in the IDP

3.10.2 Financial Performance: Urban Planning

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Employees	3,624	3,464	3,464	3,796	9%
Repairs and Maintenance	–	6	6	–	
Other	14	94	94	7	-1241%
Total Operational Expenditure	3,638	3,564	3,564	3,804	6%
Net Operational Expenditure	3,638	3,564	3,564	3,804	6%

Table 88: Financial Performance: Urban Planning

3.10.3 Capital Expenditure: Urban Planning

The following were capital expenditure for Urban Planning

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Capital projects	2023/24					
	Budget	Adjustment budget	Actual expenditure	Variance from the original budget	Variance from adjustment budget	Total project value
	(R)					
Planning and surveying plots to be sold	5,000	4,513	4,367	-13%	-3%	4,513
PHDA Planning & Surveying	10,000	7,882	6,946	-31%	-12%	7,882
Total	15,000	12,395	11,313	-24.58%	-8.73%	12,395

Table 89: Capital Expenditure: Urban Planning

3.10.4 Comment on the Performance of Physical Planning Overall

The directorate of Strategy Economic Development and Planning has performed satisfactorily in the year under review. There are a few strategic initiatives that were undertaken by SEDP, such as Growth and Development Strategy (GDS), and IUDG. Sol Plaatje Municipality continues to be part of the Integrated Urban Development Grant, a grant that is aimed at upgrading infrastructure in low-income areas and improving the spatial fabric of the City in order to realise SPLUMA (16 of 2013) principles, inclusive of spatial equity and spatial transformation. The continued participation of SPM as a grant recipient is dependent on the review of the Capital Expenditure Framework (CEF) which is key in securing future allocation, and SEDP champions such review.

Another initiative started by SEDP, is the annual Tourism event – “Mayoral Christmas Carols by Candlelight”. It is aimed at fostering social cohesion and generally celebrate and welcome and celebrate the festive of season. This initiative is anticipated to be an annual event.

3.11 PROPERTY SERVICES

3.11.1 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.

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

KEY ACHIEVEMENTS

- **Alienation Of Municipal Land**

The sub-directorate: Property Services achieved one of the highest revenue generated through property sales during the period 1 July 2023 – 30 June 2024. Six (06) property transactions resulted in the municipality gaining over R17 million in revenue. Significantly, one of the transactions registered included the sale of the Oppenheimer Gardens to the Sol Plaatje University. The revenue from municipal land sales was reinvested in various development projects, helping to improve infrastructure and other service delivery initiatives for the benefit of residents of the municipality.

- **Leasing Of Municipal Land**

Leasing of municipal property typically involves agreements where the Municipality rents out available municipal owned land, buildings or facilities to private individuals, government departments, organisations, or businesses. For the financial year 2023/2024, the sub-directorate Property Services finalised sixteen (16) lease agreements, wherein seven (07) were new agreements entered into and nine (09) were renewal of existing lease agreements.

- **Introduction of Application Fees for Propety Applications**

Council approved the introduction of application fees for the sale and lease of municipal land within the jurisdiction of Sol Plaatje Local Municipality. The introduction of application fees for the sale and lease of municipal land will in the main contribute to the reduction of red tape for the municipality. These measures will encourage responsible development, streamline the application process, generate revenue for public investments, allocate resources more efficiently, foster environmental consciousness and maintain the integrity of municipal land assets. The implementation of the application fee will commence in the next financial year.

- **Availing Residential Properties Through Competitive Bidding Process**

The sub-directorate: Property Services facilitated and availed a number of serviced infill properties for Residential purpose to ensure security of tenure for residents of Sol Plaatje Municipality. The aim of this initiative is to avail freehold residential erven which will mainly accommodate residents falling in the gap market bracket. These properties (mostly valued below R300,000.00), situated in areas of West End, Homelite, Beaconsfield, Galeshewe,

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Greenpoint, Roodepan and Ritchie, were disposed off through competitive bidding process (tenders) and will also assist the municipality with much needed revenue.

CHALLENGES

● High Staff Turnover

High staff turnover had a significant impact for the sub-directorate Property Services as three (03) employees retired from the organisation. These employees had over 90 years of experience combined in the municipality. As such, the three vacancies created - which remain unfilled, continue to have a negative impact to the sub-directorate and the municipality due to loss of institutional knowledge, disruption to operations as well as overworked employees.

However, despite the high staff turnover, an Acting Manager: Properties and one (01) town planning Infrastructure Skills Development Grant (ISDG) graduate has been stationed in the department to assist with the daily operations in the sub-directorate Property Services.

● Un-Serviced Land

Due to the lack of bulk infrastructure, selling or leasing serviced land in strategic areas continues to be an uphill battle. This sub-directorate is unable to lease or sell various municipal owned properties without the required backing (i.e., budgetary allocations), even though they have a substantial potential to boost revenue, draw in investments, and generate other economic spinoffs.

3.11.2 Property Services Objectives included in the IDP

Municipal Key Performance Area: Local Economic Development

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Economic growth through promoting Sol Plaatje Municipality as an economic hub	Administration of lease agreements	8	16	8	16	8
	Process alienation/lease applications for SPELUM recommendation and council decision within four (4) months after receipt of all relevant comments from internal municipal departments	60	9	60	76	60

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Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
	To enhance revenue through the sale of available land to prospective buyers by 30 June 2024	R4 000 000.00	R3 019 000.00	R4 000 000.00	R17 132 483.41	R4 000 000.00

Table 90: Property Services Objectives included in the IDP

3.11.3 Comment on the Performance of Property Services Overall

The sub-directorate's activities were significantly impacted by the departure of key personnel. The sub-directorate: Property Services, meanwhile, did well despite the obstacles encountered. Crucially, the sub-directorate's officials' diligent efforts enabled the municipality to raise over R17 million in desperately needed funds through land sales. Furthermore, great improvement was also observed through the number of leases administered which were higher than the previous financial year.

In addition, a proposal was approved by Council to introduce application fees for the sale and leasing of municipal land to address the issues posed by the increasing volume of applications and to generate income. Finally, more effort was put into providing residential properties to the municipality's citizens in order to secure tenure, particularly for the middle class.

3.12 LOCAL ECONOMIC DEVELOPMENT (LED)

3.12.1 Introduction to Economic Development

The third objective of local government, as outlined in the Constitution of South Africa (Act 108 of 1996), focuses on promoting social and economic development. The White Paper on Local Government (1998) further identifies the key characteristics of developmental local government, emphasizing the maximization of social and economic growth, coordination of government, business, and non-profit sector activities, democratization of development through empowerment and redistribution, and the fostering of "social capital" at the local level through a leadership approach committed to learning.

Local Economic Development (LED) involves collaborative efforts among government, non-government, or private sector entities to stimulate and expand economic activity in a specific locality, ultimately contributing to economic development and enhancing the well-being of residents.

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Despite the inherent challenges, the imperative for LED is too significant to overlook. It is incumbent upon the advocates and implementers of LED in SPM to acknowledge and embrace this challenge, recognizing that substantial achievements are possible even in remote and resource-scarce localities such as the Municipality's LED Unit.

3.12.2 Comment on Local Job Opportunities

TOTAL AGGREGATE EMPLOYMENT

The analysis of workforce statistics plays a pivotal role in gauging unemployment rates. Furthermore, fluctuations in employment across various sectors and industries typically signal substantial shifts within the economy's structure. Workforce data also underpins the assessment of productivity, individual earnings, and various other economic metrics.

Aggregate employment encompasses both formal and informal sector employment.

Year	Sol Plaatje	Frances Baard	Northern Cape	National Total
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
2018	70 500	95 700	344 000	16 300 000
2019	72 800	99 400	351 000	16 300 000
2020	74 300	101 000	339 000	15 700 000
Average Annual growth				
2010-2020	1.75%	1.57%	1.71%	1.48%

Source: IHS Markit Regional eXplorer version 2112

Table 91: Total Employment - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2007-2017

In 2020, Sol Plaatje employed 74 300 people which is 73.82% of the total employment in Frances Baard District Municipality (101 000), 21.88% of total employment in Northern Cape Province (339 000), and 0.47% of the total employment of 15.7 million in South Africa. Employment within Sol Plaatje increased annually at an average rate of 1.75% from 2010 to 2020.

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Sector	Sol Plaatje	Dikgatlong	Magareng	Phokwane
Agriculture	1 290	546	313	1 090
Mining	4 080	1 230	319	1 090
Manufacturing	3 050	494	120	557
Electricity	500	33	46	108
Construction	2 940	355	210	623
Trade	15 700	1 840	782	3 130
Transport	2 140	247	109	255
Finance	9 840	766	318	1 190
Community services	30 000	2 670	1 460	4 220
Households	4 760	781	282	1 150
Total	74 300	8 960	3 960	13 400

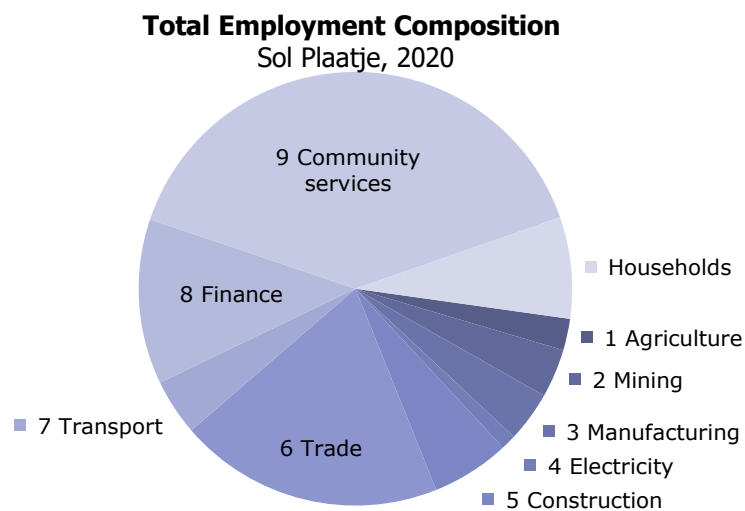
Source: IHS Markit Regional eXplorer version 2112

Table 92: Total Employment per Broad Economic Sector - Sol Plaatje and the rest of Frances Baard, 2020

Sol Plaatje municipal area employs a total number of 74 300 people within its local municipality. Sol Plaatje municipal area is also employing 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 3 960 employed people.

In Sol Plaatje municipal area the economic sectors that recorded the largest number of employments in 2020 were the community services sector with a total of 30 000 employed people or 40.4% of total employment in the local municipal area. The trade sector with a total of 15 700 (21.1%) employs the second highest number of people relative to the rest of the sectors. The electricity sector with 500 (0,7%) is the sector that employs the least number of people in the Sol Plaatje municipal area, followed by the agriculture sector with 1 290 (1,7%) people employed.

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Source: IHS Markit Regional eXplorer version 2112

Graph 16: Total Employment Composition

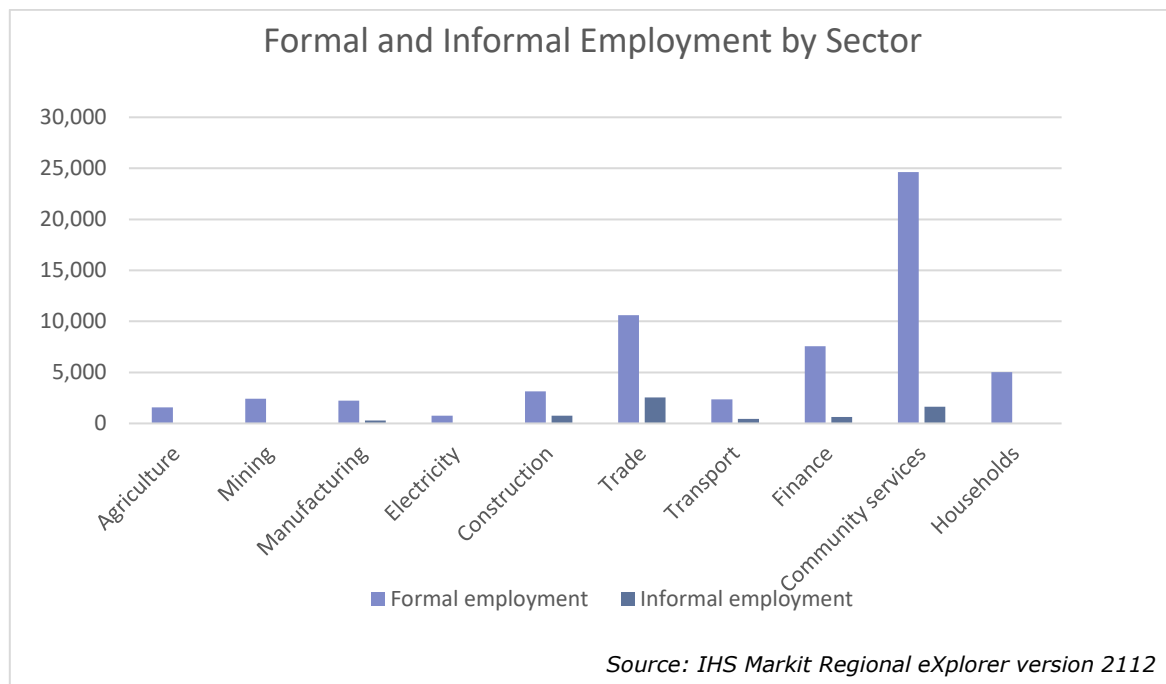
FORMAL AND INFORMAL EMPLOYMENT

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 68 900 in 2020, which is about 92,720% of total employment, while the number of people employed in the informal sector counted 5 410 or 7.28% of the total employment. Informal employment in Sol Plaatje increased from 5 180 in 2010 to an estimated 5 410 in 2020.

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Graph 17: Formal and Informal Employment by Broad Economic Sector

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 2020 the Trade Sector recorded the highest number of informally employed, with a total of 1 860 employees or 34.36% 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 264 and only contributes 4.88% to total informal employment.

Sector	Formal employment	Informal employment
Agriculture	1 290	n/a
Mining	4 080	n/a
Manufacturing	2 780	264
Electricity	500	n/a
Construction	2 360	583
Trade	13 800	1 860
Transport	1 640	494

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Sector	Formal employment	Informal employment
Finance	9 000	842
Community services	28 600	1 370
Households	4 760	n/a

Table 93: Formal and Informal Employment by Broad Economic Sector - Sol Plaatje Local Municipality, 2020

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.

3.12.3 Local Economic Development Objectives included in the IDP

Municipal Key Performance Area: Local Economic Development

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Economic growth through promoting Sol Plaatje Municipality as an economic hub	Number of SMMEs supported through the implementation of the business incubation developmental programme	10	13	10	10	10
	Percentage Implementation of the ease of doing business project as per the annual implementation plan by 30 June 2024	100%	17%	100%	80,00%	Not a Target
	Conduct an assessment on the status of the Tram by 30 June 2024	Not a Target		1	1	Not a Target
	Hosting of a Christmas Family Fun Day by 30 June 2024	Not a Target		1	1	Not a Target
	Number of SPM Tourist Signage Boards maintained by 30 June 2024	Not a Target		1	9	10
	Percentage Completion for the N12 Tourism Promotion project by 30 June 2024	Not a Target		100%	100%	Not a Target
	Development of the Draft Local Economic Development Strategy by 30 June	Not a Target		1	1	Not a Target

Table 94: Local Economic Development Objectives included in the IDP

3.12.4 Financial Performance: Local Economic Development

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Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	558	830	19,680	19,487	-1%
Expenditure:					
Employees	7,749	8,974	9,107	8,024	-12%
Repairs and Maintenance	763	649	999	454	-55%
Other	77	231	231	70	-70%
Total Operational Expenditure	8,589	9,854	10,337	8,548	-17%
Net Operational Expenditure	8,031	9,024	(9,343)	(10,939)	17%

Table 95: Financial Performance: Local Economic Development

3.12.5 Capital Expenditure

The following were capital expenditure for LED

Capital projects	2023/24					
	Budget	Adjustment budget	Actual expenditure	Variance from the original budget	Variance from adjustment budget	Total project value
	(R)					
European Union Bear Project	–	18,850	17,073	#DIV/0!	-9%	18,850
Total	–	18,850	17,073	#DIV/0!	-9%	18,850

Table 96: Capital Expenditure: LED

3.12.6 LED Highlights

- Local Economic Development Strategy

Final draft of the strategy has been concluded, Local Economic Development (LED) is an approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in a local municipal area. SPM has undertaken the process in collaboration with the university of Johannesburg to ensure the creation of an enabling environment for investments, enterprise support and tourism thrives the municipal area.

- Number of SMME's supported through the implementation of the business incubation developmental programme.

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Through our incubation program housed at the Galeshewe SMME Village is a multi-sectoral business incubation center that provides SMMEs with physical office space and enterprise development services through an innovative business incubation support program that is designed to accelerate business growth and job creation. The Galeshewe SMME Village also serves external entrepreneurs with basic business support and business development services to start, grow and manage a successful business. The Galeshewe SMME Village strives to be the preferred partner in incubation and business development.

- Hold 4 workshop per annum to train and develop SMME's

- Issuing Informal Trade Permits

The enterprise support sub function has issued a total of 158 street trading permits allowing and encouraging informal trading in the municipal area. Traders are issued with permits at demarcated trading areas identified and suitable for informal trade business operations.

- SPRINT: Active Box/informal Traders Hub

The implementation of the Safer Places – Resilient Institution and Neighbourhoods Together (SPRINT) initiative, in particular within the capacity development process and the implementation of the community development fund (CDF) to make a contribution to area-based violence prevention initiative in the Municipal jurisdiction.

Sol Plaatje Municipality is the only municipality in South Africa, that the through GIZ, successfully applied to be part of the Cities Challenge 2.0 together Mexico, India and Pakistan under the theme building vibrant resilient neighbourhoods. Galeshewe township was chosen as the neighbourhood that was most appropriate site to construct the Informal Traders Hub focusing primarily on women and youth. The informal trader's hub was initially planned to be constructed at the Hulana Park but was later moved to be placed the Galeshewe Open Air Arena.

- Facilitated the Development of an Informal Trade Policy

The Municipality recognises the key role that informal trading plays in poverty alleviation, income generation and entrepreneurial development and, in particular, the positive impact that informal trading has on historically disadvantaged individuals and communities.

Acknowledging the need to adopt a developmental approach to the informal trading sector in order to create an environment that is conducive to the growth of businesses in the informal trading sector. To create a platform and opportunity, particularly for the unemployed to participate in the economy in order to make a living. To stimulate and encourage the notion of self-employment, self-sustainability, self-reliance, particularly for the unemployed.

- Business Expansion Attraction and Retention Program (BEAR)

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The BEAR project is a Sol Plaatje Municipality (SPM) initiative administered by National Treasury under the General Budget Support Programme funded by the European Union. The Centre for Municipal Research & Advice (CMRA) is the implementing service provider of the project.

The project aims to enhance SPM's economic governance and infrastructure through a digitalised business application (& facilitation) platform, a harmonised business regulatory environment, and through capacity & capability enhancement of the municipality (institution) and municipal officials (individual) to promote SPLM's BEAR endeavours for overall local economic development.

The project comprises of five (5) distinct components:

Component 1 (Project Set-up);

Component 2 (Capacity and Capability Enhancement Programme);

Component 3 (Ease of Doing Business Index & Baseline Study Subcomponents: Global Competitiveness Index and Red Tape Reduction Assessment);

Component 4 (Testing & Piloting E-One-Stop Shop) and

Component 5 (Project Closure).

- Craven Informal Trade Centre

The centre consists of 19 pre used shipping containers reconfigured into an informal shopping centre development in the CBD. The transformation will result in park into boutique stores, restaurants and kiosk spaces geared towards starter entrepreneurs – from fashion designers to chefs and artists. The focus of many of the stores is on local cuisine, designs and production and you will often find that the friendly face behind the counter is also the person who handmade the unique items that you will be buying.

- Where to Eat: Food Court

There are a number of places to eat, with various cosy corners and green open spaces in which to sit and enjoy your lunch. The list includes fresh lunch specials, sandwiches, local cheesanyama and coffee shopw and for something hearty, and welcoming cuisines. The centre will be completed end -2023.

- Carols By Candlelight Family Carnival

The Sol Plaatje Municipality Carols by candlelight/ Christmas Family Fun Carnival is a family-oriented event designed to usher-in the spirit of Christmas and the festive season break. The event is a vibrant and enchanting carnival space, adorned with colourful streetlights, festive decorations, and a joyful atmosphere. The event took place over a period of 1 day, encompassing various activities and entertainment for all ages. The event aims were to bring together families, friends, and neighbours, providing them with an unforgettable experience filled with merriment and community bonding. The carnival featured an array of activities that catered to diverse interests, that ensured that everyone experienced something enjoyable.

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• BFI Information Sharing Workshop

Sol Plaatje Municipality (SPM) in collaboration with BIGEN AFRICA will be conducting information sharing workshops for the integration of Small, Medium, and Micro Enterprises (SMMEs) in the implementation of the Budget Facility for Infrastructure (BFI) water refurbishment programme. The programme aims to address frequent supply disruptions caused by continued leaks and poor water quality. Through the implementation of this programme the municipality hopes to restore, monitor, and control water quality and water supply within the Sol Plaatje Municipality. The purpose of the information sharing workshops is to sensitize all small enterprises with CIDB grading 1-3 (for classes: CE, GB, ME, EB, EP, SO), suppliers, business forums, labourer's - skilled & semi-skilled, and entrepreneurs of the potential business opportunities the programme will provide.

Through these workshops qualifying SMMEs/Labourer's/ Suppliers will be able to understand the database creation and prequalification processes to be followed as part of the BFI water refurbishment programme. All interested parties were invited to come and participate in the workshops, which were facilitated by BIGEN AFRICA. Details of the venues, time and date of the workshops were as follows:

DATE	VENUE	TIME	WARD CLLR
29 th May 2023	Galeshewe: Recreational Hall	09:00 – 12:00	Cllr Burger Lekoma & Cllr Isaac Ruiters
30 th May 2023	CBD: City Hall	09:00 – 12:00	Clr Belinda Moses
30 th May 2023	Riverton: Uniting Presbyterian church	14:00 – 16:00	Clr Malebo Aaron
31 st May 2023	Rietvale Community: Rietvale Hall	09:00 – 12:00	Cllr Wagter
31 st May 2023	Motswedimosa Community Rietvale hall	14:00 – 16:00	Cllr Mokwang
01 st June 2023	Roodepan: Swedish Hall	10:00 – 13:00	Cllr, Moses Ferguson Clr Malebo Aaron and Johannes Brown
01 st June 2023	Plaatfontein: Xhung-Khwes Combined School	14:00 – 16:00	Cllr Moses Ferguson & Cllr Frikkie Banda
01 st June 2023	Riverton: Presbyterian Church	17:00 – 19:00	Clr Malebo Aaron
02 nd June 2023	Greenpoint: Garna Williams Hall	10:00 – 13:00	Cllr Jan Peterson
02 nd June 2023	Lorato park Bigen Offices	14:00 – 16:00	Clr Kok
07 th June 2023	Motswedimosa Community Motswedimosa hall	15:00 – 17:30	Cllr Mokwang

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Figure 13: Agenda BFI Workshop

● Mobile Laboratory (Mlab)

The DSI and DEDAT jointly funded the establishment of mLab in Northern Cape, a Mobile Applications Laboratory providing physical and virtual support for ICT and business skills development. It operates as a Non-Profit Company and collaborated with SPM for tech innovation and start-ups. The programs and activities are aimed at empowering the youth with practical skills to pursue either employment or self-employment opportunities.

The Sol Plaatje Municipality has, as part of its strategic intent, the need to revitalise and modernise the township economy of Galeshewe, to which extent they have availed the SMME Village to locate mLab NC.

Given the challenges experienced in the previous financial year with respect to management of the SMME Village facility, these mLab NC partners entered into an agreement with Diamond Creative Vision to manage and maintain the building. Below is an outline of the responsibilities of the Facilities Manager.

3.12.7 Comment on Local Economic Development Performance Overall

With a GDP of R25.5 billion in 2020 (up from R16.9 billion in 2010), the Sol Plaatje Local Municipality contributed 78.30% to the Frances Baard District Municipality GDP of R32.6 billion in 2020 increasing in the share of the Frances Baard from 78.37% in 2010. The Sol Plaatje Local Municipality contributes 25.33% to the GDP of Northern Cape Province and 0.51% to the GDP of South Africa which had a total GDP of R 4.97 trillion in 2020 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2010 when it contributed 0.61% to South Africa, but it is lower than the peak of 0.61% in 2010.

Year	Sol Plaatje	Frances Baard	Northern Cape	National Total	% of District Municipality	% of Province	% of National
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%
2018	25.8	32.8	100.1	4 873.9	78.7%	25.8%	0.53%
2019	25.9	33.1	103.4	5 077.6	78.2%	25.1%	0.51%
2020	25.5	32.6	100.8	4 974.0	78.3%	25.3%	0.51%

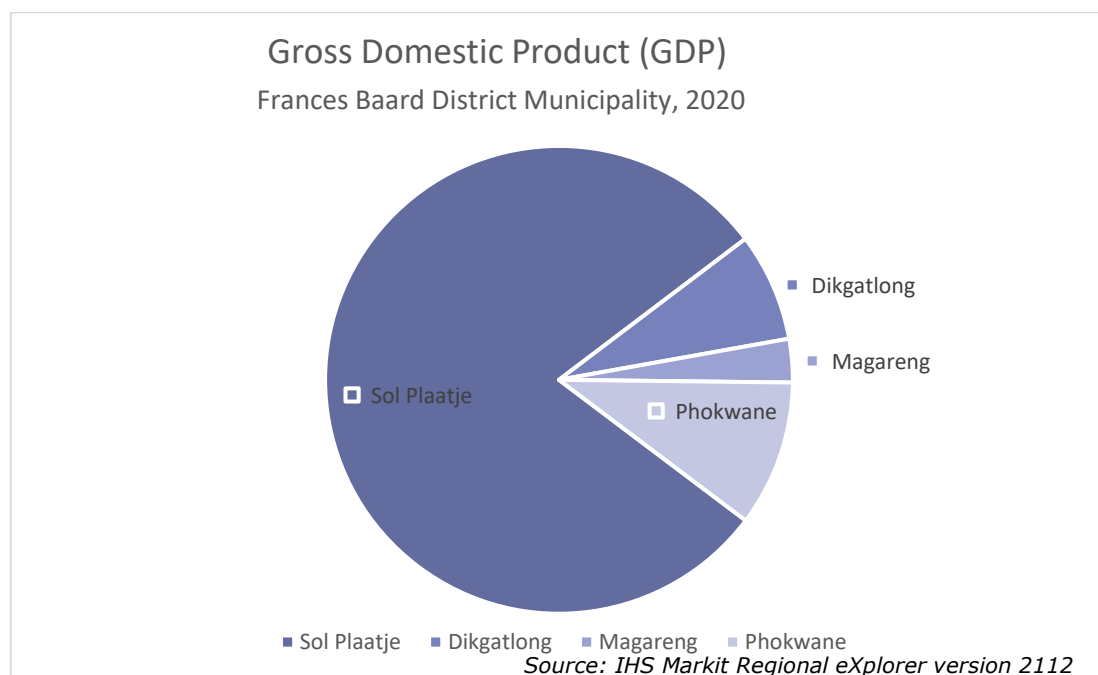
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Year	Sol Plaatje	Frances Baard	Northern Cape	National Total	% of District Municipality	% of Province	% of National
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Source: IHS Markit Regional eXplorer version 2112

Table 97: GDP - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2010-2020

In 2020, the Sol Plaatje Local Municipality achieved an annual growth rate of -2.07% which is a significantly higher GDP growth than the Northern Cape Province's -8.53%, but is higher than that of South Africa, where the 2020 GDP growth rate was -6.96%. Contrary to the short-term growth rate of 2020, the longer-term average growth rate for Sol Plaatje (-0.95%) is significantly lower than that of South Africa (0.64%). The economic growth in Sol Plaatje peaked in 2017 at 2.47%.



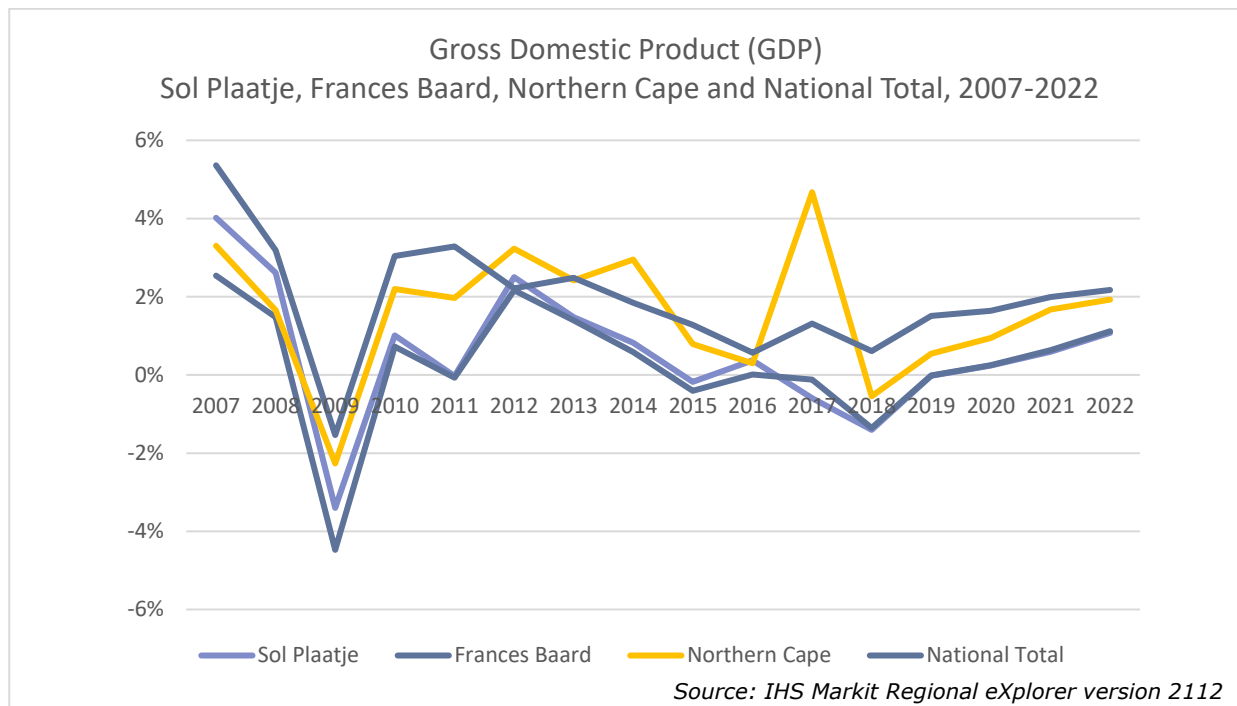
Graph 18: GDP - Sol Plaatje Local Municipality and the rest of Frances Baard, 2020

The Sol Plaatje Local Municipality had a total GDP of R25.5 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 2010. In terms of its share, it was in 2020 (78.3%) very similar compared to what it was in 2010 (78.4%). For the period 2010 to 2020, the average annual growth rate of -0.9% of Sol Plaatje was the second relative to its peers in terms of growth in constant 2010 prices.

ECONOMIC GROWTH FORECAST

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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.



Graph 19: 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 R17.4 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 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 following summary table puts the Gross Value Added (GVA) of all the regions in perspective to that of the Sol Plaatje Local Municipality.

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Economic Sectors	Sol Plaatje	Frances Baard	Northern Cape	National Total	% of District Municipality	% of Province	% of National
Agriculture	0.3	0.9	6.7	119.6	35.2%	4.7%	0.27%
Mining	0.8	1.2	20.9	372.9	68.4%	4.0%	0.22%
Manufacturing	0.8	1.3	3.1	573.4	57.3%	24.1%	0.13%
Electricity	1.0	1.5	3.4	167.2	65.0%	28.8%	0.58%
Construction	0.6	0.7	2.0	140.2	77.5%	27.3%	0.39%
Trade	3.1	4.0	9.9	655.2	79.1%	31.7%	0.48%
Transport	3.8	4.5	9.8	396.4	85.3%	39.0%	0.96%
Finance	4.7	5.6	12.7	879.5	84.9%	37.2%	0.54%
Community Services	7.8	9.5	22.7	1,125.3	82.2%	34.3%	0.69%
Total Industries	22.9	29.2	91.2	4,429.7	78.6%	25.1%	0.52%

Source: IHS Markit Regional eXplorer version 2112

Table 98: GVA by Broad Economic Sector - Sol Plaatje Local Municipality, 2020

In 2020, the community services sector is the largest within Sol Plaatje Local Municipality accounting for R7.8 billion or 34.0% 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 20.7%, followed by the transport sector with 16.7%. The sector that contributes the least to the economy of Sol Plaatje Local Municipality is the agriculture sector with a contribution of R318 million or 1.39% of the total GVA.

HISTORICAL ECONOMIC GROWTH

For the period 2020 and 2010, the GVA in the finance sector had the highest average annual growth rate in Sol Plaatje at 0.71%. The industry with the second highest average annual growth rate is the community services sector averaging at 0.42% per year. The construction sector had an average annual growth rate of -3.15%, while the mining sector had the lowest average annual growth of -5.61%. Overall, a negative growth existed for all the industries in 2020 with an annual growth rate of -1.33% since 2019.

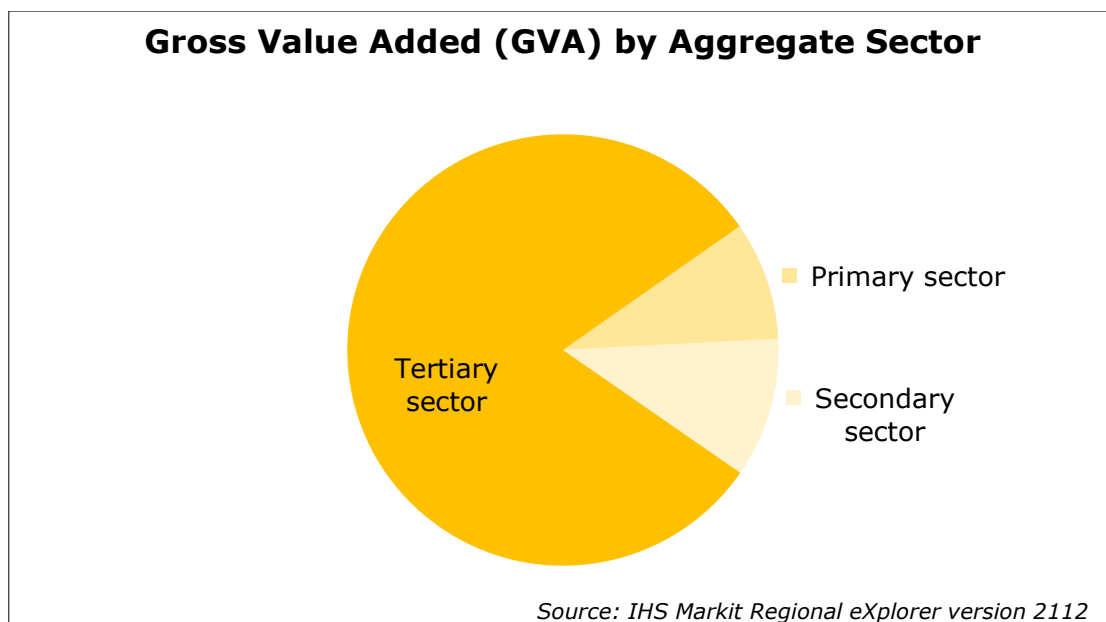
Sector	2010	2015	2020	Average Annual growth
Agriculture	0.23	0.21	0.21	-1.18%
Mining	1.72	1.02	0.97	-5.61%
Manufacturing	0.52	0.47	0.40	-2.44%
Electricity	0.48	0.45	0.48	0.00%
Construction	0.45	0.43	0.33	-3.15%
Trade	2.37	2.29	2.04	-1.47%
Transport	2.31	2.30	1.97	-1.58%

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Sector	2010	2015	2020	Average Annual growth
Finance	2.93	3.02	3.14	0.71%
Community Services	4.14	4.21	4.32	0.42%
Total Industries	15.15	14.40	13.86	-0.89%

Table 99: Historical Economic Growth

The tertiary sector contributes the most to the Gross Value Added within the Sol Plaatje Local Municipality at 85.0%. This is significantly higher than the national economy (69.0%). The secondary sector contributed a total of 10.0% (ranking second), while the primary sector contributed the least at 5.0%.



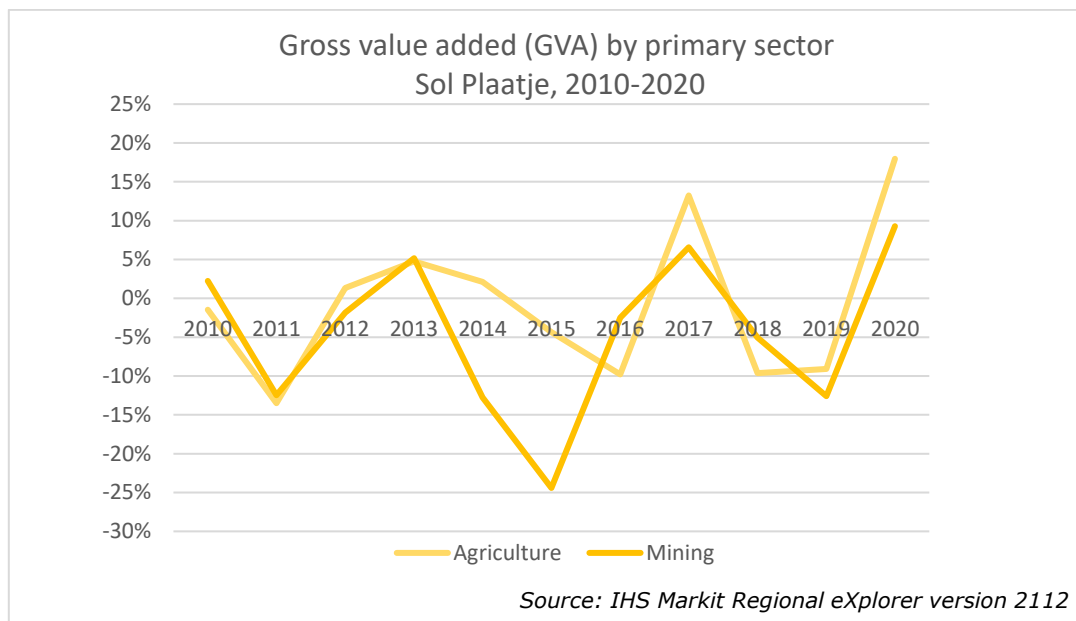
Graph 20: GVA by Aggregate Economic Sector - Sol Plaatje Local Municipality, 2017

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 2010 to 2020.

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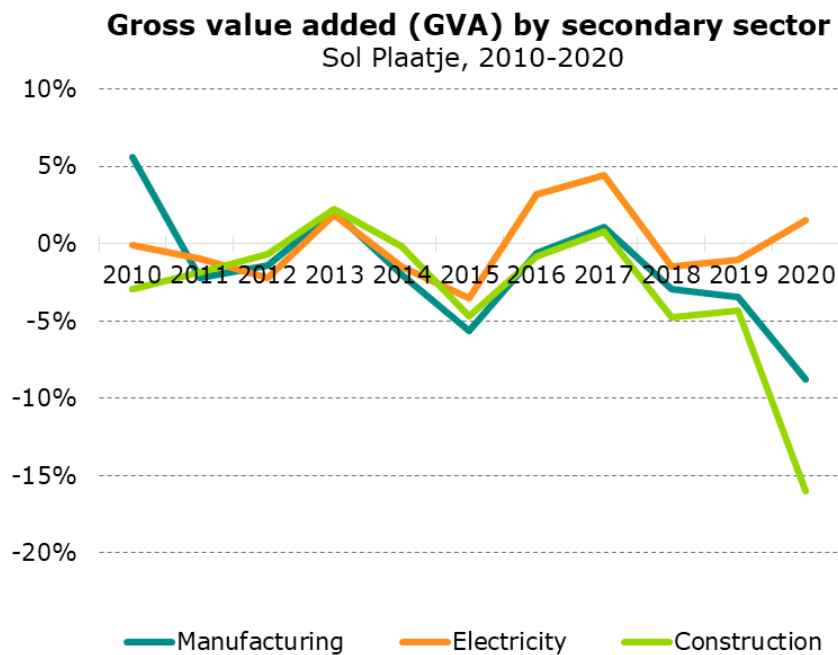
Graph 21: GVA by Primary Sector - Sol Plaatje, 2010-2020

Between 2010 and 2020, the agriculture sector experienced the highest positive growth in 2020 with an average growth rate of 18.0%. It is evident for the mining sector that the highest positive growth rate also existed in 2020 and it experienced a growth rate of 9.3% which is lower than that of the agricultural sector. The agricultural sector experienced the lowest growth for the period during 2011 at -13.5%, while the mining sector reached its lowest point of growth in 2015 at -24.4%. 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 2010 to 2020.

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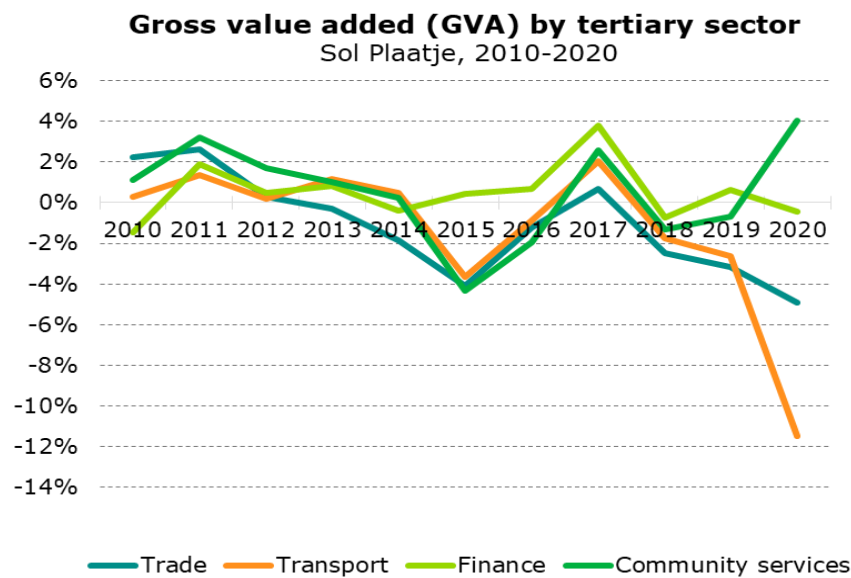
Graph 22: GVA by Secondary Sector - Sol Plaatje, 2010-2020 [Annual percentage change]

Between 2010 and 2020, the Manufacturing Sector experienced the highest positive growth in 2010 with a growth rate of 5.6%. The Construction Sector reached its highest growth in 2013 at 2.3%. The Manufacturing Sector experienced its lowest growth in 2020 of -8.8%, while Construction Sector also had the lowest growth rate in 2020 and it experiences a negative growth rate of -16.0% which is higher growth rate than that of the Manufacturing Sector. The Electricity Sector experienced the highest growth in 2017 at 4.5%, while it recorded the lowest growth of -3.5% in 2015.

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 2010 to 2020.

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Graph 23: GVA by Tertiary Sector - Sol Plaatje, 2007-2017

The Trade Sector experienced the highest positive growth in 2011 with a growth rate of 2.6%. The Transport Sector reached its highest point of growth in 2017 at 2.1%. The Finance Sector experienced the highest growth rate in 2017 when it grew by 3.8% and recorded the lowest growth rate in 2010 at -1.4%. The Trade Sector had the lowest growth rate in 2020 at -4.9%. The Community Services Sector, which largely consists of government, experienced its highest positive growth in 2020 at 4.0% and the lowest growth rate in 2015 with -4.3%.

SECTOR GROWTH FORECAST

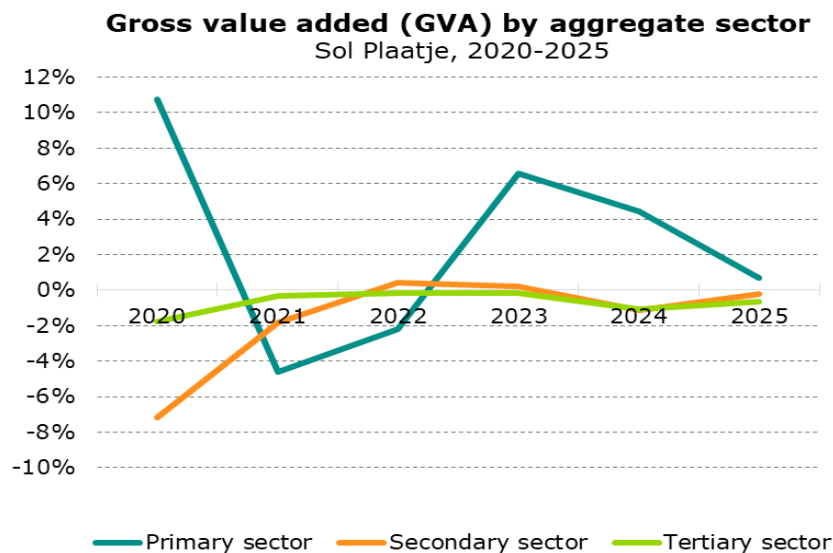
The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing 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.

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Sector	2020	2021	2022	2023	2024	2025	Average Annual growth
Agriculture	0.21	0.20	0.18	0.17	0.17	0.16	-4.91%
Mining	0.97	0.92	0.92	1.00	1.05	1.07	1.99%
Manufacturing	0.40	0.40	0.40	0.39	0.38	0.38	-1.29%
Electricity	0.48	0.48	0.49	0.49	0.49	0.50	0.65%
Construction	0.33	0.31	0.31	0.31	0.31	0.30	-1.34%
Trade	2.04	2.07	2.07	2.08	2.04	2.01	-0.29%
Transport	1.97	2.01	2.03	2.03	2.01	2.00	0.32%
Finance	3.14	3.08	3.12	3.14	3.14	3.16	0.09%
Community Services	4.32	4.27	4.19	4.15	4.07	4.03	-1.37%
Total Industries	13.85	13.74	13.70	13.76	13.67	13.61	-0.36%

Table 100: GVA by Broad Economic Sector - Sol Plaatje Local Municipality, 2020-2025

The mining sector is expected to grow fastest at an average of 1.99% annually from R965 million in Sol Plaatje Local Municipality to R1.07 billion in 2025. The community services sector is estimated to be the largest sector within the Sol Plaatje Local Municipality in 2025, with a total share of 29.6% of the total GVA (as measured in current prices), growing at an average annual rate of -1.4%. The sector that is estimated to grow the slowest is the agriculture sector with an average annual growth rate of -4.91%.



Source: IHS Markit Regional eXplorer version 2112



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Graph 24: GVA by Aggregate Economic Sector - Sol Plaatje Local Municipality, 2017-2022 [Annual Growth Rate, Constant 2010 Prices]

The Primary Sector is expected to grow at an average annual rate of 0.90% between 2020 and 2025, with the Secondary Sector growing at -0.51% on average annually. The Tertiary Sector is expected to grow at an average annual rate of -0.48% for the same period.

3.13 FRESH PRODUCE MARKET

3.13.1 Introduction

The South African Fresh Produce Market system is unique from the rest of the world because it functions on a commission basis. We have been told that this feature of South African market place is alone in the world. South Africa's fresh produce markets are the only system of fresh produce commission market in the world (Jansen, 2017). The system provides the ideal inclusive and transparent trading environment to all fresh produce, be it commercial, small scale or emerging farmers to sell the products directly to the buyers.

Markets selling agricultural products have been with humanity for many Thousands years. They have adjusted and change over time but the fundamental reason for their existence has never changed, where supply and demand meet to establish a value for a product so that a sale can be set.

National Fresh Produce Markets are a trading platform where farmers see what value is being placed on their produce. The registered market agents sell produce on behalf of the farmers, they are governed by the Agricultural Produce Agents Act No 12 of 1992 (amended 2003). The Act requires a market agency to open a trust account on behalf of its farmers thereby ensuring that their money is controlled and regulated. Farmers will deliver produce to the market facility and the Market agents sell produce and charge a commission fee that is between 5-7, 5% while a further 5% commission that is additional goes to the municipality for the upkeep of the infrastructure and facilities. This system is governed by legislation that protects the farmers and the Agricultural Produce Agents Council (APAC). APAC ensure that the farmers are more of a price maker rather than being price takers, and provide training, licensing and even disciplining market agents when necessary.

The prices at the market they are determined by the interaction between supply and demand, both of which is influenced by various factors supply factors include climate change, season production, and perishability of products of produce to price gathered in preceding period. The demand factors includes consumer habits, substitution between product and per capital income, as well as the amount which consumers are willing to spend on a specific product. During 2023, Sol Plaatje Fresh Produce market had an increased in the market tonnages the total tonnage of fruit and vegetables that were sold in 2023 (7830) compared to the 2022 tonnages 7483. There were more produce and more



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buyers, more farmers. The turnover for 2023 (49479887.82) compared to the previous year (39623543.39) there is an increase of (9856344.43) the market has increase in the turnover and the tonnages. The market has enough space to accommodate two or more agents on the trading floor.

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.

Local Economic Development (LED)

National fresh produce Markets are a public marketing infrastructure that are key for food safety and local Economic Development. The food procured at the National Fresh produce market have created employment and entrepreneur opportunities, hawkers and sales agents. The familiar sight of hawkers on the side of the road or traffic lights is an immediate example, which comes to mind, not only is food being available but also people are generating revenue.

TOP SERVICE DELIVERY

To create a juncture for business, hawkers and emerging farmers with a market for their produce either locally or worldwide and give retailers and distributors access to fresh fruit and vegetables at their doorstep.

To ensure we comply with Health & Safety Act (Act No. 85 of 1993) and promote food safety and quality assurance.

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

- Make sure Sol Plaatje Fresh Produce Market remains ideal channel of distribution of fresh produce in the Northern Cape
- Create a platform to allow anyone, farmers, hawkers and buyers to participate in trade without discrimination
- Introducing satellite market
- To render an effective and efficient service to all stakeholders.

MEASURES TAKEN TO IMPROVE THE PERFORMANCE OF THE MARKET

- Benchmarking with other fresh produce markets
- Review of the Business Plan
- Marketing and advertising
- Assist small scale farmers, providing them in-house training and information sharing
- Get more investor to invest in the Fresh Produce market.
- More agents on the trading floor

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- Build consignment control office

THE SUPPORT GIVEN TO COMMUNITIES THAT ARE LIVING IN POVERTY

- With support of the agents the market is giving food and vegetables to the needy and soup kitchen
- Support small scale farmers

MAJOR ACHIEVEMENTS

- Implementation of the Business plan
- Painting of market hall
- Maintenance of cold-rooms
- Increase in turnover and tonnages

CHALLENGES

- Security is a major challenges
- Deteriorating of infrastructure.
- Vandalism of market assets (ripening and cold room complex).

3.13.2 Policy Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Target	Revised Target	Actual	Target
Improved Service Delivery	Report quarterly on the monitoring of tonnage and condemned produce	4	4	4	4	4
Improved Service Delivery	Implement the recommendations of the business plan	4	4	4	5	4
Improved Service Delivery	Report quarterly on the turnover marketing and advertising of the market	4	4	4	4	4

Table 101: Fresh Produce Objectives included in the IDP

3.13.3 Financial Performance: Fresh Produce Market

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Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	736	1,500	1,500	2,582	72%
Expenditure:					
Employees	5,506	5,027	5,174	5,214	1%
Repairs and Maintenance	412	560	660	546	-17%
Other	362	486	586	414	-29%
Total Operational Expenditure	6,280	6,073	6,420	6,174	-4%
Net Operational Expenditure	5,543	4,573	4,920	3,592	-27%

Table 102: Financial Performance: Fresh Produce Market

3.13.4 Capital Expenditure

There was no capital expenditure during the period under review.

3.13.5 Comment on the performance overall

Sol Plaatje Fresh Produce Market had no capital projects. In the absence of capital budget, it is difficult to implement recommendations from the Business Plan.

PROPOSED SOLUTION

By increasing more agents on the trading floor, the market this will led to increase of revenue and tonnages. Sol plaatje Fresh produce market need a Permeant health inspector to ensure that market adhere to food safety.

Marketing and advertising plays a vital role in the Fresh produce market this can also increase the market revenue. Prioritising the infrastructure, security and the consignment control will grow the market.

3.14 URBAN RENEWAL PROGRAMME (URP)

3.14.1 Introduction

The Urban Renewal Programme biggest niche is to utilize public sector investment as a strategic resource to attract private sector investment within the primary and secondary hubs, to sustain spending and income generating initiatives in the townships as well as advancing the Business Expansion Attraction and Retention approach within the CBD to sustainable jobs creation through the implementation of Urban Network Strategy (UNS) funded through NDPG.

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Sol Plaatje Municipality forms part of one of the eight national nodal townships funded through National Treasury's Neighbourhood Development Partnership Grant (NDPG) Technical Assistance (TA) and Capital Grant (CG).

The local economic development opportunities and social infrastructure development are as a direct result from initiatives such as UNS and NDPG through public spending that resulted in jobs creation, SMME development, support and economic growth. These are the immediate financial and non-financial impacts of the URP.

OPPORTUNITIES

- The Urban Renewal Programme can forge more inclusive planning and sectoral collaborations through NDPG funded initiatives.
- Urban Renewal Program has an added advantage of readily available Neighbourhood Development Partnership Grant
- Implementation of the Urban Network Strategy to enhance commercialisation within the Kimberley CBD and attracting investment into the City
- Implementation of the proposed Government Precinct in Roper Street parking as a catalyst of the Urban Network Strategy in partnership with National Department of Public Works.
- Sol Plaatje University as a growth point for potential investments opportunities.
- Positioning Kimberley as bulk mining consumables hub in the province.
- Asset base of De Beers, Eskom and Transnet.
- Strategic parcels of available land.
- 18-21 Business Plans readily available for funding and implementation.

CHALLENGES

- No internal budget allocation to fund URP initiatives and additional technical posts.
- Absence of a political champion a strategic risk.
- Sol Plaatje Municipality not using URP as a strategic vehicle as envisioned by the Cabinet Lekgotla of 2001.
- URP not receiving any strategic and technical support from the provincial government.
- URP has an unfunded mandate

STATUS OF THE NEIGHBOURHOOD PARTNERSHIP GRANT

Throughout the aforesaid financial year NDPG related projects were implemented by the Infrastructure Directorate as a result SEDP is in no position to proffered any update on any previously NDPG implemented projects, and no grant

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funding allocation was made available for URP new projects. For outer years National Treasury has gazetted NDPG grant funding for future URP projects and initiatives.

MITIGATION

- Urban Renewal Program to resuscitate the relationship with National Treasury (NDG Unit).
- URP to request National Treasury to review previously submitted projects for possible funding.
- To lobby National Treasury to fund the implementation of the Urban Network Strategy.
- URP to submit new projects to NDPG for assessment and approval for funding.
- To lobby the Executive Mayor to be a political champion for the URP.

PRIMARY HUB (KIMBERLEY CBD) SERVICES MASTER PLAN

The completed services master plan for the CBD will focus on the CBD infrastructure status quo which is roads & stormwater, water & sewer and electricity before the actual projects commence within the epicenter. Urban Renewal Program will lobby National Treasury through NDPG to fund the following activities:

- Feasibility study for Public Intermodal Transport Precinct (Craven Taxi rank Redevelopment).
- Detail designs for all identified projects within the Urban Network Strategy. (Heritage Footprint project, SMME Activation Hubs etc).
- City Hall redevelopment project
- And infrastructural projects such as roads and storm water etc).

a) SMME Activation Marketing Hubs

The project seeks to create an enabling space for SMMEs to operate and thrive from attracting foot traffic to these flea markets and Exhibition spaces which will mainly operate on weekends. This project will find its resonance from the Sol Plaatje University development.

b) Heritage Footprint Project

The project has two elements, that of local economic development and tourism promotion of Kimberley as the City of Firsts. The project seeks to highlight and package all heritage resources within the secondary hub (Kimberley) in the process of promoting tourism.

The project has an element of infrastructure as it seeks to plot color-coded paving on the sideways linking one heritage asset to the other.

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Along the pavement SMMEs will be allocated trading space to exhibit their wares or services. There will also be a running and cycling track along the activity spine to promote healthy living and non-motorized movement.

c) City Hall Redevelopment Project

The project will entail the redevelopment of the City Hall which has been characterized as the epicenter in the primary hub, it will further explore non-motorized movement, streetscaping, artifacts, retrofitted solar lights and total redefinition of the space etc. within the precinct.

3.14.2 Galeshewe Urban Renewal Programme Objectives included in the IDP

Municipal Key Performance Area: Local Economic Development

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Economic growth through promoting Sol Plaatje Municipality as an economic hub	Facilitate meetings with other spheres of government to strengthen IGR Relations	4	4	4	6	4
Economic growth through promoting Sol Plaatje Municipality as an economic hub	Submission of business plans to external funders	4	2	4	4	4

Table 103: Galeshewe Urban Renewal Programme Objectives included in the IDP

3.14.3 Financial Performance: Urban Renewal Programme

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Employees	3,624	3,464	3,464	3,796	10%
Repairs and Maintenance	–	6	6	–	0%

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Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Other	14	94	94	7	-93%
Total Operational Expenditure	3,638	3,564	3,564	3,804	7%
Net Operational Expenditure	3,638	3,564	3,564	3,804	7%

Table 104: Financial Performance: Urban Renewal Programme

3.14.4 Capital Expenditure 2023/24

There was no capital expenditure during the period under review.

3.14.5 Comment on performance overall

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

Urban Renewal Program has met all its KPI targets for the aforesaid Service Delivery Budget and Implementation Plan (SDBIP) period of 2023/24. No mitigation nor adjustment was required on all the URP targets.

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

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- Motor Licensing and Registration Services
- Social Development Services and
- Primary Health Care Services (Clinics)

3.15 MOTOR VEHICLE LICENSING AND REGISTRATION

3.15.1 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 (PDP).

The function of the Vehicle Testing Station is to ensure that all vehicles going through the Vehicle Testing Station (VTS) undergo roadworthiness 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 National Standards, (SANS) 1026:2017, SANS 10047:2009 and the National Road Traffic Act, (NRTA) Act 93/1993 .

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.

The 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.

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

- Staff component. We have one vacant post and two officials that are suspended to perform their duties under driver's license section.
- Drivers testing officers remain a problem, as the staff shortage has not been addressed and posts were not filled and there are currently two vacant posts..
- There has been an increase in the number of renewals due to an influx of people in and around Sol Plaatje municipal area.

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- The challenge at the Vehicle Testing Centre is that we have four vacant posts, two examiners of vehicles and two Pit Assistants.
- Registration Authority (RA) Section
- One vacant post for E-Natis Principal Clerk

3.15.2 Motor Vehicle Licensing Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	Process learner driver license applications	6 000	2 499	6 000	4 324	6 000
	Process driver license applications	3 600	2 244	3 600	4 064	3 600
	Test vehicles for roadworthiness to comply with the Act and SANS specifications	960	933	960	1 578	960
	Process of renewal applications of driver licenses of existing drivers and bi-annual renewal of PRDP (professional driving permit)	12 000	9 706	12 000	16 823	12 000

Table 105: Motor Vehicle Licensing Policy Objectives included in the IDP

3.15.3 Employees: Motor Vehicle Licensing and Registration

Occupational Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	1	2	1	1	50
Professionals	1	1	1	0	0
Technicians & Trade Workers	3	6	3	3	50
Clerks & Administrative Workers	12	14	12	2	14.3
Community and Personal Workers	7	15	7	8	53.3
Service and Sales Workers	0	0	0	0	0

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Occupational Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Plant & Machine Operators	0	3	0	3	100
Elementary Occupations	1	6	1	5	83.3
Total	26	48	26	22	45.8

Table 106: Employees: Motor Vehicle Licensing and Registration

3.15.4 Financial Performance: Motor Vehicle Licensing and Registration

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	9,286	7,590	7,590	7,428	-2%
Expenditure:					
Employees	12,318	13,852	14,014	13,365	-4%
Repairs and Maintenance	364	467	467	404	-13%
Other	115	351	351	124	-65%
Total Operational Expenditure	12,796	14,670	14,832	13,893	-5%
Net Operational Expenditure	3,511	7,080	7,242	6,465	-9%

Table 107: Financial Performance: Motor Vehicle Licensing and Registration

3.15.5 Capital Expenditure

There were no capital projects for the period under review.

3.15.6 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 to due to innovative team building exercises implemented during the period under review.

3.16 LIBRARY SERVICES

3.16.1 Introduction to Libraries

VISION:



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Kimberley Libraries: Dynamic, Welcoming, Safe, Easily Accessible Community Beacons - fulfilling informational and recreational needs of all.

MISSION:

Uplifting the community and enriching their lives through the power of information, literacy and recreation through collaboration, partnerships, emerging technologies, current and relevant library collections and a well-skilled, efficient workforce.

STRATEGIC OBJECTIVES

In order to fulfil our mission and realise our vision, we value and promote:

- Lifelong Learning
- Literacy
- Sufficient Collection Development
- Accessibility
- Partnerships
- Outreach and Marketing
- Efficient Operations
- Excellent Workforce
- Libraries as safe spaces

SERVICE POINTS (9 LIBRARIES)

- 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



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All libraries also render outreach services to the schools and old age homes in the surrounding areas. Africana Research Library also works in collaboration with Sol Plaatje University, UNISA, Department of Basic Education to render assistance and training.

The new library that was built in Greenpoint by the Department of Sport, Arts and Culture during the 2019/20 book year was finally opened on 12 April 2024. The opening was attended by the Acting Manager Mrs M Hough, the Acting Head of Africana Library, Mrs B Nagel as well Mrs A Rowan and Mr M Alfred, also from the Africana Library.

libraries also render outreach services to the schools and old age homes in the surrounding areas. Africana Research Library also works in collaboration with Sol Plaatje University.

STAFF COMPLIMENT

Full time staff complement: 34 (5 vacant and funded positions)

The Librarian: Sonny Leon Library retired at the end of April 2024 and the Senior Librarian: Central Services retired at the end of May 2024. The following positions are still vacant: *Manager: Library Services, Librarian (Kimberley), Library Assistant (Judy Scott), Library Assistant (Galeshewe), Senior Librarian (Head): Africana Library and Senior Librarian (Central Services).*

Temporary staff complement: 13 (3 vacant and funded positions)

Library Assistants: Shifts are appointed at the various libraries with the Conditional Grant Funding received from the Department of Sport, Arts and Culture. 2 Library Assistant: Shifts were appointed permanently at Beaconsfield and Sonny Leon Libraries respectively. One Library Assistant: Shifts took another contract position at Social Development Services on 1 December 2023 and the Library Assistant: Shifts at Africana Library resigned on 6 April 2024. 4 Vacancies were filled (Beaconsfield, Africana, Kimberley) during 2023/2024.

KEY PERFORMANCE AREAS

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

HIGHLIGHTS OF THE YEAR

Various outreach and holiday programs were held at the different libraries during the year.

Mrs Manda Hough facilitated various training sessions during August and September 2023 for all the librarians in the Northern Cape as part of her *National Librarian of the Year* activities.

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The Library and Information Association's Annual Conference was held from 1-4 October 2023 in Somerset-West and was attended by Mess M Hough and B Nagel.

SA Library Week was celebrated by all libraries during the week of 18-24 March 2024 with the theme: *Libraries Foster Social Cohesion*

GRANT FUNDING FROM THE DEPARTMENT OF SPORT, ARTS AND CULTURE

Kimberley Library and Research Services received an amount of R 8 866 000 grant funding from NC Department of Sport, Arts and Culture for the period July 2023 – June 2024. That is an increase of 6.4% from the previous financial year. This is a conditional grant and is being used to assist with the smooth daily operations of the library and research services. The Grant Funding was used for Staff salaries (permanent staff salaries are subsidised) and additional staff were appointed on contract (shift workers). It was also used for library outreach and marketing, security, maintenance, rental of Hadison Park Library's building, newspapers, magazines, stationary and other consumables, as well as staff development.

The Acting Manager: Libraries, Me M Hough, together with the Acting ED: CSDS, Me T Maropong, attended a Consultation Meeting at NC Provincial Library Services to discuss the New Business Plan and Reporting Template for

3.16.2 Service Statistics for Libraries

Description	2021/22	2022/23	2023/24
Book circulation	77 192	85 457	78 361
Internet searches done by users	6 607	9 049	19 558
Photocopies made	97 536	102 623	60 173
Research completed successfully at Africana	1 218	1 232	1 087
Magazine circulation	1 646	1 685	1 835
Videos/cd's/art prints/puzzles circulated	412	472	608
Faxes sent	0	0	0
Enquiries handled	17 997	2 602	14 817
Use of library halls	245	246	553

Table 108: Service Statistics for Libraries

3.16.3 Library Services Policy Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development

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Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	Conduct awareness programme through monthly displays	60	105	60	89	Not a Target
	Conduct outreach programmes at all service points to indicate a reading culture	60	112	60	107	60
	Digitization of archival records for preservation and to provide access to electronic records for a wider research community by 30 June 2024	12 000	17 505	12 000	10 370	Not a Target
	Number of reading outreach programmes conducted at all libraries	Not a Target		15	107	60

Table 109: Library Services Policy Objectives included in the IDP

3.16.4 Employees: Library Services

Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	0	1	100.0%
Other Managers	1	1	0	1	100.0%
Professionals	12	22	10	12	54.5%
Technicians & Trade Workers	0	0	0	0	0.0%
Clerical & Administrative Workers	0	1	0	1	100.0%
Community & Personal Workers	28	33	28	5	15.2%
Service and Sales Workers	0	0	0	0	0.0%
Plant & Machine Operators	1	1	1	0	0.0%
Elementary Occupations	7	7	7	0	0.0%
Total	49	66	46	20	30.3%

Table 110: Employees: Library Services

3.16.5 Financial Performance: Library Services

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Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	8,701	8,462	9,028	9,015	7%
Expenditure:					
Employees	16,085	18,825	18,053	16,814	-11%
Repairs and Maintenance	487	361	1,464	534	48%
Other	457	442	676	369	-17%
Total Operational Expenditure	17,029	19,627	20,193	17,717	-10%
Net Operational Expenditure	8,328	11,165	11,165	8,702	-22%

Table 111: Financial Performance: Library Services

3.16.6 Capital Expenditure

There was no capital expenditure for the period under review.

3.16.7 Comment on the Performance Overall

The libraries became fully operational again after the Covid-19 National Pandemic Lockdowns were fully lifted. The public could use the internet services and library halls again and we received more enquiries during the year.

Most of the libraries photocopy machines were broken and subsequently we made fewer photocopies than the previous year.

The physical usage of newspapers and magazines are still not at the capacity it was before National Lockdown started in March 2020. This is partly because some newspapers and magazines were ceased due to the impact of the National Corona Virus Pandemic. Some newspapers are now only available as digital copies e. g. Volksblad. Our users want access to especially the Volksblad newspaper since it is a local newspaper. We therefor subscribed to Media 24's online Network24 subscription service. This gives all libraries access to all Media 24 digital newspapers and magazines available.

Cable theft and vandalism is still a huge problem at Galeshewe, Judy Scott and Ubuntu Libraries and the ICT services and operational statistics are still being negatively impacted because of this.



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The libraries needed to adhere to the National Lockdown Levels announced throughout the year. Library Services were being rendered according to our Covid-19 working plan and only a certain number of people were allowed inside the different libraries at a time according to available space and type of service rendered. Library halls could not be used for the most part of the year and the use of the public internet computers were also restricted. See table below.

3.17 SOCIAL DEVELOPMENT (HIV/AIDS)

3.17.1 Introduction to Social Development (HIV/Aids)

The Social Development Division strives to reduce and ultimately end HIV and AIDS amongst SPM employees. This will be achieved through ensuring that all employees are fully informed about HIV and AIDS and related issues, including the workplace AIDS policy.

The Division is also committed to providing the much-needed assistance to the SPM community requesting assistance for youth programmes, indigent burials and other poverty related programmes or projects.

3.17.2 Service Objectives for Social Development (HIV/Aids)

- To provide TB/STI/HIV/AIDS, Youth and Poverty Alleviation services within the Sol Plaatje Municipality as well as provide the employees of Sol Plaatje Municipality with a sustainable prevention, care, and support intervention of TB/STI/HIV/AIDS in a professional and respectful manner.
- Also ensuring the widespread knowledge and understanding of HIV and AIDS, to reduce infections and improve the lives of those infected. This is done by promoting innovative approaches, partnerships and action to inform and empower.
- To promote awareness campaigns and commemorate special awareness days according to the National Department of Health Activity Calendar.
- To always ensure the availability of condoms (male & female) in the workplace and community facilities.
- To encourage the employees to know their HIV status by providing HST in the workplace and in the community.
- Aid with burials of indigent community members.
- Provision of support by peer educators and all relevant partner NGOs to infected and affected employees.
- Assist in improving the living conditions of the community, where possible, through poverty alleviation programmes.

3.17.3 Social Development (HIV/Aids) Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development

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Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	Distribute condoms to employees on a monthly basis	24 000	34 370	24 000	47 680	24 000
	Train Peer Educators to provide support to HIV positive employees and their families	7	33	7	3	7
	Conduct quarterly awareness campaigns for HIV, STI and TB	4	49	4	4	4
	Assist indigent families with burials	84	5	84	155	84
	Test employees for HIV/AIDS	12	192	12	15	12

Table 112: Social Development (HIV/Aids) Objectives included in the IDP

3.17.4 Employees: Social Development (HIV/Aids)

Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0.0%
Other Managers	0	0	0	0	0.0%
Professionals	0	0	0	0	0.0%
Technicians & Trade Workers	0	0	0	0	0.0%
Clerks & Administrative Workers	2	2	1	1	50.0%
Community & Personal Workers	0	0	0	0	0.0%
Service and Sales Workers	0	0	0	0	0.0%
Plant & Machine Operators	0	0	0	0	0.0%
Elementary Occupations	0	0	0	0	0.0%
Total	3	3	2	1	33.3%

Employees: Social Development (HIV/Aids)

3.17.5 Financial Performance: Social Development (HIV/Aids)

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	–	–	–	–	0%

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Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Expenditure:					
Employees	2,817	2,875	2,897	2,850	-1%
Repairs and Maintenance	106	124	164	139	12%
Other	464	459	759	539	18%
Total Operational Expenditure	3,387	3,458	3,819	3,528	2%
Net Operational Expenditure	3,387	3,458	3,819	3,528	2%

Table 113: Financial Performance: Social Development (HIV/Aids)

3.17.6 Capital Expenditure

There was no capital expenditure for the period under review.

3.17.7 Comment on the Performance Overall

This Division continues to play an important function in assisting and supporting Municipal employees with TB/STI/HIV/Aids Prevention, Support and Care Programme while at the same time addressing contributing issues.

The HIV counselling and testing is encouraged as well as promotion of consistent condom use, it is however negatively affected by the inconsistent supply of test kits which leads to dependency on the partner NGOs for assistance when the test kits are depleted. The NGOs generally assist with counselling and testing during awareness campaigns and outreach programmes.

The Department of Health was approached to request a formalised agreement to supply the municipality with HIV test kits to resolve the challenge of test kits shortages.

There is 1 Senior Clerk vacancy which is temporarily filled since December 2023. The PK7 form was submitted to the Municipal Manager's office in August 2023 when its incumbent Senior Clerk resigned.

COMPONENT E: ENVIRONMENTAL PROTECTION

According to Section 156(2) of the Constitution, a municipality may make and administer bylaws for the effective administration of matters that it has the right to administer. Air pollution is listed as a matter in which local government has authority and national and provincial government may not compromise or impede a municipality's right to exercise its powers or perform its functions.

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3.18 SUSTAINABLE ENERGY AND CLIMATE CHANGE UNIT (SECCU)

3.18.1 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 energy efficiency and climate change and facilitates the integration of the SPECCS within the Municipality.

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

3.18.2 SECCU Objectives taken from IDP

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

3.18.3 Employees: SECCU

Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	0	1	100.0%
Other Managers	0	0	0	0	0.0%
Professionals	0	1	0	1	100.0%
Technicians & Trade Workers	0	0	0	0	0.0%
Clerks & Administration Workers	0	0	0	0	0.0%
Community & Personal Workers	0	0	0	0	0.0%
Service & Sales Workers	0	0	0	0	0.0%
Plant & Machine Operators	0	0	0	0	0.0%
Elementary Occupations	0	0	0	0	0.0%
Total	0	2	0	2	100.0%

Table 114: Employees SECCU

3.18.4 Financial Performance: SECCU

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	–	–	–	–	0%

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Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Expenditure:					
Employees	834	883	883	868	-2%
Repairs and Maintenance	–	2	2	–	-100%
Other	2	16	16	2	-89%
Total Operational Expenditure	836	900	900	870	-3%
Net Operational Expenditure	836	900	900	870	-3%

Table 115: Financial Performance SECCU

3.18.5 Comment on performance overall

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

3.19 BIODIVERSITY

3.19.1 Introduction

Biodiversity is the totality of life on earth, all living organisms are connected to the circle of life for survival. hence the Sol Plaatje Municipality supports the initiative, through its Integrated Environmental Management Programme (IEMP) as far as the National Environmental Management Act (NEMA), Act No. 107 of 1998, (NEMA) and the National Environmental Management Biodiversity Act (NEMBA), Act No. 10 of 2004, (NEMBA) is concerned i.e., for the protection and sustainable development use of the ecosystems and its' natural resources for the future generations to come.

The Biodiversity Section work with different stakeholders i.e., Government departments, local municipalities, NPOs, NGOs, Religious organisations etc. to ensure the environment and the natural resources within the Sol Plaatje Municipal jurisdiction are not harmed through illegal dumping, fire, air pollution etc., by raising awareness and educational campaigns to the broader communities of Kimberley, Galeshewe and surrounding areas through social media, i.e. Radio, flyers, banners, pamphlets etc.

CHALLENGES

Financial constraints and lack of a fully-fledged biodiversity office to have its own budget and run its own programmes.

COMPONENT F: HEALTH

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This component includes clinics and environmental health. Health is a state of complete physical, mental and social well-being and not merely the absence of disease.

The Integrated Chronic Disease Management (ICDM) adopts a diagonal approach to the health system, strengthening ie. technical interventions that improve the quality of care for chronic patients.

3.20 CLINICS

3.20.1 Introduction

Primary Health Care is essential health care made universally accessible to individuals and acceptable to them in the communities.

Total number of patients seen for the year: 197 848.

CHALLENGES

- High rate of absenteeism due to staff shortages & low morale, therefore remaining staff are over-worked.
- Maintenance at facilities remains a huge challenge as the Maintenance Section is providing a service to the entire Sol Plaatje Municipality, with restricted manpower.
- All facilities are desperately needing security services on a full-time basis. The Department of Health try to render a security service at some facilities eg Floors- & Winston Torres Clinics. Therefore, high risk of theft incidents at facilities and staff left with the verbal abuse of drunk & rude patients, especially some of the mental health patients poses a threat to staff.
- Some of the facility buildings eg, Beaconsfield-, City-, Winston Torres- & Mapule Matsepane Clinics need to be extended due to the huge influx of patients from the areas. Pharmacies can also not cater for the bulk medication delivered, as storage space becomes a problem.
- Nurses had to do pre-packing, labelling and distributing medication where there is no Pharmacist available, thus working outside their scope of practice.
- Some medication especially immunizations & HIV testing kits, labels and pill packages are regularly out of stock.
- A proper computer service, with linkages from one clinic to another remains a challenge as patients went from one clinic to another to obtain certain medication.
- Occupational hazards, e.g., Tuberculosis, Extensively Drug-Resistant TB, etc.
- Sometimes facilities have to close early due to unplanned water-shutdowns as Jo-jo tanks run dry and cannot be refilled by Emergency Services/Waterworks as they are also experiencing challenges regarding the provision & distribution of water to the community.

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- Due to budget constraints, the ordering of stock for cleaning material & stationary is regulated and facilities may only order stock once monthly. The same goes for printing eg patient cards, curative cards, doctors' letters, etc.

3.20.2 Service Data for Clinics

Description	2022/23	2023/24	2024/25
	Actual		Estimate
The average number of patients visits on an average day	845	824	650
Total Medical Staff available on an average day	42	40	65
Average Patient waiting time (in minutes)	45-60	45-60	45-60
Number of HIV/Aids tests undertaken in the year	7 153	6 904	6 500
Number of tests in 4 above that proved positive	353	301	290
Number of children that are immunised at under one year of age	1 436	1 341	900
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.		

Table 116: Service Data for Clinics

3.20.3 Clinics Policy Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development

Clinics report to Sol Plaatje and to the Department of Health. All monthly statistics and weekly reports are shared between Sol Plaatje and the Department of Health.

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	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) and mental health care to reach a head count of 80% of population by 30 June 2024	156 000	173 641	156 000	177 973	156 000
	Promote health through preventative health education & immunization, IMCI and PMTCT to reach a head count of 80% of population by 30 June 2024	24 000	29 179	24 000	25 925	24 000

Table 117: Clinics Objectives included in the IDP

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3.20.4 Employees: Clinics

Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0.0%
Other Managers	0	1	0	1	100.0%
Professionals	2	71	2	69	97.2%
Technicians & Trade Workers	0	0	0	0	0.0%
Clerks & Administrative Workers	3	11	3	8	72.7%
Community & Personal Workers	0	0	0	0	0.0%
Service and Sales Workers	0	0	0	0	0.0%
Plant & Machine Operators	1	2	1	1	50.0%
Elementary Occupations	6	12	5	7	58.3%
Total	13	98	12	86	87.8%

Table 118: Employees: Clinics

3.20.5 Financial Performance: Clinics

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Employees	5,065	5,092	5,177	5,398	6%
Repairs and Maintenance	151	180	180	115	-36%
Other	79	122	122	23	-81%
Total Operational Expenditure	5,295	5,394	5,478	5,536	3%
Net Operational Expenditure	5,295	5,394	5,478	5,536	3%

Table 119: Financial Performance: Clinics

3.20.6 Capital Expenditure

There was no capital expenditure for the period under review.

3.21 ENVIRONMENTAL HEALTH

3.21.1 Introduction to Environmental Health

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Municipal Health Services (MHS) is entrenched in the Constitution of South Africa and is set out in 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 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.

The Environmental Health Services has been functioning in the “trenches with contact tracing, awareness in communities, water safety and handling of human remains as the major points of focus. Funeral parlours, the actual burials/funerals, schools, Early Childhood Development (ECD) centres, homeless shelters and homes for the aged were also treated as priorities.

This section has seven (7) permanent Environmental Health Practitioners (EHPs) of which one EHP was deployed to Cleansing Section and one went on pension and two (2) intern EHPs responsible for all the tasks and duties as per the scope of practice, as well as the additional workload. Should the national norm of one EHP per 10,000 of the population be achieved, this will entail a staff component of twenty-eight EHPs. Therefore the severe staff shortage continues and as such the negative impact thereof on service delivery continues. The function of Municipal Health Services (MHS) has been allocated to C municipalities, thus District Municipalities, however, due to similar lack of capacity, the Service Level Agreement between Frances Baard District Municipality and Sol Plaatje Local Municipality continues.

3.21.2 Service Statistics for Environmental Health

Description	2022/23	2023/24
Persons given health/hygiene awareness – training in food safety	929	370
Inspection/investigations of food premises to ensure compliance with legislation	1 212	2739
Environmental pollution control investigations	33	20

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Description	2022/23	2023/24
Water samples taken	464	613
Food samples taken	46	0
Inspections of complaints attended to ensure effective hygiene control	245	118
Vector control complaints attended to	2 653	3009
Foodstuff condemned (unfit for human consumption)	8	1
Certificates of acceptability applications – Inspections new food premises	132	298
Inspections/investigations of general businesses	3 256	1122
Building plan inspections approved	81	57

Table 120: Service Statistics for Environmental Health

3.21.3 Environmental Health Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	Number of water samples collected and tested	Not a Target		960	638	800
	Conduct monthly inspections of non- food premises to ensure compliance to legislation	1 200	1 212	1 200	1 122	4 200
	Conduct monthly inspections of food premises	1 800	3 256	1800	2 739	4 200

Table 121: Environmental Health Objectives included in the IDP

3.21.4 Employees: Environmental Health

Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0.0%
Other Managers	0	4	0	4	100.0%
Professionals	8	24	7	17	70.8%
Technicians & Trade Workers	0	0	0	0	0.0%
Clerks & Administrative Workers	3	5	3	2	40.0%

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Community & Personal Workers	0	1	0	1	100.0%
Service and Sales Workers	0	0	0	0	0.0%
Plant & Machine Operators	0	0	0	0	0.0%
Elementary Occupations	0	0	0	0	0.0%
Total	12	35	11	24	68.6%

Table 122: Employees: Environmental Health

3.21.5 Financial Performance: Environmental Health

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	3,560	70	3,870	3,867	25%
Expenditure:					
Employees	10,115	11,327	11,442	10,863	-4%
Repairs and Maintenance	215	242	4,042	390	61%
Other	20	165	165	95	-42%
Total Operational Expenditure	10,350	11,734	15,649	11,348	-3%
Net Operational Expenditure	6,789	11,664	11,779	7,481	-36%

Table 123: Financial Performance: Environmental Health

3.21.6 Capital Expenditure

There was no capital expenditure for the period under review.

3.21.7 Comment on the Performance Overall

The Service Level Agreement between Sol Plaatje Local Municipality and Frances Baard District Municipality is still in place and informs the delivery of Municipal Health Services within the area of Sol Plaatje Municipality by the Environmental Health Services Section of Sol Plaatje Municipality.

In order to ensure compliance with the National Norms and Standards and to deliver an effective service, the focus has been food safety, water quality monitoring and other high priority facilities and premises namely funeral parlours, schools, ECD centres, health facilities, facilities for the aged and complaints.

With the mushrooming of tuckshops within all areas, a concerted effort was made to ensure compliance of such premises to requirements (R 638). This is a major challenge in the light of the Economic Development Section having

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secured a moratorium on the approval of new permits for tuckshops. This resulted in conflicting compliance to relevant Health Regulations and legislation. The resolution of this matter is still in process.

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.

3.22 TRAFFIC LAW ENFORCEMENT

3.22.1 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 this our emphasis is placed on:

- Roadblocks
- Stopping and checking
- Speed and red traffic light law enforcement
- Hawkers
- Overloading of vehicles
- Taxis
- Parking offences in the CBD
- Drunk driving
- Escort of abnormal loads/processions

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- 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 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

3.22.2 Service Statistics for Traffic Law Enforcement

Description	2022/23	2023/24
	Actual	Actual
Number of road traffic accidents during the year	2 792	1 137
Number of by-law infringements attended	37 476	32 827
Number of police officers in the field on an average day	35	33
Number of police officers on duty on an average day	40	38

Table 124: Service Statistics for Traffic Law Enforcement

3.22.3 Traffic Law Enforcement Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development

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Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/05
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	Plan and conduct stop an check points to improve road safety	72 000	15 919	6 000	13 283	6 000
	Plan and conduct roadblocks	8	22	8	33	22

Table 125: Traffic Law Enforcement Objectives included in the IDP

3.22.4 Employees: Traffic Law Enforcement

Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	0	1	100.0%
Other Managers	5	5	4	1	20.0%
Professionals	0	0	0	0	0.0%
Technicians & Trade Workers	2	9	2	7	77.8%
Clerks & Administrative Workers	16	18	15	3	16.7%
Community & Personal Workers	0	0	0	0	0.0%
Service and Sales Workers	50	53	51	2	3.8%
Plant & Machine Operators	0	1	0	1	100.0%
Elementary Occupations	13	18	13	5	27.8%
Total	86	105	85	20	19.0%

Table 126: Employees: Traffic Law Enforcement

3.22.5 Financial Performance: Traffic Law Enforcement

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	15,873	10,625	10,625	13,855	30%
Expenditure:					
Employees	41,042	43,675	44,042	41,084	-6%
Repairs and Maintenance	1,464	1,726	1,646	1,431	-17%

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Other	743	1,126	1,206	699	-38%
Total Operational Expenditure	43,248	46,527	46,894	43,214	-7%
Net Operational Expenditure	27,375	35,902	36,269	29,359	-18%

Table 127: Financial Performance: Traffic Law Enforcement

3.22.6 Capital Expenditure

There was no capital expenditure for the period under review.

3.22.7 Comment on the Performance Overall

The vacant positions across the Traffic and Road Marking Technical Section continues to be a challenge.

Another ongoing challenge is the absence of an impoundment facility for the impoundment of illegal taxi's.

Speed law enforcement has been limited due to the ongoing legal case of the Prolaser 4. At monument we only have one camera running and there is not sufficient and effective speed law enforcement been done. The procurement of additional speed law enforcement equipment is essential.

The implementation of AARTO is still in abeyance and we are awaiting the outcome of the Constitutional Court regarding the pending court case. Mr K L Louw is still the custodian for AARTO representing this department.

3.23 EMERGENCY SERVICES (INCLUSIVE OF DISASTER MANAGEMENT)

3.23.1 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.

3.23.2 Service Statistics for Emergency Services

Description	2022/23	2023/24
	Actual	Actual
Total fires attended in the year	756	811
Total of other incidents attended in the year	131	80
Average turnout time - urban areas	644	9 min
Average turnout time - rural areas	115	
Firefighters in post at year end	41	41
Total fire appliances at year-end	3 x Pumper 2 x water tanker 1 x snorkel 3 x skid unit	4 x Pumpers 2 x Water Tankers 6 x Light Vehicles

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Description	2022/23	2023/24
	Actual	Actual
The average number of appliances off the road during the year	1 x Pumper	3 x Pumpers 2 x Water Tanker 1 x Snorkel 3 x Light Vehicles

Table 128: Service Statistics for Emergency Services

3.23.3 Emergency Services Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	Conduct monthly fire safety/prevention inspections	720	763	720	796	720
	Present Fire safety/prevention programmes per annum	24	13	24	25	24
	Respond to 85% of emergency callouts within time limits as prescribed in table 1 and table 2 of SANS 10090 by 30 June 2024	85%	42.50%	85%	63.58%	85%
	Ensure 70% compliance with the National Disaster Management Tool by 30 June 2024	70%	73%	70%	62%	70%
	Manage commonage farms and offer support to emerging farmers	12	14	12	14	12
	Respond to all queries from community, SAPS and Traffic about	12	23	12	24	12

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Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
	free-roaming animals within the community					

Table 129: Emergency Services Objectives included in the IDP

3.23.4 Employees: Emergency Services

Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0.0%
Other Managers	3	15	3	12	80.0%
Professionals	7	7	7	0	0.0%
Technicians & Trade Workers	3	2	2	0	0.0%
Clerks & Administrative Workers	5	10	4	6	60.0%
Community & Personal Workers	0	10	0	10	100.0%
Service and Sales Workers	40	79	41	38	48.1%
Plant & Machine Operators	0	0	0	0	0.0%
Elementary Occupations	7	16	7	9	56.3%
Total	66	140	65	75	53.6%

Employees: Emergency Services

3.23.5 Financial Performance: Emergency Services

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	402	700	700	210	-70%
Expenditure:					
Employees	35,622	36,179	37,351	39,193	8%
Repairs and Maintenance	2,482	2,861	3,861	2,000	-30%
Other	1,320	1,419	1,544	1,138	-20%
Total Operational Expenditure	39,423	40,458	42,756	42,330	5%
Net Operational Expenditure	39,021	39,758	42,056	42,120	6%

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Table 130: Financial Performance: Emergency Services

3.23.6 Capital Expenditure

There was no capital expenditure for the period under review.

3.23.7 Comment on the Performance Overall

HIGHLIGHTS

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

- Manage to procure one major pumper full equipped with firefighting equipment. Which was delivered at the end of September. We place one employee in the control room from firefighting due to injury on duty (Incapacity).
- We successfully have awareness campaign for the schools.
- The engineering section is busy with the Homevale Satellite Fire Station due to some issues that needs attention.

CHALLENGES

Some challenges for the Emergency Services for the financial year under review are:

- With sadness we lost one employee – Disaster Management Official is no more and the Pound Master went on retirement.
- One employee from Firefighting has been placed in the control room due to injury on duty (Incapacity).

COMPONENT H: SPORT AND RECREATION

This component includes community Parks, Sports Fields, Sports Halls, Stadiums, Swimming Pools, Cemeteries, Campsites and Pleasure Resorts.

3.24 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.

3.24.1 Service Statistics for Parks and Recreation

The nature and extent of facilities provided are

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Description	Number
Other community halls/facilities	10
Cemeteries and crematoriums (crematorium private)	12
Sporting facilities – Stadiums	2
Sports fields (Community facility)	8
Caravan Park	1
Swimming pools	4
Parks, gardens, islands	83 (60 ha)
Pleasure resorts	4

Table 131: Service Statistics for Parks and Recreation

3.24.2 Parks and Recreation Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	% Maintenance of cemeteries as per the annual maintenance plan	132	121	95%	80.42%	KPI Reviewed
	% Maintenance of usable community parks as per the annual maintenance plan (62 hectares) (620 000 square metres)	95%	87,08%	95%	87.08%	Not a Target
	Remove alien vegetation trees as part of the maintenance and administration of parks, sports and recreational centres	312	399	Not a Target		Not a Target
	% Maintenance of municipal recreational facilities (swimming pools, stadia and caravan park) as per the annual maintenance plan	84	101	95%	87.08%	KPI Reviewed
	Maintain swimming pools monthly according to specific standards	48	44	Not a Target		KPI Reviewed
	Maintain stadia monthly according to specific standards	24	24	Not a Target		Not a Target

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Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
	% Maintenance of municipal pleasure resorts as per the annual maintenance plan	48	61	95%	87..08%	Not a Target

Table 132: Parks and Recreation Objectives included in the IDP

3.24.3 Employees: Parks and Recreation

Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0.0%
Other Managers	2	3	1	2	66.7%
Professionals	2	2	2	0	0.0%
Technicians & Trade Workers	15	16	15	1	6.3%
Clerks & Administrative Workers	14	18	14	4	22.2%
Community & Personal Service Workers	5	7	3	4	57.1%
Service and Sales Workers	25	33	25	8	24.2%
Plant & Machine Operators	16	39	14	25	64.1%
Elementary Occupations	105	200	99	101	50.5%
Total	185	319	174	145	45.5%

Table 133: Employees: Parks and Recreation

3.24.4 Financial Performance: Parks and Recreation

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	4,075	4,120	4,120	4,877	18%
Expenditure:					
Employees	64,573	61,422	63,704	67,523	10%
Repairs and Maintenance	3,260	5,964	9,763	7,030	18%
Other	847	1,116	1,186	951	-15%
Total Operational Expenditure	68,680	68,501	74,652	75,504	10%

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Net Operational Expenditure	64,605	64,381	70,532	70,627	10%
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Table 134: Financial Performance: Parks and Recreation

3.24.5 Capital Expenditure

There was no capital expenditure for the period under review.

3.24.6 Comment on the Performance Overall

The Parks Section continued to provide horticultural and other services to the residents of Sol Plaatje in Kimberley and Ritchie. Development of a park in Ritchie and redevelopment of the Bambanani park formed part of the 2023/24 plans. However, water-wise gardening practices were introduced due to water challenges experienced which negatively affected the plans that were in place. This included improved planning, a reduction in lawn areas and the use of drought tolerant plants. Water restrictions prompted the Parks Section to rethink the way forward such as additional park developments which were put on hold; existing parks, gardens and traffic islands developed in line with water-wise gardening practices. Maintenance of usable parks in line with available funding were included in the 2023/24 Parks operational plans. Grass was mowed at various parks and edges were trimmed. Garden and domestic waste generated through general parks maintenance activities were removed and disposed off in an environmentally friendly manner. Irrigation systems were maintained. Built structures, fencing and playground equipment were maintained and repaired. These included repairs at the heritage sites such as the Cenotaph World War Memorial and the Honoured Dead Memorial. Street tree maintenance which included felling, pruning and pollarding of trees found in municipal properties took place, together with the removal of the alien invasive species to protect the environment. Approval granted by the Accounting Officer on the extension of Cleaning and Greening project with contract workers employed at Parks and Cemeteries will never go unnoticed in addressing lack of filling of vacant and funded posts due to cost-constraints measures.

Efforts are continuously made to repair and maintain pleasure resorts albeit the challenges encountered. Pleasure resorts suffered from damage to municipal asset and property and subsequently lost on revenue generation as a result of the Riverton, Langleg and Rekaofela pleasure resorts that were flooded. However in spite of the challenges encountered, the Langleg pleasure resort was repaired and access was granted to the public on New Year's day 2024 and for hosting the Diamonds and Doring Jazz festival held in April 2024 after the event got affected by the COVID-19 regulations. General maintenance of the resorts has been nonetheless taking place though the revenue targeted for the financial year could not be reached due to new private recreational facilities that have been established in and around Kimberley.

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Cleaning of cemeteries has been ongoing and the section successfully managed to deal with the *erigeron canadensis* species, commonly known as horseweed, which was overgrowing at an alarming rate at cemeteries. Vandalism of monuments, cemeteries fence and offices continued to be rife requiring an increase in manpower needed for the safeguarding of cemeteries. Cemeteries are generating revenue for the municipality, it is a great concern that the maintenance budget allocated for cemeteries is still limited unjustifiably. There is a need to have Small plant operator (Brush cutters) posts at cemeteries who will be tasked with a responsibility of cutting grass on a daily basis at cemeteries. Such posts do not exist at cemeteries where the section has been relying on Parks and Stadium section. There has been a point that the function had to be outsourced due to lack of manpower to have cemeteries maintained. There is also a need to have security at all cemeteries to avoid vandalism of monuments and municipal properties and assets. Funds need to be sourced and secured to replace the stolen fence at the ABC, Phutanang and Motswedimosa cemeteries. Support is needed from the Environmental Health and Cleansing sections to address the illegal dumping issues taking place at cemeteries.

Milestones were reached in repairing the two stadia, Municipal halls (City Hall, Florianville Hall and Social Centre), Caravan park, Open Air Arena, Municipal swimming pools using the insurance funds made available after the 2023/24 adjustment budget in February 2024. The Roodepan swimming pool could however not be opened for public use due to repairs that had to be finalized by the Municipal Mechanical Engineers section. Lack of adequate security at facilities remains to be a challenge.

General challenges faced by the section which negatively affect service delivery include ill-discipline, poor supervision and low literacy level of Supervisors, non-filing of vacancies, ageing and deteriorating infrastructure, lack of security which leads to theft and vandalism of municipal asset and property and limited funds budgeted for maintenance of facilities.

COMPONENT I: CORPORATE POLICY, OFFICES AND OTHER SERVICES

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

3.25 CORPORATE SERVICES

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

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

The Corporate Services Directorate includes the following sections:

- Administration
- Security
- Risk Management
- Mayor's Office
- Committee Services
- Research & Efficiency
- Communication
- Gender & Special Projects
- Employee Relations
- Speaker's Office
- Human Resource
- Organisational Development & Training
- EAP & Selection

3.25.1 Employees: Corporate Services

Occupational Level	2022/23	2023/24			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		Number			
Municipal Manager and Senior Managers	0	1	0	1	100%
Other Managers	14	19	13	6	31.6%
Professionals	5	8	5	3	37.5%
Technicians & Trade Workers	0	0	0	0	0%
Clerks & Administrative Workers	37	93	34	59	63.4%
Community and Personal Workers	0	0	0	0	0%
Service and Sales Workers	41	48	40	8	16.7%
Plant & Machine Operators	5	12	5	7	58.3%
Elementary Occupations	20	39	19	20	51.3%
Total	122	220	116	104	47.3%

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Table 135: Employees: Corporate Services

3.25.2 Financial Performance: Corporate Services

Details	2022/23	2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	5,432	6,961	7,261	5,391	-23%
Expenditure:					
Employees	63,300	66,523	69,033	66,203	0%
Repairs and Maintenance	1,741	10,646	2,646	2,213	-79%
Other	2,576	4,790	5,590	2,768	-42%
Total Operational Expenditure	67,617	81,959	77,269	71,184	-13%
Net Operational Expenditure	62,185	74,997	70,007	65,793	-12%

Table 136: Financial Performance: Corporate Services

3.25.3 Capital Expenditure

There was no capital expenditure for the period under review.

3.25.4 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.

3.26 HUMAN RESOURCE SERVICES

3.26.1 Introduction to Human Resource Services

Dedicated and competent staff are 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

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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.

3.26.2 Human Resource Services Objectives included in the IDP

Municipal Key Performance Area: Institutional Development and Capacity Building

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Good, clean and transparent governance and public participation	To disseminate on a monthly basis the electronic municipal newsletter through social media platforms	Not a Target		12	0	12
Improved Institutional Management	Document and distribute standard operating procedures to every municipal directorate by 30 June 2024	Not a Target		1	0	Not a Target
	Co-ordinate bi-annual performance assessments of the municipal manager and managers reporting directly to the municipal manager	2	0	2	2	2
	Develop, submit and publicise the performance agreements of the MM and managers reporting directly to the MM (the number of performance agreements is dependant on the filled positions)	100%	100%	6	3	6
	Limit the vacancy rate to 20% of funded posts by 30 June 2024 (number of funded posts vacant divided by budgeted funded posts) x 100)	4	1	20.00%	20.00%	20.00%
	Review organogram to be aligned with strategy and comply with R850 by 30 June 2024	1	0	1	0	Not a Target
	Review the Workplace skills plan and submit plan to LGSETA by 30 April	2	2	1	1	1

Table 137: Human Resource Services Objectives included in the IDP

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3.26.3 Risk Management Resource Services Objectives included in the IDP

Municipal Key Performance Area: Institutional Development and Capacity Building

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Good, clean and transparent governance and public participation	Report quarterly on the progress of risk mitigation to the MM and EMT	4	4	4	4	4

Table 138: Risk Management Resource Objectives included in the IDP

3.26.4 Communication Services Objectives included in the IDP

Municipal Key Performance Area: Good Governance and Public Participation

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Good, clean and transparent governance and public participation	To disseminate on a monthly basis the electronic municipal newsletter through social media platforms	Not a Target		12	0	12

3.26.5 Financial Performance: Human Resource Services

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	5,378	6,900	7,200	5,338	-23%
Expenditure:					
Employees	18,860	21,417	20,904	18,315	-14%
Repairs and Maintenance	251	8,320	320	286	-97%
Other	1,100	2,974	3,774	1,593	-46%
Total Operational Expenditure	20,211	32,711	24,998	20,195	-38%

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Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Net Operational Expenditure	14,833	25,811	17,798	14,857	-42%

Table 139: Financial Performance: Human Resource Services

3.26.6 Comment on the Performance Overall

Performance management is a process that measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality. At local government level performance management is institutionalised through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets meet the strategic goals, set by the organisation.

The Municipal Systems Act (MSA), Act No. 32 of 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 of services is declining. However, the municipality has managed to achieve a targeted ratio of employee costs against total expenditure as indicated in the table below.

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Operating Ratio			
Description	2022	2023	2024
Employee costs as a % of total expenditure	39.45%	30.71%	34.71%

Table 140: Employee Operating Ratio

3.27 FINANCIAL SERVICES

3.27.1 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 2023/24 financial year, there were 172 employees against staff establishment of 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 submitted the General Valuation Roll 2023 in term of section 49 (1) of the Local Government: Municipal Property Rates Act 6 of 2004 (as amended Act 29 of 2014) on 30 January 2023, which became effective 1 July 2023. All objections were processed in accordance with section 51 of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), and notifications regarding the outcomes of objections were issued in October 2024, as stipulated in sections 52 and 53 of the MPRA. The Valuation Appeal Board (VAB) convened from 4 to 6 March

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2024, and the outcome notices from the VAB were sent in April 2024. The General Valuation Roll 2023 will remain valid for a four-year period, ending on 30 June 2027, except for amendments made under section 78 of the MPRA, 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 his/her delegate. These committees have terms of reference and report to the Executive Management Team and 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 2023/24 financial year:

Description	2022/23	2023/24			2023/24 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjust. Budget
	R'000				%	
Property rates	610,991	660,893	660,893	656,442	-0.7%	-0.7%
Service Charges - electricity revenue	755,677	1,034,872	1,034,872	930,367	-10%	-10%
Service Charges - water revenue	272,860	327,114	301,564	277,540	-15%	-8%
Service Charges - sanitation revenue	90,568	89,858	93,048	96,982	8%	4.2%
Service Charges - refuse revenue	67,598	65,412	65,782	75,503	15%	15%
Service Charges – other	-	-	-	-		
Rentals of facilities and equipment	26,000	26,930	28,130	28,851	7%	3%
Interest earned - external investments	8,550	7,000	9,500	16,116	130%	70%
Interest earned - outstanding debtors	199,982	168,880	250,400	258,041	53%	3%
Dividends received	0	-	-	0		

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Description	2022/23	2023/24			2023/24 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjust. Budget
	R'000				%	
Fines	59,462	30,660	37,910	56,767	85%	50%
Licenses and permits	9,021	7,350	7,350	7,169	-2%	-2%
Agency services	0	-	-	0		
Transfers recognised – operational	264,657	281,921	287,603	286,500	2%	0%
Other revenue	19,976	18,714	20,514	18,302	-2.2%	-11%
Gains on the disposal of PPE	5,891	-	1,100	16,049		
Total Revenue (excluding capital transfers and contributions)	2,391,233	2,719,604	2,798,666	2,724,630	0%	-3%
Capital Grants	108,149	214,233	161,349	159,040	-25.8%	-1%
Public contributions & donations	3,387			215,206		
Total Revenue	2,502,769	2,933,837	2,960,015	3,098,877	6%	5%

Table 141: Revenue Billed

3.27.2 Debt Recovery

Details of the types of account raised and recovered	R' 000							
	2022/23		2023/24				2024/25	
	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 %
Property Rates	447,830	68%	660,893	656,442	507,798	77%	687,320	95%
Electricity – B	6,010	60%	39,670	44,275	32,594	74%	46,000	95%
Electricity – C	470,853	99%	721,492	572,852	515,577	90%	781,230	95%
Electricity - Prepaid	268,706	100%	273,709	313,239	313,239	100%	317,969	100%
Water – B	640	23%	1,450	1,446	563	39%	1,500	95%
Water – C	168,231	62%	300,114	276,094	167,088	61%	343,685	95%
Sanitation	48,490	50%	93,048	96,982	49,006	51%	99,290	95%
Refuse	39,086	52%	65,782	75,503	42,528	56%	72,271	95%

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Other	161,991	62%	272,130	360,884	177,750	49%	375,319	95%
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 2023/24 financial year the average collection rate is budgeted at 95%.								

Table 142: Debt Recovery

3.27.3 Financial Services Objectives included in the IDP

Municipal Key Performance Area: Sound Financial Management / Good Governance and Public Participation

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Good, clean and transparent governance and public participation Governance Governance	Develop and submit an audit action plan to the MM to address matters raised by the auditor general within 60 days after the end of the audit	1	0	1	1	1
Establishment of healthy financial management	Ensure that the actual spending on employee related costs does not exceed 33% of the total expenditure (Employee Related Costs and Councillor's Remuneration) /Total Operating Expenditure x100)	33%	31,92%	33%	34,71%	33%
Establishment of healthy financial management	Improve revenue enhancement by ensuring a collection rate of 85% after debt write off by 30 June 2023 as per the MFMA, Circular 71 (Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off) /Billed Revenue x 100)	85%	70%	KPI Reviewed		Not A target
Establishment of healthy financial management	Financial viability measured in terms of the available cash to cover fixed operating expenditure {Cost coverage ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	1	0.56:1	01:01	0.57:1	01:01

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Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
	Maintain the current ratio of 2:1 against current assets of the municipality by 30 June (Current Assets / Current Liabilities)	2.1	1:1,53	02.10:1	1.61:1	02.10:1
	Reduce net debtor days to 300 days by 30 June ((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365)	300	327	300	304	300
	The percentage of the municipal capital budget actually spent on capital projects by 30 June (Total actual amount spent on capital projects/Total amount budgeted for capital projects) X100	85%	68%	90%	98.87%	90%
Establishment of healthy financial management	The percentage of the total municipal operational budget spent by 30 June ((Actual amount spent on total operational budget/Total operational budget) X100)	90%	95%	90%	97.76%	90%
	95% collection rate and ensure payment based on correct account (receipts/ billingx100)	85%	78,20%	95%	73%	95%
	Perform an annual cost analysis for each trading services for the new budget by 31 March	4	4	1	1	1
	100% Elimination of Unauthorized expenditure by 30 June	0%	0%	100%	100%	100%
	% Submission of financial and non-financial mSCOA reports on the Go MUNI web based application by the set deadlines provided by National Treasury. (All reports to be uploaded within 10 working days after the month-end)	100%	95,92%	100%	100h%	100%
	Reduce Trade Creditors Payment Period to 300 days by 30 June (Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Not a Target		300	384	300

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Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
	100% Elimination of Fruitless & wasteful expenditure by 30 June	0%	1%	100%	0%	100%
	75% Reduction of Irregular expenditure by 30 June	25%	24%	75%	0%	75%
Establishment of healthy financial management	Financial viability measured in terms of the municipality's ability to meet it's debt obligations by 30 June (Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Not a Target		10%	6%	10%

Table 143: Financial Services Objectives included in the IDP

3.27.4 Employees: Financial Services

Occupational Level	2022/23	2023/24			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	0	1	0	1	100
Other Managers	16	16	13	3	18.8
Professionals	13	17	13	4	23.5
Technicians & Trade Workers	3	10	3	7	70
Clerks & Administrative Workers	93	141	94	47	33.3
Community and Personal Workers	24	26	23	3	11.5
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	26	36	26	10	27.8
Total	175	247	172	75	30.4

Table 144: Employees: Financial Services

3.27.5 Financial Performance: Financial Services

Details	2022/23	2023/24
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	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	670,519	683,585	690,785	701,887	2%
Expenditure:					
Employees	113,260	135,247	138,192	125,773	-9%
Repairs and Maintenance	3,091	2,399	2,354	1,704	-28%
Other	14,897	18,508	19,703	7,245	-63%
Total Operational Expenditure	131,248	156,155	160,249	134,722	-16%
Net Operational Expenditure	(539,271)	(527,431)	(530,536)	(567,164)	7%

Table 145: Financial Performance: Financial Services

3.27.6 Capital Expenditure

There was no capital expenditure for the period under review.

3.27.7 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 projects	2023/24					
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Variance from adj budget	Total project value
	R'000			%		R'000
Furniture and Office Equipment	3,000	3,000	–	-100%	-100%	-
Total	3,000	3,000	–	-100%	-100%	

Table 146: Capital Expenditure: Other

Current Ratio	30 June 2022	30 June 2023	30 June 2024
Current assets	2 054 100	2 102 869	2 483 251
Current liabilities	1 163 675	1 337 251	800 736
Ratio 1:2 (Ideal)	1,77	1,53	3,1

Table 147: Current Ratio

The liquidity ratio reflects the relationship between the current assets less inventory and current liabilities of the municipality.

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Liquidity Ratio	30 June 2022	30 June 2023	30 June 2024
Current assets	2 054 100	2 102 869	2 483 251
Inventory	74 454	82 694	112 013
Current liabilities	1 163 675	1 377 251	800 736
Ratio 1:2 (Ideal)	1,70	1,47	2.96

Table 148: Liquidity Ratio

3.28 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

3.28.1 Introduction to ICT

The ICT Unit provides a comprehensive range of services to the Municipality. Such services include but are not limited to the following:

1 Network Services

- Provision of local and wide area network (LAN/WAN) services using wired and wireless technologies.
- Implementation of advanced network security measures to safeguard data.
- Continuous network performance monitoring and optimization.

2 Email and Collaboration Services

- Secure email services through M365, including advanced threat protection.
- Integration of Microsoft Teams and other collaboration tools for real-time communication and file sharing.
- Seamless calendar and scheduling functions synchronized across devices.

3 Modern Information Sharing and Document Management

- Efficient sharing and access control for restricted and public folders using M365 SharePoint and OneDrive.
- Document version control and revision history through cloud-based solutions.
- Integration with M365 for secure, remote access and real-time collaboration.

4 User Authentication and Access Control

- Enhanced PC and system security through M365's Azure Active Directory and Single Sign-On (SSO).
- Implementation of multi-factor authentication (MFA) for all user accounts.
- Regular security audits and updates to maintain compliance with modern cybersecurity standards.

5 Internet and Network Security

- Provision of secure and reliable internet access with Microsoft Defender for Endpoint.
- Bandwidth management and optimization to support productivity tools like Microsoft Teams and OneDrive.
- Deployment of robust firewalls, intrusion detection systems, and cloud-based security solutions.

6 File Storage and Backup Services

- Scalable file storage solutions with integration into M365 OneDrive and SharePoint for seamless access.
- Regular backups and disaster recovery using Azure Backup and Recovery Services.
- Cloud-based off-site backups to ensure business continuity.

7 Desktop and Endpoint Services

- Provision and maintenance of modern endpoint devices, including desktops, laptops, and thin clients.



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- Configuration and deployment of Microsoft Intune for endpoint management and security.
- Regular updates and patches for all devices through M365 Endpoint Manager.

8 User Support and Help Desk Services

- Dedicated help desk services for prompt resolution of user issues.
- Remote troubleshooting using Microsoft Remote Help for faster support.
- User training on M365 tools and best practices to enhance digital literacy.

9 Hosting and Cloud Services

- Secure and redundant environments for hosting critical municipal software systems.
- Integration with Microsoft Azure for scalable, cloud-based hosting solutions.
- Ongoing monitoring and management of hosted systems to ensure optimal performance.

10 Backup, Archiving, and Business Continuity

- Implementation of robust backup solutions using Azure and M365 Backup.
- Comprehensive disaster recovery planning with regular testing.
- Archiving of data and systems to meet compliance and retention policies.

11 Geographic Information System (GIS) Services

- Deployment of integrated GIS solutions for spatial data management and analysis.
- Utilization of GIS tools for informed urban planning, infrastructure management, and community engagement.
- Integration of GIS with municipal systems for streamlined data sharing.

12 Software Maintenance, Development, and Support

- Development and enhancement of software systems aligned with municipal needs.
- Regular maintenance and updates to software systems hosted on M365 and Azure platforms.
- Centralized support for user issues and coordination with third-party vendors.

13 System Installation and Accreditation

- Evaluation, installation, and upgrade of systems in line with M365 and Azure best practices.
- Accreditation of new systems to ensure compliance with industry standards.
- Testing and validation of new systems to ensure compatibility and performance.

14 Hardware Infrastructure Services

- Provisioning and management of hardware infrastructure for networks and systems.
- Routine maintenance, upgrades, and replacements of hardware to align with cloud-based operations.
- Monitoring and optimization of hardware resources to complement M365 and Azure services.

Embracing the Modern Workplace and Cloud Solutions

By leveraging M365 cloud services and modern workplace technologies, the ICT Unit ensures enhanced productivity, collaboration, and security across the Municipality. This alignment with cutting-edge tools and practices enables the Municipality to remain agile, secure, and efficient in delivering services to its community.

3.28.2 Service Statistics for ICT

The nature and extent of facilities provided are:

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Description	2022/23	2023/24
Service Requests handled	1460	3506
Average network uptime	Not a target	Not a target
Mission-critical production server uptime	Not a target	Not a target

Table 149: Service Statistics for ICT

3.28.3 ICT Objectives included in the IDP

Municipal Key Performance Area: Good Governance & Public Participation/Institutional Development and Capacity Building

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved institutional Management	Approved ICT Governance framework by 30 June 2023	1	1	Not a Target		Not a Target
	% Implementation of a municipal Cyber security Strategy by 30 June 2023 as per the Annual Implementation Plan	100%	69,85%	Not a Target		Not a Target
	Perform a post-audit review of ICT frameworks, methodologies, policies, plans and strategies and update in accordance with recommendations made by the Auditor-General	Not a Target		100%	100%	Not a Target

Table 150: ICT Objectives included in the IDP

3.28.4 Employees: ICT

Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	0	1	100.0%
Other Managers	0	2	0	2	100.0%
Professionals	2	4	2	2	50.0%
Technicians & Trade Workers	3	8	3	5	62.5%
Clerks & Administrative Workers	1	5	2	3	60.0%
Community & Personal Workers	0	0	0	0	0.0%
Service and Sales Workers	2	0	0	0	0.0%

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Plant & Machine Operators	0	0	0	0	0.0%
Elementary Occupations	0	0	0	0	0.0%
Total	8	20	7	13	65.0%

Table 151: Employees: ICT

(Note) ICT is part of Finance, however the above figures are not included in Finance Employee figures.

3.28.5 Financial Performance: ICT

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Employees	7,003	10,999	11,045	7,184	-35%
Repairs and Maintenance	442	450	480	271	-43%
Other	6,124	5,275	6,275	(1,084)	-117%
Total Operational Expenditure	13,569	16,724	17,801	6,371	-64%
Net Operational Expenditure	13,569	16,724	17,801	6,371	-64%

Table 152: Financial Performance: ICT

3.28.6 Capital Expenditure

Capital projects	2023/24					
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Variance from adj budget	Total project value
	R'000			%		R'000
Replacement Program: It Hardware	4,500	6,200	1,059	-76%	-83%	1,059
Total	4,500	6,200	1,059	-76%	-83%	1,059

3.28.7 Comment on the Performance Overall

In the year 2023/24, ICT demonstrated its commitment to service excellence through the following initiatives: In the 2023/24 fiscal year, the ICT Department reaffirmed its commitment to service excellence and innovation through key initiatives that enhanced efficiency, accountability, and service delivery. Highlights include:

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1. ArcGIS for Local Authorities (AFLA)

At the start of the 2023/24 financial year, the municipality took a forward-thinking approach by establishing a dedicated steering committee to oversee the implementation of a second-generation, web-based, geo-enabled system. The AFLA initiative is designed to streamline and enhance the electronic lodging, tracking, and management of:

- Town Planning Applications
- Building Plan Applications
- Property and Lease Applications
- Valuations

The platform delivers several transformative features:

- **Real-Time Tracking:** Provides up-to-date visibility into the progress of applications from submission to final resolution (approved, closed, or cancelled).
- **Geo-Visualization:** Maps applications onto the specific plots (erven) they pertain to, offering a clear spatial representation.
- **Centralized Document Management:** Ensures secure and organized storage of all application-related documents for easy access.
- **Automated Notifications:** Sends email reminders to stakeholders, helping them meet critical deadlines and due dates.

The AFLA project has reached an advanced stage, with external user acceptance testing underway in a closed beta group. A full-scale launch is anticipated in the next fiscal year.

2. Improved Audit Outcomes

The ICT Department made remarkable progress in addressing audit findings, reducing ICT-related findings from 22 in the 2022/23 fiscal year to just 6 in 2023/24. This significant improvement highlights the dedication and hard work of the ICT team in enhancing governance and compliance.

3. Commitment to Continuous Improvement

As technology evolves at an unprecedented pace, the ICT Department remains committed to keeping up with these advancements. We strive to:

- Foster ongoing professional development for our staff.
- Innovate and adapt our services to meet the municipality's needs.
- Uphold the highest standards of quality and efficiency in all aspects of our work.

Looking ahead to the 2024/25 fiscal year, our strategic objectives and initiatives will continue to focus on embracing technological innovation, empowering our workforce, and delivering exceptional service to meet the demands of an ever-changing technological landscape.

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This vision underscores our dedication to progress, ensuring that the ICT Department remains a driving force in achieving the municipality's broader goals.

3.28.8 Objectives for the 2024/25 Financial Year

Subject to the availability of funds, the ICT Department has outlined its strategic objectives for the 2024/25 fiscal year. These initiatives are designed to enhance infrastructure, improve efficiency, and deliver exceptional service quality. The sectional objectives are as follows:

1. New Server and Datastore Cluster

The ICT Department plans to migrate all production servers to a modern VMware Server and Datastore Cluster. The infrastructure upgrade will include:

- Three high-capacity VM hosts
- 80TB Nimble Flash storage array

This upgrade is expected to deliver significant performance improvements, particularly in critical systems such as the financial system and GIS services.

The existing cluster, comprising three VM hosts and two SAN arrays, will be repurposed to support disaster recovery and business continuity efforts in alignment with the ICT Continuity Strategy.

2. Windows Desktop and Server Upgrades

To adhere to the department's Software Lifecycle Management Policy:

- All existing 30+ Windows Servers will be upgraded to Windows Server 2022.
- Over 400 Windows 10 endpoints will be upgraded to Windows 11, with the installation of solid-state drives (SSDs) to enhance system responsiveness and improve the end-user experience.

These upgrades aim to boost productivity while ensuring the municipality's systems remain up-to-date and secure.

3. Backup Infrastructure Enhancements

In tandem with the server upgrades, the ICT Department will strengthen its backup infrastructure by:

- Procuring two additional NAS devices.
- Deploying a new tape drive to maintain compliance with the 3-2-1 backup strategy.

Additionally, the Veeam Backup and Replication server will be upgraded to version 12.0, featuring:

- Advanced ransomware protection that monitors for suspicious activity and alerts ICT personnel of anomalies.
- Continuous incremental backup scans for irregular size changes, providing an added layer of security.

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• Backup Power for Key Sites

To mitigate the impact of frequent load shedding, the ICT Department will install 1kVA inverters and solar panels at key locations to ensure uninterrupted telephony services and cashier operations. The identified sites include:

- Beaconsfield Clinic
- Betty Gaesewe Clinic
- City Clinic
- City Hall
- Floors Clinic
- Galeshewe Depot
- Homevale Office
- Jimmy Summers Hall
- Mapule Matsepane Clinic
- Pioneer House
- Roodepan One Stop
- Winston Torres Clinic

4. Updated Aerial Imagery for GIS

The ICT Department will acquire updated aerial imagery for the Kimberley and Ritchie areas. This imagery will be consolidated into a single mosaic and published on ArcGIS Pro, ArcGIS Online, and the GIS Portal. The anticipated benefits include:

- Improved Urban Planning: Supports zoning decisions and land use assessment.
- Efficient Infrastructure Monitoring: Enables remote tracking of assets and timely maintenance.
- Community Engagement: Facilitates transparency in development planning.
- Attracting Investment: Highlights available properties and infrastructure.
- Accurate GIS Data: Enhances municipal services like mapping and land assessments.
- Better Property Valuations: Enables precise remote property evaluations.
- Environmental Insights: Identifies flood zones and other factors affecting property values.

5. ArcGIS for Local Authorities (AFLA) Launch

Pending successful user acceptance testing (UAT) and final signoff by external test groups and internal stakeholders, the municipality aims to launch the ArcGIS for Local Authorities (AFLA) system by mid-fiscal year. This highly anticipated service will enhance public accessibility and operational efficiency.

6. Radio Network Upgrade

To improve bandwidth and reduce interference across Kimberley, the municipality will upgrade its extensive radio network to carrier-grade equipment.

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Additionally, the municipality will explore the cost-effectiveness of outsourcing the maintenance and management of its switch and radio networks. Outsourcing could:

- Reduce costs.
- Improve turnaround times for maintenance.
- Mitigate disruptions caused by the sudden loss of experienced personnel.

7. Time Attendance System

In the upcoming fiscal year, the ICT Department will collaborate with the HR Department to implement a modern Time Attendance System. This initiative aims to replace the outdated, paper-based sign-on register with a more efficient and accurate digital solution.

Key benefits of this initiative include:

- Improved Time Management: Enables better tracking of employee work hours, including short time and overtime.
- Enhanced Accuracy: Reduces errors associated with manual record-keeping.
- Streamlined Processes: Simplifies attendance monitoring and reporting for both employees and management.
- Increased Transparency: Provides a clear and auditable record of attendance.

This system will support more efficient workforce management and align with the municipality's broader goals of embracing digital transformation.

3.29 SUPPLY CHAIN MANAGEMENT SERVICES

3.29.1 Priorities and Achievements

To effectively prioritize and achieve improvements in a supply chain, it's essential to focus on key areas that align with organizational goals and objectives. Supply Chain Management (SCM) enhances customer satisfaction by improving order fulfilment, improving delivery time, and providing exceptional service. Increased customer relationship. However, all these priorities are important and therefore the management task of various needs in the supply chain will differ accordingly to impact the relevant supply chain processes on the creation and delivery of consumer value.

SCM implies optimized 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.

3.29.2 Measures to Improve Performance and Achievements

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Improving the performance and achievements of a supply chain involves implementing strategies and measures to enhance efficiency, responsiveness, and overall effectiveness. Supply Chain Integrate different functions within the supply chain, such as Demand, Acquisition, Logistics and disposal, risk and performance. To achieve a Supply Chain management that is efficient and efficient it required capacity and competency staff with experience and s getting more difficult by the day. For good results to be achieved in Supply Chain Management, a comprehensive control system is necessary to ensure effective and efficient performance measurement right through the Supply Chain Unit, but care should be exercised not to limit the authority of managers. 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. To eliminate this kind of risk, the municipality should seriously and urgently look at procuring an electronic system. The electronic system will also assist in achieving real-time reports, which will provide valuable insight and will allow management to improve the critical decision-making process and reduce human error. Currently part of the process is done electronically, and requisitions of orders are generated electronically. Contracts are captured on the system and can be viewed with ease.

3.29.3 Supply Chain Management Objectives included in the IDP

Municipal Key Performance Area: Local Economic Development/Sound Financial Management

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Establishment of healthy financial management	Number of planned BSC meetings conducted to process bids	Not a Target		24	30	24

Table 153: Supply Chain Management Objectives included in the IDP

3.29.4 Employees: Supply Chain Management

Job Level	2022/2023	2023/2024
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	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0.0%
Other Managers	2	5	1	4	80.0%
Professionals	0	0	0	0	0.0%
Technicians & Trade Workers	0	0	0	0	0.0%
Clerks & Administrative Workers	28	32	27	5	15.6%
Community & Personal Workers	0	0	0	0	0.0%
Service and Sales Workers	0	0	0	0	0.0%
Plant & Machine Operators	0	0	0	0	0.0%
Elementary Occupations	1	1	1	0	0.0%
Total	32	39	30	9	23.1%

Table 154: Employees: Supply Chain Management

(Note: Supply Chain is part of Finance. The above figures are not included in Finance Employee figures).

3.29.5 Financial Performance: Supply Chain Management

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Employees	13,009	16,979	17,101	13,590	-21%
Repairs and Maintenance	283	286	286	255	-11%
Other	186	350	350	201	-43%
Total Operational Expenditure	13,478	17,615	17,737	14,046	-21%
Net Operational Expenditure	13,478	17,615	17,737	14,046	-21%

Table 155: Financial Performance: Supply Chain Management

3.29.6 Capital Expenditure

There was no capital expenditure during the period under review.

3.30 FLEET MANAGEMENT SECTION UPDATE

The Fleet Management Section is the custodian of the municipal vehicle and machinery fleet, which consists of 226 petrol and diesel vehicles (excluding earthmoving machinery, fire engines & other miscellaneous equipment). The core

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responsibility of the section is to manage and ensure that the vehicle fleet and drivers/operators follow the relevant legislation of the National Road Traffic Act (Act No. 93 of 1996, as amended) and OHSA. (Load testing and inspection of lifting equipment, testing and certification of pressure vessels, working at heights, relevant training, vehicle 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 exists in this section. There are still major challenges relating to the replacement of the aged fleet due to insufficient capital funding. This situation affects service delivery negatively as vehicles and machinery are critical service delivery tools.

The allocation of funds for vehicle fleet replacement has drastically decreased, resulting in units being run on what is termed, a Graveyard Policy, that is, operating vehicles until they are dead and past their economic life span. The older the fleet becomes, the more downtime and the non-availability of spare parts increases.

A modest amount of R7.11 million was made available for procurement of fleet for vehicle fleet replacement during the 2023/24 financial year. The issue of vehicle fleet replacement must take top priority, and must be aligned with the 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. A five-year IDP plan was submitted but it cannot be implemented as the vehicle replacement budget is not as requested.

Vehicles purchased for the year 2023/2024 are as follows,

All the below listed vehicles were procured through the Transversal Account of the National Treasury,

3x ISUZU (4x4) bakkies at a cost of R1 462 412,89

4x GWM STEED 5 Bakkies (4x2) at a cost of R1 293 488,72

1x VW TIGUAN (Speaker Vehicle) at a cost of R617 156,55

A total of R4 540 374,81 was paid as a balance of the delivered new Fire Engine

3.30.1 Municipal Vehicle Fleet

The Sol Plaatje Municipal vehicle fleet consist of a broad spectrum of different types of vehicles & machinery, ranging from light commercial vehicles to very specialised vehicles.

The total fleet complement is made up of fire-fighting vehicles, earth-moving vehicles, tractors, trailers, lawnmowers,

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3.30.2 New Vehicles Procured for 2023/24

3x ISUZU (4x4) bakkies at a cost of R1 462 412,89
 4x GWM STEED 5 Bakkies (4x2) at a cost of R1 293 488,72
 1x VW TIGUAN (Speaker Vehicle) at a cost of R617 156,55

3.30.3 Fleet Manage Objectives included in the IDP

Municipal Key Performance Area: Access to Basic Services and Infrastructure Development

Strategic Objectives	Key Performance Indicator	2022/23		2023/24		2024/25
		Revised Target	Actual	Revised Target	Actual	Target
Improved Service Delivery	100% procurement of identified fleet as per the fleet replacement plan (number of vehicles delivered out of the number of vehicles identified for purchase x100)	100%	95%	100%	100%	100%

3.30.4 Capital Expenditure: Fleet Management

The following were capital expenditure for fleet management during the 2023/24 financial year.

Capital projects	2023/24					
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Variance from adj budget	Total project value
	R'000			%		R'000
Acq-fleet replacement	5,000	7,110	6,881	38%	-3%	6,881
Total All	5,000	7,110	6,881	38%	-3%	6,881

Table 156: Capital Expenditure: Fleet Management

“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)

3.31 MECHANICAL ENGINEERING AND WORKSHOPS

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The core function of the Mechanical Engineering Department 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 Department is also responsible for the maintenance of the sewer pump stations, pools, machinery and other mechanical-related services. Additionally, the Department is responsible for the fleet management of the Municipality.

3.31.1 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 licensed 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.

3.31.2 Employees: Mechanical Engineering and Workshops

These employees are shared amongst the Electrical, Water Services and Roads and Stormwater Departments.

3.31.3 Financial Performance: Mechanical Engineering and Workshops

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Employees	20,243	21,737	24,495	23,522	8%
Repairs and Maintenance	2,301	2,610	2,750	2,660	2%
Other	411	576	576	399	-31%

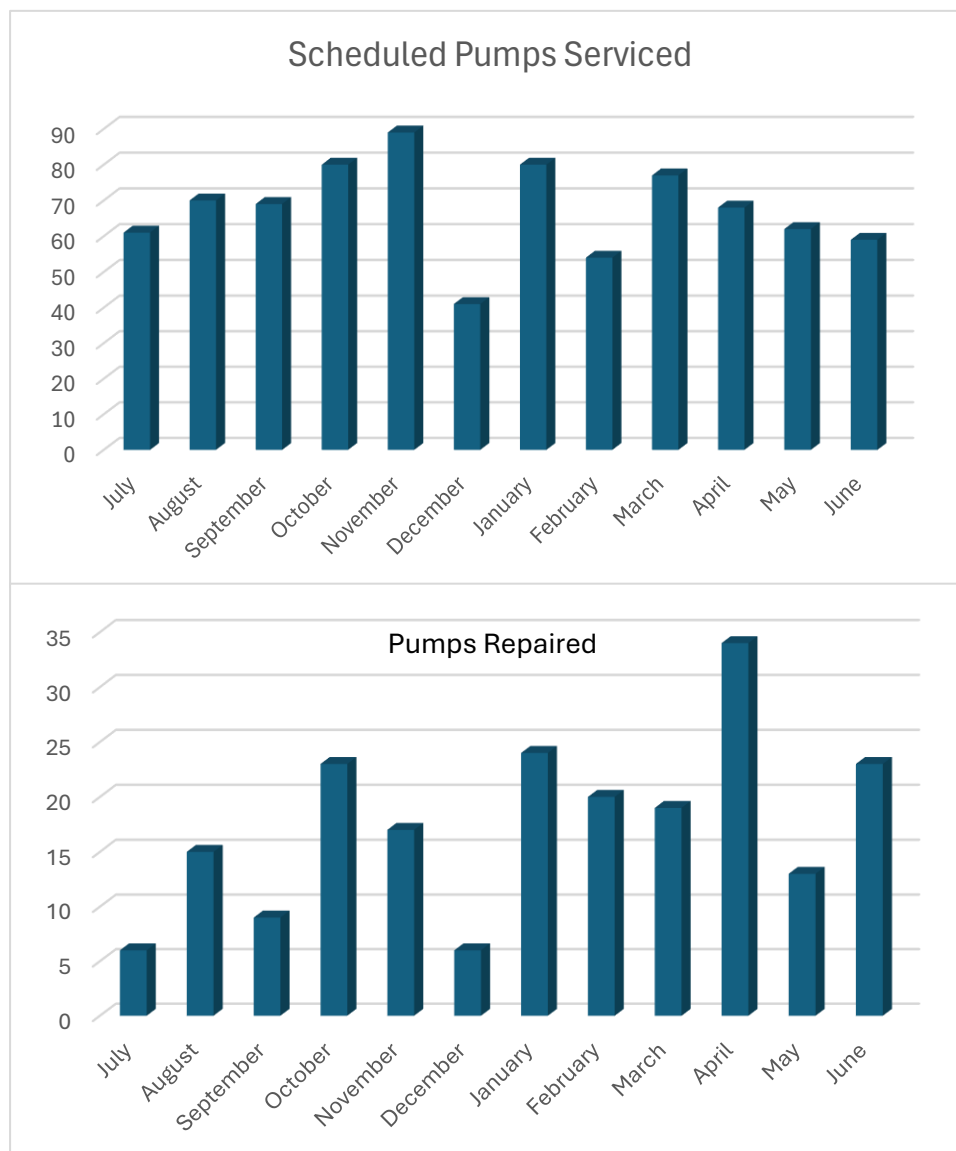
CHAPTER 3: SERVICE DELIVERY

Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Expenditure	22,955	24,923	27,821	26,581	7%
Net Operational Expenditure	22,955	24,923	27,821	26,581	7%

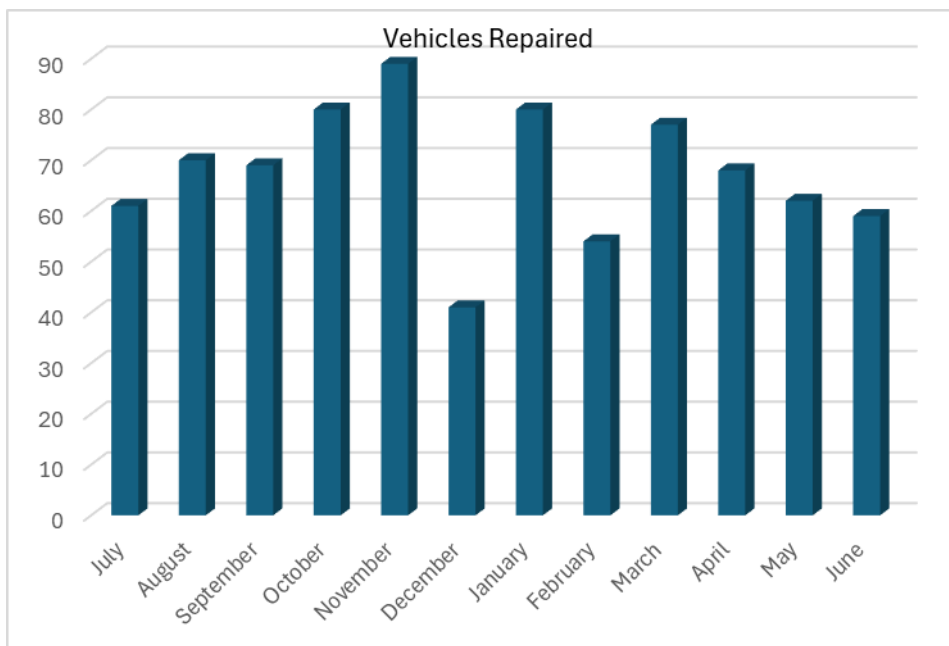
Table 157: Financial Performance: Mechanical Engineering and Workshops

3.31.4 Scheduled and unscheduled maintenance on fleet and pumps

The following graphs depicts the unscheduled and scheduled maintenance done on our fleet and pumps for the period.



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Graph 25: Unscheduled and Scheduled Maintenance on Fleet and Pumps

3.31.5 Challenges

As reported earlier, 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 jeopardizes service delivery. Another challenge is the vandalizing of our pump stations. The former puts a huge strain on scarce resources and also affects the dignity of the community in general.

3.32 AUDITED ANNUAL PERFORMANCE REPORT

3.32.1 Legislative and Other Mandates

The Constitution of the Republic of South Africa gives credence to the establishment of municipalities for the whole territory of the Republic. In terms of Section 151 (2), the executive and legislative authority of a municipality is vested in its Municipal Council. Section 151 (3) legislates that municipalities have the right to govern on its own initiative, the local government affairs of its community, subject to national and provincial legislation.

The objects of local government are determined in terms of Constitutional Law of the Republic, Section 152 (1) and are:

- (a) to provide democratic and accountable government for local communities;
- (b) to ensure the provision of services to communities in a sustainable manner;

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- (c) to promote social and economic development;
- (d) to promote a safe and healthy environment; and
- (e) to encourage the involvement of communities and community organisations in the matters of local government.

3.32.2 Legislative requirements: Performance Management in Local Government

The Municipal Systems Act (MSA) of 2000 and the Municipal Finance Management Act (MFMA) of 2003, makes provision for the planning, implementation, monitoring and reporting in local government through the development of the IDP as a long-term plan, SDBIP (annual implementation of the IDP) and Budget (as the financial resource to implement the IDP). Subsequently, municipalities must report performance on the implementation of the IDP on a quarterly and annual basis to Council.

In accordance with the provisions of the MFMA, the Mayor must annually approve an SDBIP that consists of Key Performance Indicators (KPIs) as a yard stick for measuring performance, and measurable performance targets, 28 days after the approval of the IDP and Budget. The SDBIP must also be reviewed following an adjustment budget and a review of the first six months of the financial year.

The SDBIP was reviewed in February 2024. Subsequently, an adjustment Budget and adjusted SDBIP were also completed for the 2023/24 Medium Term Revenue and Expenditure Framework (MTREF) as required by Section 28 of the Municipal Finance Management Act (Act 56 of 2003) for the year ending 30 June 2024.

The Adjusted Budget and SDBIP were approved during an Ordinary Council meeting held on the 27th of February 2024, resolution C74/02/24. A second Adjusted Budget and SDBIP were approved during a Special Council meeting held on 31 May 2024, resolution C88/05/24. This became necessary due to the Stopping and Reallocation of funds in terms of the Division of the Revenue Act, 5/2023 (Act 5 of 2023) as per the instruction by National Treasury.

A third adjusted SDBIP was approved during a Special Council meeting held on Friday, the 28th of June 2024 as per resolution C182/06/24 to ensure consistency and alignment between the budget and the SDBIP. During the SDBIP Adjustment period, some of the KPIs were reviewed and significantly changed as per the recommendations in **Annexure 2**.

The KPIs that were removed during the financial year under review is set out hereunder.



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SDBIP Ref	Municipal KPA	Strategic Objective	KPI	Reason for removal /review of TL KPI	Unit of Measurement	Baseline	Original Annual Target	Overall Performance	
								Target	Actual
TL24	Access to Basic Services and Infrastructure Development	Improved Service Delivery	% Progress on the replacement of the Eastern and Western Bypass water pipeline (Sections 2 & 3)	To be removed as funding had been withdrawn.	% Progress as per the annual project plan	0%	50%	25%	0%
TL38	Access to Basic Services and Infrastructure Development	Improved Service Delivery	Percentage progress on the refurbishment of the RC Elliot Community Hall (Phase 1)	Project to be removed as funding had been withdrawn.	Percentage progress on the refurbishment	0%	100%	0%	0%
TL74	Local Economic Development and Spatial Transformation	Economic growth through promoting Sol Plaatje Municipality as an economic hub	% Completion of the feasibility study for various industrial precincts in Sol Plaatje Municipal area	Project to be removed as funding had been withdrawn.	% Completion of the feasibility study	0%	100%	0%	0%
TL29	Access to Basic Services and Infrastructure Development	Improved Service Delivery	Upgrade of the Hadison park substation	To be removed as funding had been withdrawn.	% upgrade	0%	50%	40%	15%

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3.32.3 Performance management overview and process

In order to improve on performance planning, implementation, measurement and reporting, the institution implemented the following actions; Departmental operational plans were developed for monitoring and reporting operational programmes; An electronic performance management system is operational within the Municipality.

The same system forms the basis of performance evaluations of the Executive Directors and Municipal Manager. The Municipality endeavoured during the development of the Top Layer (TL) Service Delivery Budget Implementation Plan (SDBIP) as well as with the development of the Departmental SDBIP that the “SMART” principle be adhered to in the setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific and time bound, thus making it measurable. The Top Layer SDBIP and IDP was also reviewed in May of 2023 respectively for the 2023/24 financial period.

The 2023/24 Medium Term Revenue and Expenditure Framework (MTREF) was approved by Council on the 31st of May 2023, resolution C47/05/23 in accordance with MFMA Section 24 (1). Section 28 of MFMA requires a municipality to revise an approved annual budget through an adjustment, and section 28 (4) requires that only the mayor may table an adjustment budget in the municipal council.

3.32.4 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 an annual 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 responsibilities 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.

3.32.5 Composition of the APR

The APR is compiled in accordance with Section 46 (1) of the Municipal Systems Act (Act 32 of 2000), which requires municipalities to prepare for each financial year an Annual Performance Report (APR) reflecting:

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

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(c) Measures taken to improve performance”

This APR is compiled for the period starting 01 July 2023 ending 30 June 2024. The report reflects actual performance of the Municipality as measured against the set Key Performance Indicators (KPIs) and targets in the Service Delivery Budget Implementation Plan (SDBIP) for 2023/24 as aligned to the National Key Performance Areas (KPA) listed hereafter:

- (1) Basic Service Delivery and Infrastructure Development;
- (2) Local Economic Development;
- (3) Institutional Development and Municipal Transformation;
- (4) Municipal Financial Viability and Management; and
- (5) Good Governance and Public Participation.

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	Code	Category	Terminology	Percentage/Score
Grey		KPI Not yet measured	KPI with no target for the selected period	
RED	R	KPI Not met	Level 1 Unacceptable Performance	$0\% \leq (\text{Actual} \div \text{Target}) < 75\%$
ORANGE	O	KPI Almost met	Level 2 Performance Not Fully Effective	$75\% \leq (\text{Actual} \div \text{Target}) \leq 100\%$
LIGHT GREEN	G	KPI Met	Level 3 Fully Effective Performance	$(\text{Actual} \div \text{Target}) = 100\%$
DARK GREEN	G2	KPI well met	Level 4 Performance significantly above expectations	$100\% < (\text{Actual} \div \text{Target}) < 150\%$
DARK BLUE	B	KPI extremely well met	Level 5 Outstanding Performance	$150\% \leq (\text{Actual} \div \text{Target})$

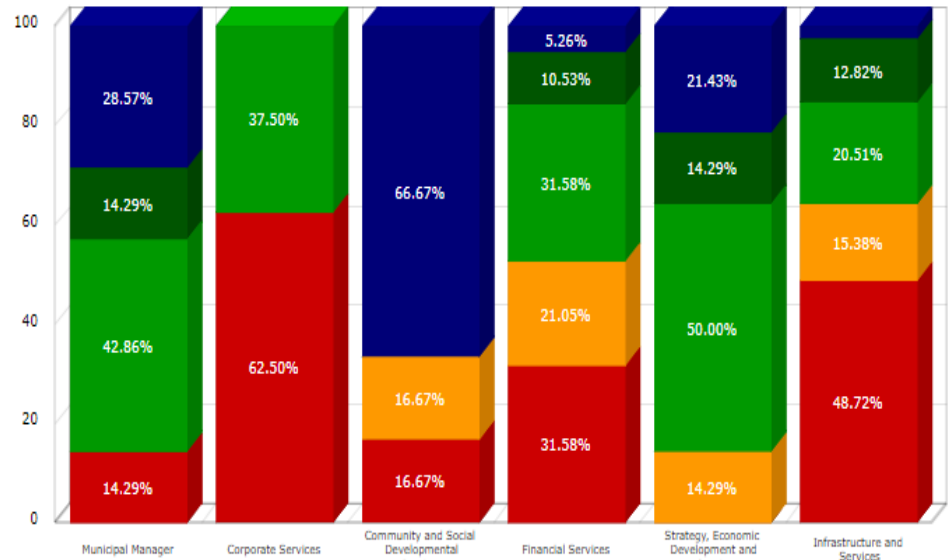
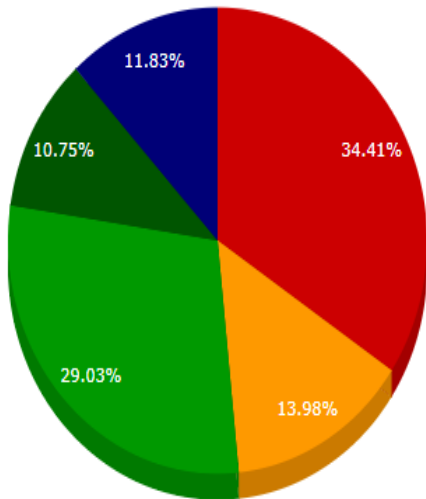
3.32.6 Annexure 1 : Data Definitions

Data definition is a set of facts and statistics collected for reference and analysis purposes. These explains 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.

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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 2024 and as such relate to the performance for this specific year, unless stated otherwise in the definitions attached as **Annexure 1**.

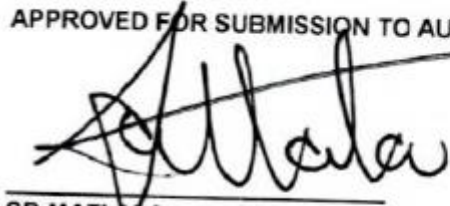
3.32.7 Annexure 2 - Top Layer KPIs significantly reviewed/adjusted during the adjustment process for 2023/24 Financial Year



	Sol Plaatje Municipality	Responsible Directorate					
		Municipal Manager	Corporate Services	Community and Social Developmental Services	Financial Services	Strategy, Economic Development and Planning	Infrastructure and Services
Not Yet Applicable	-	-	-	-	-	-	-
Not Met	32 (34.41%)	1 (14.29%)	5 (62.50%)	1 (16.67%)	6 (31.58%)	-	19 (48.72%)
Almost Met	13 (13.98%)	-	-	1 (16.67%)	4 (21.05%)	2 (14.29%)	6 (15.38%)
Met	27 (29.03%)	3 (42.86%)	3 (37.50%)	-	6 (31.58%)	7 (50.00%)	8 (20.51%)
Well Met	10 (10.75%)	1 (14.29%)	-	-	2 (10.53%)	2 (14.29%)	5 (12.82%)
Extremely Well Met	11 (11.83%)	2 (28.57%)	-	4 (66.67%)	1 (5.26%)	3 (21.43%)	1 (2.56%)
Total:	93	7	8	6	19	14	39
	100%	7.53%	8.60%	6.45%	20.43%	15.05%	41.94%

CHAPTER 3: SERVICE DELIVERY

APPROVED FOR SUBMISSION TO AUDITOR-GENERAL



SB MATLALA
MUNICIPAL MANAGER

DATE: 30 AUGUST 2024

CHAPTER 4: ORGANISATIONAL PERFORMANCE

CHAPTER 4: 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

4.1.1 Employee Totals

The table below indicates the number of approved posts according to the approved organogram, posts filled and vacancies as at 30 June 2024:

Description	2022/23	2023/24			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No				%
Municipal Manager's Office	19	29	17	12	41.4
Infrastructure and Services					
Executive Director's Office	10	13	10	3	23.1
Water & Sanitation	159	326	141	185	56.7
Electricity Services	131	225	125	100	44.4
SECCU	0	2	0	2	100
Housing	36	77	30	47	61.0
Roads & Storm Water	45	161	44	117	72.7
SEDP					
SEDP	68	179	63	116	64.8
Community Services					
Clinics	13	98	12	86	87.8
Emergency Services	66	140	65	75	53.6
Environmental Health	12	35	11	24	68.6
Library Services	49	66	46	20	30.3
Motor Vehicle Licensing & Registration	26	48	26	22	45.8
Parks & Recreation	185	319	174	145	45.5
Social Development HIV/Aids	3	3	2	1	33.3
Traffic Law Enforcement	86	105	85	20	19.0
Waste Management	113	349	113	236	67.6
Corporate Services					
Corporate Services	122	220	116	104	47.3

CHAPTER 4: ORGANISATIONAL PERFORMANCE

Description	2022/23	2023/24			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No				%
Financial Services					
Finance	175	247	172	75	30.4
ICT	8	20	7	13	65.0
Supply Chain	32	39	30	9	23.1
Total	1357	2701	1289	1412	52.27

Table 158: Approved Posts, Employees and Vacancies

Note: These figures exclude the Legislators. 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

Several attempts have been made to fill vacancies; however, the applicants often do not have the required qualifications. The post is then re-advertised.

The table below indicates the vacancy rate as at 30 June 2024:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	13	26	13	13	50.0%
Other Managers	71	133	55	78	58.6%
Professionals	72	201	69	132	65.7%
Technicians & Trade Workers	152	274	156	118	43.1%
Clerks & Administrative Workers	266	472	257	215	45.6%
Community and Personal Workers	75	144	71	73	50.7%
Service and Sales Workers	169	220	159	61	27.7%
Plant & Machine Operators	78	215	75	140	65.1%
Elementary Occupations	461	1016	434	582	57.3%
Total	1357	2701	1289	1412	52.3%

Table 159: Vacancy Rate

CHAPTER 4: ORGANISATIONAL PERFORMANCE

4.1.3 Staff Turnover Rate

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

Description	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Staff Turnover Rate
	No.		%
2022/23	92	69	75
2023/24	40	80	200

Table 160: Staff Turnover Rate

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 Overview 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 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

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...”

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The policy schedule 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)

It should be noted that all the Human Resource Policies will have to be revised in order to be aligned with the Municipal Staff Regulations.

The table below shows the Human Resource Policies and Plans that are applicable in the municipality:

Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
Affirmative Action	100%	100%	Under Review
Attraction and Retention	100%	100%	Tabled at Committee of Council: Corporate
Code of Conduct for employees	100%	100%	Schedule 1 of Municipal Systems Act
Delegations, Authorisation & Responsibility	100%	100%	Approved 23 November 2021
Disciplinary Code and Procedures	100%	100%	SALGBC Agreement: Adopted
Essential Services	100%	100%	Regulated by the Labour Relations Act
Employee Assistance / Wellness	90%	100%	Tabled at Committee of Council: Corporate
Employment Equity	100%	100%	Under Review
Exit Management	100%	100%	HR Procedure
Grievance Procedures	100%	100%	SALGBC Agreement
HIV/Aids	100%	100%	Under Review
Human Resource Training and Development	100%	100%	Regulated by Skills Development Act
Information Technology Policies	100%	100%	Under Review
Job Evaluation	100%	100%	Under Review
Leave	100%	100%	SALGBC
Occupational Health and Safety	100%	100%	Regulated by Health and Safety Act
Official Housing	N/A	N/A	Not Applicable

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Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
Travelling and Subsistence Allowance Policy	100%	100%	Under Review
Official transport to attend Funerals	N/A	N/A	Not applicable
Official Working Hours and Overtime	100%	0%	Conditions of Service
Organisational Rights	100%	100%	SALGBC Agreement
Payroll Deductions	100%	100%	HR Procedure
Performance Management and Development	100%	100%	Under Review
Recruitment, Selection and Appointments	100%	100%	Under Review
Remuneration Scales and Allowances	100%	100%	SALGBC Agreement
Resettlement	100%	100%	Housing Procedure
Sexual Harassment	100%	100%	Under Review
Skills Development	100%	100%	Regulated by Skills Development Act
Smoking	90%	100%	Tabled at Committee of Council: Corporate
Special Skills	100%	100%	Council resolution
Uniforms and Protective Clothing	100%	100%	HR Procedure
Rewards and Incentive	100%	100%	Under Review
Disability	100%	100%	Under Review
Skills and Retention	100%	100%	Under Review
Ethics	100%	100%	Under Review
Rewards & Incentive	100%	100%	Under Review
Overtime	100%	100%	Approved 4 February 2020
Study	100%	100%	Approved 6 June 2018
Consequence Management	100%	100%	Approved 14 October 2020
Code/Ethics	100%	100%	Approved 4 June 2019
Telecommunications	100%	100%	Approved November 2020
Danger Allowance	100%	100%	Approved April 2021
Pregnancy and Maternity	100%	100%	Under Review

Table 161: Human Resource Policies and Plans

4.4 INJURIES, SICKNESS AND SUSPENSIONS

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.

In terms of injury on duty the Municipality is unable to prematurely calculate IOD for any future injuries. The table below indicates the number and cost of Injuries on duty for the 2023/24 financial year:

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Type of injury	Injury Leave Taken	Employees injured	Proportion employees using IOD sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	Rand
Required basic medical attention only	10	7	0%	0	1000
Required medical attention	300	90	24.32%	3.33	474,709.91
Sub Total	310	97	24.32%	3.33	474,709.91
Permanent disablement	60	4	3.92%	92.5	235,237.03
Fatal	0	1	0	0	On-going
Total	370	102	28.24%	95.83	710,946.94

Table 162: Number and Cost of Injuries on Duty

4.4.1 Sick Leave (excluding injuries on duty)U

The number of days 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 measures 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 workplace. Each Directorate has a Health and Safety Committee which monitors injuries in the said directorate.

Sick leave per employee is not calculated separately, it forms part of the total remuneration package per employee

The table below indicates the number of days and cost of sick leave:

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
	Days	%	No	No	Days
Lower skilled (Levels 1-2)	443	89.84	434	434	0.98
Skilled (Levels 3-5)	4 195	14.97	306	306	0.07
Highly skilled production (levels 6-8)	3 497	12.10	333	333	0.10
Highly skilled supervision (levels 9-12)	2 128	14	132	132	0.06
Senior management (Levels 13-15)	596	11.91	79	79	0.13
MM and S57	2	100	3	3	0.67
Total	10 861		1 297	1 297	2.01

Table 163: Number of Days and Cost of Sick Leave

4.4.2 Suspensions & Financial Misconduct

There were no suspension cases or cases of financial misconduct.

CHAPTER 4: ORGANISATIONAL PERFORMANCE

There is a tendency by the accused employees to contest their cases in Labour Court as well as Labour Appeal Court.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 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, on these training interventions, is reported to the relevant Council Sub-Committee.

Access to funding for training remains a challenge.

4.5.1 Skills Development and Training 2023/24

The municipality followed the process of addressing this challenge by advertising a tender for a Pool of Training Service Providers and accessing the LGSETA Discretionary Grant funding. The process is cumbersome and the time for all the supply chain committees to approve to meet the SETA deadlines were arduous. The table below indicates the number of employees that received training in the year under review. This excludes the Councillors, the interns and unemployed youth who do experiential learning.

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

Category		Trained in post	Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			Actual	Target	Actual	Target	Actual	Target	Actual	Target
Managers	Female	24	0	0	24	25	0	0	24	25
	Male	18	0	0	18	20	0	0	18	20
Professionals	Female	32	0	0	32	25	10	10	42	35
	Male	21	0	0	21	25	5	5	26	30
Technicians and Trade Workers	Female	26	0	0	26	30	0	0	26	30
	Male	48	0	0	48	35	0	0	48	35
Community and Personal Services Workers	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Clerical and Administrative Workers	Female	131	0	0	131	120	0	0	131	120
	Male	44	0	0	44	40	0	0	44	40
Machine Operators and Drivers	Female	2	0	0	2	0	0	0	2	0
	Male	30	0	0	30	35	0	0	30	35
Labourers	Female	86	0	0	86	90	0	0	86	90

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Category		Trained in post	Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			Actual	Target	Actual	Target	Actual	Target	Actual	Target
	Male	250	0	0	250	245	0	0	250	245
Sales and Service Workers	Female	1	0	0	1	20	0	0	1	20
	Male	52	0	0	52	40	0	0	52	40
Total		765	0	0	765	750	15	15	780	765

Table 164: Skills Development and Training

4.5.2 Skills Development Expenditure 2023/24

The total budget allocated for skills development and other capacitation programmes was R7.5 million for all management levels, and the total sum spent for the skills development expenditure is R6 101 408. Councillor development is not included.

Category		Employees as at the beginning of the financial year	Learner ships		Skills programmes & other short courses		Other forms of training		Total	
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
			R'000							
Managers & Leg	Female	24	0	0	94	92	0	0	94	92
	Male	18	0	0	94	93	0	0	94	93
Professionals	Female	32	0	0	25	5	4360	3608	2801	2289
	Male	21	0	0	25	10	2340	1839	3776	3485
Technicians and Trade Workers	Female	26	0	0	42	88	0	0	42	88
	Male	48	0	0	100	163	0	0	100	163
Clerical and Administrative Workers	Female	0	0	0	120	97	0	0	120	97
	Male	0	0	0	40	31	0	0	40	31
Community and Personal Service Workers	Female	131	0	0	0	0	0	0	0	0
	Male	44	0	0	0	0	0	0	0	0
Machine Operators and Drivers	Female	2	0	0	10	0	0	0	10	0
	Male	30	0	0	70	0	0	0	70	0
Elementary occupations	Female	86	0	0	35	5	0	0	35	5
	Male	250	0	0	85	9	0	0	85	9
Sales and Service Workers	Female	1	0	0	5	9	0	0	5	9
	Male	52	0	0	55	53	0	0	55	53
Total		765	0	0	800	654	6700	5447	7500	6101
% of municipal salaries (original budget) allocated for workplace skills plan									1%	

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Table 165: Skills Development Expenditure

This is for the skills year and includes the Financial Interns, and Infrastructure, Skills Development (ISDG) Candidates. Several of the Infrastructure and Skills Development candidates completed their journey before the end of their contracts and hence this reflects as underspending.

4.5.2 MFMA Competencies

In 2007, the minimum competencies for officials responsible for financial and supply chain management were regulated. Minimum higher education qualifications, work-related experience and core managerial and occupational competencies are among the aspects covered by the regulations.

The minimum competency levels also seek to professionalize the local government sector and to make it a career choice for talented officials and to some extent mitigate some of the root causes of poor financial management and service delivery experienced at Local Government level. It is also required to report to National Treasury on a quarterly basis on the progress of the minimum competency levels.

The table below is the status of applicable personnel as at 30 June 2024:

Position	Highest Educational Qualification	Work Related Experience	Performance Agreement Signed (where required)	Completed Required Unit standards	Requirement met	Compliant (consider budget)
Accounting Officer	✓	✓	✓	✓	4	✓
CFO Municipality (Acting)	✓	✓	✓	X	3	X
Senior Manager (S56) (Acting)	✓	✓	✓	X	3	X
Senior Manager (S56) (Acting)	✓	✓	✓	✓	4	✓
Senior Manager (S56)	✓	✓	✓	X	3	X
Senior Manager (S56)	✓	✓	✓	X	3	X
Middle Manager: Finance	✓	✓	✓	X	3	X
Middle Manager: Finance (Acting)	✓	✓	✓	X	3	X
Middle Manager: Finance (Acting)	✓	✓	✓	X	3	X
Middle Manager: Finance	✓	✓	✓	X	3	X
Middle Manager: Finance	✓	✓	✓	✓	4	✓
SCM Head (Acting)	✓	✓	✓	✓	4	✓

CHAPTER 4: ORGANISATIONAL PERFORMANCE

Position	Highest Educational Qualification	Work Related Experience	Performance Agreement Signed (where required)	Completed Required Unit standards	Requirement met	Compliant (consider budget)
SCM Manager	√	√	√	X	3	X
SCM Manager	X	√	√	√	3	X
SCM Manager	√	√	√	√	4	√

Table 166: Financial Competency Development

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 INTRODUCTION TO WORKFORCE EXPENDITURE

In terms of National Treasury's MFMA Circular No. 71 (Uniform financial ratios and norms), the benchmarked norm on Remuneration (Employee Related Costs and Councillors' Remuneration) is between 25% to 40% which is considered acceptable depending on the size and services rendered by the Municipality. The Municipality's target is 33% employee costs ratio against total operating expenditure. Total Remuneration increased by 15.2% from R819,896 million to R944,413 million. The high increase is largely attributable to the net actuarial loss recognised on post-retirement benefits.

As at 30 June 2024, the Total Remuneration was 33.58% of the total operating expenditure, which is slightly above the target of 33%. As per note 29 of the Annual Financial Statements, the total overall overtime expenditure increased by 34.1% from R58,731 million in 2022/23 to R78,738 million in 2023/24. As indicated in the table below, Total Remuneration as a percentage of total operating expenditure increased by 1.58% from 32.00% in 2022/23 to 33.58% in 2023/24:

Description	2021/22	2022/23	2023/24
	R		
Employee costs actual	770,303,358	786,665,044	910,544,126
Councillor's remuneration	30,736,976	33,231,386	33,868,942
Total Remuneration	801,040,334	819,896,430	944,413,068
Total Operating Expenditure	2,587,775,117	2,562,275,578	2,812,171,878
Employee costs and Councillor's remuneration as % of Operational Expenditure	30.95%	32.00%	33.58%
Year-on-year percentage increase (decrease)	-	1.04%	1.58%

Table 167: Employee Costs

CHAPTER 4: ORGANISATIONAL PERFORMANCE

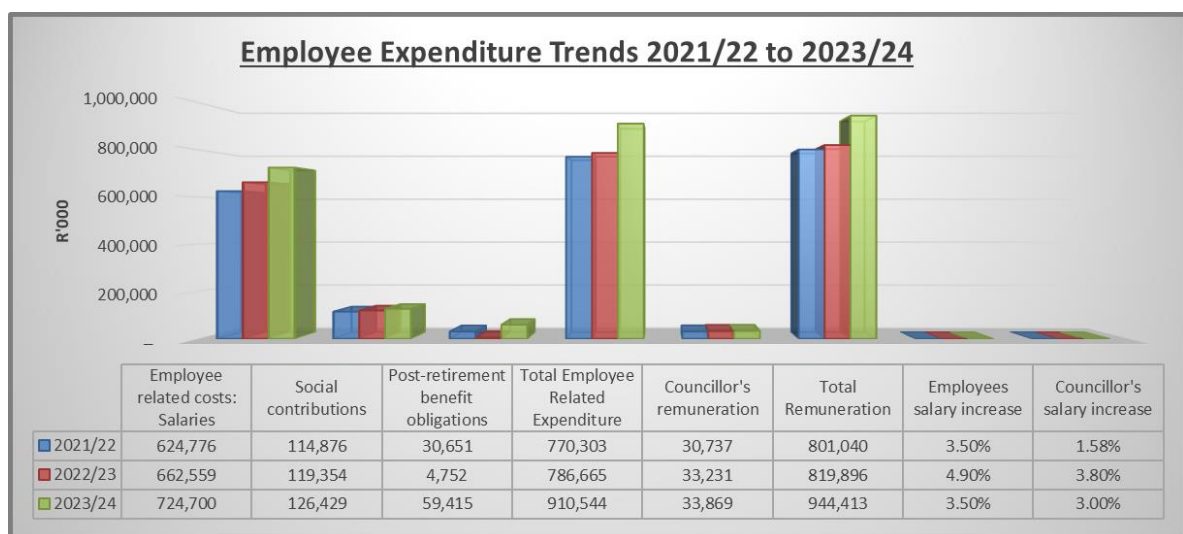
4.6.1 Employee Expenditure Trends

Councillors are remunerated based on upper limits gazette as promulgated by the Minister for Cooperative Governance and Traditional Affairs (CoGTA). An average increase of 3.00% was approved and implemented with total councillor's benefits amounting to R33,869 million. From the table below, it can be noted that Total employee related expenditure increased by an average of 15.7%, Councillor's remuneration by 1.9% and Total remuneration increased by 15.2%, from 2022/23 to 2023/24 financial year.

Description	2021/22	2022/23	2023/24	Year-on-year Increase (decrease) (2022/23 to 2023/24)
	R'000		%	
Employee related costs: Salaries	624,776	662,559	724,700	9.4%
Social contributions	114,876	119,354	126,429	5.9%
Post-retirement benefit obligations	30,651	4,752	59,415	1150.2%
Total Employee Related Expenditure	770,303	786,665	910,544	15.7%
Councillor's Remuneration	30,737	33,231	33,869	1.9%
Total Remuneration	801,040	819,896	944,413	15.2%
Employees salary increase	3.50%	4.90%	5.40%	0.5%
Councillor's salary increase	1.58%	3.80%	3.00%	-0.8%

Table 168: Employee Expenditure Trends

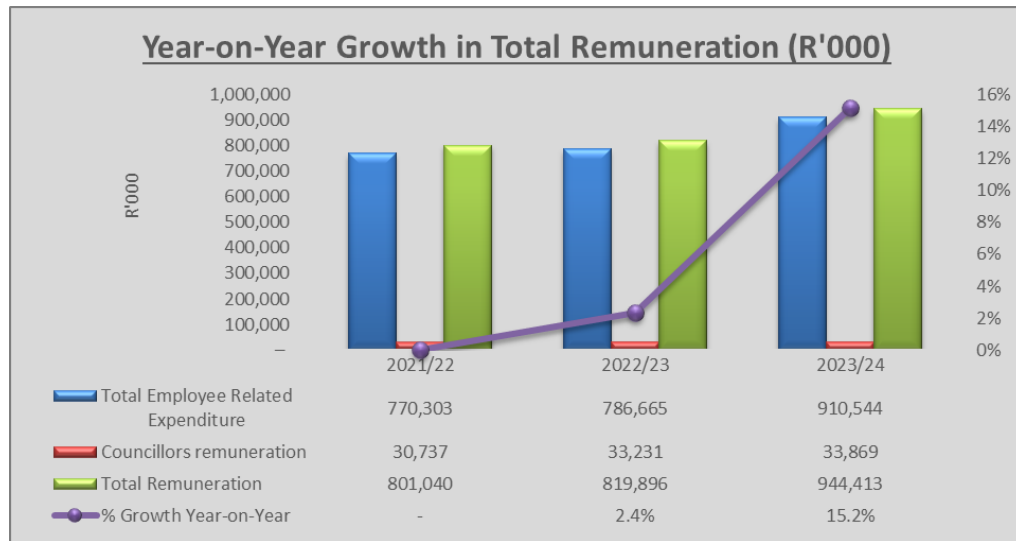
Employee Expenditure Trends 2020/21 to 2022/23



Graph 26: Expenditure Trends

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Growth in Total Employee Costs Year on Year



Graph 27: Growth in Total Employee Costs Year on Year

4.6.2 Employees whose salary levels exceed the grade determined by job evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Admin Officer	3	T9	C3	Positions were graded below what employees were currently receiving
Admin Officers: Informal Trade	1	T10	C5	
Admin Officers: Personal Assistant	4	T10	C5	
Administrator	1	T8	C1	
Cashier	9	T5	B2	
Clerk	1	T5	C1	
Clerk	3	T5	B2	
Clerk	5	T5	B3	
Clerk: Verifications	4	T5	B2	
Communications Officer	1	T11	D1	
Controller	4	T10	C5	
Controller	2	T11	C5	
Controller: Sanitation	1	T7	C2	
Driver	2	T5	C3	
Driver Messenger	3	T4	B3	
Driver Messenger	1	T4	B1	
Employee Relations Manager	1	T11	D4	
Engineering Technician	1	T11	C5	
Foreman: Sanitation	1	T11	C5	
General Assistants	20	T3	A3	

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Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Handyman	11	T5	B3	
Head Properties	1	T14	D3	
Head: Administration	1	T9	C5	
Internal Investigator	1	T13	D3	
Liaison Officer	1	T9	C3	
Liaison Officer	1	T12	D4	
Peace Officer	1	T9	C4	
Principal Clerk	4	T7	C1	
Project Manager	1	T12	D3	
Project Manager	1	T11	C5	
Risk Officer	1	T11	D1	
SDBIP Officer	1	T11	C5	
Senior Admin Officer	1	T11	D5	
Senior Clerk	2	T6	C1	
Senior Clerk	2	T6	B5	
Senior Clerk	4	T6	B4	
Senior Supply Chain Officer	1	T12	D5	
Senior Supervisor: Cemetery	1	T8	C1	
Switchboard Operators	2	T5	B3	
VIP Protection	1	T6	C1	

Table 169: Salary Levels Exceed the Grade Determined

CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

The statement of financial performance provides an overview of the financial performance and focuses on the financial health of the Municipality.

5.1 INTRODUCTION TO FINANCIAL STATEMENTS

5.1.1 Financial Performance of Operational Services

Financial Performance of Operational Services						
Description	2022/23	2023/24			2023/24 Variance	
	Actual	Original Budget	Adjust. Budget	Actual	Original Budget	Adjust. Budget
	(R'000)			%		
Operating Cost						
Water	349,874	341,800	373,716	363,718	6%	-3%
Waste Water (Sanitation)	28,231	28,106	28,561	27,726	-1%	-3%
Electricity	963,125	1,031,152	1,026,815	1,101,328	7%	7%
Waste Management	73,110	76,413	77,066	79,136	4%	3%
Housing	20,980	26,752	27,448	21,956	-18%	-20%
Component A: sub-total	1,435,320	1,504,224	1,533,606	1,593,865	6%	4%
Waste Water (Storm Water Drainage)						
Roads	52,257	76,489	75,465	80,455	5%	7%
Transport	43,260	46,527	46,894	43,214	-7%	-8%
Component B: sub-total	95,517	123,016	122,359	123,669	1%	1%
Planning	35,899	125,471	46,827	39,392	-69%	-16%
Local Economic Development	6,477	6,807	6,857	6,800	0%	-1%
Component B: sub-total	42,376	132,278	53,684	46,192	-65%	-14%
Planning (Strategic & Regulatory)						
Local Economic Development						
Component C: sub-total	–	–	–	–		
Community & Social Services	45,511	49,529	55,224	48,586	-2%	-12%
Environmental Protection	836	900	900	870	-3%	-3%
Health	19,082	20,586	24,947	20,412	-1%	-18%
Security and Safety	66,445	68,886	73,855	73,912	7%	0%

CHAPTER 5: FINANCIAL PERFORMANCE

Financial Performance of Operational Services						
Description	2022/23	2023/24			2023/24 Variance	
	Actual	Original Budget	Adjust. Budget	Actual	Original Budget	Adjust. Budget
	(R'000)				%	
Sport and Recreation	59,539	56,350	59,297	66,863	19%	13%
Corporate Policy Offices and Other	797,649	735,483	859,038	837,802	14%	-2%
Component D: sub-total	989,062	931,735	1,073,262	1,048,446	13%	-2%
Total Expenditure	2,562,276	2,691,252	2,782,911	2,812,172	4%	1%
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.						

Table 170: Financial Performance of Operational Services

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	Nature of the Service	Amount Paid in Rand
1 Pangaea Expertise & Solutions (PTY) Ltd	Landfill site valuation	51,750.00
Bigen Africa Services (PTY) Ltd	Sol Plaatje Integrated Bulk Water Supply Intervention Project	43,242,030.26
Bigen Africa Services (PTY) Ltd	Consultants Bigen Africa Lerato Park - Civil	3,280,358.65
Bigen Africa Services (PTY) Ltd	Electrification of Lethabo park	843,200.12
Global Solution Development (PTY) Ltd	Planning and surveying and township establishment - various projects	1,909,000.00
Mabuyi Development Planners (PTY) Ltd	Planning and surveying and township establishment - various projects	766,390.46
MVD Kalahari Town and Regional Planners (PTY) Ltd	Planning and surveying and township establishment - various projects	2,269,975.50
New Dimension Corporation Consulting (PTY) Ltd	2022/2023 AFS Review	55,786.50
Payday Software Systems PTY Ltd	Payroll consultations & other related services	744,013.78
Smec South Africa PTY Ltd	Provision of service to perform asset management review	527,985.70
Zaqen Actuaries (PTY) Ltd	Actuarial valuation - Post-retirement benefits	27,600.00
Grand Total		53,718,090.97
Total No. of Consultants		9

Table 171: Consultancy Work Procured

CHAPTER 5: FINANCIAL PERFORMANCE

5.1.2 Revenue Collection Performance by Vote and by Source

a) REVENUE COLLECTION PERFORMANCE BY VOTE

Vote Description	2022/23	2023/24			2023/24 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust. Budget
	R'000				%	
Executive and Council	-	0	0	0	0%	0%
Municipal and General	471,843	470 256	453 970	468 806	0%	3%
Municipal Manager	-	0	0	0		
Corporate Services	5,432	6 873	6 873	5 432	-21%	-21%
Community Services	124,394	101 913	114 253	124 394	22%	9%
Financial Services	670,519	648 238	651 552	670 519	3%	3%
Strategy Economic Development and Planning	6,867	7 945	29 395	6 867	-14%	-77%
Infrastructure Services	1,223,713	1 386 322	1 373 122	1 223 713	-12%	-11%
Total Revenue by Vote	2,502,769	2 621 547	2 629 165	2 499 732	-5%	-5%
Variances are calculated by dividing the difference between the actual and original/adjustments budget by the actual.						

Table 172: Revenue Collection Performance by Vote

b) REVENUE COLLECTION PERFORMANCE BY SOURCE

Description	2022/23	2023/24			2023/24 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjust. Budget
	R'000				%	
Property rates	610,991	660,893	660,893	656,442	-0.7%	-0.7%
Service Charges - electricity revenue	755,677	1,034,872	1,034,872	930,367	-10%	-10%
Service Charges - water revenue	272,860	327,114	301,564	277,540	-15%	-8%
Service Charges - sanitation revenue	90,568	89,858	93,048	96,982	8%	4.2%
Service Charges - refuse revenue	67,598	65,412	65,782	75,503	15%	15%
Service Charges – other	-	-	-	-		
Rentals of facilities and equipment	26,000	26,930	28,130	28,851	7%	3%
Interest earned - external investments	8,550	7,000	9,500	16,116	130%	70%
Interest earned - outstanding debtors	199,982	168,880	250,400	258,041	53%	3%

CHAPTER 5: FINANCIAL PERFORMANCE

Description	2022/23	2023/24			2023/24 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjust. Budget
	R'000				%	
Dividends received	0	-	-	0		
Fines	59,462	30,660	37,910	56,767	85%	50%
Licenses and permits	9,021	7,350	7,350	7,169	-2%	-2%
Agency services	0	-	-	0		
Transfers recognised – operational	264,657	281,921	287,603	286,500	2%	0%
Other revenue	19,976	18,714	20,514	18,302	-2.2%	-11%
Gains on the disposal of PPE	5,891	-	1,100	16,049		
Total Revenue (excluding capital transfers and contributions)	2,391,233	2,719,604	2,798,666	2,724,630	0%	-3%
Capital Grants	108,149	214,233	161,349	159,040	-25.8%	-1%
Public contributions & donations	3,387			215,206		
Total Revenue	2,502,769	2,933,837	2,960,015	3,098,877	6%	5%

Table 173: Revenue Collection Performance by Source



CHAPTER 5: FINANCIAL PERFORMANCE

5.1.3 Reconciliation of Budget Summary

Description	2023/24								2022/23			
	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 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
Financial Performance												
Property rates	660,893	–	660,893	656,442		(4,451)	99.3%	99.3%				610,991
Service charges	1,517,256	(21,990)	1,495,266	1,380,392		(114,874)	92.3%	91.0%				1,186,704
Investment revenue	7,000	2,500	9,500	16,116		6,616	169.6%	230.2%				8,550
Transfers recognised operational	281,921	5,682	287,603	286,500		(1,103)	99.6%	101.6%				264,657
Other own revenue	252,534	92,870	345,404	385,180		39,776	111.5%	152.5%				320,332
Total Revenue (excluding capital transfers and contributions)	2,719,604	79,062	2,798,666	2,724,630		(74,035)	97.4%	100.2%				2,391,233
Employee costs	881,637	28,729	910,366	910,544		178	100.0%	103.3%				786,665
Remuneration of councillors	35,559	–	35,559	33,869		(1,690)	95.2%	95.2%				33,231
Debt impairment	317,500	–	317,500	333,146		15,646	104.9%	104.9%				378,747
Depreciation & asset impairment	86,650	–	86,650	74,329		(12,321)	85.8%	85.8%				71,830
Finance charges	19,495	560	20,055	122,651		102,596	611.6%	629.2%				113,955



CHAPTER 5: FINANCIAL PERFORMANCE

Description	2023/24								2022/23			
	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
Materials and bulk purchases	1,090,900	36,156	1,127,055	1,013,652		(113,403)	89.9%	92.9%				893,748
Transfers and grants	4,560	(1,000)	3,560	2,526		(1,034)	71.0%	55.4%				2,599
Other expenditure	254,952	27,214	282,166	321,454		39,289	113.9%	126.1%				281,500
Total Expenditure	2,691,252	91,659	2,782,911	2,812,172	–	29,261	101.1%	104.5%	–	–	–	2,562,276
Surplus/(Deficit)	28,351	(12,597)	15,755	(87,541)		(103,296)	-55.6%	-308.8%				(171,043)
Transfers recognised - capital	214,233	(52,884)	161,349	159,040		(2,309)	98.6%	74.2%				108,149
Contributions recognised - capital & contributed assets	–	–	–	215,206		215,206						3,387
Surplus/(Deficit) after capital transfers & contributions	242,584	(65,481)	177,104	286,705		109,601	161.9%	118.2%				(59,506)
Share of surplus/ (deficit) of associate		–				–	–	–				–
Surplus/(Deficit) for the year	242,584	(65,481)	177,104	286,705		109,601	161.9%	118.2%				(59,506)
Capital expenditure & funds sources												



CHAPTER 5: FINANCIAL PERFORMANCE

Description	2023/24								2022/23			
	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
Capital expenditure	249,473	(32,734)	216,739	176,438		(40,301)	81.4%	70.7%				126,016
Transfers recognised - capital	214,233	(52,884)	161,349	147,356		(13,993)	91.3%	68.8%				96,392
Public contributions & donations	–	–	–	–		–	–	–				–
Borrowing	–	–	–	–		–	–	–				–
Internally generated funds	35,240	20,150	55,390	29,082		(26,308)	52.5%	82.5%				29,624
Total sources of capital funds	249,473	(32,734)	216,739	176,438		(40,301)	81.4%	70.7%				126,016
Cash flows												
Net cash from (used) operating	238,844	(80,401)	158,443	197,117		38,674	124.4%	82.5%				88,720
Net cash from (used) investing	(249,473)	(20,711)	(270,184)	(175,835)		94,349	65.1%	70.5%				(157,746)
Net cash from (used) financing	(13,351)	–	(13,351)	(13,743)		(392)	102.9%	102.9%				(15,687)
Cash/cash equivalents at the year end	174,327	(101,112)	73,214	113,952		40,737	155.6%	65.4%				106,413



CHAPTER 5: FINANCIAL PERFORMANCE

Table 174: Reconciliation of Budget Summary

CHAPTER 5: FINANCIAL PERFORMANCE

5.1.4 Comment on Financial Performance

The municipality renders trading and rates-related services. Trading services are provided at a cost recovery tariff structure cross-subsidisation and contributions to the rates funded services in line with the budget policy of the municipality. The municipality needs to review the cost reflectivity of tariffs and this will be reviewed for the 2025/26 financial year and phased in over a three-year period. 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 purchase 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.

For the year-ending 30 June 2024, the total revenue was R3,098,877 billion versus an adjusted budget of R2,960,015 billion, resulting in an actual achieved of 105% with a satisfactory variance of 5%. This is mainly attributable to the off-market portion of municipal debt relief liability recognised by the municipality in terms of GRAP 23 on *Revenue from Non-exchange Transactions*, as part of the municipal debt relief. This was allocated to Public contributions and donations, as the municipal standard chart of account version 6.7 for the 2023/24 financial year did not make provision for this account. It was only addressed in version 6.8 of the chart, applicable for 2024/25 financial year. Total operational expenditure amounted to R2,812,172 billion versus an adjusted budget of R2,782,911 billion, resulting in an actual of 101%, with a satisfactory variance of 1%.

The municipality is facing some major challenges, with the deteriorating cash flow position remaining the most critical. 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

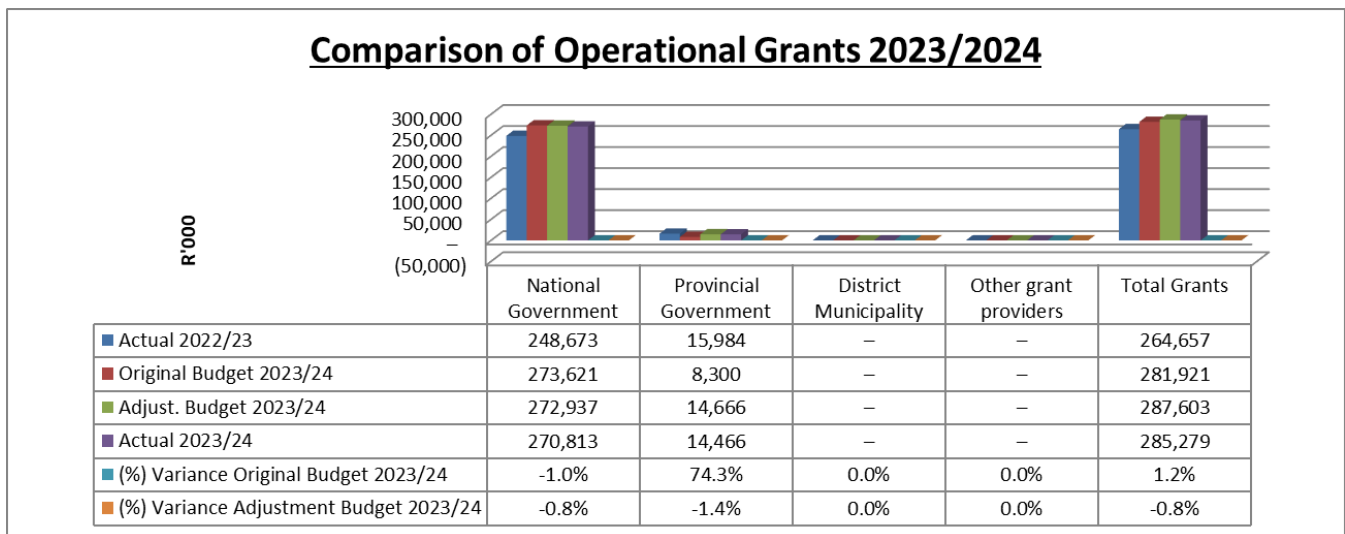
Description	2022/23		2023/24		2023/24 Variance	
	Actual	Budget	Adj. Budget	Actual	Original Budget	Adj. Budget
	R'000				Percentage	
Operating Transfers and Grants						
National Government	248 673	273 621	272 937	270 813	-0.70%	-0.45%
Equitable share	239 158	263 135	263 135	263 135	0,0%	0,0%
Financial Management Grant	1 700	1 700	1 700	1 700	0,0%	0,0%
Expanded Public Works	3 959	3 286	3 102	3 102	-5.60%	0,0%

CHAPTER 5: FINANCIAL PERFORMANCE

Description	2022/23		2023/24		2023/24 Variance	
	Actual	Budget	Adj. Budget	Actual	Original Budget	Adj. Budget
	R'000				Percentage	
Infrastructure Skills Development Grant (ISDG)	3 856	5 500	5 000	2 876	-47.72%	-42.49%
Provincial Government	15,984	8,300	14,666	14,466	74.3%	-1.4%
Library Services	9,684	8,300	9,066	8,866	-6.4%	9.2%
Department of Economic Development & Tourism	6,300	–	5,600	5,600	-11.1%	#DIV/0!
District Municipality	0	–	0	0		0,0%
Frances Baard District Municipality	0	–	0	0		0,0%
Other grant providers						
Miscellaneous						
Other Donations						
Total Operating Transfers and Grants	264,657	281,921	287,603	285,279	1.2%	-0,8%

Table 175: Grant Performance

The graph below indicates the comparison of operational grants for 2023/24



Graph 28: Operational grants 2022/23

5.2.2 Conditional Grants Received (excl. IUDG)

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Details	2023/24			Variance	
	Original Budget	Adjust. Budget	Actual		
	R'000			Budget	Adjust. Budget
				%	
Financial Management Grant (FMG)	1 700	1 700	1 700	0%	0%
Expanded Public Works Programme (EPWP)	3 959	3 102	3 102	-5.60%	0,0%
Infrastructure Skills Development Grant (ISDG)	5 500	5 500	2 876	-47.72%	-42.49%
Energy Efficiency and Demand Side Management Grant	4,000	6 000	5743	43.57%	-4.28%
Integrated National Electrification Programme (INEP)	48 026	27 104	18 083	62.35%	-33.28%
Regional Bulk Infrastructure Grant (RBIG)	86 000	40 000	40 000	-53.49%	0%
Total	148 512	82 906	71 503	-51.85%	-13.75%
<i>This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>					

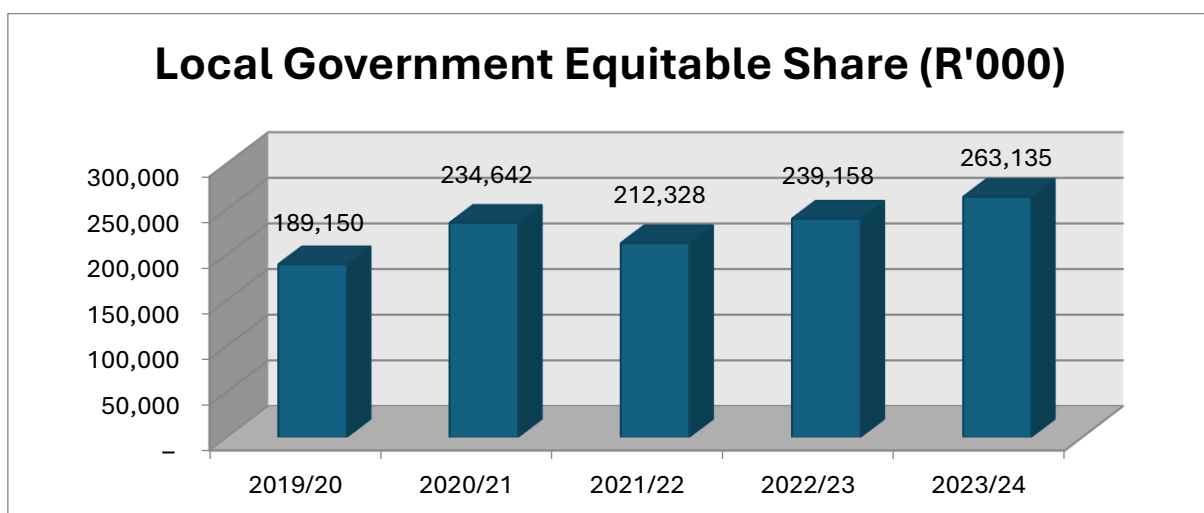
Table 176: Conditional Grants Received

There were no major conditions applied by the donor, other than those prescribed by the grant itself as per the DoRA.

5.2.3 Comment On Operating Transfers and Grants

The total operational grants recognised amounted to R285,279 million with an actual achieved of 99.19% versus the adjusted budget of R287,603 million. Operational grants performed very well for the period under review.

The graph below indicates the percentage year-on-year increase/(decrease) in Equitable Share



Graph 29: Equitable Share

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There was a substantial decrease in Equitable Share receipts of 9.5% from 2020/21 to 2021/22, as the state of disaster for Covid was abolished and the Equitable Share allocation reverted to a formula prescribed by National Treasury. The Equitable Share allocation increased to R263, 135 (2023/24) R239,158 million (2022/23) from R212,328 million (2021/22). The municipality utilised the Equitable Share *inter alia* to subsidise indigent households, indigent relief expenses like the provision of chemical toilets for informal settlements, installation of prepaid meters for approved indigent households, a portion is designated for Roads for pothole repairs, audit fees for the Auditor-General, EPWP cleaning project, Councillor's remuneration etc.

INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)

a) ISDG Funded Unemployed Graduates Programme

The Municipality is faced with several challenges regarding 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 Infrastructure Skills Development Grant Programme - Unemployed Graduate Project.

The Objectives were to:

- To improve Infrastructure delivery management capacity within the Sol Plaatje Local Municipality and the Frances Baard District Region by developing a sustainable pool of registered professionals with built environment and technical skills in engineering, town planning and Geographic information systems and project management.
- To develop the technical capacity within local government to enhance infrastructure provision and service delivery, through improved infrastructure planning, implementation, operations and maintenance.
- Register professionals with built environment qualifications as per the statutory council's requirements.
- Increase the number of qualified and registered professionals employed within local government.

The outputs are:

- To register the unemployed interns within the Sol Plaatje and Frances Baard Region to register as candidates in the relevant field for training and professional development as per the relevant statutory council.

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- To support and develop them to acquire the necessary skills and experience. To appoint mentors and coaches to assist the interns to develop their skills and build their portfolios for submission to the professional body within 3 years. To assist them to register as professionals with the relevant professional bodies such as the Engineering Council of South Africa, etc., within the three – five-year training period.
- To employ some of these interns into vacant positions within the organisation should there be such vacancies or to assist and support them in finding employment in the local or municipal sphere of government.

Contributions in their fields:

All interns have contributed well to their sections in the Municipality.

Sol Plaatje Municipality has managed to utilize this project to enhance skills and value has been added in the following areas:

- Procurement plans and specifications for the raw water pump and trailer mounted pump for Kamfersdam and chemicals for the Riverton Plant
- Construction Toilet top structures for the new development
- Construction of new sewer outfall main from the Carter's Glen Sewer Pump Station to the new Carters Ridge Sewer Pump Station
- Construction of new sewer outfall main from the Hillcrest Sewer Pump Station to the new Carters Ridge Sewer Pump Station
- Construction of new Rising Main from the Carter's Ridge Sewer Pump Station to the corner of Kimberley Prison
- Construction gravity outfall sewer from Kimberley Prison to connection point located adjacent to the entrance of the Kimberley Prison
- Carter Ridge Project – Phase 2
- Assisted with the planned April 2024 water shutdown and assisted to provide the community with water Jojo tanks and mobile water tankers
- Structural assessment of municipal building which need to be renovated
- Investigation of pipe bursts for recommendations of repairs in various areas and buildings
- The repair and refurbishment of the water treatment plant at the Riverton Plant
- Unblocking of sewer in Ritchie
- Installation of 3 Km pipe in Ritchie
- The repair and refurbishment of the Homevale Waste Water Treatment Plant
- GIS Central Business District Maps for the prominent landmarks and city improvement zones

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- Updating the Map for Wards
- Create and meter reading route for the purposes of efficiency and effectiveness
- Publishing the Sanitation data into Infrastructure web application
- Identification of illegal dumping sites with satellite images and identifying skips locations for waste management
- Identification of vacant land in Ward 17 and the ownership of these vacant properties
- Digitisation of farms
- AFLA Project liaison with the external service provider related to ESRI SA
- Updating the shack layer for the municipal area
- Created a survey burial registry
- Created a survey form for the meter reading project
- Creating Ritchie flood area maps for Town Planners
- Updating the informal settlements in the Municipal Area and publishing this layer into the GIS portal
- Combining the ward erven layer for maps
- Updating the route optimising of waste collection saving on the consulting fees, fuel costs and overtime costs
- Assessing, recommending and administration related to LED applications
- Collection and assessing of Township establishment projects
- Pre-consultation of development of various building, rezoning and removal of restrictive title deeds
- Assisted with the Procurement plans and specifications for a multi-function AO printer for the Electrical Services Department
- Assisting with the Colvill upgrade to 84 dwellings being electrified
- Electrification design project for Jan Kempdorp of 600 Households
- Electrification design project for Ronaldsvlei for future development for 25 Households
- Application for funding and drafting business plans for various municipal projects.

From this list 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 and covers the four disciplines: Civil Engineering, Electrical Engineering, Town Planning and Geomatic Practitioners.

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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: Sarel Haasbroek (Civil Engineering); Hendrik Jonck (Electrical Engineering) and Herman Booysen (GIS). We are grateful for their commitment to the programme.

HIGHLIGHTS OF THIS PERIOD INCLUDE

- Our Building Inspector successful passed his Building Inspector's Examination and has now been appointed as a building Inspector in the municipality.
- GIS Technician successfully completed and has been absorbed into the municipality.
- Two Electrical and two Civil Technicians submitted their professional applications to ECSA and await interviews.
- Graduates continue to add valuable support to the municipality in all their fields: GIS, Water and Sanitation, Roads, Electricity and Building Inspection.

CHALLENGES

This programme has had its challenges and some of these matters prevented us from reaching our goals, for example:

- ECSA must have a backlog as we have several candidates awaiting a response from ECSA for both Civil (3) and Electrical (2).
- Resignations of candidates has resulted in underspending.
- Seconding candidates to receive exposure in design.

It remains a privilege to be part of this National Treasury project. Sol Plaatje Municipality and the city has truly benefited from this programme.

b) The Expanded Public Works Programme Incentive Grant

The Expanded Public Works Programme (EPWP) remains a pivotal government initiative aimed at alleviating poverty and unemployment through the creation of work opportunities. Sol Plaatje Local Municipality (SPLM) continues to embrace this strategy, implementing it within its maintenance and capital projects using both in-house teams and contracted service providers.

For the 2023/24 financial year, SPLM showcased its unwavering commitment to the EPWP by significantly supplementing project funding to sustain its programmes. The initiative highlights the municipality's dedication to ensuring that community members benefit through job creation and skills development.

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For the 2023/24 financial year, the Department of Public Works and Infrastructure (DPWI) allocated R3 286 000,00 to SPLM for EPWP projects but was later adjusted to R3 102 000,00.

Despite the limitations of the annual EPWP incentive grant allocation, SPLM utilized its internal budget to fund projects that exceed the allocated amount. While the 2023/24 financial year's funding specifics are being finalized, SPLM sustained its priority of combating poverty and unemployment by successfully expanding its EPWP initiatives across the municipality.

During this financial year, SPLM undertook several impactful projects, generating employment opportunities and promoting skill-building among community members. The table below lists the key EPWP projects.

LIST OF EPWP PROJECTS

The table below indicates the EPWP projects:

No	Project Name	No. of Work Opportunities	No of FTE created
1	Cbd Cleaning Section	25	7.6
2	CBD Taxi Rank Maintenance	18	26.91
3	Cleaning and Greening 23/24	475	286,5
4	Cleaning of Cemeteries	34	9,2
5	Cleaning of illegal dumping sides and Collection of Recycling Waste	45	7,3
6	Gravel Roads Upgrading In Various Wards	202	79,0
7	Landfill Site	16	4,5
8	Maintenance Of Cemeteries 23/24	37	21,7
9	Maintenance Of Landfill Site	16	13,4
10	Pothole Maintenance	103	39,3
11	Platfontein Trenching Team for Electrical Works	10	4,7
12	Trenching Team for Electrical Works	16	10,2
13	Upgrading gravel roads in wards various	73	12,8
Total		1499	629

Table 189: List of EPWP Projects

OVERALL SUMMARY FOR THE YEAR

The EPWP projects are progressing extremely well within the Sol Plaatje Local Municipality.

- Number of projects:13
- Work Opportunities: 1499
- Estimated FTEs created: 629

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CHALLENGES AND CONCLUSION

The declining EPWP incentive grant remains a challenge, necessitating the municipality's increased financial contribution, SPLM continues to prioritize job creation and poverty alleviation. Moving forward, addressing funding sustainability will be essential to maintaining and expanding these initiatives. SPLM's commitment to the EPWP demonstrates its role in creating meaningful change in the community through employment, skill development, and infrastructure improvements.

Through strategic planning and community focus, the Sol Plaatje Local Municipality aims to build on this foundation to sustain the transformative impact of the EPWP in future financial years.

5.2.4 Grants Expenditure from Sources other than DoRA

Details of Donor	Actual Grant		Municipal Contribution	Date Grant Terminates	Date Contribution Terminates	Nature and benefit from the grant received
	2022/23	2023/24	2023/24			
	R'000					
FBDM	12 246	12 246	0	Annual allocation	N/A	The FBDM allocation was utilised for operations and maintenance for Roads and Sanitation and Environmental Health.
Library Services	8 866	8 866	0	Annual allocation	N/A	Grant from Northern Cape Provincial Library Services which was utilised as set out in Chapter 3.
NC Department of Economic Development and Tourism	200	200	0	As per annual application & approval	N/A	Funding towards EPWP programme for the cleaning and maintenance of the CBD and surrounding areas in support of job creation.
European Union Grant	18 850	18 850	0	As per annual application & approval	N/A	To provide strategic direction in the implementation of the Enhancing Sol Plaatje Local Municipality's Economic Governance & Infrastructure for Business Expansion Attraction & Retention (BEAR) Programme.

Table 177: Grant Expenditure from Sources other than DoRA

5.2.5 Comment on Conditional Grants and Grants Received from Other Sources

c) The Integrated Urban Development Grant (IUDG)

The Sol Plaatje Local Municipality (SPLM) has made significant strides in delivering infrastructure projects through the Integrated Urban Development Grant (IUDG) during the 2023/24 financial year. Guided by its refined Capital

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Expenditure Framework (CEF), the municipality effectively prioritized and implemented projects to support the Integrated Urban Development Framework (IUDF) objectives.

For the 2023/24 financial year, SPLM utilized an adjusted allocation of **R63,395,000.00** to complete a range of critical infrastructure projects. This allocation was directed towards projects designed to improve essential services, drive socio-economic upliftment, and enhance urban sustainability

CHALLENGES AND RECOMMENDATIONS

While the projects were successfully implemented, there were challenges in managing the budget due to unforeseen costs, leading to an expenditure that slightly exceeded the allocated budget. The main challenge is ensuring the sustainability of these projects and maintaining financial viability.

1. **Budget Management:** Implement more rigorous budget management and monitoring processes to prevent overspending.
2. **Contingency Planning:** Develop contingency plans for each project to address potential cost overruns.
3. **Sustainable Financing:** Explore additional financing options, such as public-private partnerships, to support long-term infrastructure projects.

The Sol Plaatje Local Municipality effectively utilized its allocation under the IUDG for 2023/24 to implement impactful projects that benefit communities across various wards. These achievements underscore SPLM's commitment to improving infrastructure and promoting socio-economic transformation for its residents

ALLOCATION AND EXPENDITURE

Description	2023/24
Allocation	R63,395,000.00
Expenditure	R63,395,000.00
Difference	0

Table 178: Allocation and Expenditure

WHAT ARE THE RESULTS AND WHO BENEFITS IN 2023/24

The following project deliverables were achieved for financial year 2023/24:

Project Name	Project Deliverables
Township Establishment Various Wards	Facilitated new residential developments, enhancing housing options.
Craven Street Trade Centre	Boosted local economy and created job opportunities.
P-Cier Roads	Improved road infrastructure, reducing travel time and vehicle wear.
Upgrade Gravel Roads Wards Various	Enhanced road safety and accessibility in various wards.

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Project Name	Project Deliverables
Lerato Park Sewer Upgrade Downstream Infrastructure	Improved sanitation and reduced environmental health risks.
Water Pipes Refurbishment Programme Various Wards	Enhanced water distribution efficiency and reduced water loss.

Table 193: Projects Deliverables Achieved

d) Regional Bulk Infrastructure Grant (RBIG)

The 2023/24 financial year's allocation was dedicated towards the Upgrade of the water bulk infrastructure service line which includes the line from Riverton to Kimberley as well as the Ritchie pipeline. Linked to this project is the WSDP- Water Services Development Plan. It's a legal requirement for all Water Services Authorities (WSAs) in South Africa to develop and adopt a WSDP. The WSDP is a strategic plan that addresses water issues, water distribution inequalities, and sustainability. It also ensures efficient financial and customer care. Smartball Leak Detection, Emergency Meter Installations and Emergency Leak Repairs are instrumental to water losses.

The tender process for this programme needs to be fast-tracked to avoid future delays and under-spending .

For the 2023/24 financial year, the Sol Plaatje Local Municipality was allocated a budget of R86,000,000.00 through the RBIG. There was a significant budget reduction as a result of slow implementation. However, the full reduced allocation of R 40, 000,000.00 was utilized during this period.

CHALLENGES

The main challenge faced was the under-utilization of allocated funds due to delays in the tender process for the various projects in this programme. To address this, it is crucial to streamline the tendering procedures and enhance project management practices.

RECOMMENDATIONS

Streamline Tender Processes: Expedite the tendering process to ensure timely project commencement and completion.

Improve Project Management: Implement robust project management frameworks to monitor progress and address potential delays promptly.

Capacity Building: Enhance the capacity of municipal staff involved in project implementation and management.

CONCLUSION

While the SPLM made significant progress in infrastructure development, the under-utilization of allocated funds highlights the need for improved project management and expedited tender processes. Addressing these challenges will ensure the efficient use of funds and the timely completion of critical infrastructure projects

e) Water Services Infrastructure Grant (WSIG)

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For the **2023/24 financial year**, the Sol Plaatje Local Municipality's allocation through the **Water Services Infrastructure Grant (WSIG)** was **R 8,540,000.00**, provided **in-kind** to address challenges from the previous financial year. The focus for the 2023/24 period was on improving water and sanitation services, with particular emphasis on critical projects like the Carters Ridge Sewer Outfall Line and Pump Station, which faced delays in 2022/23.

Key Projects

Carters Ridge Sewer Outfall Line

Continuing from the previous years, work progressed on this critical sewer infrastructure project. The completion of the outfall line aimed to support broader municipal water and sanitation services.

New Pump Station at Carters Ridge

Following delays in the tender process during the 2022/23 financial year, efforts were focused on streamlining processes and ensuring the timely execution of this associated infrastructure.

CHALLENGES

- **Under-Utilization in 2022/23:** Poor performance and under-spending in the previous financial year necessitated stricter oversight and an in-kind allocation model for the 2023/24 period.
- **Tendering Delays:** Persistent challenges in finalizing procurement processes slowed project progress, reflecting the need for streamlined procedures

RECOMMENDATIONS

Streamline Tender Processes: Implement a structured timeline for procurement to minimize delays in commencing critical projects.

Capacity Building: Enhance the skills and competencies of municipal staff involved in project management and tendering to improve efficiency.

Effective Monitoring and Evaluation: Establish regular project reviews and audits to track progress and address emerging issues promptly.

CONCLUSION

The WSIG allocation of R 8,540,000.00 in-kind for the 2023/24 financial year demonstrated a strategic shift to address past performance issues. While challenges persisted, implementing improved management practices and tender processes can help ensure timely project completion and efficient utilization of resources. These steps are vital for addressing water and sanitation infrastructure needs in the municipality.

f) The Neighbourhood Development Partnership Grant (NDPG)

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The Neighbourhood Development Partnership Grant (NDPG) aims to support municipalities in enhancing infrastructure and service delivery. The following report outlines the utilization of NDPG funds for the 2023/24 financial year.

For the 2023/24 financial year, an amount of **R2,000,000** was allocated to the **RC Elliot Hall** project. However, due to unforeseen challenges and operational delays, the allocated funds were not utilized during the financial year. As a result, the **R2,000,000 budget** was subjected to a reduction attributed to **poor performance**, and the funds were reallocated elsewhere.

In prior years, the NDPG supported significant initiatives like the Galeshewe storm water upgrade programme. For instance, in the 2019/20 financial year, **R78 million** was allocated to the Galeshewe storm water programme. Despite achieving 65% completion within that financial year, unspent funds were successfully rolled over to 2020/21. The project concluded in February 2021, demonstrating the potential for leveraging NDPG funds to achieve impactful results.

The **Galeshewe Storm Water Infrastructure** project addressed essential environmental, economic, and social needs while promoting sustainable urban development. However, NDPG allocations were notably absent for the 2022/23 financial year, hindering further initiatives to enhance storm water infrastructure and manage surface water effectively.

CHALLENGES AND FUTURE OUTLOOK

Unfortunately, The 2023/24 performance issues underline the challenges the municipality faces in managing and deploying allocated resources effectively.

Key challenges include:

Delays in project implementation leading to budget reductions.

Inadequate operational readiness to utilize allocated funds on time.

The absence of continuity in grant allocations, which disrupts long-term planning.

Looking forward, the municipality must address performance gaps to prevent budget reallocations and prioritize identifying alternative funding sources to sustain vital infrastructure projects, including storm water management and other urban development initiatives.

CONCLUSION

The municipality remains committed to enhancing infrastructure and service delivery through comprehensive urban development programs. While the **RC Elliot Hall** project faced setbacks, the lessons learned from prior successes and

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challenges will guide future NDPG applications and project planning efforts to avoid budget reductions due to performance-related issues.

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 performed to identify whether there is any evidence to suggest that the expected life should be changed based on internal or external factors.

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

Table 179: Five-Point Grading

HERITAGE ASSETS

The Municipality has identified the following categories of heritage assets:

- Municipal jewellery
- Other antiques and collections
- Antique paintings

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- 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 Repairs and Maintenance Expenditure 2023/24

Description	Original Budget/t	Adjustment Budget	Actual	Budget variance
	(R)			%
Repairs and Maintenance Expenditure	305,900	336,955	226,195	-32.9%

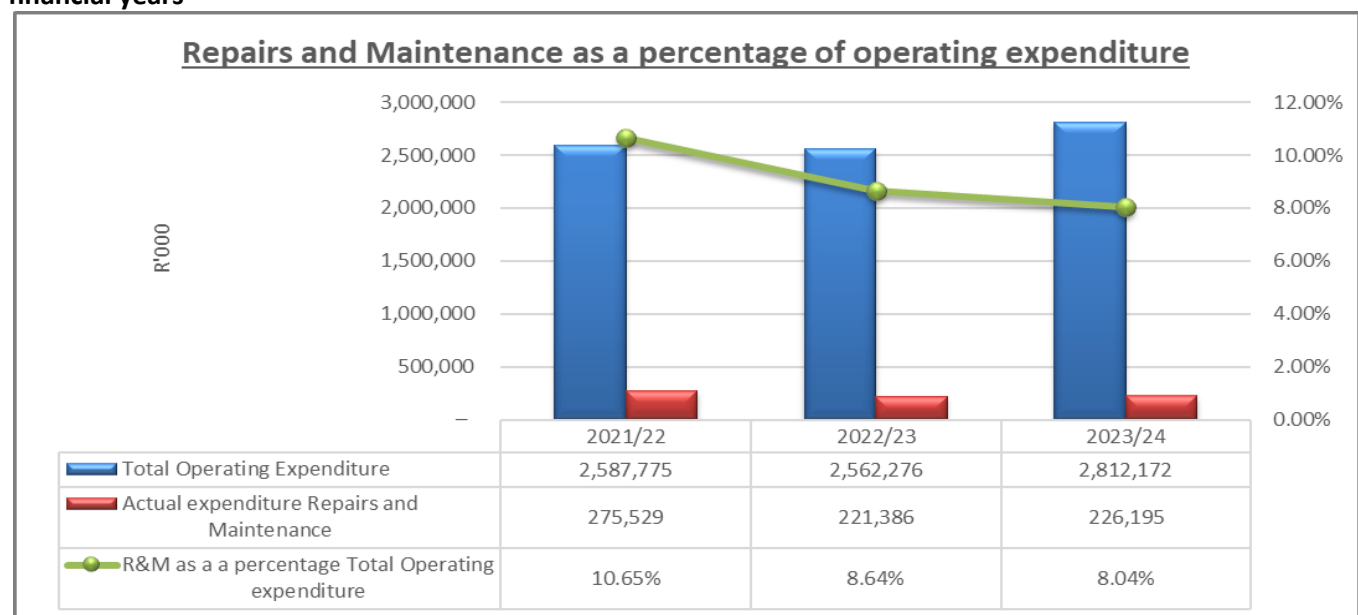
Table 180: Repairs and Maintenance Expenditure

5.3.3 Repairs and Maintenance over the past Three Financial Years

Repairs and Maintenance	2021/22	2022/23	2023/24
	R'000		
Total operating expenditure	2,587,775	2,562,276	2,812,172
Actual expenditure Repairs and Maintenance	275,529	221,386	226,195
Percentage	10.65%	8.64%	8.04%

Table 181: Repairs and Maintenance over the past Three Financial Years

The graph below reflects the repairs and maintenance as a percentage of operating expenditure for the past three financial years



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Graph 30: Repairs and Maintenance as a Percentage of Operating Expenditure

5.3.4 Comment on Repairs and Maintenance 2023/24

For the 2023/24 financial year, 67.1% of the adjusted repairs and maintenance budget was spent, resulting in an underspending of 32.9%. It should be noted that at year-end, certain qualifying repairs and maintenance expenditure is capitalised as soon as the useful life of the asset is extended, and this negatively influences the overall expenditure on the operational repairs and maintenance. The budget for Water Inventory was underspent, due to water losses that was disclosed under Gains & losses. The procurement of prepaid meters were hampered due to finalisation of the transversal contracts that was approved on 24 May 2024, as per RT29-2024 Transversal Contract Circular. The municipality's request to participate in the transversal contract, was approved with effect from 27 August 2024 until the contract expires on 31 May 2027. Repairs and maintenance spending can be improved but with the lack of adequate maintenance plans, funds are not always spent cost-effectively. This has a negative impact on service delivery and the availability of funds for routine, planned maintenance. The pressure to keep tariff increases as low as possible and inflationary related, impedes on the municipality's ability to significantly increase the maintenance budget. The aged infrastructure 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 gross operational expenditure was 10.33% for the period under review, which is aligned to the norm of 8%.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.4.1 Current Ratio

Current Ratio	30 June 2022	30 June 2023	30 June 2024
	R'000		
Current assets	2,054,100	2,116,570	2,483,251
Current liabilities	1,163,675	1,378,332	800,736
The norm range between 1.5 to 2 :1	1.77	1.54	3.10

Table 182: Current Ratio

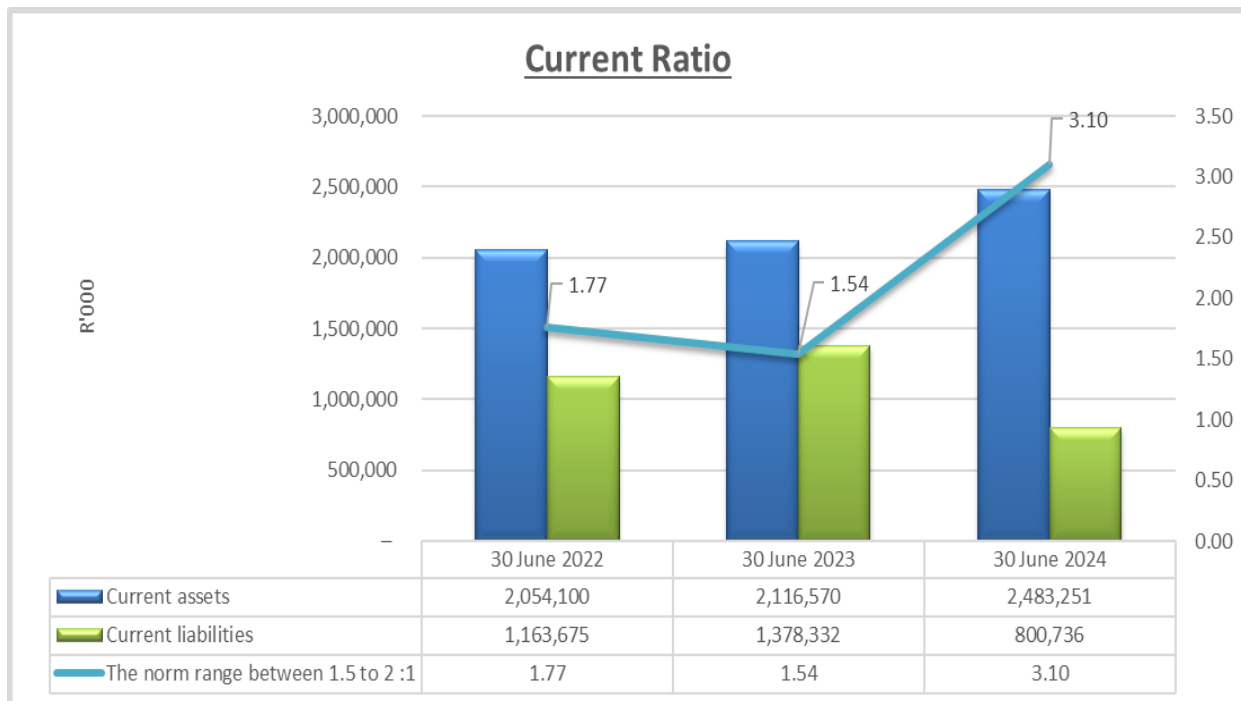
COMMENT ON CURRENT RATIO

The Current ratio is used to assess the municipality's ability to pay back its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables). The current ratio for the year ending 30 June 2024 is 3.10:1. This means that Current liabilities are covered 3.10 times by its Current assets. It should be noted that as part of the Municipal Debt Relief Programme, an amount of R615m was transferred to municipal debt liability under non-current

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liabilities, thus effectively reducing current liabilities in terms of outstanding Eskom creditor. This ratio has deteriorated over the years due to the escalation in trade creditors, specifically Eskom and Waterboard, but was counteracted by an escalation in trade receivables which is not a conducive trend.

The graph below reflects the liquidity ratios for the past three financial years



Graph 31: Current Ratio

5.4.2 Liquidity Ratio

Liquidity Ratio	30 June 2022	30 June 2023	30 June 2024
	R'000		
Current assets	2,054,100	2,116,570	2,483,251
Current liabilities	74,454	93,358	112,013
The norm range between 1.5 to 2 :1	1,163,675	1,378,332	800,736
Ratio 1:3 (Ideal)	1.70	1.47	2.96

Table 183: Liquidity Ratio

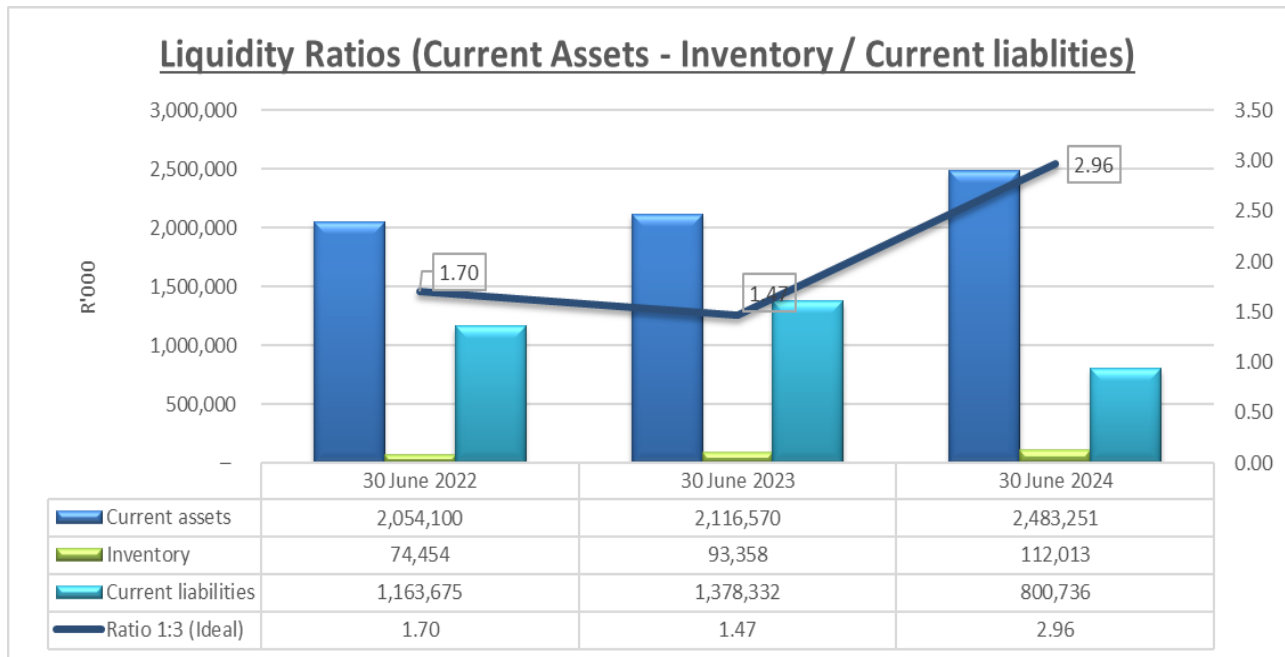
COMMENT ON LIQUIDITY RATIO

The liquidity ratio of the municipality has improved when compared to the previous financial year, from 1:1.47 to 1:2.96, against a National Treasury norm of 1:3. However this ratio distorted by a significant Trade Receivables balance at year-end and the transfer of the Eskom debt amounting to R744 million, that is eligible for write off to non-current liabilities (R615m) and revenue from exchange transactions (R129m) as per supplementary guide to MFMA Circular 124 for the Municipal Debt Relief. This means that each rand of Current Liabilities of the municipality is covered 2.96

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times by its current assets. It further indicates that the municipality can meet its short to medium term commitments from a liquidity perspective, but not necessarily from a cash perspective, especially when considering the outstanding debt owed to Eskom and the Water Board, the lower debtor's collection rate and cost coverage ratio below.

The graph below reflects the liquidity ratios for the past three financial years



Graph 32: Liquidity Ratios

5.4.3 Cost Coverage Ratio

Cash / Cost Coverage Ratio	30 June 2022	30 June 2023	30 June 2024
	R'000		
Number of months cost coverage	1.15	0.59	0.57
Number of days cost coverage	1 Month	1 Month	1 Month
Cost coverage ratio	34 Days	18 Days	17 Days
Cash and cash equivalents	191,126	106,413	113,952
Unspent Conditional Grants	1,726	7,233	4,057
Total Annual Operational Expenditure	1,978,756	2,033,629	2,316,497
((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)			

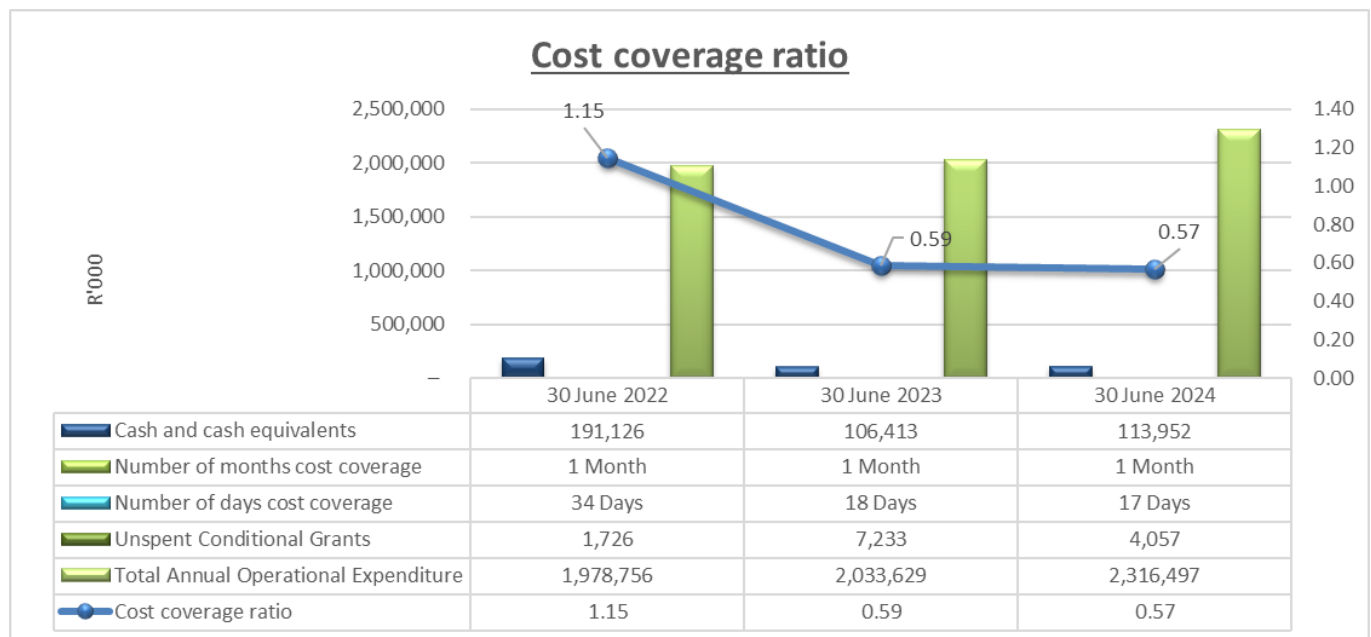
Table 184: Cost Coverage Ratio

COMMENT ON COST COVERAGE RATIO

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The cost coverage ratio of the municipality has deteriorated from 1.15 (34 days) for the year ended 30 June 2022 to 0.59 (18 days) for the year ended 30 June 2023. It declined to 0.57 (17 days) for the year ended 30 June 2024. The ratio shows the number of months for which the municipality would be able to fund its monthly expenditure should no revenue be received. For the year under review, it means that the municipality has cash reserves available for less than one month. 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, low collection rate, bulk purchases expenditure, repayment of long-term borrowing, excessive expenditure on overtime, EPWP and various other factors. As per of the municipal debt relief, the municipality has made significant strides in maintaining it bulk accounts for Water and Electricity. For the 2023/24 financial year the municipality managed to keep the growth in Debt owed to Eskom to 8 percent, while the debt owed to Water board was reduced to by 61 percent from R126m to R78m.

The graph below reflects the cost coverage ratio for the past three financial years



Graph 33: Cost Coverage Ratio

5.4.4 Total Outstanding Service Debtors

Total Outstanding Service Debtors	30 June 2022	30 June 2023	30 June 2024
Outstanding debt	1,298,441	1,446,164	1,737,725
Amount billed	1,145,783	1,186,704	1,380,392
Percentage	113.32%	121.86%	125.89%

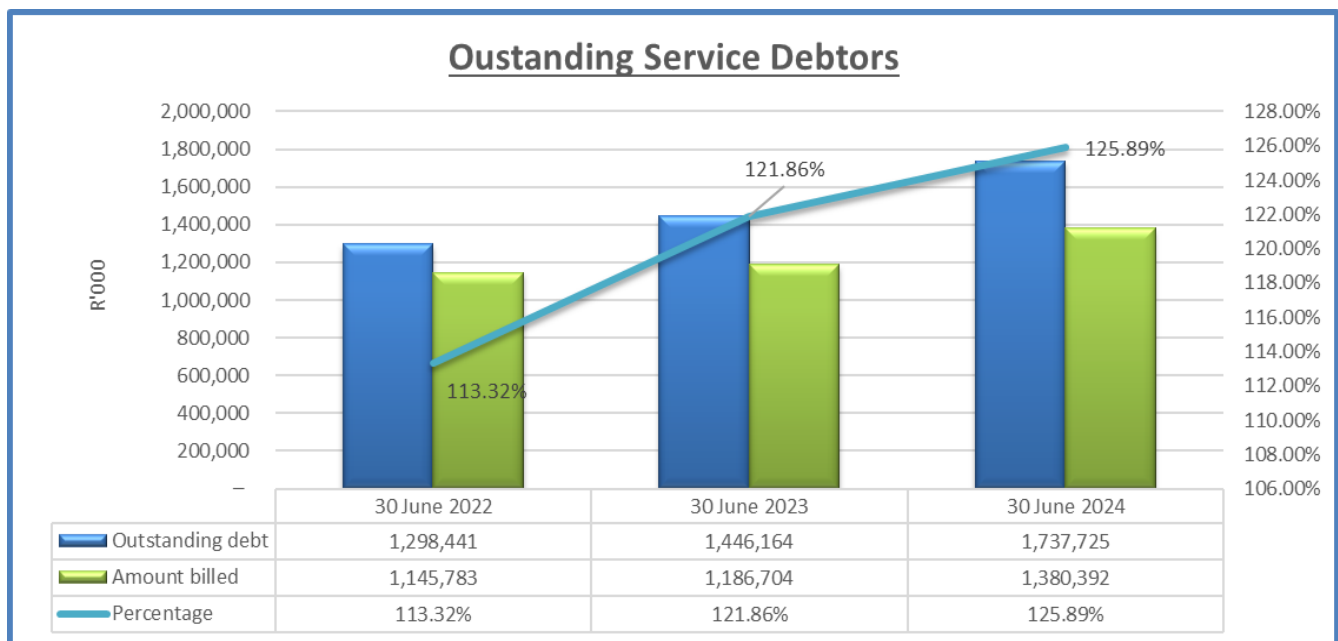
Table 185: Total Outstanding Service Debtors

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COMMENT ON TOTAL OUTSTANDING SERVICE DEBTORS

Outstanding service debtors' percentage have increased from 121.86% as at 30 June 2023, to 125.89% as at 30 June 2024. 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 and unemployment negatively contributes to the increase in outstanding debtors. It is imperative that the Credit Control and Debt Collection Policy is applied fairly and consistently. This will go a long way in improving on the payment culture across all customer groups.

The graph below reflects the outstanding debtors as a percentage of billed revenue for the past three financial years



Graph 34: Debtors as a Percentage of Billed Revenue

5.4.5 Debt Coverage

Debt Coverage	30 June 2022	30 June 2023	30 June 2024
	R'000		
Total liabilities	1 048 900	1 577 169	1 768 526
Total Own Operating Revenue less grants and public contributions	1 806 067	1 938 620	2 123 539
Ratio	1,72	1,23	1,20

Table 186: Debt Coverage

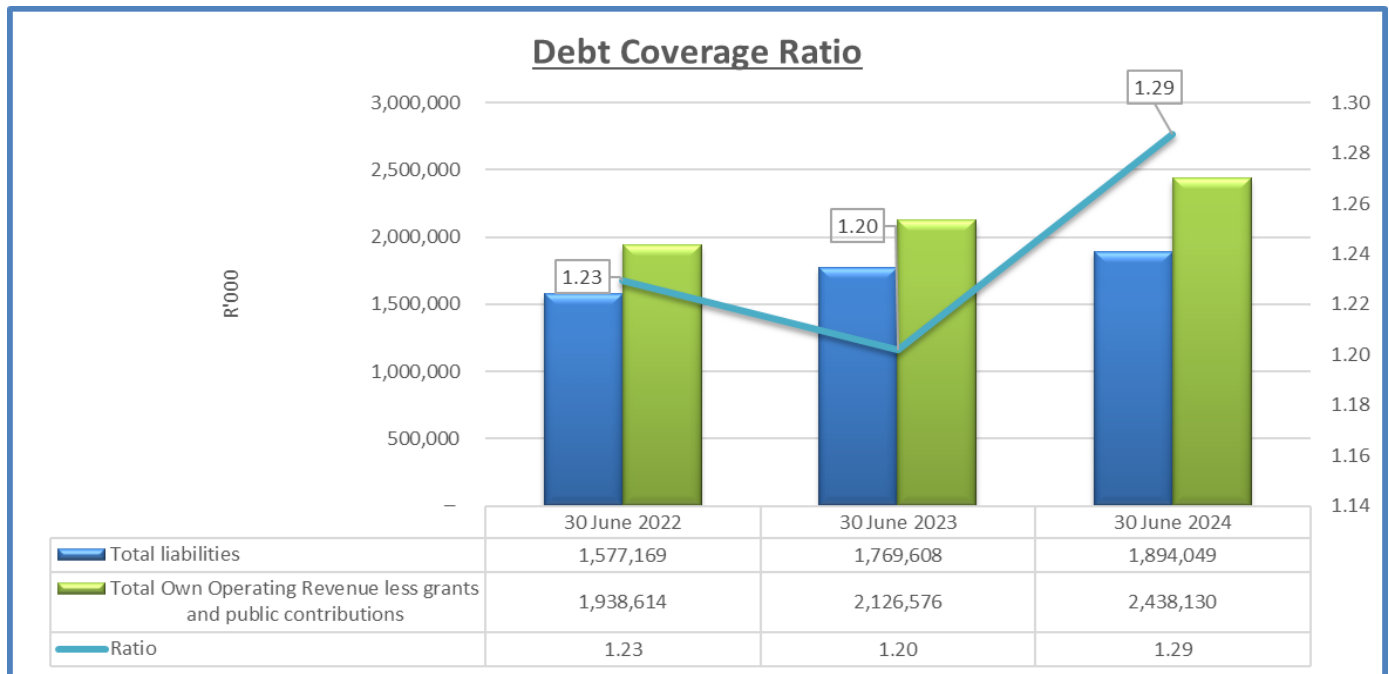
COMMENT ON DEBT COVERAGE

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

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increased from the previous financial year. Mainly because of the increase in total liabilities of 7%, whilst the own revenue increased by 15%, based on the year-on-year comparison between 2022/23 to 2023/24.

The graph below reflects the debt coverage for the past three financial years



Graph 35: Debt Coverage

5.4.6 Creditors System Efficiency

Creditors System Efficiency	30 June 2022	30 June 2023	30 June 2024
	R'000		
Outstanding creditors	975,616	1,158,129	514,464
Total credit purchases	1,175,170	1,211,134	1,369,558
Percentage	83.02%	95.62%	37.56%

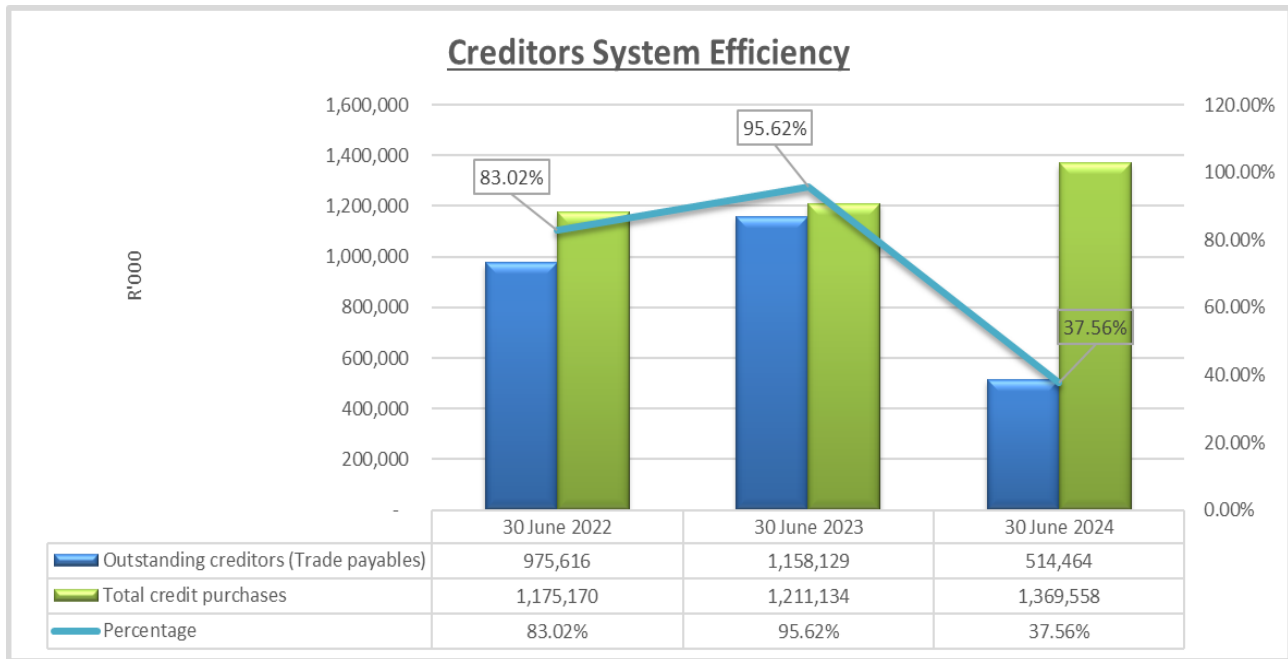
Table 187: Creditors System Efficiency

COMMENT ON CREDITORS SYSTEM EFFICIENCY

The percentage of outstanding creditors as a percentage of the total credit purchases of the municipality have significantly decreased compared to the previous financial year. The significant decrease of 56 percent in outstanding creditors as at 30 June 2024, is a result of the transfer of the Eskom debt amounting to R744 million, that is eligible for write off to non-current liabilities (R615m) and revenue from exchange transactions (R129m) as per supplementary guide to MFMA Circular 124 for the Municipal Debt Relief.

The graph below reflects the creditors system efficiency for the past three financial years

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Graph 36: Creditors System Efficiency

5.4.7 Capital Charges to Operating Revenue

Capital Charges to Operating Revenue	30 June 2022	30 June 2023	30 June 2024
	R'000		
Total revenue	2,464,376	2,502,769	3,098,877
Interest paid on long term borrowings (AFS Note 33)	22,326	20,988	19,509
Percentage	0.91%	0.84%	0.63%

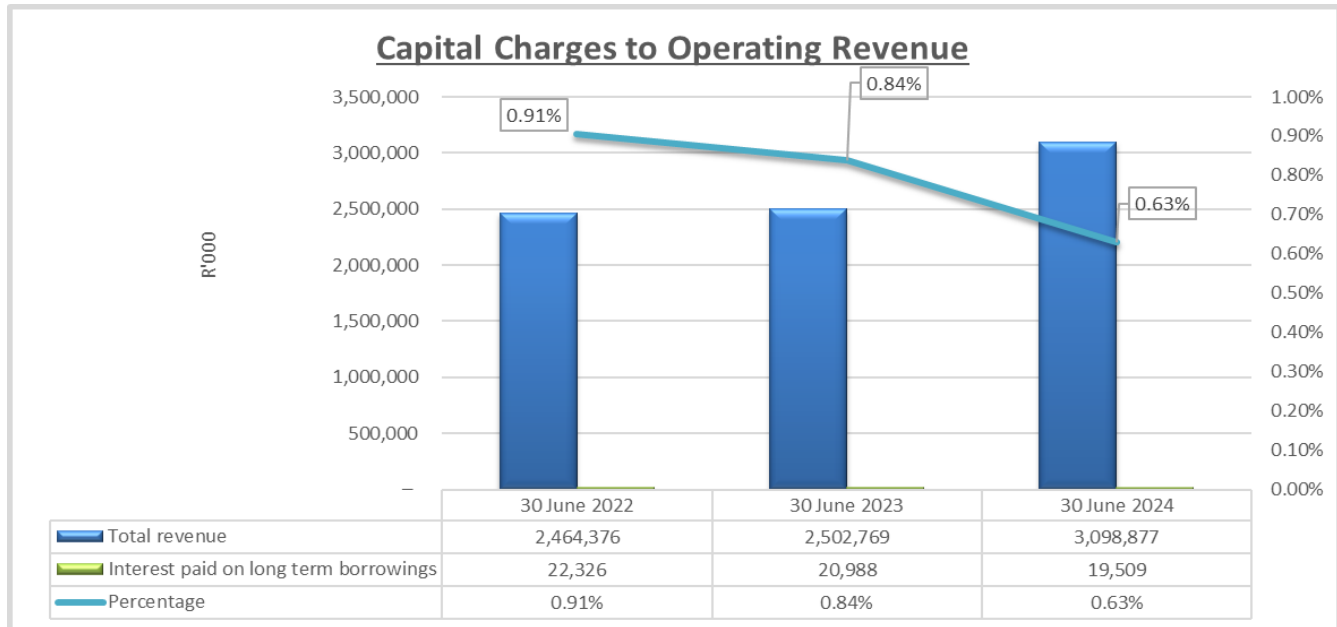
Table 188: Creditors System Efficiency

COMMENT ON CAPITAL CHARGES TO OPERATING REVENUE

The interest paid on long-term borrowing as a percentage of total revenue has decreased from 0,84% (2022/23) to 0.63% (2023/24). The municipality did not incur any long-term borrowing and is prohibited entering any loans as per Municipal debt relief conditions for the period under review.

The graph below reflects the capital charges to operating revenue for the past three financial years

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Graph 37: Capital Charges to Operating Revenue

5.4.8 Employee Costs

Employee costs	30 June 2022	30 June 2023	30 June 2024
	R'000		
Gross Revenue	2,464,376	2,502,769	3,098,877
Gross Expenditure	2,587,775	2,562,276	2,812,172
Employee costs	770,303	786,665	910,544
Employee costs as a % of Gross Revenue	31.26%	31.43%	29.38%
Employee costs as a % of Gross Expenditure	29.77%	30.70%	32.38%

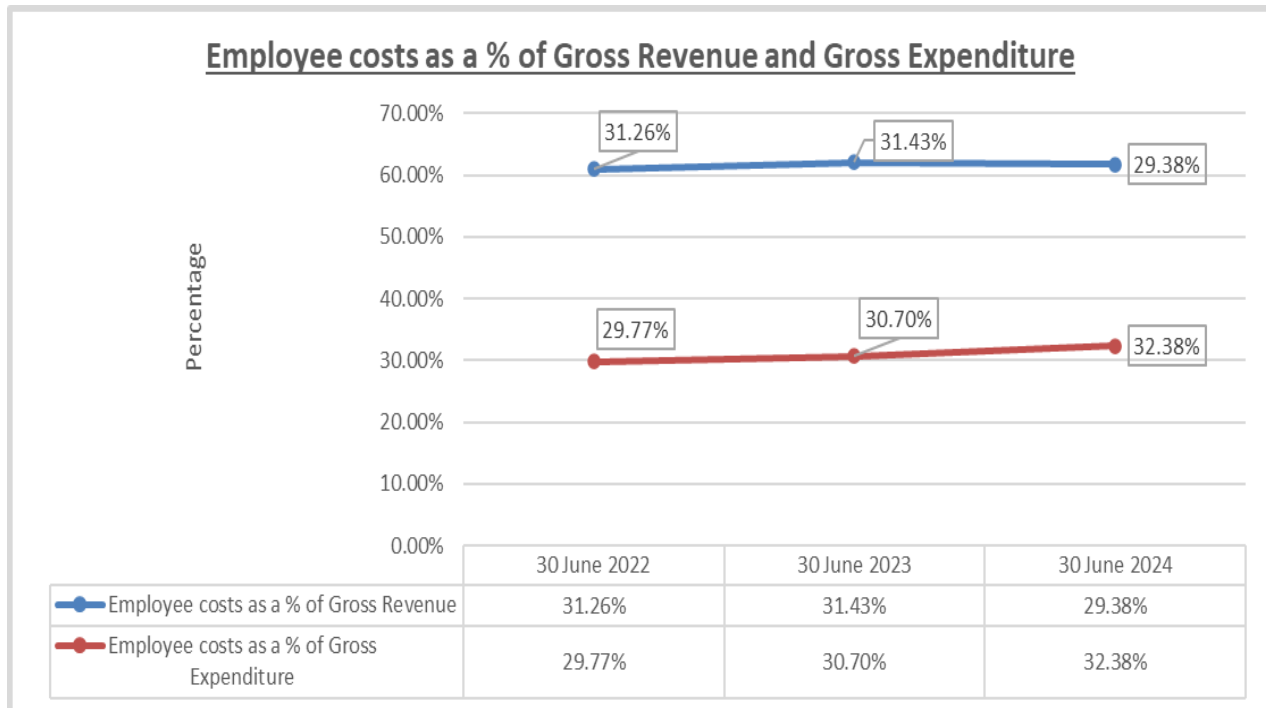
Table 189: Employee Costs

COMMENT ON EMPLOYEE COSTS

Employee cost as a percentage of gross revenue and gross expenditure has increased from the previous financial year.

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The graph below reflects the employee costs as a percentage of gross revenue and gross expenditure for the past three financial years



Graph 38: Employee Costs as a Percentage of Gross Revenue and Expenditure

5.4.9 Repairs and Maintenance

R&M as percentage of Expenditure	30 June 2022	30 June 2023	30 June 2024
	R'000		
Actual expenditure Repairs and Maintenance	275,529	221,386	226,195
Gross Expenditure	2,587,775	2,562,276	2,812,172
Percentage	10.65%	8.64%	8.04%

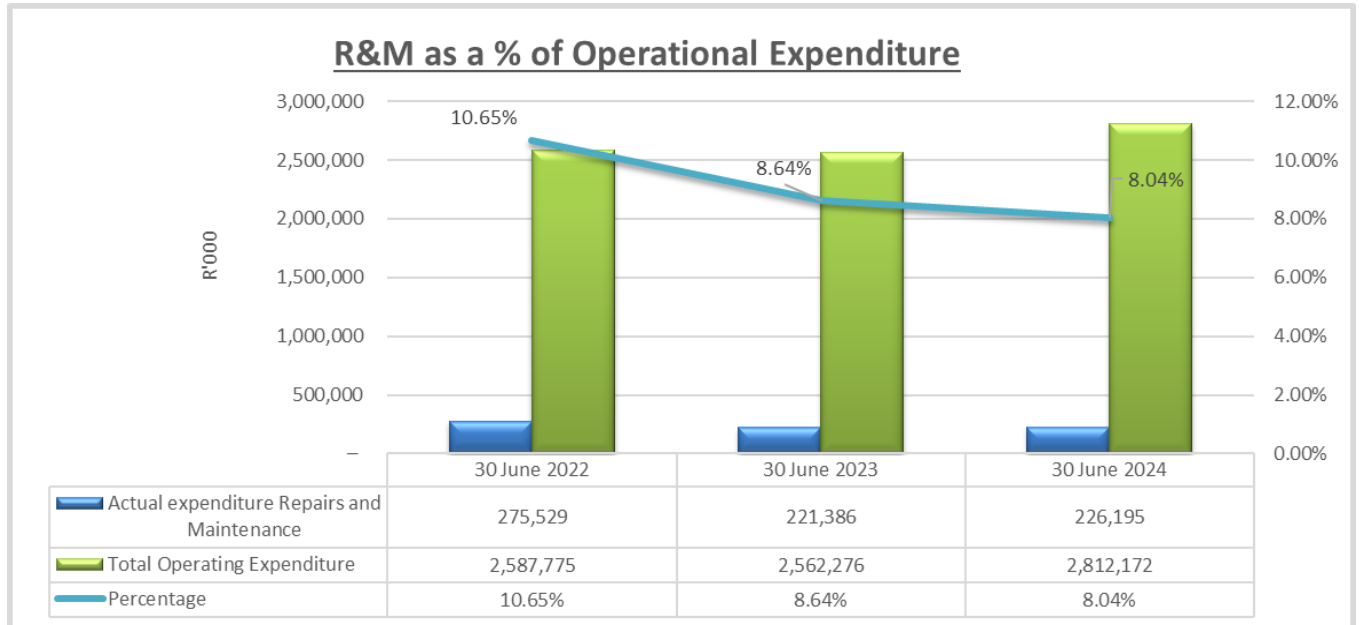
Table 190: Repairs and Maintenance

COMMENT ON REPAIRS AND MAINTENANCE

Repairs and maintenance cost as a percentage of total expenditure has decreased from the previous financial year.

The graph below reflects repairs and maintenance as a percentage of operating expenditure for the past three financial years

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Graph 39: Repairs and Maintenance as a Percentage of Operating Expenditure

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 conditional capital grants and own internally generated funds. 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 capital spending for the 2023/24 financial year increased substantially from the 2022/23.

This is representative of the most important infrastructure programmes because it comprises of Roads, Water and Sanitation and Electricity projects. Of the projects mentioned, relates to the Lerato Park Sewer and Water projects as well as the Electricity project. The Carters Glen Sewer Pump Station project is also one of the major projects, with substantial funding received from the Water Services Infrastructure Grant (WSIG).

5.5.1 Capital Expenditure – New & Upgrade/Renewal Programmes

A) CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

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Capital Expenditure - New Assets Programme*							
Description	2022/23	2023/24			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
	R'000						
Capital expenditure by Asset Class							
Infrastructure – Total	36,181	21,480	31,880	20,659	72,034	16,500	14,000
Infrastructure: Road transport – Total	0	0	0	0	0	0	0
Roads Infrastructure	0	0	0	0	0	0	0
Infrastructure: Electricity – Total	22,708	21,480	20,580	15,982	0	16,500	14,000
LV Networks	22,708	21,480	20,580	15,982	0	16,500	14,000
Infrastructure: Water – Total	1,076	0	0	0	68,534	0	0
Distribution	1,076	0	0	0	67,191	0	0
Bulk Mains	0	0	0	0	1,342	0	0
Infrastructure: Sanitation – Total	12,397	0	11,300	4,676	3,500	0	0
Reticulation	8 734	21 090	21 090	12 397	0	0	0
Community	0	0	0	0	3,710	2,113	4,792
Sport fields & Stadia	0	0	0	0	2,210	0	0
Fire, safety & emergency	0	0	0	0	1,500	2,113	0
Cemeteries	0	0	0	0	0	0	4,792
Investment Properties	3,296	15,000	12,395	11,313	5,500	0 -	0
Improved Property	2 457	5 000	5 000	3 296	0	0	0
Other Assets	11,291	12,500	16,310	8,279	15,349	35,109	35,221
General vehicles	7,364	5,000	7,110	6,881	8,000	25,000	25,000
Computers – hardware/equipment	2,943	4,500	6,200	1,059	6,849	7,109	7,221
Furniture and other Office equipment	984	3,000	3,000	339	500	3,000	3,000

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Capital Expenditure - New Assets Programme*							
Description	2022/23	2023/24			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
	R'000						
Intangibles	0	0	18,850	17,073	0	0	0
Licences and Rights	0	0	18,850	17,073	0	0	0
Total Capital Expenditure on New assets	50,768	48,980	79,435	57,324	96,593	53,721	54,013

Table 191: Capital Expenditure – New Assets Programme

B) CAPITAL EXPENDITURE – RENEWAL OF EXISTING ASSETS

Capital Expenditure – Upgrade/Renewal of Existing Programme*							
Description	2022/23	2023/24			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
	R'000						
Capital expenditure by Asset Class							
Infrastructure – Total	43,168	149,947	108,389	93,215	428,671	601,400	28,500
Infrastructure: Road transport – Total	22,461	20,000	25,500	25,491	17,500	18,400	20,000
Roads Infrastructure	14,943	20,000	25,500	25,491	17,500	18,400	20,000
Roads Furniture	7,517	0	0	0	0	0	0
Infrastructure: Electricity – Total	4,000	6,000	8,000	6,173	6,000	7,000	7,000
LV Networks	4,000	0	0	0	5,000	5,000	5,000
Capital Spares	0	6,000	8,000	6,173	1,000	2,000	2,000
Infrastructure: Water – Total	8,569	123,947	66,349	61,551	400,171	574,000	0
Reservoirs	0	4,725	911	858	7,531	0	0
Pump Stations	0	9,487	5,702	5,689	37,378	0	0
Water Treatment Works	0	29,502	19,210	19,199	167,623	0	0
Bulk Mains	0	61,025	32,526	29,572	187,638	574,000	0

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Capital Expenditure – Upgrade/Renewal of Existing Programme*							
Description	2022/23	2023/24			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
	R'000						
Distribution	8,569	19,207	8,000	6,234	0	0	0
Infrastructure: Sanitation – Total	19 481	20 948	20 948	8 138	0	18 567	19 395
Pump Station	8,138	0	8,540	0	0	0	0
Toilet Facilities	0	0	0	0	5,000	2,000	1,500
Community - Total	0	0	0	0	8,000	2,000	30,000
Parks & gardens	0	0	0	0	0	0	0
Sports fields & stadia	0	0	0	0	8,000	0	0
Swimming pools	0	0	0	0	0	0	0
Community halls	0	0	0	0	0	2,000	30,000
Fire, safety & emergency	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total Capital Expenditure on renewal of existing assets	43,168	149,947	108,389	93,215	436,671	603,400	58,500

Table 192: Capital Expenditure – Renewal of Existing Assets

5.6 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2023/24 financial year:

Details	2022/23	2023/24			2023/24 Variance	
	Audited outcome	Original budget (OB)	Adjustment budget	Actual	Adjustment to OB variance	Actual to OB variance
	R'000				%	
Source of finance						
External loans	–	–	–	–	0.00%	0.00%
Public contributions and donations	–	–	–	–	0.00%	0.00%
Grants and subsidies	96,392	214,233	161,349	148,495	-7.97%	-30.69%

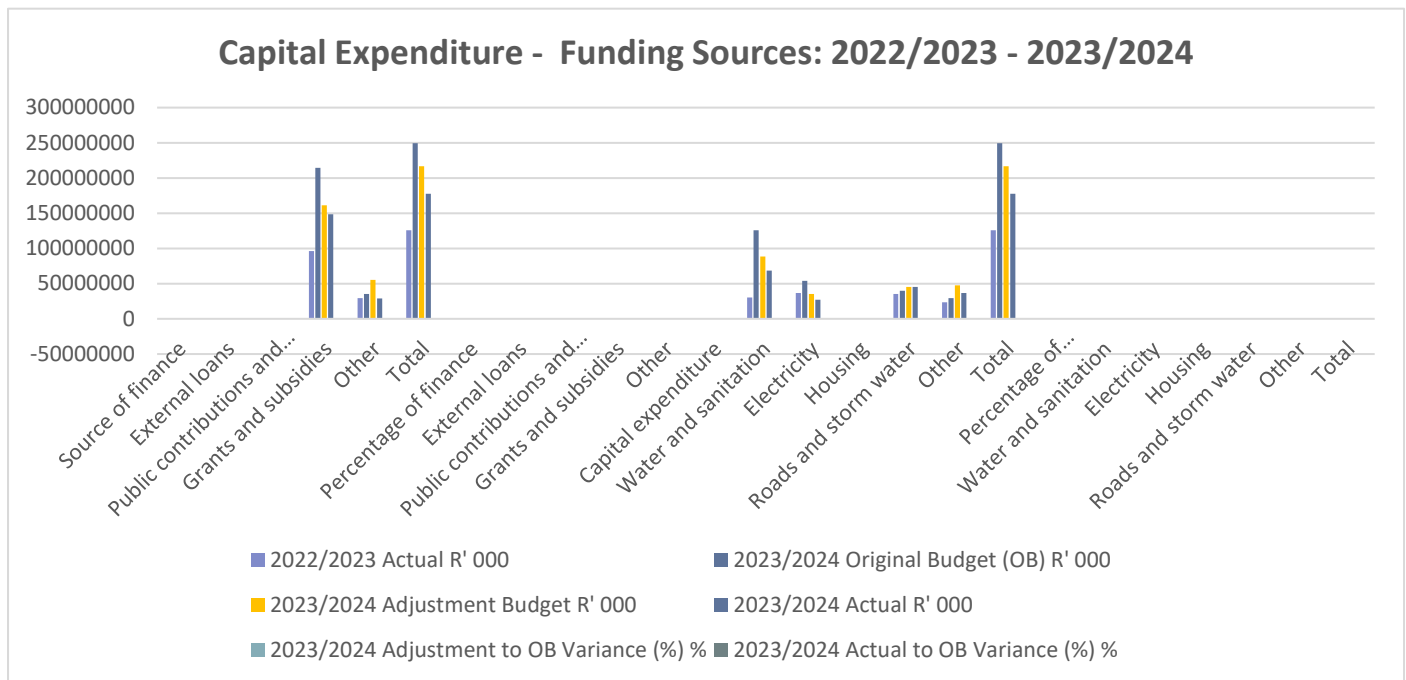
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Details	2022/23	2023/24			2023/24 Variance	
	Audited outcome	Original budget (OB)	Adjustment budget	Actual	Adjustment to OB variance	Actual to OB variance
	R'000				%	
Other	29,624	35,240	55,390	29,082	-47.50%	-17.48%
Total	126,016	249,473	216,739	177,576	-18.07%	-28.82%
Percentage of finance						
External loans	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%
Grants and subsidies	76.5%	85.9%	74.4%	83.6%	12.33%	-2.62%
Other	23.5%	14.1%	25.6%	16.4%	-35.92%	15.94%
Capital expenditure						
Water and sanitation	30,180	125,947	88,580	68,349	-22.84%	-45.73%
Electricity	36,862	54,026	35,104	27,354	-22.08%	-49.37%
Housing	–	–	–	–	0.00%	0.00%
Roads and storm water	35,392	40,000	45,500	45,208	-0.64%	13.02%
Other	23,582	29,500	47,555	36,665	-22.90%	24.29%
Total	126,016	249,473	216,739	177,576	-18.07%	-28.82%
Percentage of expenditure						
Water and sanitation	23.9%	50.5%	40.9%	38.5%	-19.05%	-23.76%
Electricity	29.3%	21.7%	16.2%	15.4%	-25.21%	-28.87%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roads and storm water	28.1%	16.0%	21.0%	25.5%	30.93%	58.78%
Other	18.7%	11.8%	21.9%	20.6%	85.55%	74.61%
Total	100.00%	100.00%	100.00%	100.00%	72.22%	80.76%

Table 193: Capital Funded by Source

The graph below reflects the capital funded by source for the past two financial years

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Graph 40: Capital Funded by Source

COMMENT ON SOURCES OF FINANCE

The majority of capital is funded by National Government (76%), Other transfers and grants (0%) and internally generated funds (24%). It is evident that the municipality is highly capital grant dependent and is a major contributor to the municipality's ability to fund its capital budget. Cash flow constraints is a major impediment on the municipality's ability to implement an accelerated capital investment from its own funds to ensure that new assets are created, and existing assets are upgraded and renewed as planned. Also, due to the current financial constraints, the municipality cannot supplement the capital budget with external long-term borrowing due to a lack of affordability and its liquidity to maintain the loan.

5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Projects with the highest capital expenditure in 2023/24.

Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment Variance
	R'000			%	
A. Resealing of Roads	20,000,000	19,500,000	19,490,748	-3%	0%
B. Upgrade of Gravel Roads	20,000,000	20,000,000	19,717,376	-1%	-1%
C. Electrification Lethabo Park	12,680,000	12,680,000	11,710,715	-8%	-8%
D. Emergency Meter Installations (Phase 1)	6,225,255	14,526,500	14,193,973	128%	-2%
E. European Union Bear Project	0	18,850,000	17,073,391	0%	-9%

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Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment Variance
	R'000			%	
TOTAL	58,905,255	85,556,500	82,186,202	40%	-4%

Table 194: Capital Spending on Five Largest Projects

Name of Project – A	Resealing of Roads
Objective of Project	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects
Delays	No delays, project was completed successfully
Future Challenges	Availability of funds to continue with the programme
Anticipated citizen benefits	Tarred roads and improved access to areas within the municipality

Name of Project – B	Upgrade Gravel Roads
Objective of Project	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects
Delays	No delays, project was completed successfully
Future Challenges	Availability of funds to continue with the programme
Anticipated citizen benefits	Paved roads and improved access to areas within the municipality

Name of Project – C	Electrification Lethabo Park
Objective of Project	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure
Delays	Lethabo Park Phase 1 was completed and Phase 2 only 555 of the 634 completed
Future Challenges	A new area to be identified to complete the outstanding planned connections.
Anticipated citizen benefits	Access to electricity

Name of Project – D	Emergency Meters Installation, Phase 1
Objective of Project	To ensure the adequate provision, upgrading and maintenance of link bulk services infrastructure for the greater development of Lerato Park
Delays	Procurement processes contributed to project not being implemented. Service provider was appointed and on site during May 2024.
Future Challenges	The Mechanical and Electrical part of the works is behind schedule due to non-responsive tenders received
Anticipated citizen benefits	Access to the sewer infrastructure network

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Name of Project – E	European Union Bear Project
Objective of Project	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure
Delays	IT Equipment could not be delivered on time and on-line platforms have not been demonstrated and launched..
Future Challenges	Possible funding challenges to continue with the programme
Anticipated citizen benefits	Access to electricity

5.8 CAPITAL PROGRAMME BY PROJECT: YEAR 2023/24

Capital Programme by Project: Year 2023/24					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)
	R'000			%	
Water					
Replacement of water meters	1,200	337	337	0%	-72%
WSDP Development	5,848	796	796	0%	-86%
Smartball Leak Detection	6,225	14,527	14,194	-2%	128%
Emergency Meter Installations (Phase 1)	169	1,893	99	-95%	-42%
Emergency Leak Repair On 6 Major Leaks	293	0	0	0%	-100%
West Bypass Leak Repairs And Refurbish	880	451	133	-71%	-85%
Mr Leak And Sleak Data System	1,849	737	394	-47%	-79%
Pipe Condition Assess And Cathod Protect	0	391	388	-1%	0%
Ritchie WTW Upgrade And Bulk Pipeline	3,230	0	0	0%	-100%
Project Management	12,955	7,217	7,217	0%	-44%
Smartball Survey Priority Leak Repairs	5,920	1,593	1,593	0%	-73%
WTW Ohs & Security Management	4,843	890	795	-11%	-84%
Kby Network Leak Detection & Repair Ph 2	107	0	0	0%	-100%
Ritchie Subzone Smart Meter Install	3,741	0	0	0%	-100%
Riverton To Midstation Bulk Pipeline Rep	2,820	0	0	0%	-100%
Eastern Bypass Repair Coating And Refurb	579	0	0	0%	-100%
West Bypass Replace Of Corroded Section	5,069	0	0	0%	-100%
East Bypass Replace Of Corrode10km Line	4,532	938	938	0%	-79%
Kby Network Leak Detection & Repair Ph 1	767	3,147	3,076	-2%	301%
Kby Bulk Meters & Pressure Management	19,207	8,000	6,828	-15%	-64%
Water Pipes Refurb Prog Various Wards	9,487	5,702	5,689	0%	-40%
Power; Abstraction & Pumpstation Repairs	4,725	911	858	-6%	-82%
Newtown Reservoir Emergency Leak Repairs	468	0	0	0%	-100%
Old WTW Major Refurbish & Build Works	502	0	0	0%	-100%

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Capital Programme by Project: Year 2023/24					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)
	R'000			%	
New WTP Filter Refurbish & Backwash System	1,306	0	0	0%	-100%
New WTW Major Refurbish & Build Works	16,598	4,697	4,697	0%	-72%
Old WTP Chlorine & Dosing Works Upgrade	10,628	11,656	11,656	0%	10%
New WTP Chlorine & Dosing Works Upgrade	0	2,857	2,845	0%	0%
New WTW Filter Refurbish & Backwash System	2,000	2,000	0	-100%	-100%
Replacement of water meters	1,200	337	337	0%	-72%
Sanitation/Sewerage					
Lerato Park Sewer		11,300	4,676	0%	-59%
Carter's Glen Pump Station	0	8,540	0	-100%	0%
Electricity					
Upgrade of Hadison Park Substation	23,546	1,264	0	-100%	-100%
EEDSM Projects	4,000	6,000	5,999	0%	50%
Colville Electrification	0	2,760	2,754	0%	-100%
Electrification of Witdam	900	0	0	0%	-100%
Ashburnham/Colville Upgrades	1,500	500	448	-10%	-70%
Ronald's Vlei Switch House No.1	1,500	2,000	1,996	0%	33%
Electrification Lethabo Park	12,680	12,680	11,711	-8%	-8%
Prepaid Meter Replacement Programme	2,000	2,000	174	-91%	-91%
Electricity Lerato Park Service Network	7,900	7,900	4,272	-46%	-46%
Roads					
Upgrade Gravel Roads	20,000	19,500	19,491	0%	-3%
Resealing of Roads	20,000	20,000	19,717	-1%	-1%
Distribution FB District Grant	0	6,000	6,000	0%	-100%
Storm water					
Galeshewe Storm water Projects	2,000	0	0	-100%	-100%
Economic development					
Planning and surveying plots to be sold	5,000	4,513	4,367	-3%	-13%
PHDA Planning & Surveying	10,000	7,882	6,946	-12%	-31%
European Union Bear Project	0	18,850	17,073	-9%	#DIV/0!
Sports Arts & Culture					
No projects	0	0	0	0%	0%
Environment					

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Capital Programme by Project: Year 2023/24					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)
	R'000			%	
No Capital projects	0	0	0	0%	0%
Health					
No Capital projects	0	0	0	0%	0%
Safety and Security					
No Capital projects	0	0	0	0%	0%
ICT					
Replacement Program: It Hardware	4,500	6,200	1,059	-83%	-76%
Parks and Recreation					
No Capital projects	0	0	0	0%	0%
Corporate Services					
Other					
Fleet Replacement Programme	5,000	7,110	6,881	-3%	38%
Replacement Furniture and Office Equipment	3,000	3,000	339	-89%	-89%
Satellite Fire Station	0	0	0	0%	0%
Other machinery and Equipment	0	0	0	0%	0%
TOTAL	249,473	216,739	176,438	-19%	-29%

Table 195: Capital Programme by Project: Year 2023/24

5.9 CAPITAL PROGRAMME BY PROJECT BY WARD 2023/24

Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)	% Physical Progress	Wards
	R'000			%			
Water							
WSDP Development	1,200	337	337	0%	-72%	0%	All
Smartball Leak Detection	5,848	796	796	0%	-86%	100%	All
Emergency Meter Installations (Phase 1)	6,225	14,527	14,194	-2%	128%	62,50%	All
Emergency Leak Repair On 6 Major Leaks	169	1,893	99	-95%	-42%	0%	All
West Bypass Leak Repairs And Refurbish	293	0	0	0%	-100%	0%	All
Mr Leak And Sleak Data System	880	451	133	-71%	-85%	100%	All
Pipe Condition Assess And Cathod Protect	1,849	737	394	-47%	-79%	0%	All

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Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)	% Physical Progress	Wards
	R'000			%			
Ritchie WTW Upgrade And Bulk Pipeline	0	391	388	-1%	0%	20%	26,27
Project Management	3,230	0	0	0%	-100%	0%	All
Smartball Survey Priority Leak Repairs	12,955	7,217	7,217	0%	-44%	58,50%	All
WTW OHS & Security Management	5,920	1,593	1,593	0%	-73%	20%	All
Kby Network Leak Detection & Repair Ph 2	4,843	890	795	-11%	-84%	20%	All
Ritchie Sub zone Smart Meter Install	107	0	0	0%	-100%	0%	26,27
Riverton To Midstation Bulk Pipeline Rep	3,741	0	0	0%	-100%	0%	29
Eastern Bypass Repair Coating And Refurb	2,820	0	0	0%	-100%	0%	All
West Bypass Replace Of Corroded Section	579	0	0	0%	-100%	0%	All
East Bypass Replace Of Corrode 10km Line	5,069	0	0	0%	-100%	0%	All
Kby Network Leak Detection & Repair Ph 1	4,532	938	938	0%	-79%	20%	All
Kby Bulk Meters & Pressure Management	767	3,147	3,076	-2%	301%	52,50%	All
Water Pipes Refurb Prog Various Wards	19,207	8,000	6,828	-15%	-64%	52,50%	All
Power; Abstraction & Pumpstation Repairs	9,487	5,702	5,689	0%	-40%	53%	All
Newton Reservoir Emergency Leak Repairs	4,725	911	858	-6%	-82%	20%	All
Old WTP Major Refurbish And Build Works	468	0	0	0%	-100%	0%	All
New WTP filter Refurbish & Backwash System	502	0	0	0%	-100%	20%	All
New WTP Major Refurbish & And Build Works	1,306	0	0	0%	-100%	0%	All
Old WTP Chlorine & Dosing Works Upgrade	16,598	4,697	4,697	0%	-72%	20%	All
New WTP Chlorine & Dosing Works Upgrade	10,628	11,656	11,656	0%	10%	50%	All
New WTW Filter Refurbish & Backwash System	0	2,857	2,845	0%	0%	20%	All
Replacement of water meters	2,000	2,000	0	-100%	-100%	0%	All
Sanitation/Sewerage							

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Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)	% Physical Progress	Wards
	R'000			%			
Lerato Park Sewer Upgrade Downstream Infra	0	11,300	4,676	0%	-59%	62.80%	1,2,29 &30
Carter's Glen Pump Station	0	8,540	0	0%	-100%	47,60%	24
Electricity							
Upgrade of Hadison Park Substation	23,546	1,264	0	-100%	0%	50%	24
EEDSM Projects	4,000	6,000	5,999	0%	0%	100%	All
Colville Electrification	0	2,760	2,754	0%	0%	0%	14,28
Electrification of Witdam	900	0	0	0	0%	0%	All
Ashburnham/Colville Upgrades	1,500	500	448	-10%	0%	50%	
Ronald's Vlei Switch House No.1	1,500	2,000	1,996	0%	0%	90%	All
Electrification Lethabo Park	12,680	12,680	11,711	-8%	-8%	100%	1,2
Prepaid Meter Replacement Programme	2,000	2,000	174	-91%	-91%	0%	All
Electricity Lerato Park Service Network	7,900	7,900	4,272	-46%	-46%	50%	30
Roads							
Upgrade Gravel Roads	20,000	19,500	19,491	0%	-3%	100%	All
Resealing of Roads Various Wards	20,000	20,000	19,717	-1%	-1%	100%	All
Distribution FB District Grant	0	6,000	6,000	0%	0%	100%	All
Stormwater							
Galeshewe Stormwater Channel	2,000	0	0	0%	-100%	0%	12,13, 18,19
Economic Development							
Township Establishment Various Wards	5 000	4,513	4,367	-3%	-13%	96%	All
European Union Bear Project	0	18,850	17,073	-9%	0%	80%	All
PHDA Planning & Surveying	10,000	7,882	6,946	-12%	-31%	88%	24
Sports, Arts & Culture							
No Projects							
Environment							
No Projects							
Health							
No Projects							
Safety and Security							
No Projects							
ICT							

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Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)	% Physical Progress	Wards
	R'000			%			
Computer Equipment Replacement	4,500	6,200	1,059	-83%	-76%	100%	All
Corporate Services							
Other							
Fleet Replacement Programme	5,000	7,110	6,881	-3%	38%	100%	All
Furniture and Office Equipment	3,000	3,000	339	-89%	-89%		All
TOTAL	249,473	216,739	176,438	-19%	-29%		

Table 196: Capital Programme by Project by Ward 2023/24

5.10 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

5.10.1 Introduction

BACKLOGS TO MUNICIPAL SPENDING ON SERVICE DELIVERY INFRASTRUCTURE

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 strategic programmes are 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 outpaces the funding availed to eradicate service backlogs. The current municipal backlogs as presented in the IDP are as follows:

SERVICES BACKLOG

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	n/a
Roads resurfaced all	337km	257km	n/a

Source: Municipal IDP Document 2017 -2022

Table 213: Services Backlog

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5.10.2 Service Backlogs as at 30 June 2024

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)				
Description	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	72 609	99.73	197	0.27
Sanitation	72 590	98.88	814	1.1
Electricity	75 826	96.08	2 974	3.92
Waste management	63 014	86.76	9 615	13.24
Housing	69 500	72.09	19 400	27.91
% HHs are the service above/below minimum standard as a proportion of total households. 'Housing' refers to * formal and ** informal settlements.				

Table 214: Service Backlogs as at 30 June 2023

ELECTRICITY BACKLOGS

The electricity backlog stands at 5 602. The Electrical Department is currently able to electrify on average 1 350 households per financial year. The Electrical Department is capacitated to perform its own designs and thus able to achieve more connections with the allocation it receives.

WATER BACKLOGS

The water backlog currently stands at 223 households. The Water department currently has JoJo tanks and standpipes within informal settlements to meet the minimum access standards. Water standpipes are placed within a 200m radius and where this is not possible JoJo tanks are placed. JoJo tanks are filled on a daily basis by means of hired water tankers. Provision of formal services is the responsibility of COGSTA once informal settlements have been formalised.

SANITATION BACKLOGS

The sanitation backlog currently stands at 814 households. The Sanitation department provides chemical toilets for all informal settlements and currently there is 375 chemical toilets placed within informal settlements. Provision of formal services is the responsibility of COGSTA once informal settlements have been formalised.

ROADS AND STORMWATER BACKLOGS

The backlog for upgrading of gravel roads to paved standard, stands at 199.7km and periodic maintenance is 411.58km. Approximately 5.65km of new stormwater infrastructure is needed for Galeshewe. Upgrading of Tlhageng Dam to a

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concrete structure is also essential to avoid possible damages to properties. R31 Retention Dam also need to be upgraded to avoid possible flooding.

HOUSING BACKLOG

Baseline Backlog 12 000 but broader Backlog 21 850 considering backyard dwellers and those who have given up applying for housing.

IMPLEMENTATION OF BNG HOUSING PROJECTS

The Municipality targeted to construct 500 households with BNG (Breaking New Grounds) houses in the 2020/21 financial year. COGHSTA through its Project Management Unit (PMU) constructed 98 of the 492 houses in Diamond Park, Lerato Park 100, Santa Centre 46 and Jacksonville 139. Therefore, the total number of houses constructed for the financial year would be 383 units.

THE MUNICIPALITY'S RENTAL STOCK

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 CRU's maintenance is compromised due to high default in rental payment. Only 30% of the rent is collected from the CRU's. In order to address this challenge, the Municipality is looking at appointing a management company for the leasing and maintenance of the rental stock starting with Lerato Park.

FACILITATING THE IMPLEMENTATION OF THE NATIONAL UPGRADING SUPPORT PROGRAMME

The programme was initiated by the 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, seventeen settlements totalling 5 416 sites are currently being formalised, and these are:

Area	Number of Sites	State of Progress
Snake Park	1 660 sites	Electrified with 100%..Services not handed over to Municipality officially.
Ivory Park	1 174 sites	Electrified 100% and serviced
Diamant Park	892 sites	Electrified 892 Houses with all services
Jacksonville Ext	339 sites	72 Houses formalized and 339 Electrified with services. 139 Sites available for building of houses and 139 subsidies were approved..
Kutlwanong	48 sites	Formalised and electrified
Colville	130 sites	Formalised phases 1,2 & 3 Electrification to be installed.

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Area	Number of Sites	State of Progress
Santa Centre	139 sites	Formalized 65 services and Construction of Top-Structures underway and ready for electrification. Demarcation of 74 sites are outstanding.
Phomolong Ext	269 sites	Electrified without services on all sites, repegging for installation of Water Reticulation to be done per site.
Greenpoint	155 sites	None
Waterloo	365 sites, with new Township-establishment	To be located on demarcated sites. Only 85% of services are completed on site.
Riemvasmaak	260 sites (plus/minus)	Electrified without services
Soul City	124 sites (64 sites Forest View 38 Quarry & 48 sites King Senare)	Electrified without services
Beaconsfield	28 sites	Infills connecting services outstanding
Donkerhoek	111 sites	Formalized Catalytic Project in terms of National Priority, electrification done without services
Ramorwa	98 sites	100 % Formalized and Electrified
Witdam	138 sites	100% Formalized and Electrified
Lerato Park	4 600 sites	Phase I & II Build 491 & 428 respectively, 70 Military Veteran's houses build and three (3) blocks of flats, which consists of 528 flats. The remainder to be electrified and services is on-going. Catalytic Project in terms of National Priority consist of 8 Phases , including 104 FLISP Sites.

Table 197: Housing Sites Progress Status

The NUSP has enabled the municipality to integrate human settlement interventions

5.10.3 Neighbourhood Development Partnership Grant (NDPG) on Service Backlogs

An amount of R78 298 820 was gazetted for the Municipality under the NDPG programme for the 2019/20 financial year. The bulk of the funds were spent to implement the upgrade of Storm Water Infrastructure in Galeshewe Phase 2, Priority 2a Project. The contractor was appointed for phase 2 priority 2b and the contract was terminated in 2020/21 due to poor performance, no actual construction work was done, only site establishment was done. Subsequent to the termination of the contract, National Treasury withdrew funding citing irregular procurement processes. No progress was recorded for 2021/22 due to unavailability of funds. No funding was received for the financial year 2022/23.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.11 CASH FLOW OUTCOMES

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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. For the year under review cash was monitored on a daily basis. The improvement in cash and investments management has led to the improvement by the municipality in settling its bulk accounts for Water and Electricity. The municipality managed to settle all invoices for 2023/24 financial year, due to the Department of Water and Sanitation and also effectively reduced the arrear debt by R71,775 million. The actual for Interest earned from Current and Non-Current Assets (Investments) exceeded the budget. 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.

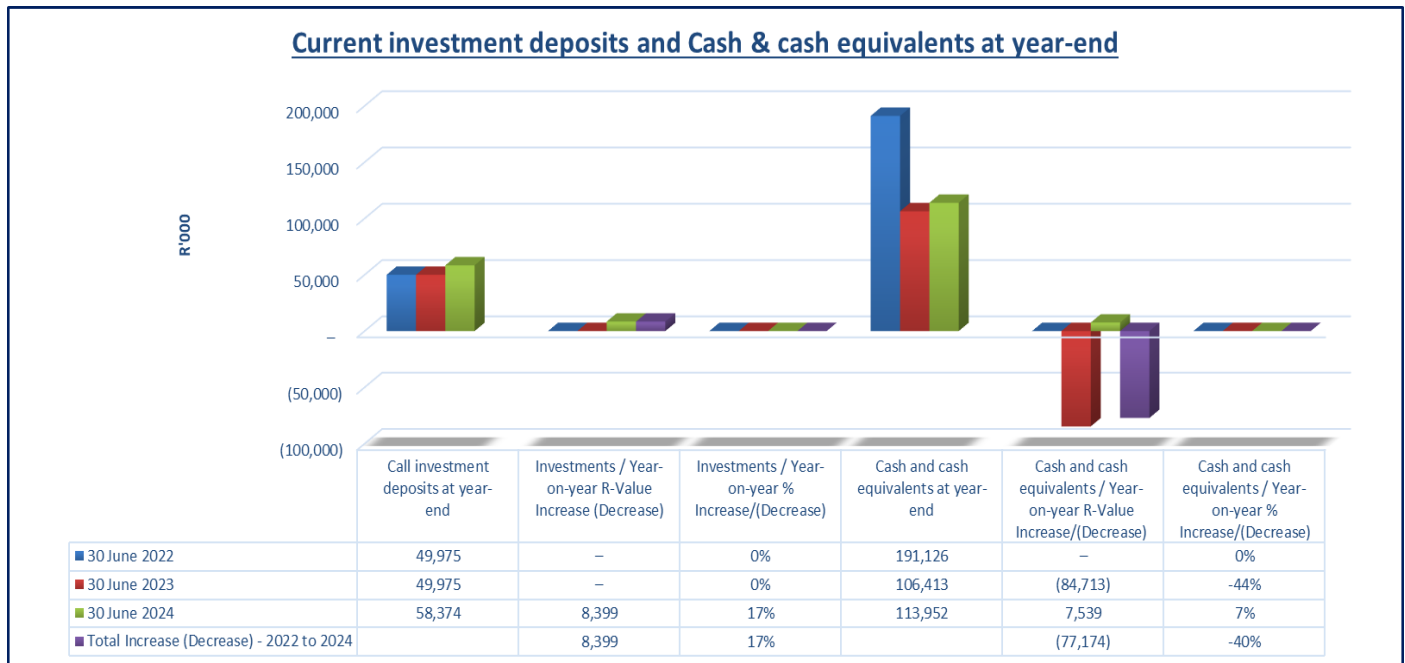
The table below reflects the cost coverage ratio of the municipality for the last three years.

Cash / Cost Coverage Ratio	30 June 2022	30 June 2023	30 June 2024
	R'000		
Number of months cost coverage	1 Month	1 Month	1 Month
Number of days cost coverage	34 Days	18 Days	17 Days
Cost coverage ratio	1.15	0.59	0.57
Cash and cash equivalents	191,126	106,413	113,952
Unspent Conditional Grants	1,726	7,233	4,057
Total Annual Operational Expenditure	1,978,756	2,033,629	2,316,497
((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)			

Table 198: Cost Coverage Ratio

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Bar chart depicting call investment deposits and cash & cash equivalents at year-end



Graph 41: Call Investment Deposits and Cash & Cash Equivalents

Collection rate	30 June 2022	30 June 2023	30 June 2024
	R'000		
Collection rate	68%	70%	69%
Gross Debtors closing balance	3,035,968	3,454,798	3,656,067
Gross Debtors opening balance	2,515,096	3,035,968	3,454,798
Bad debts written Off	35,270	119,069	422,848
Billed Revenue	1,745,681	1,797,695	2,036,834
<i>(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100</i>			

Table 199: Collection rate for the past 3 financial years

COMMENT ON CASH FLOW OUTCOMES

As indicated in the above charts, 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. For the prior period under review, Cash and cash equivalents decreased by R84,713 million from R191,126 million (2021/22) to R106,413 million (2022/23) and for the year under review it increased by R7,539 million to R113,952 million. The collection rate year-on-year is far below the norm of 95%.

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. This is further exacerbated by the above inflationary

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increases for bulk electricity. The municipality has been encouraging consumers who cannot afford to pay, to apply for indigent support from the municipality.

The cash flow outcomes at year end are presented in the table below:

THE CASH FLOW OUTCOMES AT YEAR END ARE PRESENTED IN THE TABLE BELOW:

Description	2023/24			2022/23	2021/22
	Original Budget	Adjusted Budget	Audited Outcome	Audited Outcome	Audited Outcome
	R'000				
Cash flow from Operating Activities					
Receipts					
Property rates, penalties & collection charges	543,052	543,052	507,798	447,830	438,882
Service charges	1,354,795	1,341,114	1,185,680	1,002,016	1,017,145
Other revenue	79,844	94,184	158,895	66,836	57,160
Government - operating	281,921	304,653	283,324	264,657	236,646
Government - capital	214,233	191,044	159,040	108,149	123,667
Interest	–	–	163,652	79,997	30,127
Dividends	-	-	-	-	-
Payments					
Suppliers and employees	(2 039 050)	(2 094 877)	(1 760 969)	(1 519 740)	(1 579 253)
Finance charges	(38 960)	(117 360)	(113 955)	(72 909)	(36 467)
Transfers and Grants	(4 460)	(4 460)	(2 546)	(2 599)	(2 528)
Net Cash from (used) Operating Activities	106 800	37 402	92 015	308 378	113 668
Cash flow from Investing Activities					
Receipts					
Proceeds on disposal of PPE	–	1,100	16,273		240
Decrease (Increase) in non-current debtors	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–	39,842
Donation of Property, Plant and Equipment	–	–	–	3,387	–
Increase / (decrease) in Capital Payables	–	–	(22,925)	(35,483)	–

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Description	2023/24			2022/23	2021/22
	Original Budget	Adjusted Budget	Audited Outcome	Audited Outcome	Audited Outcome
	R'000				
Decrease (increase) in non-current investments	0	0	0	0	0
Payments					
Capital assets	(249,473)	(271,284)	(169,182)	(125,650)	(183,271)
Net Cash from (used) Investing Activities	(249,473)	(270,184)	(175,835)	(157,746)	(143,189)
Cash flow from Financing Activities					
Receipts					
Short term loans	0	0	0	0	0
Borrowing long term/refinancing	–	–	–	–	–
New Finance leases/Finance lease payments			(434)	(3,599)	(2,324)
Increase (decrease) in consumer deposits	–	–	–	–	–
Payments					
Repayment of borrowing	(13,351)	(13,351)	(13,309)	(12,088)	(10,750)
Net Cash from (used) Financing Activities	(13,351)	(13,351)	(13,743)	(15,687)	(13,073)
Net Increase/(Decrease) in Cash Held	(23,980)	(125,093)	7,539	(84,713)	152,116
Cash/cash equivalents at the year begin	198,307	198,307	106,413	191,126	39,010
Cash/cash equivalents at the year end	174,327	73,214	113,952	106,413	191,126

Table 200: Cash Flow Outcomes

5.12 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. The long-term portion balance of these loans amount to R146,120 million and the current portion is equal to R14,782 million, as at 30 June 2024. Whilst the finance lease liability amounts to R8,260 for the same period. The municipal debt relief liability amounts to R661,995 million which is a concessionary loan as per the supplementary guide to MFMA Circular 124 aligned to GRAP 104.

The table below reflects movement on the loan for the year reported on versus budget.

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Description	Original Budget 2023/24	Adjustment budget 2023/24	Actual spent 30 June 2024
	R'000		
External borrowings	158,166	158,166	131,338

Table 201: Movement on Loan

5.12.1 Actual Borrowings: 2021/22 to 2023/24

Instrument	2021/22	2022/23	2023/24
	(R'000)		
Municipality			
Long-Term Loans (annuity/reducing balance)	159,433	146,077	131,338
Municipal Relief Debt liability			661,955
Financial Leases	3	256	8,260
Municipality Total	159,436	146,333	801,554

Table 202: Actual Borrowings

5.12.2 Municipal Investments

Investment type	2021/22	2022/23	2023/24
	(R'000)		
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits – Current Investments	49,975	49,975	58,374
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	141,150	56,437	55,577
Total Cash and Cash Equivalents	191,126	106,413	113,952

Table 203: Municipal Investments

5.12.3 Comment on Borrowing and Investments

The investment balance has increased from 2022/23 to 2023/24 from R49,975 million to R58,374 million. The external borrowing balance is gradually decreasing as interest and capital is redeemed. No additional loan agreements were entered into for the 2023/24 financial year. The repayment terms on all loans are bi-annual instalments payable in

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December and June of each year. The Municipality only has long term borrowings at the Development Bank of South Africa (DBSA). The Municipality applies a conservative approach to borrowing. As per MFMA Circular 124 conditions, the municipality is prohibited from entering into new loans. No additional long-term debt was incurred for the year under review, and as at year end, the balance of these loans for both the long-term and current portion amount to R160,902 million.

5.13 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 2023/2024	Total Amount committed over previous and future years (From 2021/22 to 2026/27)
			R	
SPCA	Stray animal pound	Impounding of stray animals	2,400	14,500
Sol Plaatje Educational Trust	Upkeep of Sol Plaatje Museum	Funds to be used for intended purpose	–	1,070
Other	On merit	Based on application	–	4,400
Total			2,400	19,970

* Loans/Grants - whether in cash or in kind

Table 204: Declaration of Loans and Grants made by the Municipality

COMPONENT D: OTHER FINANCIAL MATTERS

5.14 SUPPLY CHAIN MANAGEMENT

The table below reflects the remedial action taken by SCM in response to the finding of the Auditor-General's Report.

Findings	Remedial actions
In the audit, was found that the PPR of 2022 was not utilised for the quotation below R30 000.	<ul style="list-style-type: none"> The SCM drafted the PPP in line with the new regulations of 2022. The policy was approved by the COUNCIL and It was implemented by the SCM as from 06 March 2024. There won't be any finding relating to the implementation of the specific goals.
Instances where three quotations were not obtained	<ul style="list-style-type: none"> The incident happens when the SCM process were not followed, therefore all the request any procurement must be done through the SCM. All the voucher payment did not follow the SCM process will be reported to the Accounting and the CFO. <p>Furthermore:</p> <ul style="list-style-type: none"> In the case where less than three quotations are received, the SCM applies the MSCMR 17 to appoint the responsive bidder and the report will be compiled to the CFO on monthly basis. This applies to the formal written quotation (web-quotation advertised for 7 days) Instances of one quotation a memo explaining why three quotations were not obtained must be attached. E.g. Accredited agencies and sole provider

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Findings	Remedial actions
Monitoring report to be submitted does not address the measuring of the projects.	<ul style="list-style-type: none"> All the contract award, the SCM will ensure the monitoring report are submitted by the Line Manager before generating an official order: for tenders of Goods and services.

Table 205: Remedial Action Implemented

5.15 GRAP COMPLIANCE

The Municipality has adopted the Generally Recognised Accounting Practices (GRAP) as the accounting reporting framework. As such, the annual financial statements have been prepared in accordance with the Standards of (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board and the Municipal Finance Management Act 2003 (Act Number 56 of 2003). 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 2023/24 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 with Microsoft. Assets are disclosed at cost less accumulated depreciation, whilst inventory is carried at the lower of cost or net realisable value.

All financial instruments are recognised at amortised cost. Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that are quoted in an active market. They are included in current assets except for maturity greater than 12 months which are classified as non-current assets.



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COMPONENT A: AUDITOR-GENERAL OPINION 2022/23

The following tables provide the details on the audit outcomes for the past two financial years with the corrective steps implemented:

6.1 AUDITOR-GENERAL OPINION 2022/23

6.1.1 Financial performance 2022/23

Auditor-General Report on Financial Performance 2022/23	
Audit Report Status:	Qualified Audit Opinion
Audit Findings	158
Non-Compliance Issues	
Basis for qualified opinion	
Property, Plant and Equipment	
Investment Property	
Inventory	
Service charges	
Trade Receivables from exchange transactions	
Statutory receivables from non-exchange transactions	
Revenue from exchange transactions	
Emphasis of matter paragraphs	
Restatement of corresponding figures	
Material losses - Water	
Material losses - Electricity	

Table 206: AG Report on Financial Performance 2022/23

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COMPONENT B: AUDITOR-GENERAL OPINION 2023/24

6.2 AUDITOR-GENERAL OPINION 2023/24

6.2.1 Financial performance 2023/24

Auditor-General Report on Financial Performance 2023/24	
Audit Report Status:	Qualified Audit Opinion
Audit Findings	
Non-Compliance Issues	
Basis for qualified opinion	
Property, Plant and Equipment	
Investment Property	
Service charges	
Trade Receivables from exchange transactions	
Material losses - Electricity	
Emphasis of matter paragraphs	
Restatement of corresponding figures	
Material losses - Water	

Table 207: AG Report on Financial Performance 2023/24

6.2.2 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

- I have audited the financial statements of the Sol Plaatje Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
- In my opinion, except for the effects and possible 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 Local Municipality as at 30 June 2024, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practise (Standards of

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GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for qualified opinion

Property, plant and equipment

3. The municipality did not review the useful lives and indicators of impairment of all completed assets included in property, plant equipment at each reporting date in accordance with GRAP 17, *Property, plant and equipment* and GRAP 21, *Impairment of non-cash-generating assets*. I was unable to determine the full extent of the misstatement of completed assets included in property, plant and equipment, impairment, depreciation and amortisation for the current and prior year as it was impracticable to do so. Additionally, there was an impact on the surplus for the period and accumulated surplus.
4. I was unable to obtain sufficient appropriate audit evidence that infrastructure assets had been properly accounted for due to prior year adjustments and transactions affecting infrastructure assets that could not be supported. I was unable to confirm the infrastructure assets by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to infrastructure stated at R1 753 035 946 (2023: R1 659 154 265) in note 9 of the financial statements.
5. The municipality did not account for infrastructure assets in accordance with GRAP 17, *Property, plant and equipment*. Completed infrastructure assets were incorrectly included as under construction. Consequently, infrastructure assets under construction were overstated by R154 995 767 and completed assets included in infrastructure assets were understated by R154 995 767. I was unable to quantify the misstatement of the depreciation amount as the municipality did not determine useful lives for these completed assets. There was a resultant impact on the surplus for the period and on the accumulated surplus.
6. The municipality did not account for infrastructure assets in accordance with GRAP 17, *Property, plant and equipment*. Repairs and maintenance were incorrectly classified as infrastructure assets under construction. Consequently, infrastructure under construction was overstated by R27 105 553 as disclosed in note 9 to the financial statements. There was a resultant impact on the surplus for the period and on the accumulated surplus.

Service charges

7. The municipality did not recognise all sales of water and electricity, as required by GRAP 9, *Revenue from exchange transactions*. Properties were identified for which the sale of water and electricity was not billed and recorded for the current and the prior year. I was unable to determine the full extent of the understatement of the sale of water and electricity included in service charges and service debtors for water and electricity included in trade receivables from exchange transactions and VAT payable, as it was impracticable to do so for the current and prior year. There was a resultant impact on the surplus for the period and on the accumulated surplus.

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8. The municipality did not recognise all sales of water and electricity, as required by GRAP 9, *Revenue from exchange transactions*. As the municipality did not use recent consumption data when calculating interim billing, I was unable to determine the full extent of the understatement of the sale of water and electricity included in service charges and service debtors for water and electricity included in trade receivables from exchange transactions and VAT payable, as it was impracticable to do so for the current and prior year. There was a resultant impact on the surplus for the period and on the accumulated surplus.
9. The municipality recognised items that did not meet the definition of revenue in accordance with GRAP 9, *Revenue from exchange transactions* as the municipality incorrectly billed consumers during periods when meters were broken or missing, I was unable to determine the full extent of the overstatement of the sale of water and electricity included in service charges and service debtors for water and electricity included in trade receivables from exchange transactions and VAT payable, as it was impracticable to do so for the current and prior year. There was a resultant impact on the surplus for the period and on the accumulated surplus.
10. I was unable to obtain sufficient appropriate audit evidence to support the sewerage and sanitation revenue charged to certain consumers. The municipality could not provide verifiable supporting documentation for the additional charges on certain properties. I was unable to confirm the revenue by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to sewerage and sanitation charges stated at R93 749 304 in note 24 of the financial statements.

Investment property

11. The municipality recognised items that did not meet the definition of investment property in accordance with GRAP 16, *Investment property*. Land and buildings not owned by the municipality was incorrectly classified as investment property. Consequently, I was unable to determine the full extent of the overstatement of investment properties, as it was impracticable to do so. There was a resultant impact on the surplus for the period and the accumulated surplus.

Trade receivables from exchange transactions

12. I was unable to obtain sufficient appropriate audit evidence for the amounts written off as uncollectable due to the status of accounting records. I was unable to confirm the debt write off by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the amounts written off as uncollectable stated at R422 847 849 (2023: R119 068 844) in note 4.3 to the financial statements.

Material losses – electricity

13. Material losses – electricity was not recognised as required by section 125(2)(d) of the MFMA. Debtors accounts were identified for which electricity service charges were not billed and recorded that resulted in the total units sold as per the municipality's calculation being misstated. I was unable to determine the full extent of the misstatement of material losses – electricity, stated at R192 263 663 (2023: R197 509 664) in note 46.9 to the financial statements, as it was impracticable to do so.

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Context for opinion

14. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
15. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other 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 code.
16. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

17. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

18. As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2024.

Material losses – water

19. As disclosed in note 46.9 to the financial statements, material water losses of R85 381 138 (2023-2022: R77 947 877) was incurred, which represents 66,04% (2023-2022: 63,99%) of total water purchased.

Other matters

20. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

21. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed 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

22. 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

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23. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of 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.
24. In preparing the financial statements, the accounting officer is responsible for assessing the 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.

Responsibilities of the auditor-general for the audit of the financial statements

25. 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 these financial statements.
26. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page **XX** forms part of our auditor's report.

Report on the audit of the annual performance report

27. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected strategic objective presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
28. I selected the following strategic objective presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected a strategic objective that measures the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Strategic objective	Page numbers	Purpose
Improved service delivery	XX	Access to Basic Services and Infrastructure Development

29. I evaluated the reported performance information for the selected strategic objective against the criteria developed from the performance management and reporting framework, as defined in the general notice. When

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an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

30. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance

31. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

32. The material findings on the reported performance information for the selected strategic objective are as follows:

Improved Service Delivery

Various indicators

33. Based on audit evidence, the actual achievements for two indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially less or more. Consequently, the targets were not achieved, the underachievement on the targets were less or more than reported.

Indicator	Target	Reported achievement
Limit unaccounted for electricity to less than 15% by 30 June {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number	15%	24%

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of Electricity Units Purchased) - 100}		
Limit unaccounted for water (Non-Revenue Water) to less than 40% annually {(Number of Kilolitres Water Purified - Number of kilolitres Water Sold) / Number of kilolitre's Water Purified x 100}	40%	66%

Other matters

34. I draw attention to the matters below.

Achievement of planned targets

35. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.
36. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages xx to xx.

Improved Service Delivery

<i>Targets achieved: 43.75%</i> <i>Budget spent: 97.04%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Development of a Strategy for the safeguarding of municipal assets to restrict vandalism of municipal infrastructure	1	0
80% waste water effluent quality level achieved as per National Effluent Quality Standards annually	80%	66.17%
Number of water samples collected and tested	960	649
The percentage of the municipal capital budget actually spent on capital projects by 30 June (Total actual amount	90.00%	68.87%

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spent on capital projects/Total amount budgeted for capital projects) X100		
Number of households in Lethabo Park to be connected to the electricity network (Phase 2)	634	555
Review of the WSDP	1	0
Limit unaccounted for electricity to less than 15% by 30 June {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased} - 100}	15%	24%
Limit unaccounted for water (Non-Revenue Water) to less than 40% annually {(Number of Kilolitres Water Purified - Number of kilolitres Water Sold) / Number of kilolitre's Water Purified x 100}	40%	66%
% Progress on the refurbishment of the filters and backwash system for the new Waste Water Treatment Works (WWTW) , Phase 1	100.00%	20.00%
% progress on the repair of emergency leakages at the Newton reservoir	100.00%	20.00%
% Progress on the completion of the emergency water meter installation and procurement of a water quality monitoring hardware	100.00%	62.50%
% Progress on the completion of the Emergency Bulk leak repairs and Corrosion Protection	100.00%	0.00%
% progress on the upgrade of the power supply and refurbishment of the abstraction pump station (Old and New Plant - Riverton) Ph 1	100.00%	53.00%
% Completion on the design work for Ph 1 of the Kimberley network leak detection and repair	30.00%	20.00%
% replacement of internal water pipes in Main Rd, Reservoir Rd, Dalham Rd, Carrington Rd, Central Rd and Broadway	100.00%	52.50%
Construction of a Ring Main Unit (RMU) in Colville	100.00%	50.00%
Construction of a 11 KV line in Ronald's Vlei	100.00%	90.00%
99% water quality level achieved as per SANS 241 annually	99.00%	89.98%
Upgrade water infrastructure (replace 2 000 water meters)	2,000	0
Upgrade electricity infrastructure (replace 2 000 prepaid electricity meters)	2,000	0
% Progress on the upgrade of the security at the Riverton water treatment works	100.00%	20.00%

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% Progress on the upgrade of the old Water Treatment Plant (WTP) chlorine and dosing works	50.00%	20.00%
% Completion on the design work for Ph 2 of the Kimberley network leak detection and repair	30.00%	20.00%
% Completion on the design work for the upgrade of the Ritchie Water Treatment Works (WTW) and Bulk pipeline	30.00%	20.00%
Replace 400W MV luminaires with 276W LED luminaires	315	262
% Progress on the construction phase for the Carters Ridge sewer pump station building with all electrical and mechanical equipment as per the Project Plan by 30 June 2024	100.00%	47.60%
% Completion for the installation of electrical and mechanical components in Lerato Park Sewer pump Station as per the project plan by 30 June 2024	100.00%	62.80%
Number of households in Colville to be connected to the electricity network	138	0

Material misstatements

37. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Improved Service Delivery. Management did not correct the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

38. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
39. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
40. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
41. The material findings on compliance with the selected legislative requirements, presented per compliance theme,

Annual financial statements

42. 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 liabilities, revenue, expenditure,

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disclosure items and the cash flow statement identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

43. Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of by Supply Chain management (SCM) Regulation 17(1)(a) and (c).
44. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored monthly as required by section 116(2) of the MFMA. Similar limitation was also reported in the prior year.
45. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA. Similar limitation was also reported in the prior year.

Expenditure management

46. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
47. Reasonable steps were not taken to prevent irregular expenditure amounting to R64 619 891 as disclosed in note 45.3 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM regulations.
48. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R40 733 895 as disclosed in note 45.2 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest paid on overdue accounts.

Consequence management

49. Some irregular expenditure and fruitless and wasteful 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.

Revenue management

50. Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.
51. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.

Asset management

52. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

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53. Capital assets were disposed of without the municipal council having, in a meeting open to the public, and considered the fair market value of the assets and the economic and community value to be received in exchange for the assets, as required by sections 14(2)(b) of the MFMA.

Other information in the annual report

54. The accounting officer is responsible for the other information included in the annual report. The other information referred to 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 on in this auditor's report.
55. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
56. My responsibility is to read this other information and, in doing so, consider whether it 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.
57. 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

58. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
59. The matter reported below is limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
60. Leadership did not adequately prevent the identified misstatements and instances of non-compliance, as the financial statements and their supporting documentation were not thoroughly reviewed. Additionally, certain instances of material non-compliance resulted from leadership actions, contributing to unfavourable audit outcomes.

Material irregularities

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61. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Material irregularities identified during the audit

The material irregularities identified are as follows:

Overpayment made to the second contractor on Upgrade / Augmentation of Legaeng and Eagle street pump Stations Project

63. In terms of MFMA section 62(1) (a) and (d), "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that (a) the resources of the municipality are used effectively, efficiently and economically, (d) unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented.
64. Sol Plaatje Local Municipality appointed True Build Services CC on 30 July 2021 for the Upgrade / Augmentation of Legaeng and Eagle Street Pump Station. The project commenced on 8 September 2021 with a planned completion of 3 August 2022. Due to lack of progress on site, an agreement between True Build Services CC and the municipality was reached on 25 November 2022 to cede the remaining works to Kapa Koni Investments to complete the project. There were instances identified where duplicate payments were made to the two suppliers and where payments were made for work not received in contravention of MFMA section 62(1) (a) and (d). This resulted in overpayments amounting to R1 090 000,00 which, if not recovered, is likely to result in a material financial loss.
65. I notified the accounting officer of the material irregularity on 20 March 2024 and invited the accounting officer to make a written submission on the actions taken and that will be taken to address the matter.
66. On 24 April 2024, the accounting officer's response on the actions taken and that will be taken to address the matter was received. This response was incomplete and on 13 September 2024, the accounting officer resubmitted his response.
67. After an investigation conducted by the municipality it was concluded that an overpayment amounting to R1 408 888.61 was made to True Build Services CC. The municipality issued a letter of demand dated 26 August 2024, requesting the repayment of these monies.
68. I will follow-up on the recovery of the financial loss during my next audit.

Status of previously reported material irregularities

Municipal accounts not paid within 30 days

69. Eskom invoices received during the period 1 July 2019 to 30 June 2020 for bulk electricity purchases were not always paid within the prescribed 30-day period, in contravention of Section 65(2)(e) of the MFMA. The non-

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

compliance resulted in a financial loss in the form of interest of R5 618 616 being levied and paid to the supplier on the outstanding balances.

70. I notified the accounting officer of the material irregularity on 30 August 2022 and invited the accounting officer to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer had not taken any action in response to being notified of the material irregularity.
71. I recommended that the accounting officer should take the following actions to address the material irregularity, which should have been implemented by 1 July 2024, with progress report after 3 months:

Appropriate action should be taken to obtain the relevant approval from council and commence with the implementation of the revenue enhancement plan to address the financial problems of the municipality that are preventing the Municipality from paying Eskom within 30 days, as required by MFMA section 65(2)(e). The financial plan should include realistic timeframes and milestones to be achieved and include as a minimum strategies to:

- (a) Implement the revenue enhancement interventions with the intention to increase the collection of revenue;
 - (b) Efficiently manage the available resources of the municipality to optimise and reduce costs;
 - (c) Reduce electricity distribution losses; and
 - (d) Negotiate a reasonable payment arrangement with Eskom and properly budget for the amounts to be paid.
72. The AO failed to provide a progress report on 1 April 2024 on the implementation of the recommendations. The AO did also not submit the written submission and substantiating documentation on the implementation of the recommendation at the due date of 1 July 2024. I follow-up continuously with the accounting officer on the outstanding response on the implementation of the recommendations. On 17 September 2024, the accounting officer provided a written response and substantiating documentation on the implementation of the recommendations. I assessed the response and noted shortcomings that were communicated to the accounting officer on 7 October 2024. A supplementary response with substantiating documentation were received on 10 October 2024.
73. The accounting officer developed a revenue management strategy in November 2023 with defined milestones and timelines. The strategy amongst other provide for the measures to increase collection of revenue and interventions to reduce electricity losses significantly by 2027. The implementation of the plan commenced on 1 July 2024. The accounting officer provided substantiating documents to demonstrate the actions that have already been implemented such as the meter audit that was conducted as well as those actions that are in progress such as the installation of new electricity meters and implementation of credit control processes.
74. The accounting officer submitted an application for the Eskom municipal debt relief programme, which was approved by National Treasury on 1 October 2023. As per the compliance certificates issued by the National Treasury, the municipality has consistently been making payments to Eskom since October 2023 and achieved a 78% compliance rating as 30 June 2024 and Eskom has written-off interest of approximately R81 million in December 2023 and R13 million in May 2024.
75. The accounting officer has also entered into a payment arrangement with Eskom on 12 June 2024 to re-pay debt that has accrued after May 2023. This payment arrangement is running concurrently with the debt relief

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programme. The municipality is making regular payments to Eskom which have reduced the outstanding debt to Eskom to less than a billion.

76. The actions taken by the accounting officer to implement the recommendations are deemed appropriate and have addressed the MI and therefore the material irregularity has been resolved.
77. I will continue to monitor the compliance with the Eskom debt relief programme and the impact of the initiatives implemented in accordance with the revenue enhance strategy during my subsequent audit.

Pollution of water sources not prevented – Gogga pump station

78. In terms of the National Water Act (NWA) (Act No.36 of 1998), Section 19(1) "An owner of land, a person in control of land or a person who occupies or uses the land on which— (a) any activity or process is or was performed or undertaken; or (b) any other situation exists, which causes, has caused or is likely to cause pollution of a water resource, must take all reasonable measures to prevent any such pollution from occurring, continuing or recurring."
79. In terms of the National Environmental Management Act (NEMA), 1998 (Act No. 107 of 1998), Section 28(1) "Every person who causes, has caused or may cause significant pollution or degradation of the environment, must take reasonable measures to prevent such pollution or degradation from occurring, continuing or recurring, or, in so far as such harm to the environment is authorised by law or cannot reasonably be avoided or stopped, to minimise and rectify such pollution or degradation of the environment".
80. It was confirmed that there were various concerns and challenges regarding the effective treatment of wastewater, the quality of effluent disposed into the immediate environment and compliance with general treatment and disposal legislative requirements at Gogga Pump Station.
81. Sewerage discharge continued into the environment (from the Pump Station and overflowing lines). It was also noted that a manhole (sewer release point) just outside the pump station (on the main line to the Homevale Wastewater Treatment Works) was seriously overflowing. Notwithstanding the overflows observed, critical mechanical and operational equipment within the pump station were not functioning properly.
82. The pump station was not properly maintained. This showed that the municipality did not take reasonable steps to prevent the pollution that was causing harm to the environment in contravention of NWA Section 19(1) and did not take reasonable steps to prevent pollution of water sources in contravention of NEMA Section 28(1). The regular raw sewer overflows into the veld caused major pollution within a vast area amongst the reticulation lines up to the R31 road. The fact that Communal housing surrounds the pump station is of particular concern with serious health, safety and related nuisances affecting the community. The non-compliance was likely to cause substantial harm to the general public.
83. I notified the accounting officer of the material irregularity on 27 October 2023 and invited the AO to make a written submission on the actions taken and that will be taken to address the matter.
84. On 12 February 2024, the accounting officer's response on the actions taken and that will be taken to address the matter was received. The municipality has addressed the critical finding made on the non-compliances identified regarding the contamination of raw sewerage on the outfall sewer line from Gogga pumping station to Homevale Wastewater Treatment Plant.

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85. I will continue to monitor the remedial actions taken regarding the environmental harm during my next audit.

Other reports

86. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties which 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.
87. The Directorate for Priority Crime Investigation (Hawks) is investigating allegations of fraud, corruption and money laundering relating to the municipality. These proceedings were in progress at the date of this report.

Auditor-General

Kimberley

30 November 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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 selected requirements in key legislation.

Financial statements

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
- conclude on the appropriateness of the 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 relating to events or conditions that may cast significant doubt on the ability of the municipality 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 my 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 operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying

Communication with those charged with governance

CHAPTER 6: AUDITOR-GENERAL FINDINGS

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.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	<p>Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii),</p> <p>Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f),</p> <p>Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a),</p> <p>Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)</p>
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	<p>Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e),</p> <p>Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i),</p> <p>Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)</p>
Construction Industry Development Board Act 38 of 2000	Section: 18(1)

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Legislation	Sections or regulations
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), Sections: 54A(1)(a), 56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), Regulations: 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)



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6.3 MFMA SECTION 71 RESPONSIBILITIES

The municipality is non-delegated and as such submits the monthly data strings to National Treasury in terms of Municipal Finance Management Act 56 of 2003, Section 71. The monthly budget statement is at the same time submitted to the Executive Mayor. The Municipal Public Accounts Committee are also provided with the monthly budget statement in terms of the Guidelines for the Establishment of MPACs.

The Section 71 monthly budget statement is signed off by the Municipal Manager and submitted within ten working days after the end of each month to the relevant authorities as explained herein. The monthly budget statement with the signed municipal quality certificate and the monthly C-schedules is also uploaded onto the National Treasury Local Government portal.

Signed:

Chief Financial Officer

Dated:

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6.4 AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 30 JUNE 2023

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 2024.

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.

The members of the audit committee were as follows for the financial period:

- Ms. Lehlohonolo Rapodile (Accounting and auditing field) (Chairperson)
- Mr. Letlhogonolo Berends (Law field) (Term ended 30 November 2023)
- Mr. Bongani Mathae (Performance Management and Governance Processes field) (Term ended 30 November 2023)
- Mr. Giveous Ndou (Accounting and auditing field)
- Ms. Lungelwa Sonqishe (Accounting field)
- Mr. Mkululi Mbali (Accounting and auditing field) (Appointed 01 December 2023)
- Ms. Veronica Mothelesi (Accounting and auditing field) Appointed 01 December 2023)

During the period under review, there were four normal meetings and two special meetings held on the following dates:

- 31 July 2023
- 28 August 2023 (Special AC Meeting)
- 30 August 2023 (Special AC Meeting)
- 31 October 2023
- 27 November 2023 (Special AC Meeting)
- 12 February 2024
- 06 May 2024

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
Mr. Letlhogonolo Berends	AC member	December 2017 / December 2020	5 out of 5
Mr. Bongani Mathae	AC member	December 2017 / December 2020	2 out of 5

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Name of the Member	Position	Date of Appointment/renewal	Number of meetings attended
Mr. Giveous Ndou	AC member	December 2020 / December 2023	7 out of 7
Ms. Lungelwa Sonqishe	AC member	December 2020 / December 2023	7 out of 7
Ms. Lehlohonolo Rapodile	Chairperson	March 2022	7 out of 7
Mr. Mkululi Mbali	AC member	December 2023	2 out of 2
Ms. Veronica Mothelesi	AC member	December 2023	2 out of 2

6.4.3 Audit Committee Responsibility

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.

For the financial year ended 30 June 2024, the audit committee reviewed:

- Quarterly financial reports
- The effectiveness of internal controls
- The appropriateness of accounting policies and procedures
- The effectiveness of enterprise risk management system
- Compliance with relevant laws and regulations
- The system of ICT governance
- The Internal Audit (IA) and Audit committee chambers

In addition to the above, the audit committee reviewed:

- Unaudited Annual Financial Statements before submission to the AGSA
- The Annual Report and Predetermined Objectives prior to submission to the AGSA
- The reports of the AGSA, internal audit and other assurance providers

6.4.4 The Effectiveness of Internal Control

Internal audit, in accordance with the MFMA and the most recent King IV Report on Corporate Governance requirements, provides assurance to the Audit Committee and Management that internal controls require

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improvement. This is accomplished through the risk management process, as well as the recommendation of corrective actions and suggested improvements to controls and processes.

It was noted that matters which indicated significant deficiencies/deviations in the system of internal control, were reported in the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, and the management report of the Auditor General of South Africa. There were a significant number of instances where internal audit issues were not satisfactorily resolved.

We therefore report that the internal control system of financial reporting for the period under review requires improvement. Management was notified that closer monitoring and resolution of the audit action plan was required. The timely implementation of the audit action plan will help management achieve its strategic goals and attain an improved audit outcome.

6.4.5 Governance and Performance Management

The Audit Committee believes that significant improvement is needed in governance, compliance, risk monitoring, the management of predetermined objectives and the development and implementation of maintenance plans. When compared to previous fiscal years, governance has remained stagnant, which has been exacerbated by instability in top leadership positions.

6.4.6 Risk Management

Concerns on the major risk areas were raised during engagement with Management. An updated risk register, and a comprehensive report on the most significant strategic risks, have been prepared by Management. The current financial position challenges the municipality's ability to mitigate risks. This directly impacts service delivery and sustainability. The following significant risks exist within the Municipality:

HAZARD	RISK	IMPACT
DECLINING ECONOMIC CONDITIONS IMPACTING ON CUSTOMER AFFORDABILITY.	Increased debtors' book and Indigent Register. Declining financial sustainability.	Reduced revenue collection and declining cashflow position.
LAGGED mSCOA IMPLEMENTATION.	Non-compliance of Municipal Business Process Reforms.	Non-compliance with Municipal Business Process Reforms.
SUSTAINABILITY OF REVENUE GENERATION	Sustainability of revenue due to reducing demand for electricity and increased tariffs.	Financial sustainability. Negative impact on service delivery.
REVENUE LOSS DUE TO SIGNIFICANT WATER AND ELECTRICITY LOSSES.	Sustainability/surety of water and electricity supply threatened.	Poor service delivery. Delayed service provision to new developments.
RELIABILITY OF CUSTOMER INFORMATION AND DATA	Incorrect customer information.	Incorrect billing resulting in increased Receivables. Poor collection due to customer disputes.

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HAZARD	RISK	IMPACT
INADEQUATE (FAILING) WATER AND SANITATION INFRASTRUCTURE	Collapse of service delivery (failure to meet current demand of water supply and sewer conveyance).	Halting of economic and social development projects. Ruined institutional reputation.
DETERIORATING RAW WATER QUALITY AND RISING TARIFFS.	Tariff hikes due to high operational costs.	Decrease in affordability affects revenue collection.
OLD AND INADEQUATE ELECTRICITY INFRASTRUCTURE.	Limited capacity of High, Medium, Low voltage and distribution infrastructure in certain areas.	Various substations are at serious risk. Old and aged, 66KV and 11KV switchgear. Draft Master Plan has been completed, but not finalised and implemented.
HUMAN RESOURCE MANAGEMENT	Inadequate capacity, and lack of skilled operational and maintenance staff in Electrical, Water and Sanitation sections.	Low productivity affecting service delivery.
INFORMATION TECHNOLOGY RISK	In-efficient delivery on strategic objectives due to ineffective IT Management and implementation because of non-alignment and no oversight of IT to the IDP Strategic Objectives.	Ineffective IT structure, lack of accountability and oversight. Limited and further declining technical resources to support strategic objectives of the Municipality. Limited key Human Resources. Inadequate succession and retention planning for key personnel. Lack of a dedicated ICT Security Function.
INADEQUATE AND INEFFECTIVE SECURITY MEASURES TO ENABLE ACCESS CONTROL AND PHYSICAL SECURITY.	Loss of infrastructure, property, machinery and equipment due to vandalism, theft and burglary.	Theft of equipment in substations and network infrastructure. Inadequate and Ineffective security measures to protect assets. Substandard security of substations, plant and equipment in general.
AUDIT OUTCOME	Inability to improve audit outcome. Ineffective performance reporting and general non-compliance.	Stagnation of audit opinions, ineffective performance reporting, as well as general non-compliance.

The following challenges/risks remain to be addressed:

- The reliability of reported information.
- The review of performance management system and determining alignment.
- The implementation of performance management principles that will include corrective action for poor performance.
- Retentions and succession planning, as well as filling of critical positions.

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6.4.7 Submission of in-year management and monthly/quarterly reports in terms of the Municipal Finance Management Act and the Treasury Regulations

Audit committee has expressed concern on the quality of quarterly reports submitted to audit committee. The committee has suggested some improvements to the format and review of the reports before submission to the committee. Management has assured the Committee that the monthly/quarterly in-year management reports were compiled and submitted on time as required by legislation.

Management reported low levels of capital expenditure throughout the financial period due to delays in supply chain management processes as a result of the late submission of procurement plans and a lack of project management controls implemented which have led to the withdrawal of capital grants and the rejection of roll over requests. This had a detrimental impact on the implementation of project which directly affect service delivery within the municipality.

6.4.8 Municipality's compliance with legal and regulatory provision

Audit Committee notes matters of non-compliance as reported by the Auditor General of South Africa. Management action plan on matters raised will be monitored and regular reporting on progress of implementation will be submitted to the Audit Committee.

6.4.9 Information Technology and other corporate related policies

A proposed revised ICT Organogram has been compiled by management to facilitate the implementation of effective ICT Governance; this structure has however also not been approved. The ineffective ICT organogram, dependency on key personnel, lack of oversight and misalignment of the ICT strategic plan and the IDP, are but some of the ICT risk which have been identified.

After the initial implementation of the mSCOA reforms on the general ledger, an audit was performed to test system compliance. The audit reflected a 35% compliance status, and slow progress has been noted in achieving full compliance.

6.4.10 Evaluation of Financial Statements

The annual financial statements reflect a picture of a significant decline in the financial position and sustainability of Sol Plaatje Municipality; unfortunately, this is an accurate picture of the status within the municipality. The long-term sustainability, cash flow management challenges, as well as increasing accounts payable specifically relating to ESKOM and DWAF, is extremely concerning. These matters, as well as the increase in receivables, poor receivables collection, and the current economic challenges need closer supervision, monitoring, and the strict enforcement of debt recovery policy to be ensured.

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The municipality has been approved for the Eskom debt relief program, this also needs to be closely monitored to ensure compliance and prevent the municipality from defecting out of the program. The successful completion of this program can bring much needed relief to the cash flow challenges experienced by the municipality.

Recurring findings with regards to revenue and asset management has been raised as the most significant risk to ensure that the annual financial statements are free from material misstatements. Material water and electricity losses have been identified; the accuracy of these losses could not be confirmed due to a lack of internal controls relating to revenue management. These matters have a direct impact on service delivery within the municipality.

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. An external quality assurance review (QAR) was conducted by the Institute of Internal Auditors (SA) under the banner of the Leadership Academy during the 2022/23 financial period. This review must be performed every 5 years for Internal Audit to confirm and include in all internal audit reports issued, that their work conforms with the Standards as issued and adopted by the IIA SA. Internal Audit has received General Conformance (GC) which is the highest rating issued in terms of QAR. The next review is therefore due during the 2026/27 financial period.

6.4.12 Internal Audit Staff Complement

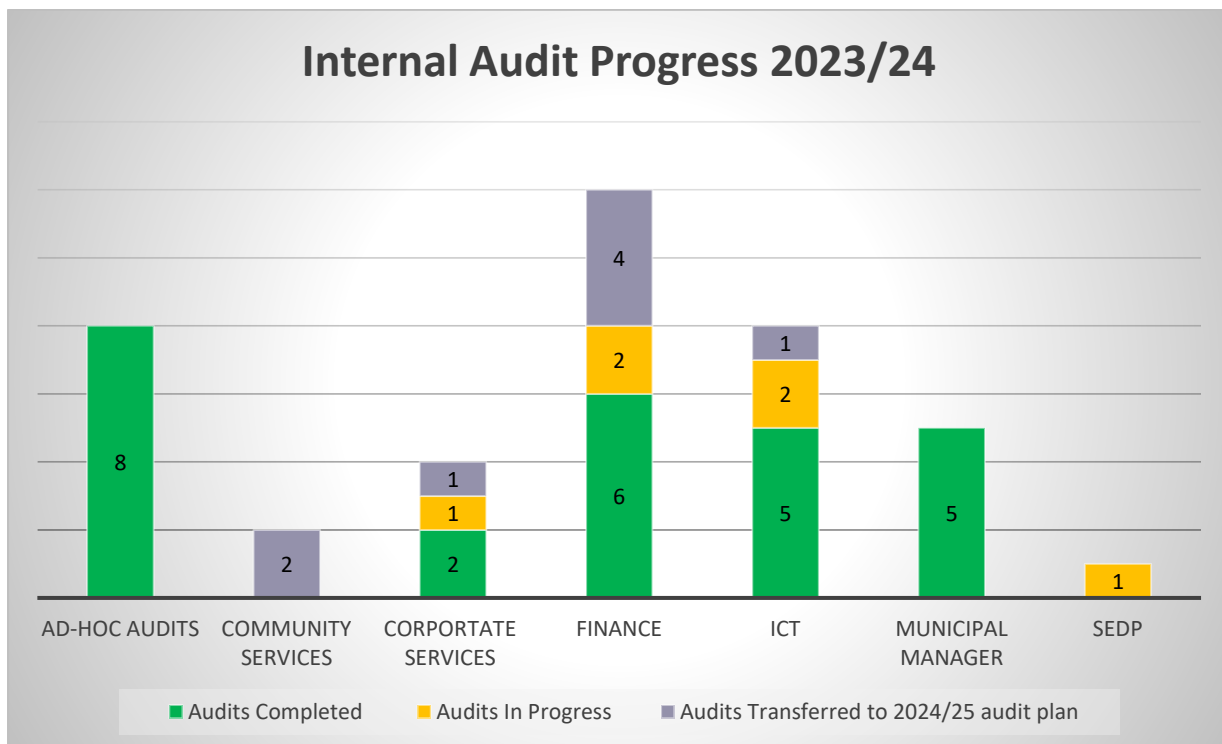
Name	Position	Qualification	Years of experience
Karin De Klerk	Chief Audit Executive	CA (SA); IAT, ND: Internal Auditing	19 years audit experience
Farouk Feltman	Manager: Assurance Audit	B. Admin Hons (Public Administration); PIA, IAT	24 years auditing experience
Myrtle van Staden	Internal Auditor	ND: Internal Auditing, IAT	11 years auditing experience
Setshaba Mosata	Internal Auditor	ND: Internal Auditing	8 years accounting and auditing experience
Denise Van Rooyen	Manager IT/Systems Audit	BSC: Computer Science	19 years information technology experience

6.4.13 Progress against Plan

The performance of the Internal Audit for the year ending June 2024 is as follows:

CHAPTER 6: AUDITOR-GENERAL FINDINGS

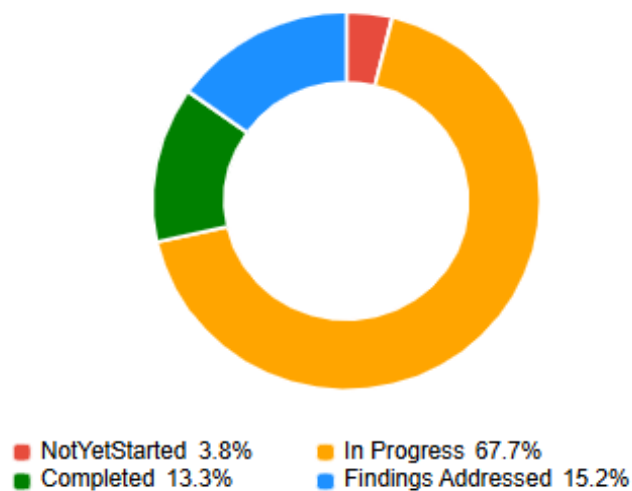
Internal Audit Progress 2023/24



6.4.13 Auditor General of South Africa

We have met with the Auditor General of South Africa to ensure that there are no unresolved issues pertaining to the completion of the final audit report for the financial period ending 30 June 2024. The status of prior period audit action plan items is depicted in the graph below:

Implementation AAP Status



CHAPTER 6: AUDITOR-GENERAL FINDINGS

6.4.14 Recommendations made by the Audit Committee

The Audit Committee recommends that action plans be implemented to close significant gaps in governance, risk management, internal controls, and reporting on predetermined objectives. We also recommend that to ensure the smooth operation of the municipality, quicker action be taken to close leadership gaps as they arise; considering the challenges associated with the municipality environment.

6.4.15 Conclusion

The Audit Committee has noted the matters and concerns raised by the Auditor General of South Africa and accept that there is still significant improvement required in the accounting and internal control environment at the Municipality. The stagnation in audit opinion by the Municipality has been noted which is attributed to the instability in leadership positions. Council is advised to ensure that vacancies in leadership and key administrative positions are funded and filled.

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 of South Africa.

L Rapodile CA(SA)
Chairperson of the Audit Committee

CHAPTER 6: AUDITOR-GENERAL FINDINGS

6.5 MPAC

MPAC concluded its oversight of the Annual Report and at a meeting held on 28 June 2024 resolved that:

- the Oversight Report together with the Annual Report be accepted and approved by Council;
- the Oversight Report be made public by the Municipal Manager in accordance with Section 129 (3) of the Local Government: Municipal Finance Management Act, 2003;
- the Oversight Report and Annual Report be submitted to the provincial legislature by the Municipal Manager in accordance with section 132 (2) of the Local Government: Municipal Finance Management Act, 2003;
- effective Credit Control and Debt Collecting practices, be implemented;
- Issues raised by the Auditor General be attended to as a matter of urgency;
- matters relating to Supply Chain Management and Contract Management, be attended to urgently; and
- consequence management be prioritized in the municipality.



ABBREVIATIONS

ABBREVIATIONS

AG	Auditor-General
CAPEX	Capital Expenditure
CBD	Central Business District
CBP	Community Based Planning
CDW	Community Development Worker
CFO	Chief Financial Officer
CWP	Capital Works Program
DCAS	Department of Cultural Affairs and Sport
DCF	District Co-ordinating Forum
DEDAT	Department of Economic Development and Tourism
DLG	Department of Local Government
DoA	Department of Agriculture
DoE	Department of Education
DoH	Department of Housing
DoRA	Division of Revenue Act
DoRD	Department of Rural Development
DPLG	Department of Provincial and Local Government
DSD	Department of Social Development
DSBD	Department of Small Business Development
DTI	Department of Trade and Industry
DWAF	Department of Water Affairs and Forestry
ECD	Early Childhood Development
EE	Employment Equity
EM	Executive Manager
EPWP	Extended Public Works Programmes

ERM	Enterprise Risk Management
EXECMAN	Executive Management
GAMAP	Generally Accepted Municipal Accounting Practice
GDPR	Gross Domestic Product Rate
GRAP	Generally Recognised Accounting Practice
HOD	Head of Department
HR	Human Resources
HVWUA	Hex Valley Water Users Association
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IGR	Intergovernmental Relations
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LG	Local Government
MayCo	Executive Mayoral Committee
MBRR	Municipal Budget and Reporting Regulations
MEC	Member of the Executive Committee
MERO	Municipal Economic Review and Outlook
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MGRO	Municipal Governance Review Outlook
MIG	Municipal Infrastructure Grant
MM	Municipal Manager

ABBREVIATIONS

MMC	Member of Mayoral Committee	SALGA	South African Local Government Association
MPAC	Municipal Public Accounts Committee	SAMDI	South African Management Development Institute
MSA	Municipal Systems Act No. 32 of 2000	SANRAL	South African National Roads Agency Limited
mSCOA	Municipal Standard Chart of Accounts	SAPS	South African Police Services
MTECH	Medium Term Expenditure Committee	SASRIA	South African Special Risks Insurance Association
MTOD	Municipal Transformation and Organisational Development	SCM	Supply Chain Management
NGO	Non-Governmental Organisation	SDBIP	Service Delivery and Budget Implementation Plan
NT	National Treasury	SDF	Spatial Development Framework
OPEX	Operating Expenditure	SEDA	Small Enterprise Development Agency
PMS	Performance Management System	SEFA	Small Enterprise Finance Agency
PPP	Public Private Partnership	SLA	Service Level Agreement
PPPCOM	Provincial Public Participation and Communication Forum	SMME	Small, Medium and Micro Enterprise
PT	Provincial Treasury	TASK	Tuned assessment of skills and knowledge
RBAP	Risk Based Audit Plan	WWTW	Waste Water Treatment Works
RSEP	Regional Socio-Economic Programme		
SAI	Supreme Audit Institute		



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