

2012/2013

ANNUAL REPORT

Volume I



THEMBELIHLE

Incorporating the towns of Strydenburg and Hopetown

**LOCAL MUNICIPALITY
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Preface

PROPOSED REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. It replaces a template dating back to August 2003.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others.

Notes are included throughout the format to assist the compiler to understand the various information requirements. Once the draft has been finalised, training will be provided to facilitate the implementation of this initiative, and separate additional guidance may be issued if necessary.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury

October 2009

Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

By the Grace of our Lord, I would like to take this opportunity to once again greet the community of Thembelihle as well as all those that worked with us during the year under review. As you read this report, you will be walking in footsteps of a community that brought itself back from the brink of self-destruction to building a prosperous future together.

As the vision of Thembelihle Municipality stipulates, "We, as Thembelihle Municipality, commit ourselves to a better life for all through sound economic growth, provision of basic infrastructure, disciplined social welfare, a sound participative institutional management system, as we stand united", we will continue to stand united irrespective of the challenges we face.

The current term of Council will strive to improve on the achievements of the first year we have been in office and accelerate the provision of the much needed municipal services focusing on the five developmental local government key performance areas: Infrastructure and Service Delivery; Institutional Transformation and Development; Local Economic Development and Planning; Financial Viability, and Good Governance & Public Participation.

We can proudly state that we have taken the necessary steps to develop and implement an improved organizational structure and are in the process of filling all critical positions with suitable and competent men and women with a view to injecting the necessary expertise to better the performance our municipality.

We take seriously the values of good governance and believe we are capable of turning the tide on unfavorable audit opinions in pursuit of a clean audit as set by the "Operation Clean Audit of 2014" target. We need to inculcate in all concerned a culture of excellence, care, accountability and good governance. The turning point for a clean administration and, consequently, audit is not entirely lodged solely on the shoulders of administrators but requires of all of us i.e. Council, administration, business and residents to take part and assume our individual and collective responsibility with prestige, impunity and integrity.

Whilst good progress has been made during the 2012/13 financial year, we did experience some challenges and these will have to be addressed during the coming 2013/14 financial year. Some of these challenges are:

- ✓ Stabilising the administration by populating the critical areas on the new and improved organisational structure with competent and skilled people.
- ✓ Transforming and rejuvenating the municipal area into more liveable and attractive places.
- ✓ Ensuring that ward committees are functioning effectively to continuously inform the communities on council matters, but also informing the administration of challenges being faced by the community.
- ✓ Ensuring that Council’s Standing Committees function optimally to speed up attempts to address challenges being faced by the community.
- ✓ Addressing irregular, fruitless and wasteful expenditure and improving the audit opinion by the Auditor-General.
- ✓ Revenue generation remained the other challenge facing the municipality. The culture of non-payment of services and rates by residents remains a thorny issue for the municipality. Council resolved to write

Chapter 1

off the debt in warranted instances and this will be done very early in the 2013/14 financial year.

- ✓ Our project to register all people who qualify for subsidies under the Council's Indigent Policy did not have the required results and many qualifying households have not been identified as yet. This will require continuous input from Ward Councillors and CDW's and will receive priority attention during the 2013/14 financial year.

While we did not sign any agreements with other towns for twinning purposes, we strongly believe that we need to pursue that angle in the near future. We also would like to look at the possibility of entering into a public private partnership for the development of the civic centre and other job creating opportunities.

Going forward, Council and communities must unequivocally strive towards the eradication of key municipal developmental and service delivery challenges. This requires joint planning that prioritizes core challenges into implementable projects and interventions. I, therefore, beg of you, my Council, administration and my people to join me on this demanding, challenging, but conquerable journey.

T 1.0.1

Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

Political status

Unlike the 2011/2012 financial year, the situation during the 2012/13 financial year was fairly stable politically. We are of the view that the people have in the main accepted the status quo that emerged after the by-elections that were held in 2011. Even though we still had the pressure to perform beyond ourselves, we at least managed to the all within the stipulated time frame.

Thembelihle municipality like all other municipalities its size in South Africa, is continuously challenged to perform within the necessary standards as stipulated by the various legislations applicable to Local Government. The challenges manifest themselves in the form of capacity constraints both in terms of human capital and finance. It is generally accepted that the most qualified and most capable people will not opt to work in the small municipalities because of the lower salaries that they offer as well as the lack of social life after work. It therefore remains a challenge to us that our performance must remain at the required level while we are using the staff that does not have the same competency as the other better resourced municipalities.

It is very encouraging to note that Thembelihle Municipality has continued to perform within the given parameters irrespective of the circumstances. We regard ourselves as being extremely successful in implementing the requirements of National Government, Provincial Government as well as the resolutions of the South African Local Government Bargaining Council which was to fill all senior vacant posts in the municipalities. It is unfortunate that we lost the services of our Chief Financial Officer in the middle of our financial year. By the end of the year we had not as yet succeeded in appointing a CFO.

I think that it is also fare to indicate that management spend a lot of time at the South African Local Government Bargaining Council where we had to defend a number of cases against the municipality. The total number of cases presented to the SALGBC against the municipality is six. Four of these were settled through negotiations outside the council while the other two were awarded against the municipality. All the cases against the municipality were lodged by the South African Municipal Workers Union.

In view of the capacity constraints existent within the municipality coupled with National Treasury requirements for minimum competency levels, the municipality involved itself in programs that intent to capacitate its employees as well as its councilors. The councilor training program is lead by the South African Local Government Association. Training for the employees was instituted by different organisations as well as own funding. The skills development plan for the training of municipal staff was completed at the end of the year. Its completion can only contribute to an acceleration of capacitating municipal staff especially those at the lower ranks.

Chapter 1

As a municipality we still remain thankful to the Provincial Treasury as well as National Treasury for continuing to give support to Thembelihle Municipality by providing us not only with the technical support but by also providing warm bodies to perform certain functions.

Through the continued flow of grants to our municipal account, we have succeeded in training four finance interns. These will possibly be absorbed into the municipal structure should they find it proper to apply for certain positions. Once these are absorbed or find jobs somewhere else, we will be ready to take five more of the young people as finance interns.

The payment culture existent in our municipality is not something we are proud about but we continued to provide services to the people under very trying conditions for the year. As an attempt to increase our cash flow and find ways of making it easier for the community to pay for their services, we implemented an incentive scheme that gave the people a number of options where the municipality would write off part of their arrears. We also cut down on expenses especially expenditure on council meetings.

As a result of our financial status, we have not being able to implement own projects in the municipality. All the projects that are running and those that were running were all funded from National Treasury allocations to the municipality.

We also received funding from the Expanded Public Works Programme (EPWP). It is these funds that assisted us to stop most of the potholes on our roads especially the main road in Hopetown. This programme allowed us to also empower a number of our community people in that we trained them in the art of stopping holes in the streets.

Some of the projects, especially those that were being funded by Provincial Departments, did not see the light of day. We know that the communities out there waited in vain for the implementation of these projects but unfortunately the funding was withdrawn.

We look forward to the following year with the enthusiasm that it deserves.

T 1.1.1

Chapter 1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The latest data from Census 2011 were used in compiling this report

T 1.2.1

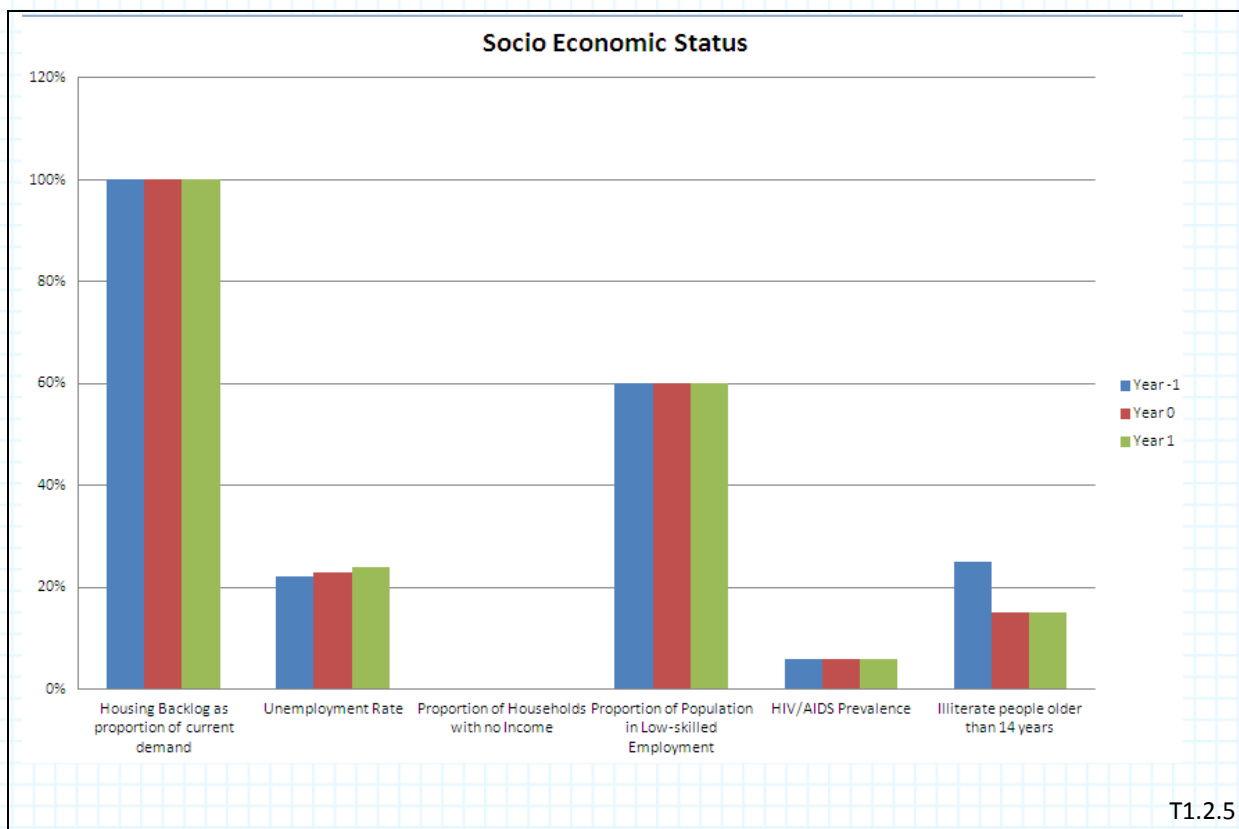
Population Details				
Age	Population			
	Year 0	Year 1		
	Total	Male	Female	Total
Age: 0 - 4	1285	874	783	1657
Age: 5 - 9		848	721	1569
Age: 10 - 19	5796	1548	1510	3058
Age: 20 - 29		1340	1295	2635
Age: 30 - 39		1060	966	2026
Age: 40 - 49	2114	919	930	1849
Age: 50 - 59		701	717	1418
Age: 60 - 69	1207	399	414	813
Age: 70+		283	388	671
	10402	7972	7724	15696
Source: Statistics SA				

T1.2.3

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
Year -1	100%	22%	5%	60%	4%	25%
Year 0	100%	23%	5%	60%	4%	15%
Year 1	100%	24%	5%	60%	4%	15%

T1.2.4

Chapter 1



Overview of Neighbourhoods within 'Thembelihle Municipality'	
Settlement Type	Households
Towns	
	900
Sub-Total	900
Townships	
	1931
Sub-Total	1931
Rural settlements	
Sub-Total	0
Informal settlements	
	1501
Sub-Total	1501
Total	4332
	T1.2.6

Chapter 1

Natural Resources	
Major Natural Resource	Relevance to Community
Orange River	irrigation, basic need
farm land	farming activity, employment opportunities
	T1.2.7

COMMENT ON BACKGROUND DATA:

Many agriculturally based B-BEE projects can potentially be rolled out.

Opportunities exist for skills training and development of B-BEE owned enterprises in formalising the large number of shack dwellings.

T1.2.8

Chapter 1

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The key focus in Thembelihle Local Municipality has been to ensure that bulk services are in place to meet the demands of all residents and commercial endeavours. We can report the following achievements:

Electricity

The 5MVA intake sub-station at Hopetown was completed in the year and this will ensure sufficient supply for the next 10 years. Electrification to erven in Sewendelaan is also being planned with Eskom. The high mast lighting projects in Steynville and Mandela Square were completed.

Water

The high risks associated with the Orange River raw water pump station has necessitated the emergency refurbishment of this pump station. However, the risks are still too high and application was submitted to Water Affairs and COGHSTA for the refurbishment of this pump station. This second phase will be expedited in 2013/2014 financial year.

The new 5,6 Mℓ/day Hopetown Water Treatment Works is nearing completion and scheduled for commissioning in March 2014.

The bulk supply scheme to Steynville will be completed in Dec 2013 and this will ensure bulk supply of water to Steynville. The project included the construction of a new 2,175 Mℓ low level reservoir and a 0,86 Mℓ high level reservoir as well as a new 250 mm di87858/88ameter ring main around Steynville. The bulk scheme will improve water pressures and water delivery to the existing network. A new rising main from the new WTW to Steynville command reservoirs was also completed.

The feasibility study to augment the underground water supply system used in Strydenburg was also completed and the next phase will be implemented in the 2013/2014 financial year. This phase will include the final design and equipping of new boreholes in Witpoort and Fairfield as well as a new bulk supply line from these reservoirs to the existing Witpoort transfer pump station.

Sanitation

No sanitation projects were expedited in this financial year. However, housing schemes were planned and the tender for services for the Strydenburg 63 (63 erven in Deetlefsville) was advertised but not awarded because the tender approved by council was higher than the budget and not accepted by COGHSTA. We understand that the provincial housing will now implement this project. Sewendelaan in Steynville ws also planned but to date no funding has been allocated.

The municipality is currently refurbishing the Hopetown main sewer pump station, the Vergenoeg Sewage Pump Station and effecting repairs to the Strydenburg Wastewater Treatment Works pond lining as part of the ACIP funded initiative.

Chapter 1

Problems with the lining to the Hopetown WWTW are being resolved with the lining contractor.

Roads and stormwater drainage

The business plan to refurbish and upgrade the Church and Wiid streets in Hopetown was not approved for funding by MIG. EPQWP funding was used in both Hopetown and Steynville to repair and seal potholes in main streets. Funding via Khotso Pula Nala initiative for the upgrading of Aandblom Street in Steynville was never realized.

Solid waste removal

The new solid waste land fill site has still not been commissioned but this will be planned in the 2013/2014 financial year.

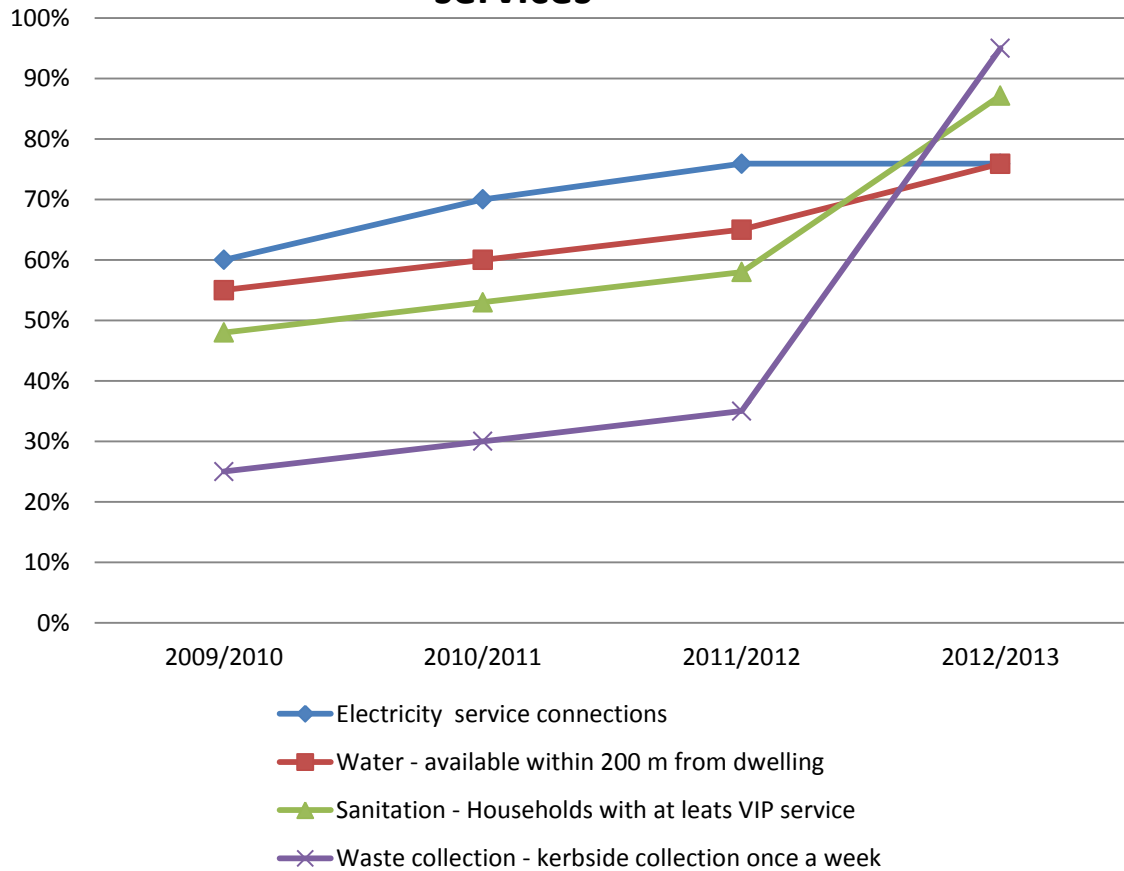
We have endeavoured to remove all waste heaps in Steynville but have been hampered by the poor condition of our earthmoving equipment.

Generally services to indigents have remained static. Our backlogs are with sanitation.

T 1.3.1

Chapter 1

Proportion of households with access to basic services



T1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

Electricity

There has been difficulty in obtaining a current indigent register on which planning can be based. The 2011 data indicated 1476 indigent households. However we have been unable to provide alternative energy resources like paraffin and candles to those indigent families who do not receive FBS electricity because the updated register is unavailable.

Water

Water is available to all residents either by way of metered yard connection or in the informal areas by street taps within 200m of any household.

Chapter 1

Sanitation

There is a resistance to accepting VIP sanitation systems in Steynville (Hopetown) and Deetlefsville (Strydenburg) when neighbouring suburbs are connected to water-borne sanitation. As a result no sanitation was expedited to provide sanitation services to those in need. Also services to areas like Sewendelaan in Steynville and Deetlefsville in Strydenburg are planned through the housing department.

Waste collection

We provide waste collection services once a week to all households in Hopetown and Strydenburg. However, we are aware that not many households make use of this service and prefer to dump rubbish illegally at block corners. This has placed major stress on the municipality to clear these heaps as our aging earth moving equipment has failed us time and time again. Payment for this service is very poor (27%).

Roads and stormwater

We were able to employ 40 workers on our EPWP incentive grant which addressed the repair of potholes mainly in Wiid and Church Streets but also other streets in both Hopetown and Steynville.

T1.3.3

Chapter 1

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

During this year the cash flow situation of the municipality remained a challenge. Although the intention remains to make all payments on the due date, this was not possible during the 2012/2013 financial year. A full revenue enhancement strategy has been developed and is being implemented. The data cleansing exercise has been completed, the council has approved the installation of pre-paid electricity meters and improved debt collection procedures have been implemented. These steps together with other actions, should improve the revenue stream of the municipality by 15% (of R3 mil per annum) during the 2014/2015 financial year.

Management is continuously investigating the possibility of obtaining additional grant funding in an effort to improve the services that are delivered to the community of Thembelihle Municipality.

T1.4.1

Financial Overview - 2012/2013			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income			
Grants	58330	52058	47222
Taxes, Levies and tariffs	31294	22950	21103
Other	0	0	
Sub Total	89624	75008	68325
Less Expenditure	108479	88231	56782
Net Total*	-18855	-13223	11543
* Note: surplus/(defecit)			T1.4.2

Operating Ratios	
Detail	%
Employee Cost	29.90%
Repairs & Maintenance	3.30%
Finance Charges & Depreciation	32.83%
	T1.4.3

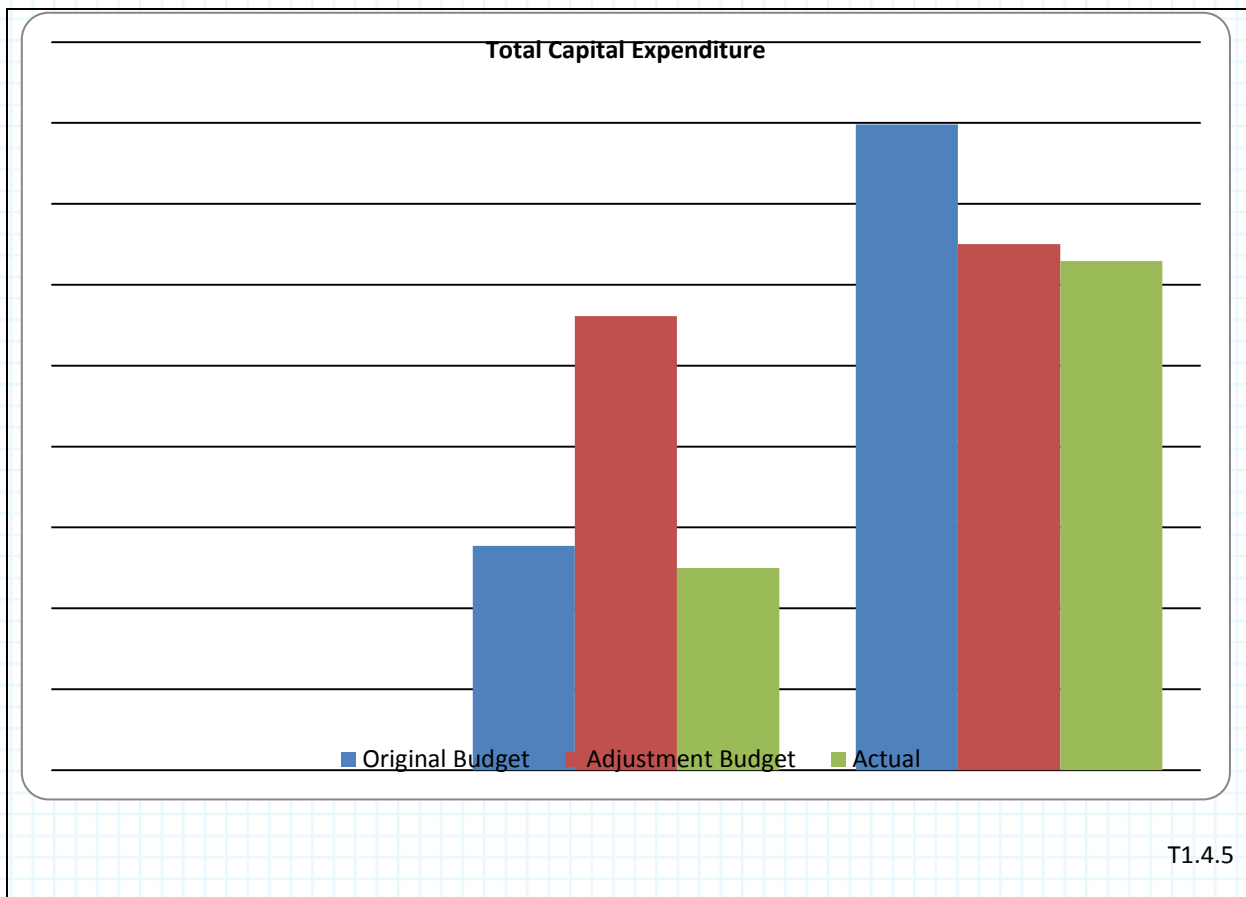
COMMENT ON OPERATING RATIOS:

The Employees Cost ratio is within the acceptable norm, but the Repairs and Maintenance ratio of 3,30%; which is as a result of the cash flow situation of the municipality; is of great concern and will be addressed as soon as the revenue stream has improved. The high Finance Charges & Depreciation ratio of 32,83% is due to high depreciation values.

T1.4.3

Chapter 1

Total Capital Expenditure: 2010/2011 to 2012/2013			
			R'000
Detail	2010/2011	2011/2012	2012/2013
Original Budget	0	13,852	39,914
Adjustment Budget	0	28,067	32,510
Actual	0	18,242	25,501
			T1.4.4



COMMENT ON CAPITAL EXPENDITURE:

The reduction of R7,4 million from the original to the adjustment budget is as a result of an reduction in grant allocations to municipality. The actual underspending of R7 million is as a result of the late approval of business plans submitted for funding.

T 1.4.5.1

Chapter 1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The municipality has experienced a very low turnover of personnel. Most of the policies are in the process of being reviewed and the policies not yet in place will be given attention to as matter of priority. The LGSETA has not been supportive of skills development and training BUT we did manage to have some people taking part in some programmes.

The employee expenditure is within the excepted norm although it is critical to expand the human resource capacity to strengthen the service delivery.

T1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT YEAR 1

Despite of a number of interventions by management to have an improved audit opinion for the 2012/2013 financial year, it was not successful and the auditor's view was again a disclaimer. Management has compiled an audit action plan based of the 2012/2013 auditor report and all items identified in the AG report will be rectified. Management also decided to compile and implement audit action plans for audit reports received from the internal audit unit. These steps, together with the appointment of critical financial positions, will no doubt result in an improved audit opinion for 2013/2014.

T 1.6.1

Chapter 1

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January
T1.7.1		

Chapter 1

COMMENT ON THE ANNUAL REPORT PROCESS:

The municipality understands the importance of achieving these deadlines and are at all times endeavouring to comply with these. In the past the Integrated Development Plan (IDP) process started too late and had no impact on the final budget. Due to the fact that the IDP is a community driven document, the lack of influence it had on the budget, resulted in performance management not been community driven. These aspects are being evaluated by management and will be rectified from the 2013/2014 financial year.

T1.7.1.1

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

The municipal council is responsible for governance which is exercised via submissions to council meetings and the maintenance of regular meetings of various committees to entrench oversight and consider issues in depth that must appear before council.

T2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Council consists of one permanent councillor who serves as mayor and speaker, with three other councillors serving as chairpersons of committees.

T2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

We have one permanent councillor serving as Mayor and Speaker. Three other councillors serve as chairpersons of the Corporative Service Committee, Technical Committee, and Finance Committee.

The intention is to establish very early in the new financial year the Oversight Committee and also to advertise positions on the Audit Committee.

The launch of the Municipal Public Accounts Committee is also imminent and will be up and running by the time of publication of this Annual Report.

Note: MFMA S52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

T2.1.1

Chapter 2

POLITICAL STRUCTURE		
Photos		Function
	MAYOR Cllr Danny A. Jonas	Full time
	DEPUTY MAYOR None	
	SPEAKER Office of Mayor and Speaker combined	
	CHIEF WHIP Suzette Madekane	
		T2.1.1

COUNCILLORS
Seven councillors serve Thembelihle Municipality.
Four of these are ward councillors that is three from the African National Congress and one ward councillor who is Independent.
Three of the proportional councillors are from the Congress of the People and one from the Democratic Alliance.
Also refer to Appendix A where a full list of Councilors can be found (including committee allocations and attendance at council meetings).
Also refer to Appendix B which sets out committees and committee purposes.
T2.1.2

POLITICAL DECISION-TAKING
This process happens by way of council resolutions.
T2.1.3

Chapter 2

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The structure consists of the Municipal Manager, the Chief Financial Officer and two other senior managers. The position of a fourth senior manager (Planning and Development) is included on the staff establishment but has not been filled as yet due to budget restraints.

Note: MFMA s60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

T2.2.1

TOP ADMINISTRATIVE STRUCTURE

Photo	TIER 1	Function
	MUNICIPAL MANAGER Abraham Mpho Mogale	
	TIERS 2 AND 3	
Photo Executive Directors	EXECUTIVE DIRECTOR: Chief Financial Officer Gladwin Dewaldt Nieuwenhuizen VACANT since second quarter 2013 (i.e. 4 th quarter of 2012/13 DIRECTOR: Manager – Treasury Services VACANT DIRECTOR: Manager – Financial Services VACANT	
Directors	EXECUTIVE DIRECTOR: Manager – Technical Services Evan Richard Painting	
Optional	EXECUTIVE DIRECTOR: Manager – Corporate Services Yahya Mustafa Goibaiyer	
	EXECUTIVE DIRECTOR: Manager – Planning and Development VACANT	
	Note: * denotes officials on fixed term performance contracts reporting to the Municipal Manager under the Municipal Systems Act Section 57.	

T2.2.2

Chapter 2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Active participants in the District Technical IGR and District IGR.

Full interaction with provincial sector departments.

Note: MSA S3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution S41.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

No participation

T2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

No participation

T2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

No entities established

T2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

Active participants. Have service level agreement in place on housing delivery.

T2.3.4

Chapter 2

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Community meetings for each of the four wards were held to discuss the IDP as well as the proposed budget.

MSA S15 (b): requires a municipality to establish and organise its administration to facilitate and a culture of accountability amongst its staff. S16 (i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. S18 (i) (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

IDP Representative forums were held as well as two public meetings to elicit input from the community on the compilation of the IDP.

Notices are posted in public places to convey announcements together with the distribution of flyers. The municipality has also established a website which people can access.

T2.4.1

WARD COMMITTEES

Wards committees for two of the four wards are active and forward recommendations to their ward councillors.

Refer to **Appendix E** which contains further details on ward committee governance and to **Appendix F** that contains performance data on a ward by ward basis.

T2.4.2

Chapter 2

Public Meetings					
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
WARD 3 COMMITTEE MEETING	2012 AUG 08	ONE 1	NONE	NONE	NOT APPLICABLE
WARD 1 COMMUNITY MEETING	2012 AUG 23	ONE 1	THREE	61 PERSONS	NOT APPLICABLE
WARD 3 COMMITTEE MEETING	2012 OCT 01	ONE 1	NONE	NONE	NOT APPLICABLE
WARD 1 COMMITTEE MEETING	2012 OCT 11	ONE 1	NONE	NONE	NOT APPLICABLE
WARD 3 COMMITTEE MEETING	2012 NOV 13	ONE 1	NONE	NONE	NOT APPLICABLE
WARD 1 COMMITTEE MEETING	2012 NOV 15	ONE 1	NONE	NONE	NOT APPLICABLE
WARD 3 COMMITTEE MEETING	2012 DEC 04	ONE 1	NONE	NONE	NOT APPLICABLE
WARD 3 COMMITTEE MEETING	2013 JAN 23	ONE 1	NONE	NONE	NOT APPLICABLE
WARD 3 COMMITTEE MEETING	2013 JAN 30	ONE 1	NONE	NONE	NOT APPLICABLE
WARD 1 COMMITTEE MEETING	2013 MAR06	ONE 1	NONE	NONE	NOT APPLICABLE
WARD 3 COMMITTEE MEETING	2013 MAR07	ONE 1	NONE	NONE	NOT APPLICABLE
WARD 1 COMMUNITY MEETING	2013 APR 08	ONE 1	TWO	75 PERSONS	NOT APPLICABLE
WARD 1 COMMITTEE MEETING	2013 MAY 04	ONE 1	NONE	NONE	NOT APPLICABLE

T2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Very positive inputs are received from the community on the issues as appearing on the agenda on and also other matters raised as concerns.

T2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

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

T2.5.1

Chapter 2

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Handled by the municipal council assisted by the senior managers.

T2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

This is a work in progress that will be implemented together with the provincial treasury.

Note: MFMA S62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

T2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Municipality has no risk management and associated actions policies in place but the municipality is hard at work on it. We do not have a fraud hotline.

Risk assessment was done for the municipality.

Audit Committee function done by shared services from district municipality.

Internal audit is also done by shared services from district municipality and functioning very well.

T2.7.1

Chapter 2

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

We have a very good supply chain management policy in place. A policy on irregular, unauthorized, fruitless and wasteful expenditure will be implemented in the 2013/2014 financial year.

The advisor from National Treasury is engaged with intensive training of staff members from the Budget and Treasury Office to strengthen the SCM capacity.

T2.8.1

2.9 BY-LAWS

By-laws Introduced during Year 1					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
none	none	not applicable	not applicable	n / a	n / a
Note: See MSA section 13.					

T2.9.1

COMMENT ON BY-LAWS:

None newly developed by-laws instituted for the year.

T2.9.1.1

Chapter 2

2.10 WEBSITES

Municipal Website : Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	YES	2013 JULY
All current budget-related policies	YES	2013 JULY
The previous annual report (Year 0)	NO	
The annual report (Year 1) published/to be published	-	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 1) and resulting scorecards	NO	
All service delivery agreements (Year 1)	NO	
All long-term borrowing contracts (Year 1)	NO	
All supply chain management contracts above a prescribed value (give value) for Year 1	NO	
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 Year 1	NO	
Contracts agreed in Year 1 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	NO	
Public-private partnership agreements referred to in section 120 made in Year 1	NO	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 1	NO	-
<i>Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		T2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The municipal website www.thembelihlemunicipality.gov.za came on line during July 2013. A lot of work still need to be attended to.

T2.10.1.1

Chapter 3

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

The key focus in Thembelihle Local Municipality has been to ensure that bulk services are in place to meet the demands of all residents and commercial endeavours. We can report the following achievements:

Electricity

The 5MVA intake sub-station at Hopetown was completed in the year and this will ensure sufficient supply for the next 10 years. Electrification to erven in Sewendelaan is also being planned with Eskom. The high mast lighting projects in Steynville and Mandela Square were completed.

Water

The high risks associated with the Orange River raw water pump station has necessitated the emergency refurbishment of this pump station. However, the risks are still too high and application was submitted to Water Affairs and COGHSTA for the refurbishment of this pump station. This second phase will be expedited in 2013/2014 financial year.

The new 5,6 Mℓ/day Hopetown Water Treatment Works is nearing completion and scheduled for commissioning in March 2014.

The bulk supply scheme to Steynville will be completed in Dec 2013 and this will ensure bulk supply of water to Steynville. The project included the construction of a new 2,175 Mℓ low level reservoir and a 0,86 Mℓ high level reservoir as well as a new 250 mm di87858/88ameter ring main around Steynville. The bulk scheme will improve water pressures and water delivery to the existing network. A new rising main from the new WTW to Steynville command reservoirs was also completed.

The feasibility study to augment the underground water supply system used in Strydenburg was also completed and the next phase will be implemented in the 2013/2014 financial year. This phase will include the final design and equipping of new boreholes in Witpoort and Fairfield as well as a new bulk supply line from these reservoirs to the existing Witpoort transfer pump station.

Sanitation

No sanitation projects were expedited in this financial year. However, the following housing schemes were planned:

- 1) Civil services for the Strydenburg 63 (63 erven in Deetlefsville)
- 2) Electrical and civil services to erven in Sewendelaan (Steynville)

Chapter 3

The municipality is currently refurbishing the Hopetown main sewer pump station, the Vergenoeg Sewage Pump Station and effecting repairs to the Strydenburg Wastewater Treatment Works pond lining as part of the ACIP funded initiative.

Problems with the lining to the Hopetown WWTW are being resolved with the lining contractor.

Roads and stormwater drainage

The business plan to refurbish and upgrade the Church and Wiid streets in Hopetown was not approved for funding by MIG. EPWP funding was used in both Hopetown and Steynville to repair and seal potholes in main streets. Funding via Khotso Pula Nala initiative for the upgrading of Aandblom Street in Steynville was never realized.

Solid waste removal

The new solid waste land fill site has still not been commissioned but this will be planned in the 2013/2014 financial year.

We have endeavoured to remove all waste heaps in Steynville but have been hampered by the poor condition of our earthmoving equipment.

Generally services to indigents have remained static. Our backlogs are with sanitation, housing and electricity.

T3.0.1

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

The Constitution Act 108 of 1996, Municipal Structures Act 117 of 1998 and Municipal Systems Act 32 of 2000 lead the duties of all municipalities in the delivery of services to residents.

To this end Thembelihle Local Municipality is committed to service delivery, especially to our poor community members. Access to employment, improvement of services like water, sanitation, refuse collection and safe roads and effective stormwater drainage systems are all part of improving the lives of all in our municipal area.

T3.1.0

Chapter 3

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Water resources

Water for Hopetown and Steynville is obtained from the Orange River. It is purified at the Water Treatment Works which is based on conventional water treatment processes. Thembelihle is approaching the development stage where the capacity of the existing water treatment works at Hopetown has been reached. This was addressed a few years back and the new Water Treatment Works is now under construction and should be commissioned in November 2013. The bulk water supply to Steynville is nearing completion and this system will ensure a robust and much improved water supply system to Steynville.

Water supply to Strydenburg is obtained from boreholes in the area and these have also reached their supply capacities. A readiness study has been completed and new boreholes in Fairfield will now be developed to provide sufficient water to Strydenburg until 2020. This should be completed by the end of 2013/2014 or possibly even in to 2014/2015.

Unaccounted-for water losses are high (48,4%) and this will be addressed as high priority in the new financial year 2013/2014. We have a much improved water loss data capturing system in Strydenburg now and have been able to identify some of the water systems that contain the highest water losses. Hopetown is still problematic as many of the bulk meters do not work. ACIP funds have been received as part of the Water Conservation Water Demand Management (WCWDM) for Thembelihle. The funds will be used for the replacement of defective bulk and end user water meters; as well as the replacement of the rising main to the Hopetown command reservoirs. It is anticipated that the replacement of these end-user meters should also increase revenue generation. As part of the drive, a data cleansing exercise was initiated to validate and update the correctness of Thembelihle's water and electrical users, their addresses, bank accounts, as well as a total check of both electrical and water meters readings for each property served by the municipality.

The status of Thembelihle's Blue Drop System is shown below as at June 2013.

Blue Drop

BDS at June 2013

Table 3.1: Microbiological SANS 241 : 2006 Compliance - Supply System Summaries															
System	Water Quality											Monitoring Compliance			CERTIFIED DATA
	Analysis			Samples				Sites				Monthly	Annual	Total	
	Total	Failures	%	Total	Failures	%	Frequency	Total	Failures	%	Coverage				
Hopetown (Orange River)	5	0	>99.9%	5	0	>99.9%	>99.9 %	5	0	>99.9%	>99.9%	>99.9%	50.0%	70.0%	
Strydenburg (Boreholes)	2	0	>99.9%	2	0	>99.9%	>99.9 %	2	0	>99.9%	>99.9%	>99.9%	50.0%	75.0%	0.0%
Thembelihle Local Municipality	7	0	>99.9%	7	0	>99.9%	>99.9 %	7	0	>99.9%	>99.9%	>99.9%	50.0%	71.4%	0.0%

Chapter 3

Table 3.2: Chemical SANS 241 : 2006 Compliance - Supply System Summaries

System	Water Quality										Monitoring Compliance			CERTIFIED DATA
	Analysis			Samples			Sites				Monthly	Annual	Total	
	Total	Failures	%	Total	Failures	%	Total	Failures	%	Coverage				
Hopetown (Orange River)	20	0	>99.9%	5	0	>99.9%	5	0	>99.9%	>99.9%	>99.9%	>99.9%		
Strydenburg (Boreholes)	8	0	>99.9%	2	0	>99.9%	2	0	>99.9%	>99.9%	>99.9%	>99.9%	0.0%	
Thembelihle Local Municipality	28	0	>99.9%	7	0	>99.9%	7	0	>99.9%	>99.9%	>99.9%	>99.9%	0.0%	

Table 3.3: Physical, Organoleptic SANS 241 : 2006 Compliance - Supply System Summaries

System	Water Quality										Monitoring Compliance			CERTIFIED DATA
	Analysis			Samples			Sites				Monthly	Annual	Total	
	Total	Failures	%	Total	Failures	%	Total	Failures	%	Coverage				
Hopetown (Orange River)	25	0	>99.9%	5	0	>99.9%	5	0	>99.9%	>99.9%	>99.9%	>99.9%	>99.9%	
Strydenburg (Boreholes)	10	0	>99.9%	2	0	>99.9%	2	0	>99.9%	>99.9%	>99.9%	>99.9%	>99.9%	0.0%
Thembelihle Local Municipality	35	0	>99.9%	7	0	>99.9%	7	0	>99.9%	>99.9%	>99.9%	>99.9%	>99.9%	

The failures recorded relate to E-coli counts being found in certain of the end point lines in our distribution system in Hopetown as well as in Strydenburg. There is doubt cast on certain of these E-coli counts as there are free chlorine residual counts recorded from the same samples. This matter is being investigated by testing new samples at our current laboratory and another laboratory. We are also in the process of refurbishing the gas chlorination system at Strydenburg to ensure a more robust disinfection system.

As the Water Service Provider in Thembelihle, we also supply water to the communities at Orange River Station (15 families) and Kraankuil Station (12 families). We shall be considering the use of boreholes in these areas as an alternative to transporting water in with tankers.

Water supply project programme

The following projects are currently being planned:

- Services to 63 erven in Deetlefsville, Strydenburg

The tender for services to 63 erven in Deetlefsville was advertised in 2012. The successful tenderer was not appointed because insufficient funds were available. This project has since been managed by Pixley ka Seme DM and will go out to tender again in the 2013/2014 financial year.

Chapter 3

- The services to 300 erven in Sewendelaan suburb of Steynville were to be addressed in the 2013/2014 financial year. However, funding through the Pixley ka Seme DM Housing fund did not materialise
- The IDP also requires the servicing of 250 erven per year for the next three years. This will be addressed under the Pixley ka Seme DM housing department. However, no funds are available for the 2013/2014 financial year.

Sanitation and wastewater management

We have recently constructed new wastewater treatment facilities in both Hopetown and Strydenburg. The HDPE lining to the oxidations ponds in Hopetown have leaked and this has necessitated the repair of the linings. It is anticipated that this repair will be completed early in the 2013/2014 financial year and the works re-commissioned. Sewage from Hopetown has been diverted to the old WWTW at Hopetown in the interim.

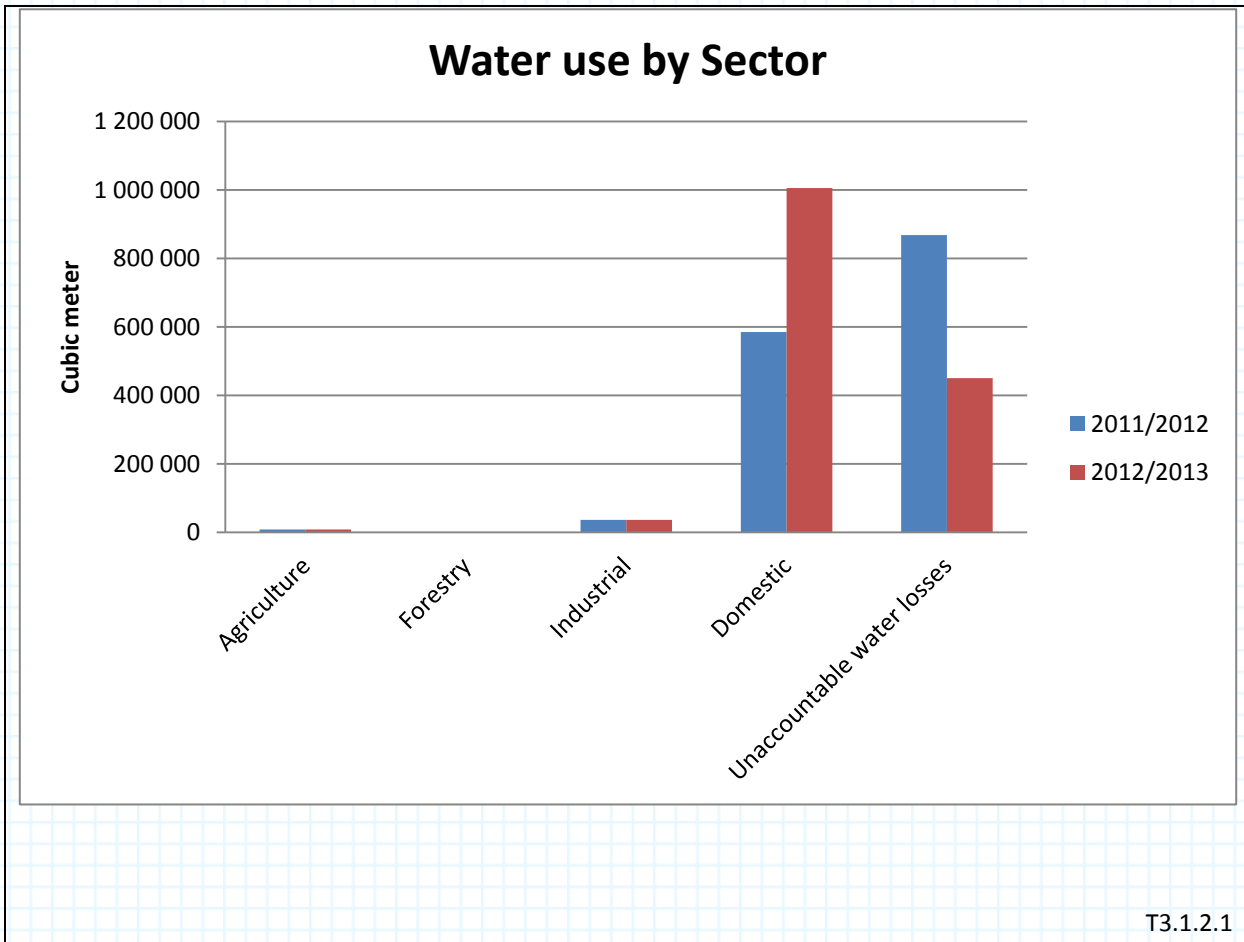
The status of Thembelihle's Green Drop System is shown below as at June 2013.

Green Drop System

Green Drop We were awarded 55,7% status: the 3rd highest ranking in the Northern Cape in 2011.

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2011/2012	8,216	0	36,256	584,785	867,537
2012/2013	8,500	0	36,000	1,005,500	450,000
					T3.1.2

Chapter 3



COMMENT ON WATER USE BY SECTOR:

Water consumption data are poor. This is due to WCWDM system not being expedited properly. Thembelihle has many bulk waters and domestic meters that do not work and so the recording of bulk water consumption data as well as end-user consumption is not accurate. This has led to poor data regarding water consumption for billing and unaccounted-for water losses. ACIP funding was granted in April 2013 and these funds will be used for the replacement of bulk water meters, domestic meters, certain telemetry and the rising main to Hopetown Command Reservoirs.

From the data that we have, our unaccounted-for water losses have reached 48,4% of clean water supplied. This is not an acceptable loss. Consequently an audit has been expedited on all meters in the municipal area in the second half of the financial year to identify which meters do not work as well as checking all the necessary end user information and current meter readings.

T3.1.2.2

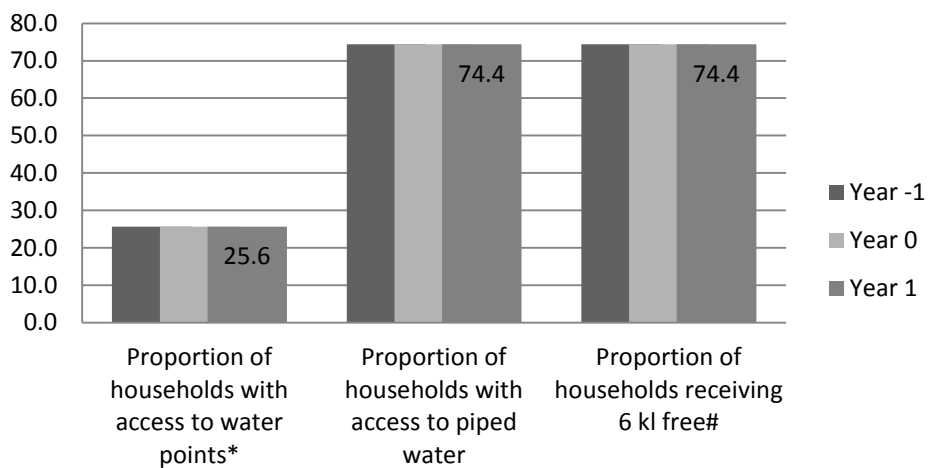
Chapter 3

Water Service Delivery Levels				
Description	2009/2010	2010/2011	2011/2012	Households 2012/2013
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Water: (above min level)				
Piped water inside dwelling	2,560	2,560	2,560	2,560
Piped water inside yard (but not in dwelling)	0	0	0	0
Using public tap (within 200m from dwelling)	1,501	1,529	879	907
Other water supply (within 200m)			28	
<i>Minimum Service Level and Above sub-total</i>	4,061	4,089	3,467	3,467
<i>Minimum Service Level and Above Percentage</i>	nk	nk	100%	100%
Water: (below min level)				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling)	nk	28		
No water supply				
<i>Below Minimum Service Level sub-total</i>	nk	28	0	0
<i>Below Minimum Service Level Percentage</i>	nk	1%	0%	0%
Total number of households*	not known	4,117	3,467	3,467
* - To include informal settlements				T3.1.3

Households - Water Service Delivery Levels below the minimum						
Description	2009/2010	2010/2011	2011/2012	Households 2012/2013		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	2,889	2,704	2,560	2,560	2,560	2,560
Households below minimum service level	28	28	28	28	28	28
Proportion of households below minimum service level	1%	1%	1%	1%	1%	1%
Informal Settlements						
Total households	1,200	879	879	879	879	879
Households ts below minimum service level	0	0	0	0	0	0
Proportion of households ts below minimum service level	0%	0%	0%	0%	0%	0%
						T3.1.4

Chapter 3

Access to Water



* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute

6,000 liters of potable water supplied per formal connection per month

T3.1.5

Chapter 3

Water Service Policy Objectives Taken From IDP									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	2011/2012		2012/2013			2013/2014	2015/2016	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	2013/2014 (viii)	2014/2015 (ix)	2015/2016 (x)
Service Objective xxx									
Households without minimum water supply	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end)	0 additional HHs (0 HHs outstanding)	0 additional HHs (0 HHs outstanding)	0 additional HHs (0 HHs outstanding)	0 additional HHs (0 HHs outstanding)	0 additional HHs (0 HHs outstanding)	0 additional HHs (0 HHs outstanding)	0 additional HHs (0 HHs outstanding)	0 additional HHs (0 HHs outstanding)
Improve reliability of water supply	Reduce the number of interruptions (Ints) in supply of one hour or more compared to the baseline of 2011/2012 (xxx interruptions of one hour or more during the yr)	Not available To% (Ints)	16 A0% (Ints)	Not available T1% (Ints)	10 T1% (Ints)	10 A1% (Ints)	5 (5 Ints)	5 (5 Ints)	5 (5 Ints)
Improve water conservation	Reduce unaccountable water levels compared to the baseline of 2011/2012 (876 537 kilolitres (kℓ) unaccounted for during the yr)	Not available To% (n/a kℓ)	Not available A0% (n/a kℓ)	Not available T1% (n/a kℓ)	51% T1% (450 000 kℓ)	51% (450 000 kℓ)	20% (175 307 kℓ)	10% (87 650 kℓ)	5% (43 826 kℓ)

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (iii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; **Current Year' refers to the targets set in the Year 1 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

Chapter 3

Employees: Water Services					
Job Level	2011/2012	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	7	7	2	5	71%
7 - 9	8	8	8	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated*

Financial Performance 2012/2013: Water Services					
					R'000
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	10,833	3,380	2,928	18,319	82%
Expenditure:					
Employees	1,520	1,877	2,056	1,423	-32%
Repairs and Maintenance	968	291	170	853	66%
Other	3,645	5,879	1,665	630	-833%
Total Operational Expenditure	6,133	8,047	3,891	2,906	-177%
Net Operational Expenditure	-4,699	4,667	963	-15,413	130%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.1.8

Chapter 3

R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	13 569	12 891	23 188	41%	
Hopetown Bulk Water Supply	10 991	9 734	13 737	20%	30 620 000
Steynville Upgrading of Bulk water Supply and Distribution	2 578	3 157	9 451	73%	17 074 120
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.1.9

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

Bulk water provision to both Strydenburg and Hopetown is progressing well.

There are risks associated with the raw water abstraction pump station in the Orange River but these will be addressed in 2013 with RBIG/MIG funding proposals. Once the boreholes serving Strydenburg have been equipped, the final blended water quality evaluated for water softening treatment to improve the water hardness of Strydenburg's potable water.

The internal reticulation in both Hopetown and Strydenburg will need to be upgraded from the asbestos cement pipes to HDPE or uPVC piping. The existing asbestos cement system is old and at the end of its useful life. Consequently, pipe bursts occur frequently.

T3.1. 10

Chapter 3

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

Sanitation to the informal areas in Thembelihle must be addressed. The VIP latrines in the formal areas also need to be replaced with waterborne sewerage systems.

Our strategy for the introduction of water borne sanitation systems to the residential areas will be based on:

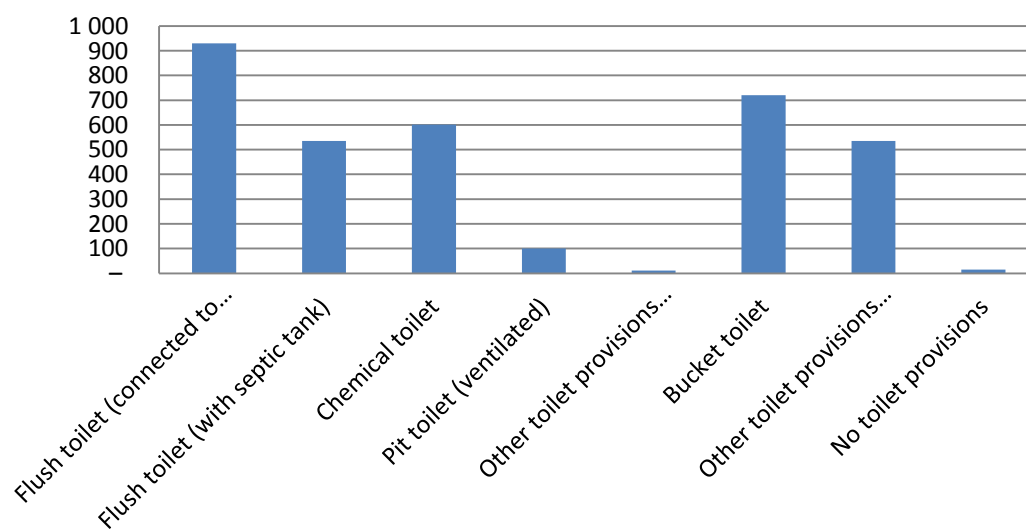
- a) The national housing scheme
- b) MIG funding

We have not provided any new sanitation services during the 2011/2012 year. This has been due to inadequate planning resulting in no business plans being developed to attract MIG or other funding.

As a result, 2012/2013 needs to ensure that sufficient BP's are developed to address the delivery of sanitation services to Thembelihle's residents according to the IDP.

T3.2.1

Sanitation/Sewerage: (above minimum level) - Year 1



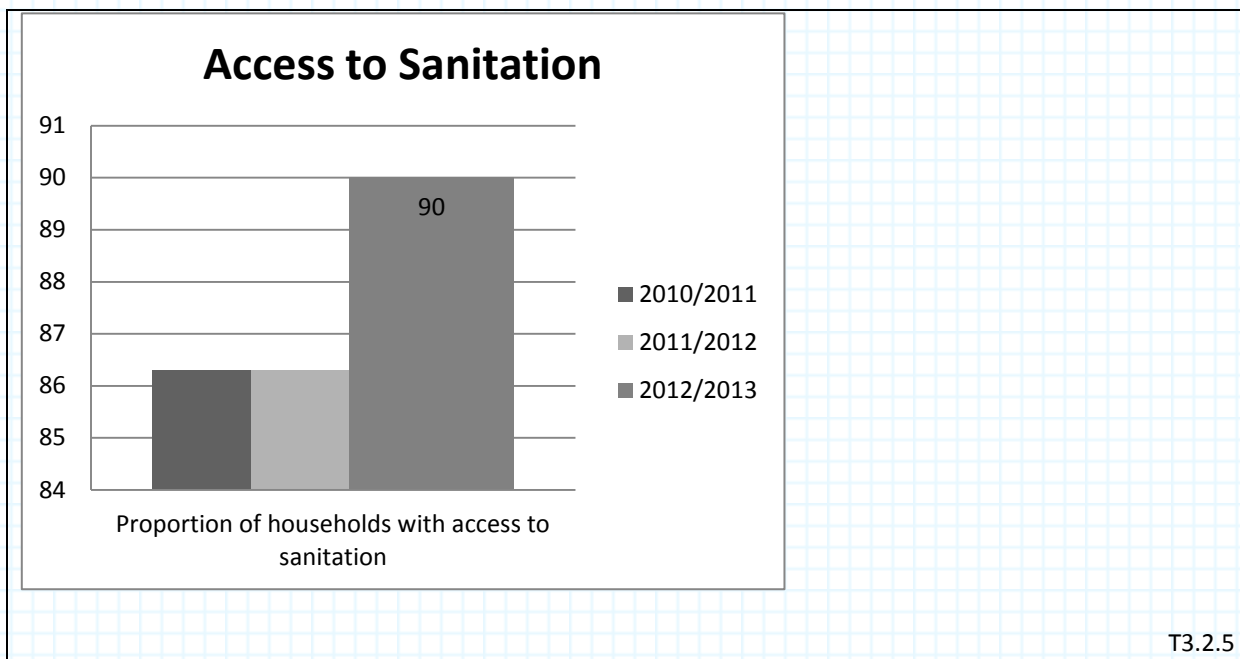
T3.2.2

Chapter 3

Sanitation Service Delivery Levels						
Description	2009/2010	2010/2011	2011/2012	2012/2013		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
*Households						
Sanitation/sewerage: (above minimum level)						
Flush toilet (connected to sewerage)	not available	2,229	2,229	2,229	2,229	2,229
Flush toilet (with septic tank)	not available	included above	included above	included above	included above	included above
Chemical toilet	not available	0	0	0	0	0
Pit toilet (ventilated) VIP	not available	731	731	731	731	731
Other toilet provisions (above min.service level)	not available	0	0	0	0	0
Minimum Service Level and Above sub-total	0	2,960	2,960	2,960	2,960	2,960
Minimum Service Level and Above Percentage	not available	72.9%	86.3%	86.3%	86.3%	86.3%
Sanitation/sewerage: (below minimum level)						
Bucket toilet	not available	0	0	0	0	0
Other toilet provisions (below min.service level)	not available	0	0	0	0	0
No toilet provisions	not available	1,101	471	471	471	471
Below Minimum Service Level sub-total	0	1,101	471	471	471	471
Below Minimum Service Level Percentage	not available	27.1%	13.7%	13.7%	13.7%	13.7%
Total households	0	4,061	3,431	3,431	3,431	3,431
*Total number of households including informal settlements						T3.2.3

Households - Sanitation Service Delivery Levels below the minimum						
Description	2009/2010	2010/2011	2011/2012	2012/2013		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Households						
Formal Settlements						
Total households	n/a	2,889	n/a	2,889	2,889	2,889
Households below minimum service level	n/a	130	n/a	130	130	130
Proportion of households below minimum service level	#VALUE!	4%	#VALUE!	4%	4%	4%
Informal Settlements						
Total households	n/a	1,200	n/a	1,200	1,200	1,200
Households below minimum service level	n/a	971	n/a	971	971	971
Proportion of households below minimum service level	#VALUE!	81%	#VALUE!	81%	81%	81%
						T3.2.4

Chapter 3



Chapter 3

[illegible]

Chapter 3

Employees: Sanitation Services					
Job Level	2011/2012	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	2	6	2	4	67%
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	#DIV/0!
13 - 15	0	0	0	0	#DIV/0!
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	4	8	4	4	50%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2012/2013: Sanitation Services					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2,061	2,230	2,222	2,207	-1%
Expenditure:					
Employees	806	914	665	665	-37%
Repairs and Maintenance	197	137	76	90	-53%
Other	1,594	653	412	257	-154%
Total Operational Expenditure	2,598	1,704	1,153	1,011	-68%
Net Operational Expenditure	537	-526	-1,069	-1,196	56%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

R'000

T3.2.8

Chapter 3

3.3 ELECTRICITY

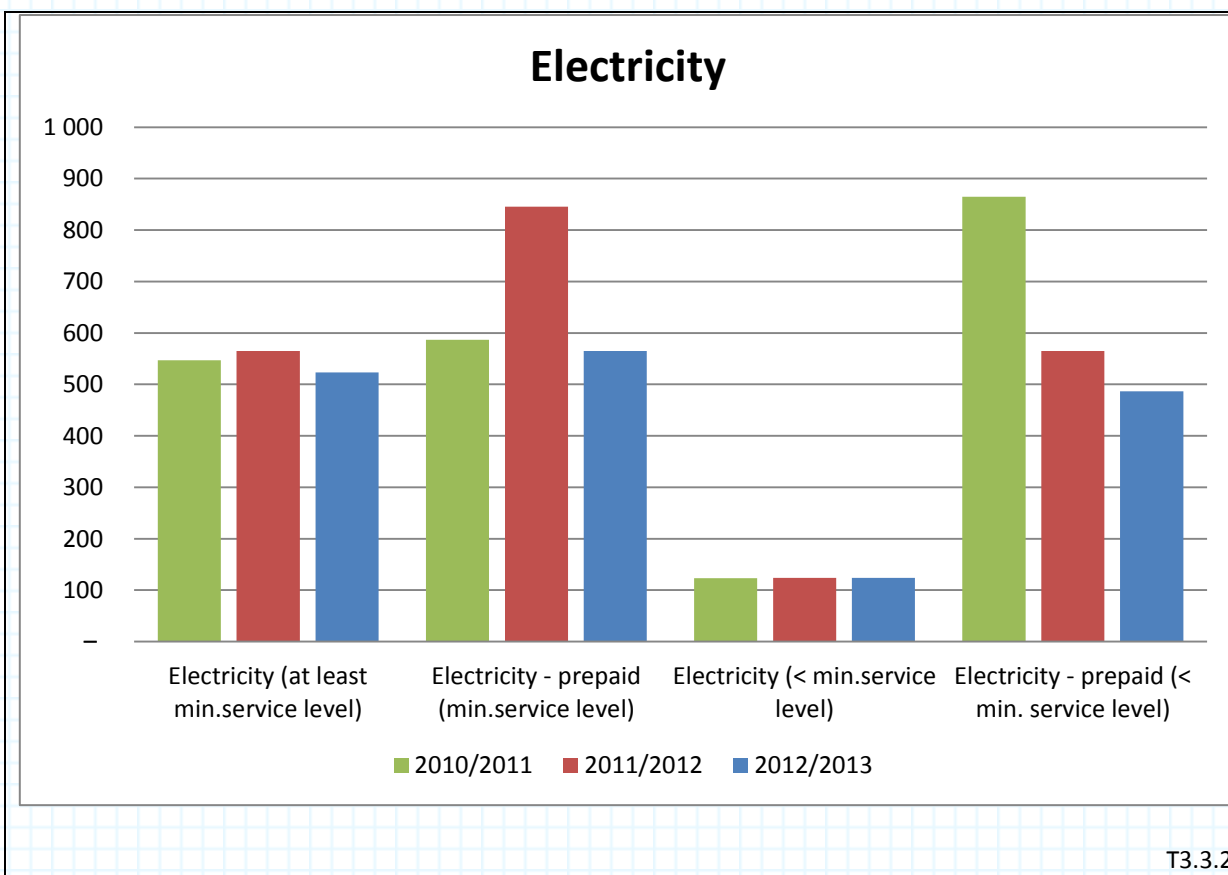
INTRODUCTION TO ELECTRICITY

Delays have been experienced in the SG approval of erven in Sewendelaan, Steynville. These erven total some 271 erven and Eskom had planned to electrify these erven in the first part of 2012/2013 financial year. This has not occurred and so the process of electrification to this area has been delayed.

The tender for the provision of services to 63 erven in Deetlefsville, Strydenburg should have been awarded in November 2012, however, due to the tender amount of the proposed successful bidder being too high, the award has not been made pending Public Works' approval of the tender amount.

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

T3.3.1



Chapter 3

Electricity Service Delivery Levels				
Description	2009/2010	2010/2011	2011/2012	Households 2012/2013
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Energy: (above minimum level)</u>				
Electricity (at least min.service level)	not know n	not know n	740	740
Electricity - prepaid (min.service level)	not know n	not know n	1,820	1,820
Minimum Service Level and Above sub-total	-	-	2,560	2,560
Minimum Service Level and Above Percentage	#DIV/0!	#DIV/0!	63.0%	63.0%
<u>Energy: (below minimum level)</u>				
Electricity (< min.service level)	not know n	not know n	1,501	1,501
Electricity - prepaid (< min. service level)	not know n	not know n	-	-
Other energy sources	not know n	not know n	-	-
Below Minimum Service Level sub-total	-	-	1,501	1,501
Below Minimum Service Level Percentage	#DIV/0!	#DIV/0!	37.0%	37.0%
Total number of households	-	-	4,061	4,061
				T3.3.3

Households - Electricity Service Delivery Levels below the minimum						
Description	2009/2010	2010/2011	2011/2012	Households 2012/2013		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	not know n	not know n	2,889	2,889		2,889
Households below minimum service level	not know n	not know n	301	301		301
Proportion of households below minimum service level	#VALUE!	#VALUE!	10%	10%	#DIV/0!	10%
Informal Settlements						
Total households	not know n	not know n	1,200	1,200		1,200
Households ts below minimum service level	not know n	not know n	1,200	1,200		1,200
Proportion of households ts below minimum service level	#VALUE!	#VALUE!	100%	100%	#DIV/0!	100%
						T3.3.4

Chapter 3

Electricity Service Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2011/2012		2012/2013			2013/2014	2015/2016	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	2013/2014 (viii)	2014/2015 (ix)	2015/2016 (x)
Service Objective xxx									
Provision of minimum supply of electricity	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)	0 additional HHs (871 HHs below minimum)	0 additional HHs (871 HHs below minimum)	0 additional HHs (871 HHs below minimum)	0 additional HHs (871 HHs below minimum)	0 additional HHs (871 HHs below minimum)	301 additional HHs (1501 HHs below minimum)	300 additional HHs (900 HHs below minimum)	300 additional HHs (600 HHs below minimum)
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 1 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									

T3.3

T3.3.5

Chapter 3

Employees: Electricity Services					
Job Level	2011/2012	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	2	4	3	1	25%
7 - 9	0	0	0	0	#DIV/0!
10 - 12	2	2	0	2	100%
13 - 15	0	0	0	0	#DIV/0!
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	4	6	3	3	50%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.3.6

Financial Performance 2012/2013: Electricity Services					
R'000					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	10,892	8,751	9,107	12,969	33%
Expenditure:					
Employees	73	362	377	316	-15%
Repairs and Maintenance	288	283	230	356	21%
Other	11,784	9,447	1,754	8,706	-9%
Total Operational Expenditure	12,145	10,092	2,361	9,378	-8%
Net Operational Expenditure	-1253	-1341	6746	3591	137%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variance					T3.3.7

Chapter 3

Capital Expenditure 2012/2013: Electricity Services					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	1,206,527	100%	
High Mass Lighting Steynville and Mandela Square	0	0	1,206,527	100%	1,172,289
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The installation of the 5 MVA sub-station in Hopetown is progressing well with the 5 MVA transformer being commissioned in Dec 2012. This transformer will run in parallel with the existing two 1 MVA transformers until the end of Jan 2013. Thereafter it will be fully commissioned and the existing two 1 MVA transformers decommissioned, serviced and re-sited at the new sub-station platform. Bulk electricity provision in Hopetown will thus be secured in 2012/2013 financial year

The targets for electrification to areas in Steynville and Strydenburg will not be realised as per IDP requirements due to the lack of project management within the municipality.

T3.3.9

Chapter 3

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

Currently, Thembelihle provides a weekly refuse collection to all residents in Hopetown and Strydenburg. However, refuse removal in Steynville (part of Hopetown) is still proving to be difficult because the residents do not place their plastic bags out in the street for collection. Refuse is rather thrown onto rubbish heaps on block corners. This results in costly exercises to remove the refuse as garden and building rubble as well as carcasses are also thrown onto these heaps. Earth moving equipment has to be used (front-end loaders and tipper trucks) to remove the rubbish mounds.

Our priorities to the immediate future are to:

- Commission the new solid waste disposal site

- Decommission the existing dump site

Earthmoving and compaction equipment would need to be purchased to enable the municipality to effectively run the new waste disposal site.

We plan to meet with the communities to discuss how best to address the issue of waste collection. Issues regarding the purchase of plastic bags, placing these bags in the street for collection and the removal of ash, garden refuse and building rubble must also be addressed.

T3.4.1

Chapter 3

Solid Waste Service Delivery Levels				
Description	2009/2010	2010/2011	2011/2012	Households 2012/2013
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week	nk	nk	4,061	4,061
Minimum Service Level and Above sub-total	0	0	4,061	4,061
Minimum Service Level and Above percentage	#DIV/0!	#DIV/0!	99.3%	99.3%
<u>Solid Waste Removal: (Below minimum level)</u>				
Removed less frequently than once a week	nk	nk		
Using communal refuse dump	nk	nk		
Using own refuse dump	nk	nk		
Other rubbish disposal	nk	nk		
No rubbish disposal	nk	nk	28	28
Below Minimum Service Level sub-total	0	0	28	28
Below Minimum Service Level percentage	#DIV/0!	#DIV/0!	0.7%	0.7%
Total number of households	0	0	4,089	4,089
				T3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						
Description	2009/2010	2010/2011	2011/2012	Households 2012/2013		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	nk	nk	2,889	2,889	2,889	2,889
Households below minimum service level	nk	nk	0	0	0	0
Proportion of households below minimum service level	#VALUE!	#VALUE!	0%	0%	0%	0%
Informal Settlements						
Total households	nk	nk	1,200	1,200	1,200	1,200
Households ts below minimum service level	nk	nk	0	0	0	0
Proportion of households ts below minimum service level	#VALUE!	#VALUE!	0%	0%	0%	0%
				T3.4.3		

Chapter 3

Waste Management Service Policy Objectives Taken From IDP									
<div style="text-align: center;">Service Objectives Service Indicators (i)</div>	Outline Service Targets (ii)	2011/2012		2012/2013			2013/2014	2014/2015	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	Actual (iv)	*Previous Year (v)	*Current Year (vi)	Actual (vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<i>Provision of weekly collection service per household (HH)</i>	Proportionate reduction in average weekly collection failures year on year (average number of collection failures each week)	not known weekly collection failures	% reduction from 2007/08 (not known weekly collection failures)	% reduction from 2007/08 (not known weekly collection failures)	% reduction from 2007/08 (xxx weekly collection failures)	% reduction from 2007/08 (xxx weekly collection failures)	% reduction from 2007/08 (xxx weekly collection failures)	% reduction from 2007/08 (xxx weekly collection failures)	% reduction from 2007/08 (xxx weekly collection failures)
<i>Future capacity of existing and earmarked (approved use and in council possession) waste disposal sites</i>	The amount of spare capacity available in terms of the number of years capacity available at the current rate of landfill usage	20 years of unused landfill capacity available	20 years of unused landfill capacity available	20 years of unused landfill capacity available	20 years of unused landfill capacity available	20 years of unused landfill capacity available	20 years of unused landfill capacity available	20 years of unused landfill capacity available	20 years of unused landfill capacity available
<i>Proportion of waste that is recycled</i>	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites.	0% of 2008/09 waste recycled	0% of 2008/09 waste recycled	0% of 2008/09 waste recycled	0% of 2008/09 waste recycled	0% of 2008/09 waste recycled	0% of 2008/09 waste recycled	0% of 2008/09 waste recycled	0% of 2008/09 waste recycled
<i>Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.</i>	x% of landfill sites by volume that are being managed in compliance with the Enviromental Conservation Act 1989.	0% of sites compliant	0% of sites compliant	0% of sites compliant	0% of sites compliant	0% of sites compliant	0% of sites compliant	0% of sites compliant	0% of sites compliant
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 1 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									

Chapter 3

Employees: Solid Waste Magement Services					
Job Level	2011/2012	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	8	8	6	2	25%
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	#DIV/0!
13 - 15	0	0	0	0	#DIV/0!
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	10	10	8	2	20%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.
 *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2012/2013: Solid Waste Management Services					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1,121	1,183	1,219	1,210	2%
Expenditure:					
Employees	615	854	886	888	4%
Repairs and Maintenance	515	28	405	46	39%
Other	1,468	416	368	105	-298%
Total Operational Expenditure	2,598	1,298	1,659	1,039	-25%
Net Operational Expenditure	1,477	115	441	-171	167%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Chapter 3

Capital Expenditure 2012/2013: Waste Management Services					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	No projects	0	0	#VALUE!	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.4.9

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

Waste Management within the municipality must receive higher priority in the coming years. This must start with the registration and licensing of our land fill sites in both Hopetown and Strydenburg.

Rubbish removal is the service least supported (payment-wise) by residents (27% payment).

Thembelihle will need to develop a Waste Management Strategy to improve its commitment to operating its land fill sites according to legislation.

T3.4.10

Chapter 3

3.5 HOUSING

INTRODUCTION TO HOUSING

Until now the provision of housing had been dealt with in collaboration with Pixley ka Seme District Municipality as well as Pixley ka Seme regional office of Dept COGHSTA.

The identification of housing need as well as categories of the need is conducted followed by the three step approach of applying for funding for town planning, provision of services and erection of top structures. For 2012/2013 no projects had been applied for.

The position of Manager for Technical Services and Housing Officer had been vacant creating an enormous challenge as far as planning and applications for projects had been concerned.

During 2012, the Manager for Technical Services was appointed. In 2013 applications had been submitted to Pixley ka Seme District Municipality for 600 + 200 houses in Steynville and 100 houses in Strydenburg for the 2013/2014 financial years.

These applications had been forwarded on to the Northern Cape Department of Co-operative Governance, Human Settlements and Traditional Affairs.

The municipality has no entities established do deal with any Housing Services related matters.

T3.5.1

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2009/2010	not known	not known	#VALUE!
2010/2011	not known	not known	#VALUE!
2011/2012	3431	2500	72.9%
2012/2013	3583	2648	73.9%
			T3.5.2

Chapter 3

[illegible]

Chapter 3

Employees: Housing Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					#DIV/0!
4 - 6	1	1	1		0%
7 - 9	0	1	0	1	100%
10 - 12					#DIV/0!
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	1	2	1	1	50%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.
 *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.5.4

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

No projects were applied for in the previous financial year

T3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Thembelihle endeavours to provide the following free basic services:

6 kl of potable water per month per household

5 kWh of electricity

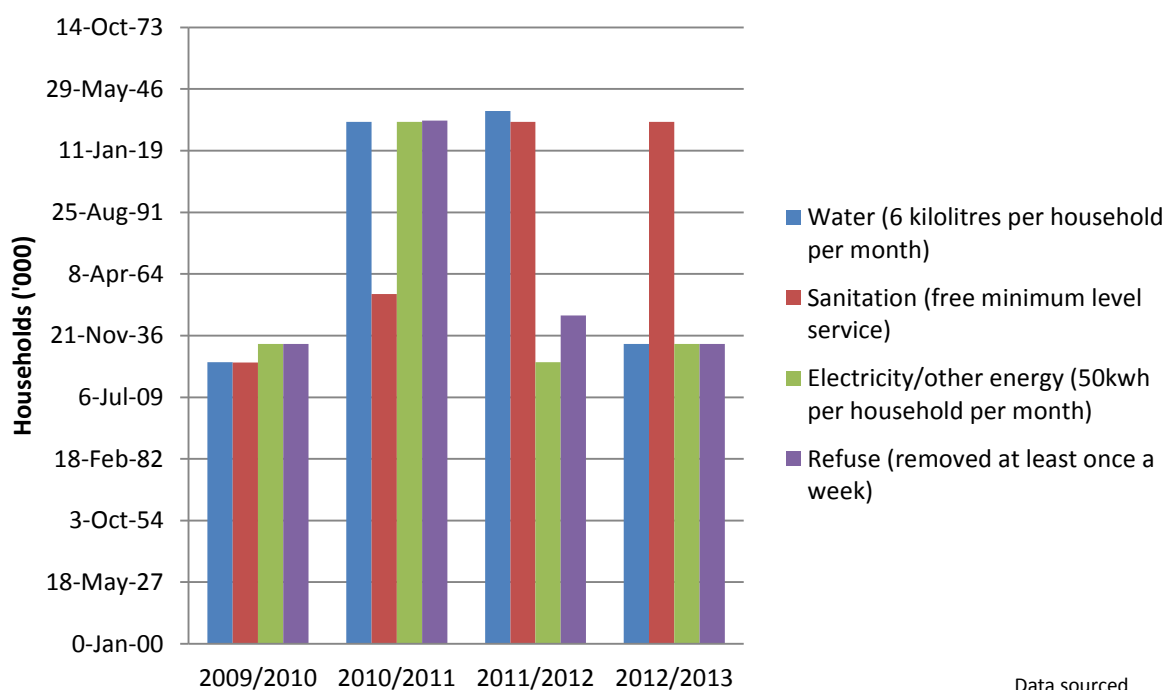
The latest indigent register indicates 1 476. 371 of these do not have access to free basic water. We plan to provide 271 indigent families with water and power in Sewendelaan (suburb of Steynville) in 2013. This means that 100 indigent families still need to be provided with free basic water in Strydenburg.

871 indigent families do not have access to power. 271 of these will be provided with access to 5 kWh free electricity per month. There remains then 500 that do not have access to free basic electricity. These families will be addressed when we develop the 750 erven required in Thembelihle. .

T3.6.1

Chapter 3

Free Basic Household Services



T3.6.2

Free Basic Services To Low Income Households

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R2 400 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
Year -1										
2011/2012	3 431	1 476	1 105	75%	1 005	68%	605	41%	1 476	100%
2012/2013	3 583	1 476	1 105	75%	1 005	68%	605	41%	1 476	100%
T3.6.3										

T3.6.3

Chapter 3

Free Basic Service Policy Objectives Taken From IDP									
<div><div></div><div>Service Objectives</div><div></div></div>	Outline Service Targets	2011/2012		2012/2013			2013/2014	2014/2015	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)		*Previous Year (v)	*Current Year (vi)		*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Indicators (i)	(ii)		(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Provision of alternative support to low income households that do not receive all Free Basic Services	Low income households (LIHs) who do not receive all the free basic services but <u>do</u> receive alternative support (Total number of LIHs not in receipt of free basic services)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)
	Electricity (paraffin and candles)	n/a	n/a	0		0	0	879	
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 1 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									

Chapter 3

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Free basic services are provided in the following services:

6 kℓ/month per household

50 kWh/month per household

Thembelihle Local Municipality needs to update its indigent register as a priority for planning purposes and funding resourcing.

T3.6.6

Chapter 3

COMPONENT B: ROAD TRANSPORT

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

INTRODUCTION TO ROAD TRANSPORT

The IDP requires the development of a taxi rank in Hopetown. A Business Plan needs to be developed for this project.

The NC184 provincial road between Douglas and Hopetown is currently being upgraded to a surfaced road. This is likely to increase traffic into Hopetown via this route. Consequently the main streets in Hopetown that will receive this traffic are Church and Wiid Streets. The condition of these streets is poor and Thembelihle needs to plan to have these streets upgraded with a more robust pavement design to handle the increased traffic load.

Stormwater Master Drainage Planning must be completed in our towns. The drainage of the community areas must be effected as part of the operations and maintenance planning of our roads.

T3.7.0

3.7 ROADS

INTRODUCTION TO ROADS

The development of Thembelihle's roads requires prior planning.

The main service delivery issues are:

- Poor stormwater drainage which affects surfaced roads – potholing

- Poor vertical alignment design of existing roads in Steynville to assist with drainage

- Poor maintenance on existing roads and infrastructure

- Inadequate planning for development of road infrastructure

These issues will be addressed in 2013. Master Drainage Planning must be expedited and Business Plans developed for the refurbishment of all bus and taxi routes, especially the main roads into our suburbs.

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T3.7.1

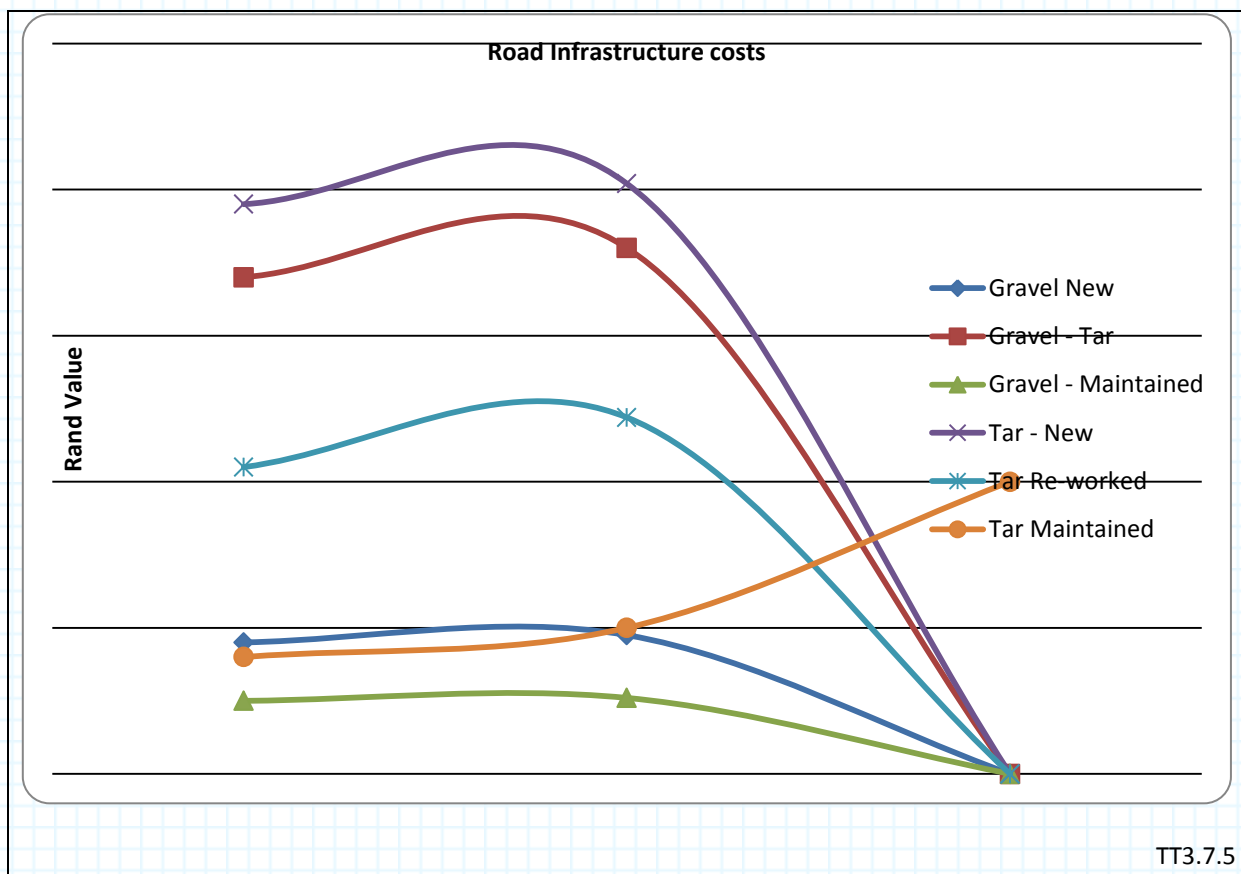
Chapter 3

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2010/2011	145	15	10	100
2011/2012	160	20	12	120
2012/2013	160	0	0	0
				T3.7.2

Tarred Road Infrastructure					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2010/2011	85	10	23	18	100
2011/2012	98	14	25	15	120
2012/2013	98	0	0	0	4
					T3.7.3

Cost of Construction/Maintenance						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2010/2011	450000	1700000	250000	1950000	1050000	400000
2011/2012	475000	1800000	260000	2020000	1220000	500000
2012/2013	0	0	0	0	0	1000000
						T3.7.4

Chapter 3



Chapter 3

[illegible]

Chapter 3

Employees: Road Services					
Job Level	2011/2012	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					#DIV/0!
4 - 6	4	13	7	6	46%
7 - 9	2	1	1	0	0%
10 - 12					#DIV/0!
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	6	14	8	6	43%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.
 *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Capital Expenditure 2012/2013: Road Services					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1000	1000	1000	0%	
EPWP	1000	1000	1000		
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.7.9

Chapter 3

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

Thembelihle has no capital projects for roads at present. There are large capital projects on both the NC184 provincial road between Douglas and Hopetown and the widening of the N12 national road. These are being managed by other agencies and consulting engineers. There is also a pedestrian safety project to address pedestrian safety on the N12. This project will kick-off in 2013.

Funds have been made available through the EPWP incentive grant (R 1000 000 for 2012/2013 financial year), but not capital projects were expedited in the 2011/2012 financial year.

T3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

The municipality DOES NOT operate a public transport and also NOT through an entity

T3.8.1

Employees: Transport Services					
Job Level	2011/2012	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					#DIV/0!
4 - 6					#DIV/0!
7 - 9					#DIV/0!
10 - 12					#DIV/0!
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	0	0	0	0	#DIV/0!

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.8.4

Chapter 3

Financial Performance 2012/2013: Transport Services					
R'000					
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	4745	4232	3753	740	-472%
Expenditure:					
Employees	766	855	914	907	6%
Repairs and Maintenance	8	15	0	15	-2%
Other	2306	2564	2537	229	-1021%
Total Operational Expenditure	3081	3434	3451	1150	-199%
Net Operational Expenditure	-1665	-798	-303	410	295%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.8.5

COMMENT ON THE T PERFORMANCE OF TRANSPORT OVERALL:

Services run according to schedule

T3.8.7

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

Stormwater drainage in Thembelihle has received very little attention in the past. Steynville has been sited on a very flat area topographically so that drainage problems have caused major damage to roads because of ponding in the roads. Master Drainage Planning needs to be done to identify the priority problem areas for immediate attention. Drainage of the areas must be addressed before any significant maintenance plan can be developed for the road networks.

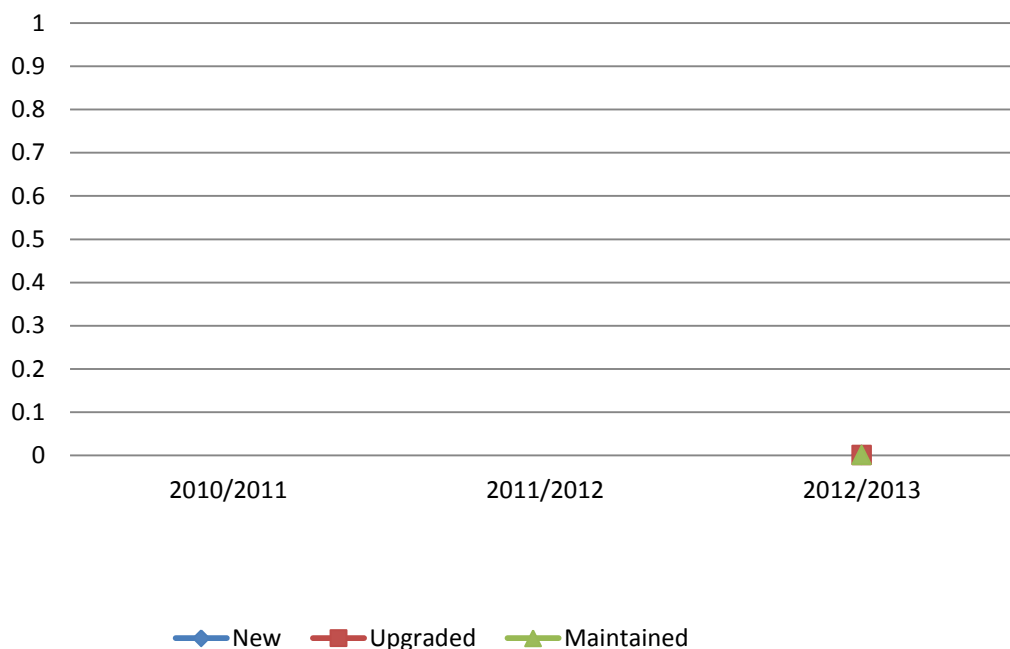
T3.9.1

Stormwater Infrastructure				
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Kilometers Stormwater measures maintained
2010/2011	not known	0	0	0
2011/2012	0	0	0	0
2012/2013	0	0	0	0
T3.9.2				

Chapter 3

Cost of Construction/Maintenance			
			R' 000
	Stormwater Measures		
	New	Upgraded	Maintained
2010/2011			
2011/2012			
2012/2013	0	0	0
			T3.9.3

Stormwater infrastructure costs



T3.9.4

Chapter 3

Stormwater Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2011/2012		2012/2013			2013/2014	2014/2015	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Development of fully integrated stormwater management systems including wetlands and natural water courses	Phasing in of systems	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); x yrs remaining	Completion (Yes/No); x yrs remaining	Completion (Yes/No); x yrs remaining
	Master Drainage Plan								
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									

T3.9.5

T3.9.5

Chapter 3

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

Thembelihle has had no stormwater drainage capital projects during the financial year.

T3.9.9

Chapter 3

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The municipality is an hour's drive from Kimberley which has been declared as a special economic zone which offers the opportunity to tap into the vast potential this presents.

The town of Hopetown is situated right on the crossroads of the N12 and the route accessing the N10 at Hanover and the upgrading of the road to Douglas to a tarred road presents even more future local economic development potential.

The activities surrounding the SKA in the Carnarvon area may offer some further opportunities.

The banks of the Orange River also present enormous economic development potential.

T3.10.0

3.10 PLANNING

INTRODUCTION TO PLANNING

The Planning section need to be strengthened drastically. The position of Manager: Planning and Development is featured on the approved staff establishment and need to be filled in the 2013/2014 financial year.

The same conditions has bearing on the position of the Housing Officer.

Planning strategies and town planning are done by external service providers with input from municipal officials and consultations with council

Building regulation is seen to by the district municipality as part of the shared services agreement signed between Thembelihle Municipality and Pixley ka Seme District Municipality.

Enforcement is taken care of in house.

T3.10.1

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Enviroment	
	Year 0	Year 1	Year 0	Year 1	Year 0	Year 1
Planning application received		none		four		one
Determination made in year of receipt						yes
Determination made in following year				yes		
Applications withdrawn						
Applications outstanding at year end				three		

T3.10.2

Chapter 3

[illegible]

Chapter 3

Employees: Planning Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					#DIV/0!
4 - 6					#DIV/0!
7 - 9					#DIV/0!
10 - 12					#DIV/0!
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	0	0	0	0	#DIV/0!

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2012/2013: Planning Services					
					R'000
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	8682	1000	1757	11906	92%
Expenditure:					
Employees	192	213	407	209	-2%
Repairs and Maintenance	-5	0	0	0	#DIV/0!
Other	416	1010	1083	896	-13%
Total Operational Expenditure	603	1223	1490	1105	-11%
Net Operational Expenditure	-8079	223	-267	-10801	102%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Chapter 3

Capital Expenditure Year 1: Planning Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
Project A	0	0	0	#DIV/0!	0
Project B	0	0	0	#DIV/0!	0
Project C	0	0	0	#DIV/0!	0
Project D	0	0	0	#DIV/0!	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.10.6

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

T3.10.7

Chapter 3

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

A local economic development plan aligned to the district and provincial plan have been compiled.

There had been approval extended for the rental of some commonage land in Hopetown and Strydenburg for the erection of PV Solar Power Electricity Generating plants.

There are also a further three of these developments under way on private property in the municipal area.

The municipality is also together with Siyathemba, Siyacuma and Renosterberg municipalities involved in a aquaculture fish farming project spearheaded by the Department of Trade and Industry and Pixley ka Seme District Municipality.

T3.11.1

Economic Activity by Sector			
Sector	Year -1	Year 0	estimated %
			Year 1
Agric, forestry and fishing	48%	48%	48%
Mining and quarrying	13%	13%	13%
Manufacturing	9%	9%	9%
Wholesale and retail trade	14%	14%	14%
Finance, property, etc.	5%	5%	5%
Govt, community and social services	8%	8%	8%
Infrastructure services	3%	3%	3%
	100%	100%	100%
T3.11.2			

Chapter 3

Economic Employment by Sector			
Jobs estimated % according to IDP			
Sector	Year -1 No.	Year 0 No.	Year 1 No.
Agric, forestry and fishing	35%	35%	35%
Mining and quarrying	5%	5%	5%
Manufacturing	8%	8%	8%
Wholesale and retail trade	11%	11%	11%
Finance, property, etc.	3%	3%	3%
Govt, community and social services	21%	21%	21%
Infrastructure services	17%	17%	17%
Total	100%	100%	100%
			T3.11.3

COMMENT ON LOCAL JOB OPPORTUNITIES:

The Northern Cape Tourism Master Plan will inform the prospects for developments in the municipal area.

Initial indications are that establishing accommodation to cater for even the minimum demand will have substantial beneficial spin-offs.

The building of a small scale conference facility will also contribute to job creation and economic development opportunities in a similar manner.

T3.11.4

Chapter 3

Jobs Created during Year 1 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)	0	0	0	
Year -1	0	0	0	
Year 0	0	0	0	
Year 1	0	0	0	
Initiative A (Year 1)	none	none	none	
Initiative B (Year 1)	none	none	none	
Initiative C (Year 1)	none	none	none	

T3.11.5

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2010/2011	not known	0
2011/2012	not known	0
2012/2013	4	139
* - Extended Public Works Programme		T3.11.6

Chapter 3

[illegible]

Chapter 3

Employees: Local Economic Development Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	0	0	0	0	#DIV/0!
7 - 9	0	0	0	0	#DIV/0!
10 - 12	1	1	1		0%
13 - 15	0	0	0	0	#DIV/0!
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	1	1	1	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.11.8

Financial Performance Year 1: Local Economic Development Services						R
Details	Year 0	Year 1				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue					#DIV/0!	
Expenditure:						
Employees	11069	11843	11843	11843	0%	
Repairs and Maintenance					#DIV/0!	
Other					#DIV/0!	
Total Operational Expenditure	11069	11843	11843	11843	0%	
Net Operational Expenditure	11069	11843	11843	11843	0%	

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.11.9

Chapter 3

Capital Expenditure Year 1: Economic Development Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
Project A					280
Project B					150
Project C					320
Project D					90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.11.10

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

T3.11.11

Chapter 3

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Three libraries service the residents of Thembelihle Municipality as well as two community halls and four cemeteries.

T3.52.0

3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Three libraries service the residents of Thembelihle Municipality as well as two community halls.

T3.52.1

SERVICE DELIVERED BY LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

The libraries are open Monday to Friday from 07H30 to 13H00 and 14H00 to 16H30 at no cost to the users.

The community halls are available at a fee and schools pay a reduced tariff.

T3.52.2

Chapter 3

[illegible]

Chapter 3

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0%
4 - 6	3	3	3	0	0%
7 - 9	3	3	3	0	0%
10 - 12				0	#DIV/0!
13 - 15				0	#DIV/0!
16 - 18				0	#DIV/0!
19 - 20				0	#DIV/0!
Total	8	8	8	0	0%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p style="text-align: right;">T3.52.4</p>					

Financial Performance 2012/2013: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
					R'000
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1661	596	556	195	-206%
Expenditure:					
Employees	660	756	766	691	-9%
Repairs and Maintenance	4	5	7	6	16%
Other	10	32	39	29	-11%
Total Operational Expenditure	675	793	812	726	-9%
Net Operational Expenditure	-986	197	256	531	63%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.52.5

Chapter 3

Capital Expenditure 2012/2013: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	40	40	6	-567%	
Equipment	40	40	6	-567%	280
Project B	0	0	0	#DIV/0!	150
Project C	0	0	0	#DIV/0!	320
Project D	0	0	0	#DIV/0!	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.52.6

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

Libraries are well stocked, well supported by Dept Arts and Culture and properly manned. Different programmes as contained in the business plan are run.

This service can only go from strength to strength.

T3.52.7

Chapter 3

3.13 CEMETORIES AND CREMATORIALS

INTRODUCTION TO CEMETORIES & CREMATORIALS

Funds and projects for cleaning and minor works are provided by the district municipality and/or sector departments.

T3.55.1

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Provided for by sectoral departments.

T3.56.1

Chapter 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

Delete Directive note once comment is complete – Provide brief introductory comments.

T3.69.0

3.15 EXECUTIVE AND COUNCIL

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

INTRODUCTION TO EXECUTIVE AND COUNCIL

We are a low capacity municipality. The work is done by three committees of council and the senior managers and staff of the municipality.

The municipal manager is responsible for overall management and ultimately accountability of all inputs, outputs and how outcomes are achieved.

T3.69.1

Chapter 3

Employees: The Executive and Council					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3				0	#DIV/0!
4 - 6				0	#DIV/0!
7 - 9				0	#DIV/0!
10 - 12				0	#DIV/0!
13 - 15	7	7	7	0	0%
16 - 18				0	#DIV/0!
19 - 20				0	#DIV/0!
Total	7	7	7	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2012/2013: The Executive and Council					
					R'000
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	12349	14630	14630	14633	0%
Expenditure:					
Employees	2514	1779	1779	1729	-3%
Repairs and Maintenance	0	0	0	0	#DIV/0!
Other	1048	620	1327	3239	81%
Total Operational Expenditure	3563	2399	3106	4968	52%
Net Operational Expenditure	-8786	-12231	-11524	-9665	-27%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Chapter 3

3.16 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

One of the major challenges facing Thembelihle is its cash flow situation. A number of steps (including a full revenue enhancement strategy) have been implemented to improve this situation and make the municipality financial viable.

T3.70.1

Debt Recovery								
R' 000								
Details of the types of account raised and recovered	2011/2012		2012/2013			2013/2014		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	1488	77%	2280	1555	68%	2777	2822	70%
Electricity	6711	93%	10859	6279	57%	9249	5826	63%
Water	894	30%	3039	670	22%	3244	1621	50%
Sanitation	800	34%	2518	648	25%	2351	940	40%
Refuse	418	32%	1381	342	24%	1291	516	40%
Other								
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.								

T3.70.2

Concerning T3.70.2

The municipality implemented a revenue enhancement strategy which will increase the payment ratio. The debtors division is empowered and will result in higher debt recovery. Council approved the implementation of pre-paid electricity meters which will further enhance payment ratio.

T3.70.2.1

Chapter 3

Financial Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 0		Year 1		Year 2		Year 4	
		Target		Actual		Actual		Target	
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	*Current Year (vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Indicators (i)	(ii)								
Service Objective xxx									
Increase in speed of payment of tariffs, tax demands, invoices	No more than x% of creditors raised (in Rand value) during the year outstanding (o/s) at year end	No more than T0% of current yr creditors o/s at yr end	No more than A0% of current yr creditors o/s at yr end	No more than T1% of current yr creditors o/s at yr end	No more than A1% of current yr creditors o/s at yr end	No more than T2% of current yr creditors o/s at yr end	No more than T3% of current yr creditors o/s at yr end	No more than T4% of current yr creditors o/s at yr end	No more than T5% of current yr creditors o/s at yr end
Reducing the number of invoices raised by increasing advance payment for services rendered (A project requiring participation by all departments but let by the central finance department)	x% reduction in number of invoices raised over the previous year's target	T0% reduction in invoices raised; target limit of invoices	A0% reduction in invoices raised; target limit of invoices	T1% reduction in invoices raised; target limit of invoices	A1% reduction in invoices raised; target limit of invoices	T2% reduction in invoices raised; target limit of invoices	T3% reduction in invoices raised; target limit of invoices	T4% reduction in invoices raised; target limit of invoices	T5% reduction in invoices raised; target limit of invoices
Improving speed of legal measures to recover revenues	Commence legal proceedings for recovery of revenues within 4 weeks of the due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	% of legal proceeding commenced within 4 weeks of due date
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; ** 'Current Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management by municipalities in which IDPs play a key role.									
T3.70.3									

Chapter 3

Employees: Financial Services					
Job Level	2011/2012	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	0	6	2	4	67%
7 - 9	0	2	1	1	50%
10 - 12	0	2	2	0	0%
13 - 15	0	2	0	2	0%
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	0	12	5	7	58%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.70.4

Financial Performance 2012/2013: Financial Services					
					R'000
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	4890	2316	2420	5278	53%
Expenditure:					
Employees	1633	3139	2726	2378	-92%
Repairs and Maintenance	-15	16	0	3	205%
Other	9790	18552	13153	13057	-89%
Total Operational Expenditure	11408	21707	15879	15438	-90%
Net Operational Expenditure	6517	19391	13459	10160	-198%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T3.70.5

Chapter 3

Capital Expenditure 2012/2013: Financial Services					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	70	70	341	79%	
Equipment	30	30	32	6%	280
Intangible	40	40	309	87%	150
Project C	0	0	0	#DIV/0!	320
Project D	0	0	0	#DIV/0!	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.70.6

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

The increase of R269 thousand was in respect of replacing outdated IT equipment.

T3.70.7

3.17 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The HR function had only one (1) staff member where as there should have been three staff members at the very least.

The intention is to address this issue in the staff establishment for 2013/2014.

T3.71.1

Chapter 3

Employees: Human Resource Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					#DIV/0!
4 - 6					#DIV/0!
7 - 9					#DIV/0!
10 - 12	1	1	1	0	0%
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	1	1	1	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.71.4

Financial Performance 2012/2013: Human Resource Service					
					R'000
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	#DIV/0!
Expenditure:					
Employees		270000	270000	274622	2%
Repairs and Maintenance	0	0	0	0	#DIV/0!
Other	0	0	0	0	#DIV/0!
Total Operational Expenditure	0	270000	270000	274622	2%
Net Operational Expenditure	0	270000	270000	274622	2%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.71.5

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The identified human capacity shortage need to be supplemented with a Skills Development Facilitator as well as a Payroll Clerk in the very least.

Employees are serviced but satisfaction level need to be measured.

T3.71.7

Chapter 3

3.18 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

These services are provided by an overextended Corporate Services Department employing the services of external service providers where the capacity is wanting

T3.73.1

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

The services of the Planning and Development Department will go a long way to improve the delivery on this very important service.

T3.73.7

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

At present the process unfold as follows: management discuss and formulate points for discussion which is discussed with the mayor and presented to labour in the local labour forum for further inputs.

Strategies are then finalized for implementation.

T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Chapter 4

Employees					
Description	Year 0	Year 1			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water	10	10	10	0	0%
Waste Water (Sanitation)	3	3	3	0	0%
Electricity	2	2	2	0	0%
Waste Management	9	9	9	0	0%
Housing	1	1	1	0	0%
Waste Water (Stormwater Drainage)	2	2	2	0	0%
Roads	1	1	1	0	0%
Transport	0	0	0	0	#DIV/0!
Planning	0	0	0	0	#DIV/0!
Local Economic Development	1	1	1	0	0%
Planning (Strategic & Regulatory)	0	0	0	0	#DIV/0!
Local Economic Development	0	0	0	0	#DIV/0!
Community & Social Services	5	5	5	0	0%
Environmental Protection	0	0	0	0	#DIV/0!
Health	0	0	0	0	#DIV/0!
Security and Safety	4	4	4	0	0%
Sport and Recreation	0	0	0	0	#DIV/0!
Corporate Policy Offices and Other	32	32	32	0	0%
Totals	70	70	70	0	0%
Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June.					T4.1.1.1

Chapter 4

Vacancy Rate: Year 1			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S57 Managers (excluding Finance Posts)	3	1	33.33
Other S57 Managers (Finance posts)	0	0	#DIV/0!
Police officers	0	0	
Fire fighters	0	0	
Senior management: Levels 13-15 (excluding Finance Posts)	3	0	0.00
Senior management: Levels 13-15 (Finance posts)	2	0	0.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	5	0	0.00
Highly skilled supervision: levels 9-12 (Finance posts)	1	0	0.00
Total	16	1	6.25
<i>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>			

T4.1.2

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2012/2013	70	0	0.00%
<i>* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year</i>			

T4.1.3

COMMENT ON VACANCIES AND TURNOVER:

The figure for vacancies is misleading in that the human resource capacity to facilitate effective service delivery is quite low and need is not reflected by the approved staff establishment.

T4.1.4

Chapter 4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The municipality is including in the staff establishment for 2013/2014 the appointment of an Industrial Relations Officer which has been identified as a serious lack of capacity.

The human resource section needs to be strengthened with the appointment of a skills development facilitator as well as a payroll clerk to improve the service rendered.

A large number of the HR policies need to be reviewed to ensure that they address the realities experienced at present.

T4.2.0

Chapter 4

4.2 POLICIES

Chapter 4

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	100%	0%	
2	Attraction and Retention	100%	0%	
3	Code of Conduct for employees	100%	0%	
4	Delegations, Authorisation & Responsibility	100%	100%	1-Feb-12
5	Disciplinary Code and Procedures	100%	100%	Bargaining Council process
6	Essential Services	100%	100%	NC Division Bargaining Council
7	Employee Assistance / Wellness	100%	0%	
8	Employment Equity	100%	0%	
9	Exit Management	100%	0%	
10	Grievance Procedures	100%	100%	Bargaining Council process
11	HIV/Aids	100%	0%	
12	Human Resource and Development	100%	0%	
13	Information Technology	0%	0%	
14	Job Evaluation	100%	0%	SALGA led process
15	Leave	100%	0%	
16	Occupational Health and Safety	100%	0%	
17	Official Housing	100%	0%	
18	Official Journeys	100%	0%	
19	Official transport to attend Funerals	0%	0%	
20	Official Working Hours and Overtime	100%	0%	
21	Organisational Rights	100%	0%	
22	Payroll Deductions	100%	0%	
23	Performance Management and Development	100%	0%	
24	Recruitment, Selection and Appointments	100%	0%	
25	Remuneration Scales and Allowances	100%	100%	Bargaining Council process
26	Resettlement	0%	0%	
27	Sexual Harassment	100%	0%	
28	Skills Development	100%	0%	
29	Smoking	50%	0%	
30	Special Skills	0%	0%	
31	Work Organisation	0%	0%	
32	Uniforms and Protective Clothing	100%	0%	
33	Other:	100%	0%	
Use name of local policies if different from above and at any other HR policies not listed.				

T4.2.1

Chapter 4

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The intention is employ consultants to look at the reviewing of current policies and the drafting of additional policies where identified as necessary.

T4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'
Required basic medical attention only	5	2	40.00%	1	220
Temporary total disablement					
Permanent disablement					
Fatal					
Total	5	2	40.00%	1	220

T4.3.1

Chapter 4

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)						
Skilled (Levels 3-5)						
Highly skilled production (levels 6-8)						
Highly skilled supervision (levels 9-12)						
Senior management (Levels 13-15)						
MM and S57						
Total	0	#DIV/0!	0	0		0
* - Number of employees in post at the beginning of the year *Average is calculated by taking sick leave in column 2 divided by total employees in column 5						
						T4.3.2

Chapter 4

Average Number of Days Sick Leave (excl IOD)

■ *Average sick leave per Employees, Lower skilled (Levels 1-2), 0.00
 ■ *Average sick leave per Employees, Skilled (Levels 3-5), 0.00
 ■ *Average sick leave per Employees, Highly skilled (levels 6-8), 0.00
 ■ *Average sick leave per Employees, Highly skilled (levels 9-12), 0.00
 ■ *Average sick leave per Employees, Senior management (levels 13-15), 0.00
 ■ *Average sick leave per Employees, S57, 0.00

T4.3.3

COMMENT ON INJURY AND SICK LEAVE:

Delete Directive note once comment's completed – Comment on injury and sick leave indicated in the above tables. Explain steps taken during the year to reduce injuries and follow-up action in relation to injury and sick leave (e.g. are injuries examined by the municipality's own doctor; are those taking long or regular periods of sick leave monitored by municipality's doctor; and are personal records maintained of the number of instances of sick leave and amount of time taken each year?)

T4.3.4

[illegible]

Chapter 4

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
none to report on			
		T4.3.6	

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

None to report

T4.3.7

Chapter 4

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female				
	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S57	Female				
	Male				
Total					
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes/No
<p><i>Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i></p>					T4.4.1

COMMENT ON PERFORMANCE REWARDS:

No performance rewards were paid during the year.

T4.4.1.1

Chapter 4

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

No support from the LGSETA.

We did however manage to be included in some programmes.

T4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 1	Number of skilled employees required and actual as at 30 June Year 1											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target
MM and s57	Female	0	0	0	0	0	0	0	0	0	0			
	Male	3	0	0	0	0	0	0	0	0	0			
Councillors, senior officials and managers	Female	4	0	0	0	0	0	0	0	0	0			
	Male	3	0	0	0	0	0	0	0	0	0			
Technicians and associate professionals*	Female		0	0	0	0	0	0	0	0	0			
	Male	1	0	0	0	0	0	0	0	0	0			
Professionals	Female		0	0	0	0	0	0	0	0	0			
	Male		0	0	0	0	0	0	0	0	0			
Sub total	Female	4												
	Male	7												
Total		11		0	0		0	0		0	0		0	0

*Registered with professional Associate Body e.g CA (SA)

T4.5.1

Chapter 4

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	3	0	3	0	3	0
Any other financial officials	4	0	4	0	0	0
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	0	0	0
Supply chain management senior managers	0	0	0	0	0	0
TOTAL	10	0	10	2	5	2
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T4.5.2

Skills Development Expenditure										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female						10	20	10	20
	Male						20	25	20	25
Legislators, senior officials and managers	Female									
	Male									
Professionals	Female									
	Male									
Technicians and associate professionals	Female									
	Male									
Clerks	Female									
	Male									
Service and sales workers	Female									
	Male									
Plant and machine operators and assemblers	Female									
	Male									
Elementary occupations	Female									
	Male									
Sub total	Female						10	20	10	20
	Male						20	25	20	25
Total		0	0	0	0	0	30	45	30	45
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%* *R	T4.5.3

Chapter 4

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The municipal manager completed his full financial competency certification and two senior managers are enrolled with a programme to come into compliance.

About three staff in the finance department (Budget and Treasury Office) are also enrolled in programmes to attain certification towards full compliance with the financial competency regulations..

T4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Delete Directive note once comment is complete – Explain the importance of managing workforce expenditure, the pressures to overspend and how spending is controlled (e.g. within approved establishment and against budget and anticipated vacancy rates arising from turnover). Also explain how municipality seeks to obtain value for money from work force expenditure.

T4.6.0

4.6 EMPLOYEE EXPENDITURE

Chapter 4

Choose name from list - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		897	939	939	1 036	1 012	1 012	1 082	1 153	1 222
Pension and UIF Contributions		131	54	54	155	151	151	162	173	183
Medical Aid Contributions		35	29	29	148	76	76	82	128	135
Motor Vehicle Allowance		291	294	294	345	445	445	476	507	537
Cellphone Allowance		76	81	81	95	95	95	101	107	114
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		1 429	1 396	1 396	1 779	1 779	1 779	1 903	2 067	2 191
% increase	4		(2.3%)	-	27.4%	(0.0%)	-	7.0%	8.6%	6.0%
Senior Managers of the Municipality										
Basic Salaries and Wages		950	778	778	1 724	1 925	1 925	2 020	2 169	2 317
Pension and UIF Contributions		164	138	138	90	342	342	227	242	257
Medical Aid Contributions		33				15	15	86	92	97
Overtime						-	-			
Performance Bonus		82				144	144	80	85	90
Motor Vehicle Allowance	3	240	246	246	460	287	287	521	555	588
Cellphone Allowance	3				1	15	15	15	16	17
Housing Allowances	3	97			76	58	58	97	103	109
Other benefits and allowances	3	4				4	4			
Payments in lieu of leave					71	-	-			
Long service awards					5	-	-			
Post-retirement benefit obligations	6					-	-			
Sub Total - Senior Managers of Municipality		1 570	1 162	1 162	2 428	2 791	2 791	3 046	3 261	3 475
% increase	4		(26.0%)	-	109.0%	14.9%	-	9.2%	7.1%	6.6%
Other Municipal Staff										
Basic Salaries and Wages		6 557	7 239	7 239	9 153	8 695	8 695	11 703	12 437	13 139
Pension and UIF Contributions		1 175	2 252	2 252	1 899	1 592	1 592	1 019	1 137	1 262
Medical Aid Contributions					383	350	350	318	339	359
Overtime		481	893	893	796	854	854	426	454	482
Performance Bonus		352	465	465	589	426	426	524	482	450
Motor Vehicle Allowance	3	65			31	406	406	9	42	44
Cellphone Allowance	3				35	80	80	4	0	4
Housing Allowances	3		77	77	8	32	32	-	-	-
Other benefits and allowances	3				82	346	346	6	6	7
Payments in lieu of leave					12	74	74	11	12	12
Long service awards			56	56	28	123	123	124	132	140
Post-retirement benefit obligations	6				658	162	162	131	140	148
Sub Total - Other Municipal Staff		8 629	10 981	10 981	13 674	13 141	13 141	14 275	15 180	16 047
% increase	4		27.3%	-	24.5%	(3.9%)	-	8.6%	6.3%	5.7%
Total Parent Municipality		11 628	13 539	13 539	17 882	17 710	17 710	19 224	20 509	21 714
			16.4%	-	32.1%	(1.0%)	-	8.5%	6.7%	5.9%
TOTAL SALARY, ALLOWANCES & BENEFITS		11 628	13 539	13 539	17 882	17 710	17 710	19 224	20 509	21 714
% increase	4		16.4%	-	32.1%	(1.0%)	-	8.5%	6.7%	5.9%
TOTAL MANAGERS AND STAFF	5,7	10 199	12 143	12 143	16 103	15 931	15 931	17 321	18 442	19 523

Source: MBRR SA22

T4.6.1

Chapter 4

COMMENT ON WORKFORCE EXPENDITURE:

The workforce numbers did not change year on year.

T4.6.1.1

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0
Senior management (Levels 13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0
Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of		T4.6.2

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
	none			
				T4.6.3

Chapter 4

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
none to report				
				T4.6.4

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

NO POSTS WERE UPGRADED

T4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

DONE AS PER REQUIREMENT

T4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

During the 2012/13 financial year the municipality appointed all senior managers and also reviewed its organisational structure. Even though the cash flow situation remains a challenge, management is of the opinion that the situation will improve over the next 12 – 18 months. Council has approved the new organogram and all critical posts are being filled. To ensure an increase in own revenue generated, a complete revenue enhancement strategy has been developed and implemented. These steps will, despite the slow economic situation, improve the municipality's revenue stream.

At the moment the municipality makes no contribution towards capital projects and these projects are all fully funded by grants.

Management is evaluating expenditure on a continuous basis and consultants are only appointed in extreme instances. The only material consultant appointed during the year was the Service Provider compiling the Annual Financial Statements. It is the intention to do this task in-house within the near future.

T5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

As was stated earlier, the cash flow situation remains the most critical aspect within the municipality, but steps have been taken to improve this situation.

T5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Chapter 5

Financial Summary						
R' 000						
Description	2011/2012	Current Year: 2012/2013			2012/2013 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	2,585	2,487	2,586	2,333	%	%
Service charges	13,349	15,784	14,927	15,057	%	%
Investment revenue	–	86	136	–	%	%
Transfers recognised - operational	22,060	18,416	19,557	15,768	%	%
Other own revenue	7,510	12,937	5,301	3,714	%	%
Total Revenue (excluding capital transfers and contributions)	45,504	49,710	42,508	36,871	%	%
Employee costs	12,151	16,025	15,932	15,169	%	%
Remuneration of councillors	1,667	1,779	1,779	1,809	%	%
Depreciation & asset impairment	10,047	3,613	3,613	10,167	%	%
Finance charges	130	283	221	134	%	%
Materials and bulk purchases	10,077	14,265	10,606	18,508	%	%
Transfers and grants	–	148	148	–	%	%
Other expenditure	22,013	32,451	23,431	10,995	%	%
Total Expenditure	56,086	68,565	55,730	56,783	%	%
Surplus/(Deficit)	(10,582)	(18,855)	(13,223)	(19,912)	%	%
Transfers recognised - capital	12,489	39,914	32,501	31,455	%	%
Contributions recognised - capital & contributed assets					%	%
contributions	1,908	21,059	19,278	11,543	%	%
Share of surplus/ (deficit) of associate					%	%
Surplus/(Deficit) for the year	1,908	21,059	19,278	11,543	%	%
Capital expenditure & funds sources						
Capital expenditure					%	%
Transfers recognised - capital	17,842	36,679	32,501	25,502	%	%
Public contributions & donations		–	–		%	%
Borrowing					%	%
Internally generated funds	845	3,235	10	797	%	%
Total sources of capital funds	18,688	39,914	32,510	26,298	%	%
Financial position						
Total current assets	5,503	14,345	7,357	9,441	%	%
Total non current assets	190,121	233,183	187,659	206,154	%	%
Total current liabilities	17,832	11,518	16,430	29,874	%	%
Total non current liabilities	17,732	6,639	18,229	12,612	%	%
Community wealth/Equity	160,060	229,372	160,357	173,108	%	%
Cash flows						
Net cash from (used) operating	19,811	38,892	23,702	30,093	%	%
Net cash from (used) investing	(18,684)	(39,914)	(26,212)	(26,300)	%	%
Net cash from (used) financing	(153)	80	(33)	(66)	%	%
Cash/cash equivalents at the year end	3,066	(942)	(2,542)	6,793	%	%
Cash backing/surplus reconciliation						
Cash and investments available	3,066	(662)	524	6,793	%	%
Application of cash and investments	–	229,371	10,767	–	%	%
Balance - surplus (shortfall)	3,066	(230,033)	(10,243)	6,793	%	%
Asset management						
Asset register summary (WDV)	185,333	233,183	187,659	201,056	%	%
Depreciation & asset impairment	10,047	3,613	3,613	10,167	%	%
Renewal of Existing Assets	–	–	–	–	%	%
Repairs and Maintenance	2,386	1,401	1,245	1,874	%	%
Free services						
Cost of Free Basic Services provided	44	63	63	–	%	%
Revenue cost of free services provided	137	164	164	–	%	%
Households below minimum service level						
Water:	–	–	–	–	%	%
Sanitation/sewerage:	–	–	–	–	%	%
Energy:	2	2	2	–	%	%
Refuse:	–	–	–	–	%	%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual						
This table is aligned to MBRR table A1						
Municipality CHAPTER 5 – FINANCIAL PERFORMANCE					117	15.1.1

Chapter 5

Financial Performance of Operational Services						
R '000						
Description	2011/2012	2012/2013			2012/2013 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	6,133	7,944	3,787	2,906	-173.32%	-30.30%
Waste Water (Sanitation)	2,871	1,705	1,153	1,011	-68.55%	-14.02%
Electricity	12,145	10,092	9,985	9,378	-7.61%	-6.47%
Waste Management	2,598	1,298	1,659	1,039	-24.92%	-59.71%
Housing	-	-	-	-	#DIV/0!	#DIV/0!
Component A: sub-total	23,747	21,038	16,585	14,335	-46.76%	-15.69%
Waste Water (Stormwater Drainage)	-	-	-	-	#DIV/0!	#DIV/0!
Roads	-	-	-	-	#DIV/0!	#DIV/0!
Transport	3,081	3,434	3,451	1,150	-198.59%	-200.02%
Component B: sub-total	3,081	3,434	3,451	1,150	-198.59%	-200.02%
Planning	7,321	10,873	7,056	5,230	-107.91%	-34.92%
Local Economic Development	1,607	1,229	1,491	1,107	-11.03%	-34.73%
Component B: sub-total	8,928	12,102	8,547	6,337	-90.99%	-34.89%
Community & Social Services	800	980	1,036	819	-19.62%	-26.52%
Environmental Protection	-	-	-	-	#DIV/0!	#DIV/0!
Health	-	-	-	-	#DIV/0!	#DIV/0!
Security and Safety	-	-	-	8	100.00%	100.00%
Sport and Recreation	-	-	-	-	#DIV/0!	#DIV/0!
Corporate Policy Offices and Other	-	-	-	-	#DIV/0!	#DIV/0!
Component D: sub-total	800	980	1,036	827	-18.49%	-25.33%
Total Expenditure	72,312	74,130	58,202	44,463	-66.72%	-30.90%
In this table operational income (but not levies or tariffs) 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.						T5.1.2

Chapter 5

5.2 GRANTS

Grant Performance						
R' 000						
Description	2011/2012	2012/2013		Actual	2012/2013 Variance	
	Actual	Budget	Adjustments Budget		Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	14,639	16,790	17,538	16,930		
Equitable share	12,349	14,630	14,630	14,630		
Municipal Systems Improvement	790	800	800	800		
Department of Water Affairs	–	–	678	–		
Levy replacement	–	–	–	–		
FMG & Library Grant	1,500	1,360	1,430	1,500		
Provincial Government:	2,894	6,136	2,019	1,138		
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation	457	556	556	195		
Other transfers/grants [insert description]	2,437	5,580	1,463	943		
District Municipality:	–	–	–	–		
[insert description]						
Housing						
Other grant providers:	–	–	–	–		
[insert description]						
Total Operating Transfers and Grants	17,533	22,926	19,557	18,068		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.2.1

Chapter 5

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

All assets in the municipality have been unbundled and the asset register is complete. The new organisational structure for the first time makes provision for staff dedicated to asset management and overall asset control will improve. An Asset Management policy has been approved and implemented.

T5.3.1

Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2012/2013				
Asset 1				
Name	Hopetown Water Treatment Works			
Description	Upgrade and expansion of Water Treatment Works in Hopetown to cope			
Asset Type	Water Reticulation			
Key Staff Involved				
Staff Responsibilities				
Asset Value	2009/2010	2010/2011	2011/2012	2012/2013
				30,620,000
Capital Implications	None			
Future Purpose of Asset	To ensure increase in demand for water is addressed			
Describe Key Issues				
Policies in Place to Manage Asset	Yes			
Asset 2				
Name	Steynville Bulk Water Scheme			
Description	Improvement of expansion and Steynville Bulk Water Supply			
Asset Type	Water Reticulation			
Key Staff Involved				
Staff Responsibilities				
Asset Value	2009/2010	2010/2011	2011/2012	2012/2013
				13,956,000
Capital Implications	None			
Future Purpose of Asset	To satisfy the increase for demand of water in Steynville			
Describe Key Issues				
Policies in Place to Manage Asset	Yes			
Asset 3				
Name	Hopetown Main Intake Station			
Description	Upgrade of Hopetown Main Intake Substation			
Asset Type	Electrical Reticulation			
Key Staff Involved				
Staff Responsibilities				
Asset Value	2009/2010	2010/2011	2011/2012	2012/2013
				3,000,000
Capital Implications	None			
Future Purpose of Asset	To satisfy the increase for demand of electricity			
Describe Key Issues				
Policies in Place to Manage Asset	Yes			
				T5.3.2

T5.3.2

Chapter 5

COMMENT ON ASSET MANAGEMENT:

The cost of all three these projects will be recovered over time as both water and electricity are tariff funded services

T5.3.3

Repair and Maintenance Expenditure: 2012/2013

	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	4900807	1245375	1874120	61.76%
				T5.3.4

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

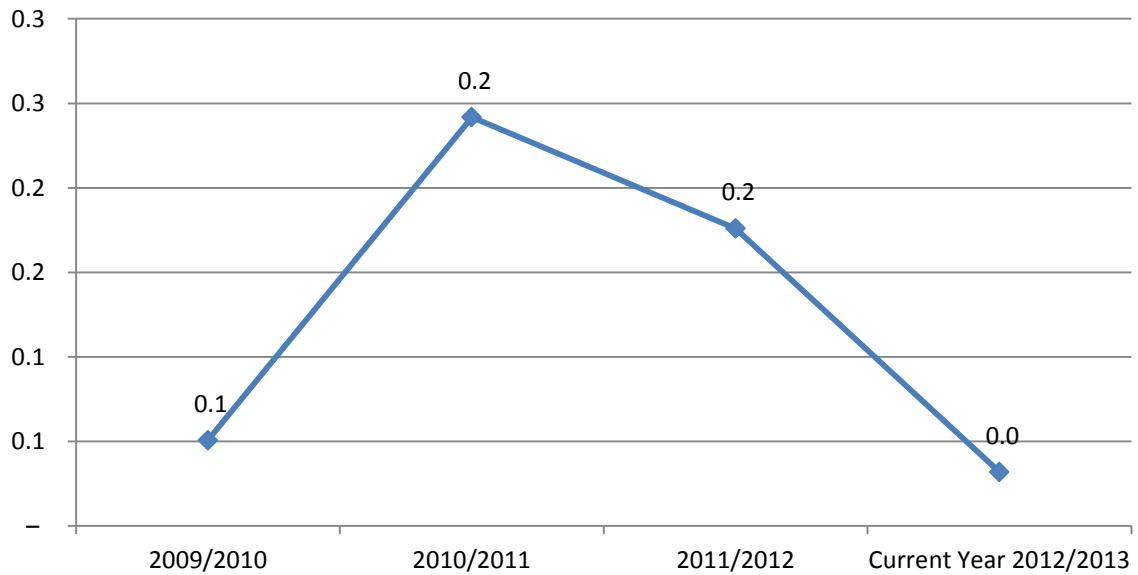
As was stated elsewhere in this report the low spending on Repairs and Maintenance remains a big concern. This aspect will be addressed as soon as the revenue stream has improved. A new Technical Manager was appointed and is attending to the Repairs and Maintenance expenditure to ensure that there is an improvement.

T5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Chapter 5

Liquidity Ratio



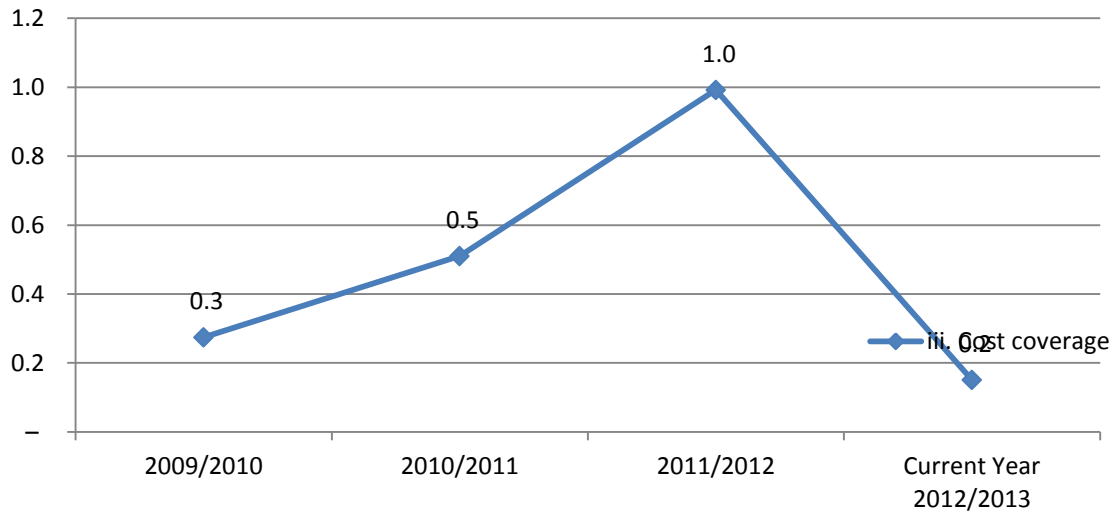
Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

T5.4.1

Chapter 5

Cost Coverage



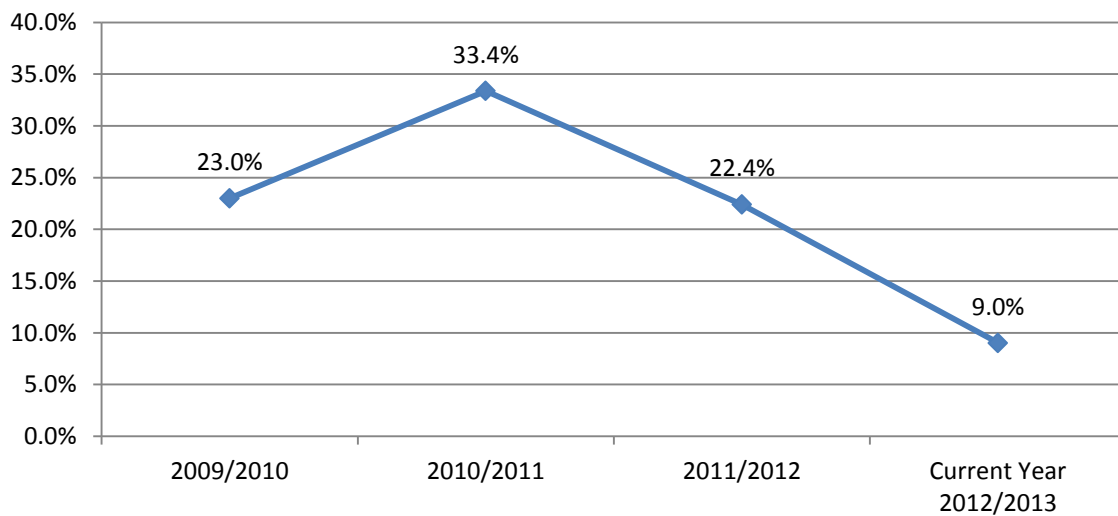
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

T5.4.2

Chapter 5

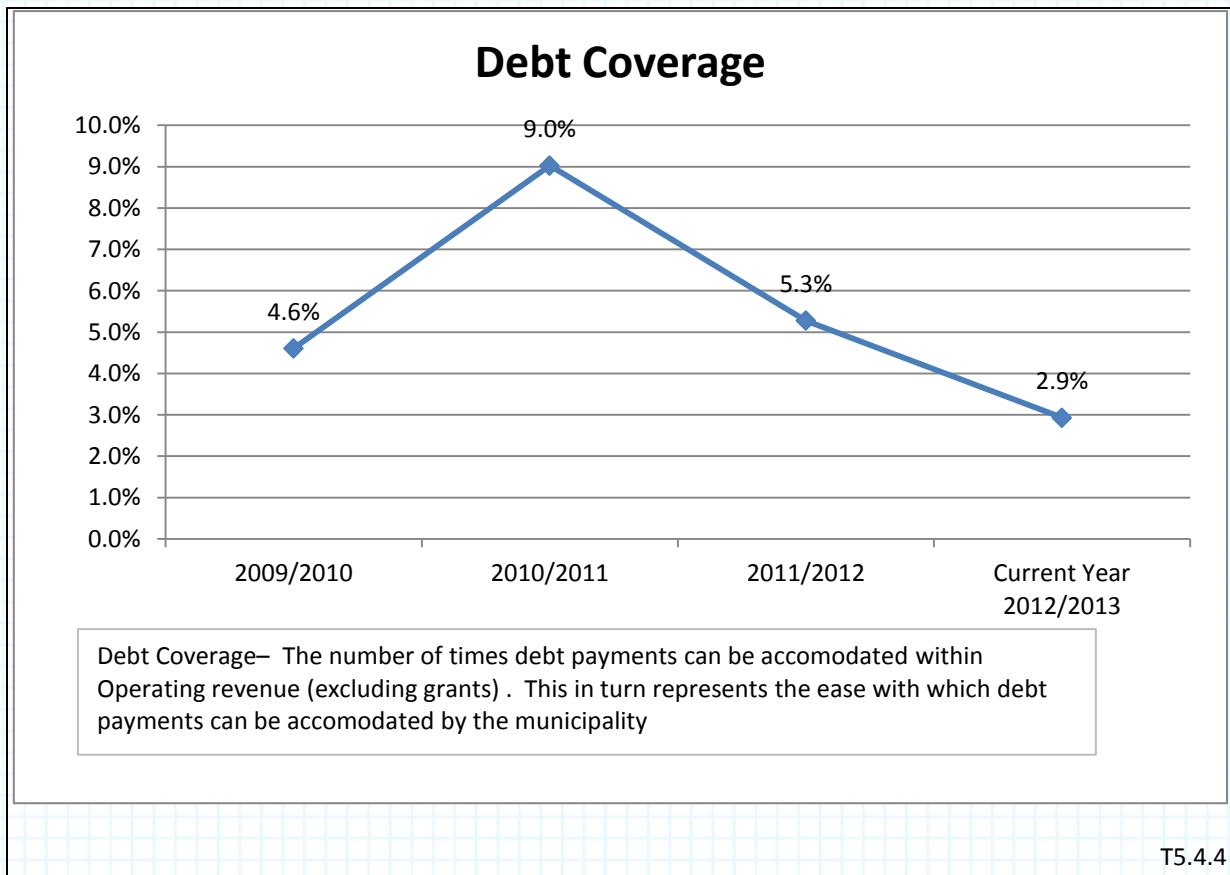
Total Outstanding Service Debtors



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

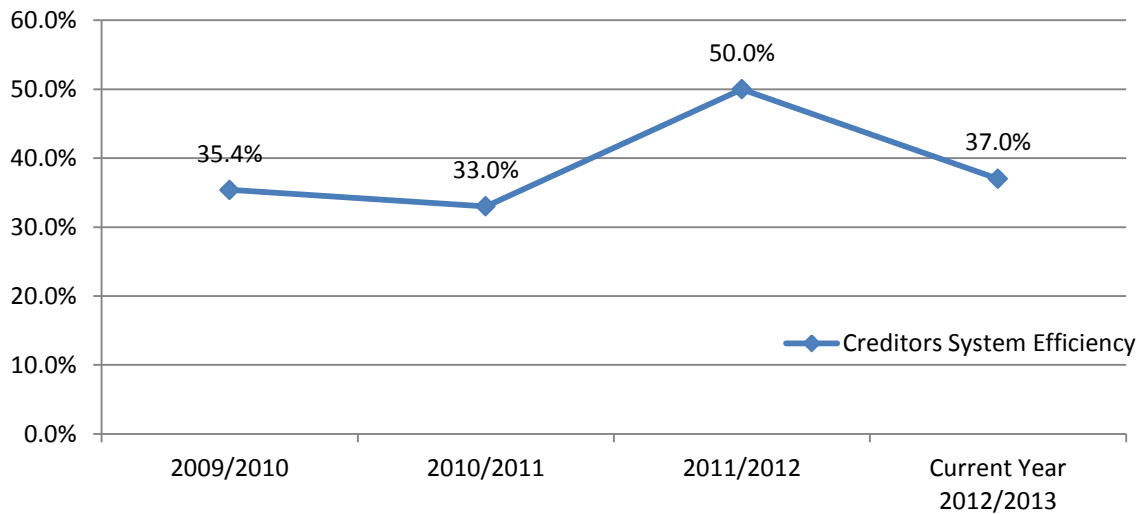
T5.4.3

Chapter 5



Chapter 5

Creditors System Efficiency



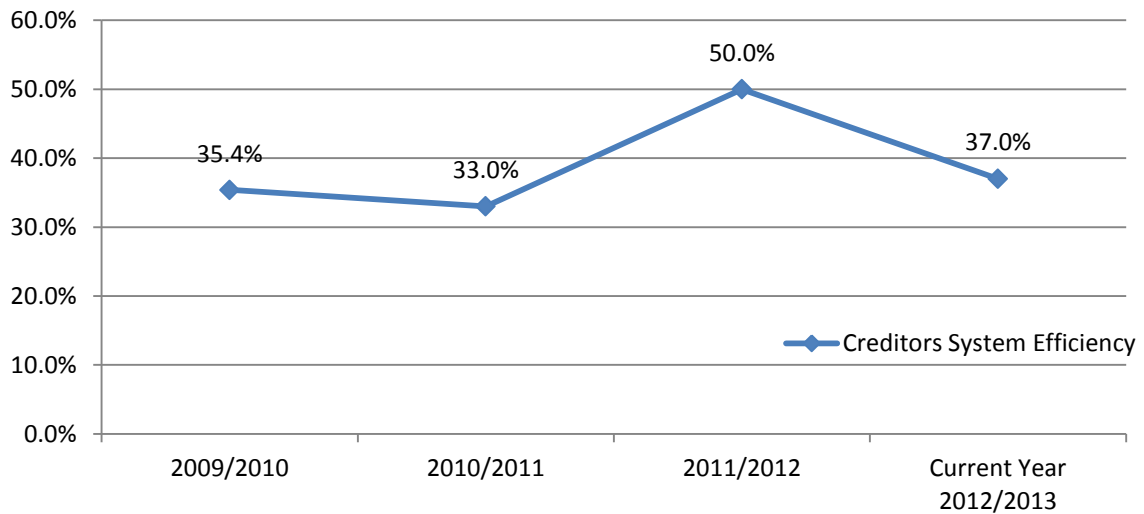
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T5.4.5

Chapter 5

Creditors System Efficiency



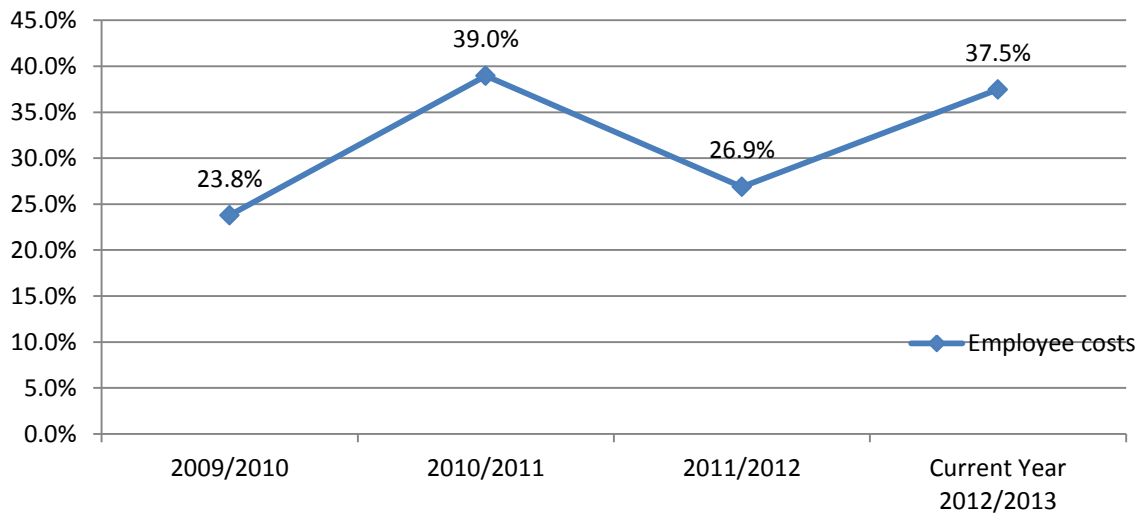
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T5.4.6

Chapter 5

Employee Costs



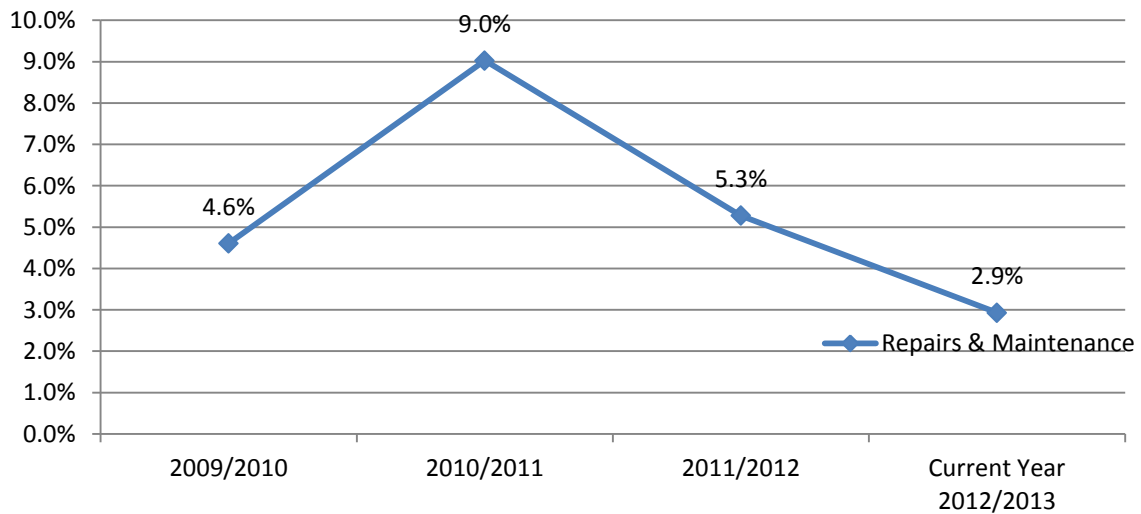
Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T5.4.7

Chapter 5

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

T5.4.8

COMMENT ON FINANCIAL RATIOS:

The only positive aspect of these financial ratios is that employee costs are kept within acceptable norms. All other ratios clearly indicate the negative cash flow situation of the municipality, but corrective steps have been implemented.

T5.4.9

Chapter 5

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

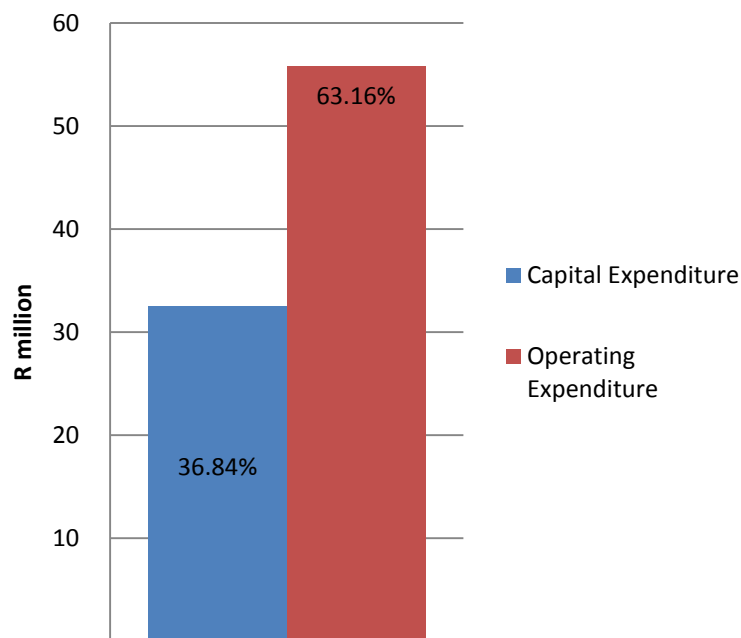
INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

All capital expenditure is funded from grant funding. The cash flow situation of the municipality does not allow it to make any contribution towards capital expenditure.

T5.5.0

5.5 CAPITAL EXPENDITURE

Capital Expenditure: Year 1



T5.5.1

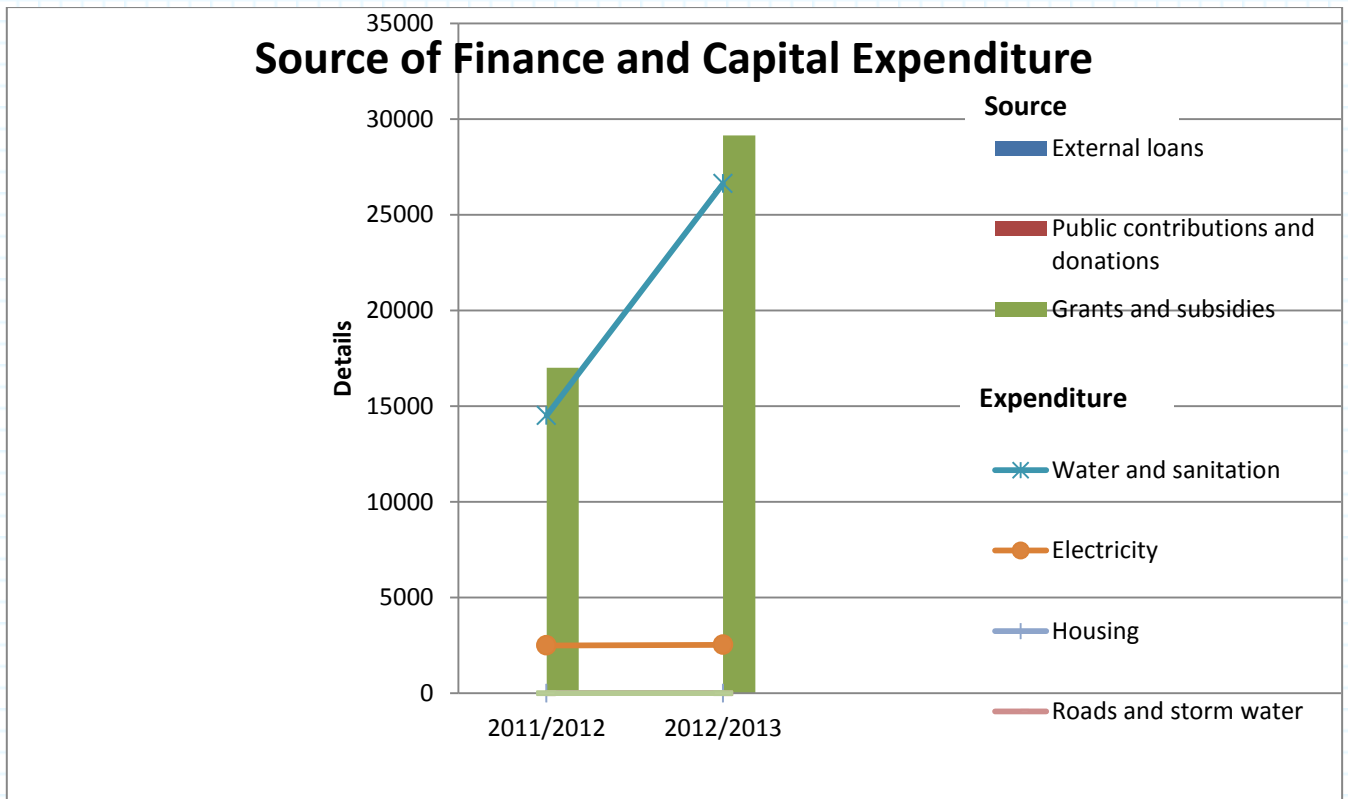
5.6 SOURCES OF FINANCE

Chapter 5

Capital Expenditure - Funding Sources 2011/2012 to 2012/2013						
R' 000						
Details	2011/2012	2012/2013				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	0	0	0	0	#DIV/0!	#DIV/0!
Public contributions and donations	0	0	0	0	#DIV/0!	#DIV/0!
Grants and subsidies	17015	39914	32510	29153	-18.55%	-26.96%
Other	0	0	0	0	#DIV/0!	#DIV/0!
Total	17015	39914	32510	29153	#DIV/0!	#DIV/0!
Percentage of finance						
External loans	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Grants and subsidies	100.0%	100.0%	100.0%	100.0%	#DIV/0!	#DIV/0!
Other	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Capital expenditure						
Water and sanitation	14515	21734	16500	26623	-24.08%	22.49%
Electricity	2500	4500	3000	2530	-33.33%	-43.78%
Housing	0	0	0	0	#DIV/0!	#DIV/0!
Roads and storm water	0	0	0	0	#DIV/0!	#DIV/0!
Other	0	13680	13010		-4.90%	-100.00%
Total	17015	39914	32510	29153	#DIV/0!	#DIV/0!
Percentage of expenditure						
Water and sanitation	85.3%	54.5%	50.8%	91.3%	#DIV/0!	#DIV/0!
Electricity	14.7%	11.3%	9.2%	8.7%	#DIV/0!	#DIV/0!
Housing	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Roads and storm water	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Other	0.0%	34.3%	40.0%	0.0%	#DIV/0!	#DIV/0!

T5.6.1

Chapter 5



COMMENT ON SOURCES OF FUNDING:

The reason for actual expenditure being lower than expected is the late approval of business plans submitted for funding.

T5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Chapter 5

Capital Expenditure of 2 largest projects*					
R' 000					
Name of Project	Current Year: 2012/2013			Variance Current Year: 2012/2013	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Hopetown Bulk Water Supply	10 991	9 734	13 737	-25%	11%
Steynville Upgrading of Bulk water Supply and Distribution	2 578	3 157	9 451	-267%	-22%
* Projects with the highest capital expenditure in 2012/2013					
Name of Project - A	HopetownWater Treatment Works				
Objective of Project	Upgrading and expansion of Water Treatment Works in Hopetown to cope with				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - B	Steynville Bulk Water Scheme				
Objective of Project	Improvement of expansion and Steynvill Bulk Water Supply				
Delays					
Future Challenges					
Anticipated citizen benefits					
					T5.7.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Thembelihle Local Municipality has backlogs in sanitation, housing and electricity supply.

T5.8.1

Chapter 5

Service Backlogs as at 2012/2013				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	3561	100%	0	0%
Sanitation	3104	87%	457	13%
Electricity	2704	76%	857	24%
Waste management	3561	100%	0	0%
Housing	2648	74%	935	26%
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				

T5.8.2

Municipal Infrastructure Grant (MIG)* Expenditure 2012/2013 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges				%	%	
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street Lighting				%	%	
Infrastructure - Water				%	%	
Dams & Reservoirs				%	%	
Water purification	13569	12890	10963	%	%	
Reticulation				%	%	
Infrastructure - Sanitation				%	%	
Reticulation				%	%	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management				%	%	
Transportation				%	%	
Gas				%	%	
Other Specify:				%	%	
				%	%	
				%	%	
				%	%	
Total	13569	12890	10963	%	%	
* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.8.3

Chapter 5

COMMENT ON BACKLOGS:

Backlogs are significant in housing, electricity supply and sanitation.

Access to alternative electricity could be improved by Thembelihle supplying Eskom with the indigent list so that those who do not have access to power may obtain alternative sources such as paraffin and candles – but this must be arranged via Eskom.

Access to housing has been delayed due to poor intergovernmental relation with the provincial department of housing. It is hoped that this will improve in the future.

Thembelihle plans to apply for funding for housing projects like Strydenburg 63 and Sewendelaan 201 and Goutrou 600. However, the bulk outfall sewer from Steynville to the Hopetown WWTW will need to be upgraded before these areas can be connected to the sewer system.

T5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Due to the importance of cash flow management and the negative cash flow situation of the municipality, cash payments is being considered on a daily basis to ensure that grant funding is used for the purpose it was obtained and not for other reasons.

T5.9.0

5.9 CASH FLOW

Chapter 5

Cash Flow Outcomes				
R'000				
Description	2011/2012	Current Year: 2012/2013		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	31 911	27 938	17 758	20 655
Government - operating	0	18 416	18 879	20 791
Government - capital	19 457	39 914	33 189	29 618
Interest	1 010	93	514	1 997
Dividends	–			–
Payments				
Suppliers and employees	(28 322)	(47 036)	(46 267)	(42 967)
Finance charges	(3 834)	(283)	(221)	–
Transfers and Grants	(412)	(148)	(148)	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	19 811	38 892	23 702	30 093
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	4			15
Decrease (Increase) in non-current debtors	–			(16)
Decrease (increase) other non-current receivables	–			–
Decrease (increase) in non-current investments	–			–
Payments				
Capital assets	(18 688)	(39 914)	(26 212)	(26 298)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(18 684)	(39 914)	(26 212)	(26 300)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–			–
Borrowing long term/refinancing	–			–
Increase (decrease) in consumer deposits	–		47	–
Payments				
Repayment of borrowing	(153)	80	(80)	(66)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(153)	80	(33)	(66)
NET INCREASE/ (DECREASE) IN CASH HELD	974	(942)	(2 542)	3 727
Cash/cash equivalents at the year begin:	2 092		–	3 066
Cash/cash equivalents at the year end:	3 066	(942)	(2 542)	6 793
Source: MBRR SA7				T5.9.1

Chapter 5

COMMENT ON CASH FLOW OUTCOMES:

As was stated earlier, the cash flow situation remains the most critical aspect within the municipality, but steps have been taken to improve this situation.

T5.9.1.1

5.10 BORROWING AND INVESTMENTS

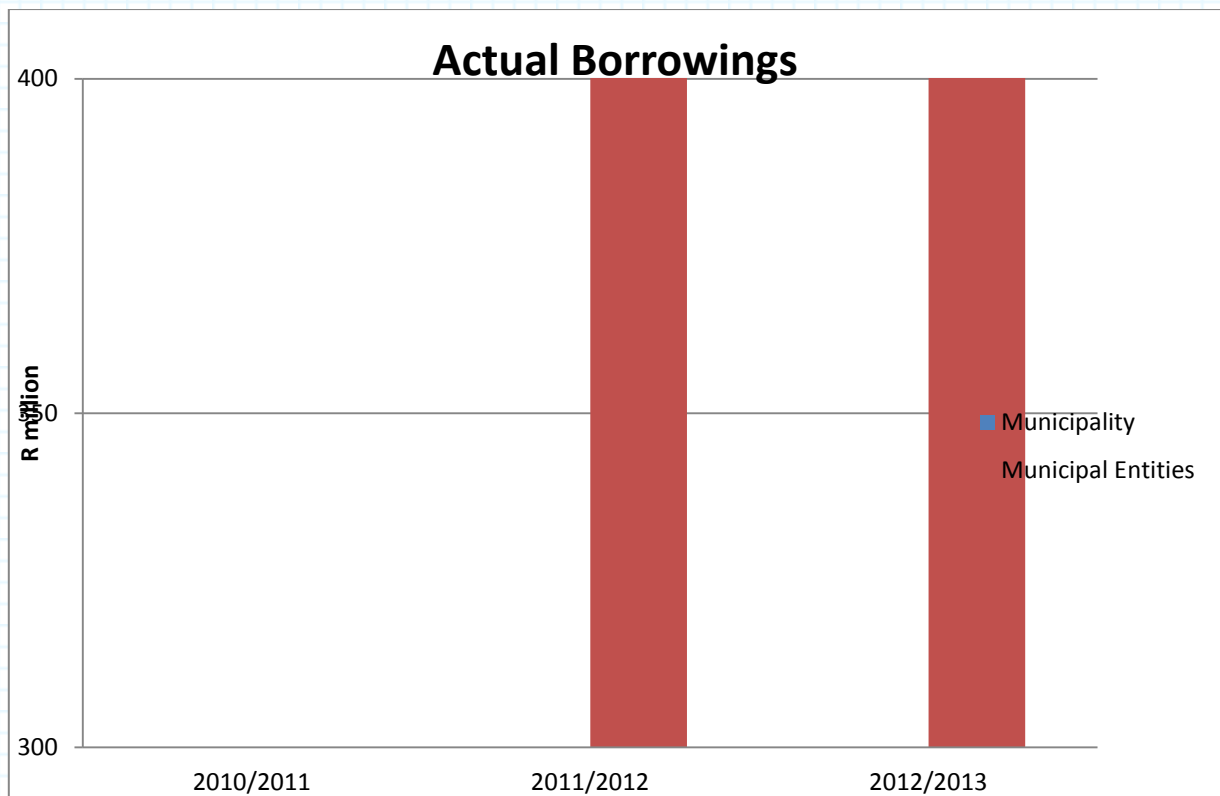
INTRODUCTION TO BORROWING AND INVESTMENTS

No new loans have been taken up by the municipality during this financial year. The municipality only has DBSA loans which are being paid on a monthly basis. It is not intended to take up new loans until such time that the cash flow situation has improved sufficiently to re-pay the loan.

T5.10.1

Actual Borrowings 2010/2011 to 2012/2013			
	R' 000		
Instrument	2010/2011	2011/2012	2012/2013
Municipality			
Long-Term Loans (annuity/reducing balance)		5734	5668
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total		5 734	5 668

Chapter 5



Chapter 5

Municipal and Entity Investments			
			R' 000
Investment* type	2010/2011	2011/2012	2012/2013
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank		2374	6411
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			
Municipality sub-total	0	2374	6411
<u>Municipal Entities</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	0	2374	6411
			T5.10.4

Chapter 5

COMMENT ON BORROWING AND INVESTMENTS:

All deposits indicated above are cash in the Bank and call deposits at financial institutions.

T5.10.5

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Supply Chain Management has been given priority attention during the year. An updated SCM Policy was approved by Council, the Committees have been restructured and are functioning very well. No political interference whatsoever has been experienced and no Councillors serve on any of the Committees. A new post of Accountant SCM and Assets was created and this post will be filled during the 2013/14 financial year. The appointee and his/her staff will then be enrolled to meet the minimum competency levels.

T5.12.1

5.12 GRAP COMPLIANCE

GRAP COMPLIANCE

The Municipality's systems and Annual Financial Statements are fully GRAP compliant.

T5.13.1

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The Annual Financial Statements were completed and submitted on time. The audit completed by the Auditor-General unfortunately again had a disclaimer.

T6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 0

6.1 AUDITOR GENERAL REPORTS YEAR 1 (CURRENT YEAR)

Auditor-General Report on Financial Performance 2012/2013	
Audit Report Status*:	Disclaimer
Non-Compliance Issues	Remedial Action Taken
Receivables from non-exchange	Ensure balances are correctly brought forward and amounts are supportive
Revenue for exchange & non-exchange	Ensure billing is correct
Commitments	Register need to be correctly compiled with all relevant information
Irregular	The balance brought forward was incorrect, make sure the correction is made
Material losses	Electricity and water need be calculated monthly
Unauthorised expenditure	Ensure unauthorised expenditure are in the time frame approved by council
Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)	
T6.1.1	

Chapter 6

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 1

This report is attached.

T6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 1:

Even though the Auditor-General again expressed a disclaimer as opinion, it was stated by the AG's office that improvements have been made.

T6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 reports have been submitted for the full financial year.

Signed (Chief financial Officer)..... Dated

T6.2.5

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give <i>“full and regular”</i> reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe <i>“what we do”</i> .
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.

GLOSSARY

Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.

GLOSSARY

Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance
	FT/PT			%	%
CIlr Danny Jonas	FT		WARD 1	100%	0%
CIlr Suzette Madekane	PT	Finance Committee	DA	100%	0%
CIlr E. De Bruin	PT	Corporate Services	COPE	100%	0%
CIlr P. Louw	PT	Technical Services	COPE	100%	0%
CIlr A. Kywe	PT	Corporate Services	ANC	100%	0%
CIlr B. Mpamba	PT	Finance Committee	ANC	100%	0%
CIlr M. Humphreys	PT	Technical Services	ANC	100%	0%
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					T A

APPENDICES

APPENDIX C – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	NO	
Building regulations	NO	
Child care facilities	NO	
Electricity and gas reticulation	YES	
Firefighting services	NO	
Local tourism	YES	
Municipal airports	NO	
Municipal planning	YES	
Municipal health services	NO	
Municipal public transport	NO	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this	YES	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters	NO	
Stormwater management systems in built-up areas	YES	
Trading regulations	YES	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	YES	
<i>Continued next page</i>		

APPENDICES

<i>Continued from previous page</i>		
Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 5, Part B functions:		
Beaches and amusement facilities	NO	
Billboards and the display of advertisements in public places	YES	
Cemeteries, funeral parlours and crematoria	NO	
Cleansing	YES	
Control of public nuisances	NO	
Control of undertakings that sell liquor to the public	NO	
Facilities for the accommodation, care and burial of animals	NO	
Fencing and fences	YES	
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	NO	
Pounds	NO	
Public places	YES	
Refuse removal, refuse dumps and solid waste disposal	YES	
Street trading	YES	
Street lighting	YES	
Traffic and parking	YES	
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

APPENDICES

APPENDIX F – WARD INFORMATION

Ward Title: Wards 1, 2, 3 and 4

Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix X)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
1	Hopetown WTW MIG 675	07/12/2011	10/05/2013	30 620
2	Steynville Bulk Water Scheme MIG 889	13/03/2012	28/11/2012	13 956
3	Upgrading of the Hopetown main intake sub-station (5 MVA)	02/04/2012	30/09/2012	3 000
4	ACIP project for WCWDM and WW refurbishment	01/04/2013	31/03/2014	2 850
5	Hopetown Orange River Raw Water Pump Station Phase 1 MIG 890	09/11/2012	30/04/2013	1 248
6	High Mast Lighting Steynville and Mandela Square MIG 893	09/11/2012	30/04/2013	1 172
7	EPWP Pothole repairs to Church and Wiid Streets, Hopetown	01/07/2012	30/06/2013	1 000
				T.F.1

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery					
Households without minimum service delivery					
Total Households*					
Houses completed in year					
Shortfall in Housing units					
*Including informal settlements					T.F.2

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During Year 1
		T.F.3

APPENDICES

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)

Names: xxx (8); xxx (7)...

TF.3

APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1

[illegible]

VOLUME II

APPENDIX G: DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of 2012/2013 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	D Jonas	Thembelihle Bricks
Member of MayCo / Exco		
Councillor	B Mpamba	Thembelihle Bricks
Municipal Manager		
Chief Financial Officer	GD Nieuwenhuizen	Grique Diamonds
Deputy MM and (Executive) Directors		
Other S57 Officials	Y Goibaiyer	Ubutnu Zakah Trading & Transport
	E Painting -	Painting Semanya Associates, Orange River Toll House, Semrock,
		Mothopo Technologies, Southern Cross Consulting,
		Sweet Equity Investments, Aquatechnica Holdings
* Financial intersests to be disclosed even if they incurred for only part of the year. See MBRR SA34A		TJ

APPENDICES

APPENDIX H: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX H (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
Vote Description	2011/2012	Current Year: 2012/2013			2012/2013 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - Executive and Council	12 349	14 630	14 630	14 639		
Vote 2 - Budget & Treasury	4 890	4 875	5 094	5 620		
Vote 3 - Corporate Services	512	490	575	602		
Vote 4 - Community & Social Serv	1 865	646	972	533		
Vote 5 - Public Safety	–	–	–			
Vote 6 - Planning & Development	8 715	18 095	14 657	12 304		
Vote 7 - Road Transport	4 745	4 233	3 753	740		
Vote 8 - Electricity	10 892	13 251	12 107	15 201		
Vote 9 - Water	10 832	29 988	19 788	41 508		
Vote 10 - Water Waste Managem	2 061	2 230	2 222	2 207		
Vote 11 - Waste Management	837	1 183	1 219	1 210		
Example 12 - Vote 12						
Example 13 - Vote 13						
Example 14 - Vote 14						
Example 15 - Vote 15						
Total Revenue by Vote	57 699	89 623	75 018	94 565	–	–
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						T K.1

APPENDICES

APPENDIX H (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

R '000						
Description	2011/2012	2012/2013			2012/2013 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	2 268	2 487	2 586	2 333	-6.59%	-10.83%
Property rates - penalties & collection charges	0	0	0	0	0.00%	0.00%
Service Charges - electricity revenue	7 641	8 564	8 564	8 989	4.73%	4.73%
Service Charges - water revenue	2 546	3 668	2 824	2 656	-38.07%	-6.32%
Service Charges - sanitation revenue	2 042	2 200	2 217	2 202	0.08%	-0.71%
Service Charges - refuse revenue	1 121	1 183	1 218	1 209	2.20%	-0.71%
Service Charges - other	0	170	104	0	-16987500.00%	-10383800.00%
Rentals of facilities and equipment	285	313	460	402	22.20%	-14.24%
Interest earned - external investments	0	86	136	0	-8629700.00%	-13617000.00%
Interest earned - outstanding debtors	886	6	378	1 772	99.64%	78.69%
Dividends received	0			0	100.00%	100.00%
Fines	4 901	699	112	26	-2558.95%	-325.89%
Licences and permits	31	105	180	717	85.43%	74.94%
Agency services	0			0	100.00%	100.00%
Transfers recognised - operational	22 060	18 416	19 557	15 768	-16.80%	-24.03%
Other revenue	1 723	11 814	4 172	796	-1383.51%	-423.92%
Gains on disposal of PPE	0	0	0	0	0.00%	0.00%
Environmental Protection	0	0	0	0	0.00%	0.00%
Total Revenue (excluding capital transfers and contributions)	45 504	49 710	42 508	36 871	-34.82%	-15.29%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						T K.2

APPENDICES

APPENDIX I: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant				%	%	
				%	%	
				%	%	
Public Transport Infrastructure and Systems Grant				%	%	
				%	%	
				%	%	
				%	%	
<i>Other Specify:</i>				%	%	
INEP	3000	3000	2530	%	%	
				%	%	
				%	%	
Total				%	%	
* 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, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						TL

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

This R3 million INEP grant was in respect of the upgrading of the Hopetown main intake substation to improve electricity provision to the community.

TL.1

APPENDICES

APPENDIX J: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX J (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
Description	2011/2012	2012/2013			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	18 576	–		25 421	–	–	–
Infrastructure: Road transport - Total	2 135	–		–	–	–	–
<i>Roads, Pavements & Bridges</i>	2 135						
<i>Storm water</i>							
Infrastructure: Electricity - Total	2 224	–		2 232	–	–	–
<i>Generation</i>							
<i>Transmission & Reticulation</i>	2 224			2 232			
<i>Street Lighting</i>							
Infrastructure: Water - Total	13 647	–		23 189	–	–	–
<i>Dams & Reservoirs</i>	1 739						
<i>Water purification</i>							
<i>Reticulation</i>	11 908			23 189			
Infrastructure: Sanitation - Total	–	–		–	–	–	–
<i>Reticulation</i>							
<i>Sewerage purification</i>							
Infrastructure: Other - Total	570	–		–	–	–	–
<i>Waste Management</i>							
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>	570						
Table continued next page							

APPENDICES

Table continued from previous page

Capital Expenditure - New Assets Programme*							
R '000							
Description	2011/2012	2012/2013			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Heritage assets - Total	-	-		-	-	-	-
Buildings							
Other							
Investment properties - Total	-	-		-	-	-	-
Housing development							
Other							
Other assets	108	-		568	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment	4			57			
Computers - hardware/equipment							
Furniture and other office equipment	51			497			
Abattoirs							
Markets							
Civic Land and Buildings				14			
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other	53						
Intangibles	0	-		309	-	-	-
Computers - software & programming	0			309			
Other (list sub-class)							
Total Capital Expenditure on new asset	18 685	-		26 298	-	-	-
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)							T M.1

APPENDICES

VOLUME II: ANNUAL FINANCIAL STATEMENTS (ARE ATTACHED)

APPENDICES

VOLUME III: AUDITOR-GENERAL REPORT (ARE ATTACHED)