



# Annual Report 2015/2016

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*This Annual Report is drafted in terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).*

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## TABLE OF CONTENTS

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY.....	11
COMPONENT A: MAYOR'S FOREWORD.....	12
COMPONENT B: EXECUTIVE SUMMARY .....	15
1.1    MUNICIPAL MANAGER'S OVERVIEW .....	15
1.2    MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW.....	19
1.3    SERVICE DELIVERY OVERVIEW .....	22
1.4    FINANCIAL HEALTH OVERVIEW.....	26
1.5    ORGANISATIONAL DEVELOPMENT OVERVIEW.....	30
1.6    AUDITOR-GENERAL REPORT .....	32
1.7    STATUTORY ANNUAL REPORT PROCESS .....	33
CHAPTER 2: GOVERNANCE .....	34
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE.....	35
2.1    POLITICAL GOVERNANCE .....	35
2.2    ADMINISTRATIVE GOVERNANCE .....	39
COMPONENT B: INTERGOVERNMENTAL RELATIONS.....	41
2.3    INTERGOVERNMENTAL RELATIONS.....	42
COMPONENT C: PUBLIC ACCOUNTABILITY AND .....	43
2.4    PUBLIC MEETINGS.....	44
2.5    IDP PARTICIPATION AND ALIGNMENT .....	48
COMPONENT D: CORPORATE GOVERNANCE .....	48
2.6    RISK MANAGEMENT.....	48
2.7    INTERNAL AUDIT .....	49
2.8    ANTI-CORRUPTION AND FRAUD .....	49
2.9    SUPPLY CHAIN MANAGEMENT .....	50
2.10   BY-LAWS.....	52
2.11   WEBSITES .....	52
2.12   PUBLIC SATISFACTION WITH MUNICIPAL SERVICES .....	53
CHAPTER 3: SERVICE DELIVERY PERFORMANCE .....	54
COMPONENT A: BASIC SERVICES .....	56

3.1	WATER PROVISION.....	56
3.2	WASTEWATER (SANITATION) PROVISION.....	63
3.3	ELECTRICITY.....	71
3.4	WASTE MANAGEMENT .....	78
3.5	HOUSING.....	86
3.6	FREE BASIC SERVICES AND INDIGENT SUPPORT .....	93
COMPONENT B: ROAD TRANSPORT .....		96
3.7	ROADS .....	96
3.8	STORMWATER DRAINAGE .....	102
COMPONENT C: PLANNING AND ECONOMIC DEVELOPMENT .....		107
3.9	PLANNING .....	107
3.10	LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKETPLACES).....	114
COMPONENT D: COMMUNITY AND SOCIAL SERVICES.....		119
3.11	LIBRARIES .....	122
3.12	CEMETERIES AND CREMATORIA .....	126
3.13	CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES.....	129
COMPONENT E: ENVIRONMENTAL PROTECTION.....		133
3.14	POLLUTION CONTROL .....	135
3.15	BIODIVERSITY, LANDSCAPE (INCLUDING OPEN SPACES) .....	137
COMPONENT F: SECURITY AND SAFETY .....		139
3.16	TRAFFIC, LICENSING AND LAW ENFORCEMENT.....	139
3.17	FIRE SERVICE .....	143
COMPONENT G: SPORT AND RECREATION.....		149
3.18	SPORT AND RECREATION .....	149
COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES .....		152
3.19	EXECUTIVE AND COUNCIL.....	152
3.20	FINANCIAL SERVICES .....	156
3.21	HUMAN RESOURCE SERVICES.....	160
3.22	INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES .....	164
3.23	PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT .....	169
CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE .....		177
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL .....		178
4.1	EMPLOYEE TOTALS, TURNOVER AND VACANCIES .....	178

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE .....	180
4.2    POLICIES .....	180
4.3    INJURIES, SICKNESS AND SUSPENSIONS .....	181
4.4    PERFORMANCE REWARDS .....	183
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE .....	184
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE .....	188
4.5    EMPLOYEE EXPENDITURE .....	189
CHAPTER 5: FINANCIAL PERFORMANCE .....	192
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE .....	193
5.1    GRANTS .....	197
5.2    ASSET MANAGEMENT .....	198
5.3    FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS.....	202
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET .....	207
5.4    CAPITAL EXPENDITURE.....	208
5.5    SOURCES OF FINANCE.....	208
5.6    CAPITAL SPENDING ON FIVE LARGEST PROJECTS .....	209
5.7    BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW .....	211
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS .....	214
5.8    CASH FLOW .....	214
5.9    BORROWING AND INVESTMENTS.....	215
5.10   PUBLIC-PRIVATE PARTNERSHIPS.....	217
COMPONENT D: OTHER FINANCIAL MATTERS .....	218
5.11   SUPPLY CHAIN MANAGEMENT .....	218
5.12   GRAP COMPLIANCE.....	218
CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS .....	221
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2014/2015.....	222
COMPONENT B: AUDITOR-GENERAL OPINION 2015/2016 .....	222
6.1    AUDITOR-GENERAL REPORT 2015/2016.....	222
GLOSSARY.....	224
APPENDICES .....	226
APPENDIX A: COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE .....	226
APPENDIX B: COMMITTEES AND COMMITTEE PURPOSES .....	228
APPENDIX C: SECOND- AND THIRD-TIER ADMINISTRATION STRUCTURE.....	229

APPENDIX D: FUNCTIONS OF MUNICIPALITY .....	230
APPENDIX E: WARD REPORTING .....	231
APPENDIX F: WARD INFORMATION .....	240
APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2015/2016 .....	242
APPENDIX H: LONG-TERM CONTRACTS AND PUBLIC-PRIVATE PARTNERSHIPS .....	245
APPENDIX I: DISCLOSURES OF FINANCIAL INTEREST .....	247
APPENDIX J: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE .....	250
APPENDIX J (i): REVENUE COLLECTION PERFORMANCE BY VOTE .....	250
APPENDIX J (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE .....	251
APPENDIX K: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG .....	252
APPENDIX L: CAPITAL EXPENDITURE – NEW AND UPGRADE/RENEWAL PROGRAMMES .....	253
APPENDIX L (i): CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME .....	253
APPENDIX L (ii): CAPITAL EXPENDITURE – Upgrade/Renewal Programme .....	256
APPENDIX M: CAPITAL PROGRAMME BY PROJECT 2015/2016 .....	260
APPENDIX N: CAPITAL PROGRAMME BY PROJECT BY WARD 2015/2016.....	262
APPENDIX O: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS .....	263
APPENDIX P: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION .....	264
APPENDIX Q: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY .....	265
APPENDIX R: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71.....	269
APPENDIX S: PRESIDENTIAL OUTCOME FOR LOCAL GOVERNMENT .....	270
VOLUME I: ANNUAL AUDITED FINANCIAL STATEMENTS 2015/2016 .....	271
VOLUME II: REPORT OF THE AUDITOR-GENERAL 2015/2016.....	272
VOLUME III: AUDIT OUTCOME IMPROVEMENT PLAN .....	273
VOLUME IV: REPORT OF THE AUDIT COMMITTEE 2015/2016 .....	274
VOLUME V: ANNUAL PERFORMANCE REPORT 2015/2016 .....	275

## LIST OF GRAPHS

<i>Graph 1: Households</i> .....	20
<i>Graph 2: Socio-economic Status</i> .....	21
<i>Graph 3: Proportion of households with access to basic services</i> .....	25
<i>Graph 4: Total Capital Expenditure</i> .....	30
<i>Graph 5: Water use by sector</i> .....	57
<i>Graph 6: Access to water</i> .....	59
<i>Graph 7: Sanitation/Sewerage</i> .....	65

Graph 8: Electricity .....	74
Graph 9: Office paper recycling project.....	84
Graph 10: Percentage waste recycling participation .....	85
Graph 11: Free basic household services .....	93
Graph 12: Road Infrastructure costs .....	98
Graph 13: Stormwater infrastructure costs .....	103
Graph 14: Average number of days sick leave .....	182
Graph 15: Workforce Expenditure Trends .....	189
Graph 16: Liquidity Ratio .....	202
Graph 17: Cost Coverage .....	202
Graph 18: Outstanding Service Debtors to Revenue .....	203
Graph 19: Debt Coverage .....	203
Graph 20: Capital Charges to Operating Expenditure .....	204
Graph 21: Creditors System Efficiency .....	204
Graph 22: Employee Cost .....	205
Graph 23: Repairs and Maintenance .....	205
Graph 24: Capital Expenditure .....	208
Graph 25: Actual Borrowings .....	217

## **LIST TABLES**

Table 1: Population Details.....	19
Table 2: Socio-economic Status .....	20
Table 3: Overview of neighbourhoods in Drakenstein Municipality .....	21
Table 4: Natural Resources.....	22
Table 5: Financial Overview 2015/2016.....	28
Table 6: Operating Ratios .....	28
Table 7: Total Capital Expenditure .....	29
Table 8: Statutory Annual Report Process .....	33
Table 9: Political Structure .....	37
Table 10: Executive Mayoral Committee.....	39
Table 11: Top Administrative Structure.....	41
Table 12: Public Meetings .....	47
Table 13: IDP Participation and Alignment Criteria .....	48
Table 14: Procurement per sector .....	51
Table 15: By-laws introduced during 2015/2016 .....	52
Table 16: By-laws passed .....	52
Table 17: Municipal Website Content .....	53
Table 18: Total use of water by sector (cubic metres) .....	57
Table 19: Water Service Delivery Levels .....	58
Table 20: Households – Water Service Delivery Levels below the minimum.....	59
Table 21: Water Service Policy Objectives taken from IDP .....	60
Table 22: Employees – Water Services .....	61
Table 23: Financial Performance 2015/2016 – Water Services .....	62
Table 24: Capital Expenditure 2015/2016 – Water Services .....	62

<i>Table 25: Sanitation Service Delivery Level .....</i>	<i>66</i>
<i>Table 26 : Households – Sanitation Service Delivery Levels below the minimum .....</i>	<i>66</i>
<i>Table 27: Wastewater (Sanitation) Service Policy Objectives taken from the IDP .....</i>	<i>67</i>
<i>Table 28: Employees – Sanitation Services .....</i>	<i>68</i>
<i>Table 29: Financial Performance 2015/2016 – Sanitation Services .....</i>	<i>68</i>
<i>Table 30: Capital Expenditure 2015/2016 – Sanitation Services .....</i>	<i>69</i>
<i>Table 31: Electricity Service Delivery Levels .....</i>	<i>74</i>
<i>Table 32: Households – Electricity Service Delivery Levels below the minimum .....</i>	<i>75</i>
<i>Table 33: Electricity Service Policy Objectives taken from IDP .....</i>	<i>76</i>
<i>Table 34: Employees – Electricity Services .....</i>	<i>77</i>
<i>Table 35: Financial Performance 2015/2016 – Electricity Services .....</i>	<i>77</i>
<i>Table 36: Capital Expenditure 2015/2016 – Electricity Services .....</i>	<i>77</i>
<i>Table 37: Solid Waste Service Delivery Levels .....</i>	<i>78</i>
<i>Table 38: Households – Solid Waste Service Delivery Levels below the minimum .....</i>	<i>79</i>
<i>Table 39: Waste Management Service Policy Objectives taken from IDP .....</i>	<i>80</i>
<i>Table 40: Employees – Solid Waste Management Services .....</i>	<i>81</i>
<i>Table 41: Financial Performance 2015/2016 – Solid Waste Management Services .....</i>	<i>81</i>
<i>Table 42: Capital Expenditure 2015/2016 – Waste Management Services .....</i>	<i>82</i>
<i>Table 43: Percentage waste recycling participation .....</i>	<i>84</i>
<i>Table 44: Housing Demand Database .....</i>	<i>89</i>
<i>Table 45: Housing Service Policy Objectives taken from IDP .....</i>	<i>90</i>
<i>Table 46: Employees – Housing Services .....</i>	<i>91</i>
<i>Table 47: Financial Performance 2015/2016 – Housing Services .....</i>	<i>91</i>
<i>Table 48: Capital Expenditure 2015/2016 – Housing Services .....</i>	<i>92</i>
<i>Table 49: Free Basic Services to low-income households .....</i>	<i>93</i>
<i>Table 50: Financial Performance 2015/2016 – Cost to Municipality of Free Basic Services delivered .....</i>	<i>94</i>
<i>Table 51: Free Basic Service Policy Objectives taken from IDP .....</i>	<i>95</i>
<i>Table 52: Gravel Road Infrastructure .....</i>	<i>97</i>
<i>Table 53: Asphalted Road Infrastructure .....</i>	<i>97</i>
<i>Table 54: Cost of Construction/Maintenance .....</i>	<i>98</i>
<i>Table 55: Road Service Policy Objectives taken from IDP .....</i>	<i>99</i>
<i>Table 56: Employees – Road Services .....</i>	<i>100</i>
<i>Table 57: Financial Performance 2015/2016 – Road Services .....</i>	<i>100</i>
<i>Table 58: Capital Expenditure 2015/2016 – Road Services .....</i>	<i>101</i>
<i>Table 59: Stormwater Infrastructure .....</i>	<i>103</i>
<i>Table 60: Cost of Construction/Maintenance .....</i>	<i>103</i>
<i>Table 61: Stormwater Policy Objectives taken from IDP .....</i>	<i>104</i>
<i>Table 62: Employees – Stormwater Services .....</i>	<i>105</i>
<i>Table 63: Financial Performance 2015/2016 – Stormwater Services .....</i>	<i>105</i>
<i>Table 64: Capital Expenditure 2015/2016 – Stormwater Services .....</i>	<i>106</i>
<i>Table 65: Valuation Roll .....</i>	<i>108</i>
<i>Table 66: Applications for Land Use Development .....</i>	<i>109</i>
<i>Table 67: Planning Policy Objectives taken from IDP .....</i>	<i>110</i>



<i>Table 68: Employees – Planning Services.....</i>	<i>111</i>
<i>Table 69: Financial Performance 2015/2016 – Planning Services.....</i>	<i>111</i>
<i>Table 70: Capital Expenditure 2015/2016 – Planning Services.....</i>	<i>111</i>
<i>Table 71: Economic Activity by Sector .....</i>	<i>115</i>
<i>Table 72: Economic Employment by Sector .....</i>	<i>116</i>
<i>Table 73: Job creation through EPWP Projects .....</i>	<i>116</i>
<i>Table 74: Local Economic Development Policy Objectives taken from IDP .....</i>	<i>117</i>
<i>Table 75: Employees – Local Economic Development Services .....</i>	<i>118</i>
<i>Table 76: Financial Performance 2015/2016 – Local Economic Development Services .....</i>	<i>118</i>
<i>Table 77: Capital Expenditure 2015/2016 – Local Economic Development Services.....</i>	<i>119</i>
<i>Table 78: Community Development Policy Objectives taken from IDP .....</i>	<i>121</i>
<i>Table 79: Service Statistics for Libraries.....</i>	<i>123</i>
<i>Table 80: Libraries, Community Facilities, and other Policy Objectives taken from IDP .....</i>	<i>124</i>
<i>Table 81: Employees – Libraries, Community Facilities and Other.....</i>	<i>125</i>
<i>Table 82: Financial Performance 2015/2016 – Libraries, Community Facilities and Other .....</i>	<i>125</i>
<i>Table 83: Capital Expenditure 2015/2016 – Libraries, Community Facilities and Other.....</i>	<i>126</i>
<i>Table 84: Cemeteries and Crematoria Policy Objectives taken from IDP .....</i>	<i>127</i>
<i>Table 85: Employees – Cemeteries and Crematoria .....</i>	<i>128</i>
<i>Table 86: Financial Performance 2015/2016: Cemeteries and Crematoria .....</i>	<i>128</i>
<i>Table 87: Capital Expenditure 2015/2016 – Cemeteries and Crematoria .....</i>	<i>128</i>
<i>Table 88: Child Care, Aged Care, and Social Programmes Policy Objectives taken from IDP.....</i>	<i>130</i>
<i>Table 89: Employees – Child Care, Aged Care, Social Programmes .....</i>	<i>131</i>
<i>Table 90: Financial Performance 2015/2016 – Child Care, Aged Care, Social Programmes.....</i>	<i>131</i>
<i>Table 91: Capital Expenditure 2015/2016 – Child Care, Aged Care, Social Programmes .....</i>	<i>132</i>
<i>Table 92: Skills Training for youth .....</i>	<i>132</i>
<i>Table 93: Strategic Objectives: Social and Community Development.....</i>	<i>133</i>
<i>Table 94: Pollution Control Policy Objectives taken from IDP .....</i>	<i>136</i>
<i>Table 95: Biodiversity, Landscape and Other Policy Objectives taken from IDP .....</i>	<i>138</i>
<i>Table 96: Law Enforcement Service Data .....</i>	<i>140</i>
<i>Table 97: Law Enforcement Objectives taken from IDP .....</i>	<i>141</i>
<i>Table 98: Employees – Law Enforcement .....</i>	<i>142</i>
<i>Table 99: Financial Performance 2015/2016 – Law Enforcement.....</i>	<i>142</i>
<i>Table 100: Capital Expenditure 2015/2016 – Law Enforcement .....</i>	<i>143</i>
<i>Table 101: Firefighter Training.....</i>	<i>144</i>
<i>Table 102: Fire Safety – Activities .....</i>	<i>145</i>
<i>Table 103: Fire Service Data.....</i>	<i>145</i>
<i>Table 104: Fire Service Policy Objectives taken from IDP .....</i>	<i>146</i>
<i>Table 105: Employees – Fire Service .....</i>	<i>147</i>
<i>Table 106: Financial Performance 2015/2016 – Fire Service .....</i>	<i>147</i>
<i>Table 107: Capital Expenditure 2015/2016 – Fire Service .....</i>	<i>148</i>
<i>Table 108: The different sports codes' utilisation of sports facilities .....</i>	<i>149</i>
<i>Table 109: Sport and Recreation Policy Objectives taken from IDP .....</i>	<i>150</i>
<i>Table 110: Employees – Sports and Recreation .....</i>	<i>151</i>
<i>Table 111: Financial Performance 2015/2016 – Sports and Recreation .....</i>	<i>151</i>



<i>Table 112: Capital Expenditure 2015/2016 – Sport and Recreation .....</i>	<i>151</i>
<i>Table 113: Service Statistics for the Executive and Council .....</i>	<i>153</i>
<i>Table 114: The Executive and Council Policy Objectives taken from IDP .....</i>	<i>154</i>
<i>Table 115: Employees – The Executive and Council .....</i>	<i>155</i>
<i>Table 116: Financial Performance 2015/2016 – The Executive and Council.....</i>	<i>155</i>
<i>Table 117: Capital Expenditure 2015/2016 – The Executive and Council .....</i>	<i>156</i>
<i>Table 118: Debt Recovery .....</i>	<i>157</i>
<i>Table 119: Financial Service Policy Objectives taken from IDP .....</i>	<i>158</i>
<i>Table 120: Employees – Financial Services.....</i>	<i>159</i>
<i>Table 121: Financial Performance 2015/2016 – Financial Services .....</i>	<i>159</i>
<i>Table 122: Capital Expenditure 2015/2016 – Financial Services.....</i>	<i>160</i>
<i>Table 123: Human Resource Services Policy Objectives taken from IDP .....</i>	<i>162</i>
<i>Table 124: Employees – Human Resource Services .....</i>	<i>163</i>
<i>Table 125: Financial Performance 2015/2016 – Human Resource Services .....</i>	<i>163</i>
<i>Table 126: Expenditure Capital 2015/2016 – Human Resource Services .....</i>	<i>163</i>
<i>Table 127: Service Statistics for ICT.....</i>	<i>166</i>
<i>Table 128: ICT Services Policy Objectives taken from IDP .....</i>	<i>167</i>
<i>Table 129: Employees – ICT Services.....</i>	<i>168</i>
<i>Table 130: Financial Performance 2015/2016 – ICT Services.....</i>	<i>168</i>
<i>Table 131: Capital Expenditure 2015/2016 – ICT Services.....</i>	<i>169</i>
<i>Table 132: Properties sold .....</i>	<i>170</i>
<i>Table 133: Properties leased .....</i>	<i>171</i>
<i>Table 134: Community Hall Usage .....</i>	<i>171</i>
<i>Table 135: Capital and Maintenance Projects .....</i>	<i>171</i>
<i>Table 136: Property Policy Objectives taken from IDP.....</i>	<i>172</i>
<i>Table 137: Employees – Property.....</i>	<i>173</i>
<i>Table 138: Employees – Legal Services .....</i>	<i>173</i>
<i>Table 139: Employees: Risk Management (Internal Audit) .....</i>	<i>174</i>
<i>Table 140: Employees: Procurement Services.....</i>	<i>174</i>
<i>Table 141: Financial Performance 2015/2016 – Property, Legal, Risk Management and Procurement Services.....</i>	<i>175</i>
<i>Table 142: Capital Expenditure 2015/2016 – Property.....</i>	<i>175</i>
<i>Table 143: Total number of employees .....</i>	<i>178</i>
<i>Table 144: Vacancy Rate 2015/2016.....</i>	<i>179</i>
<i>Table 145: Turnover Rate.....</i>	<i>179</i>
<i>Table 146: HR Policies and Plans .....</i>	<i>181</i>
<i>Table 147: Number and cost of injuries on duty .....</i>	<i>181</i>
<i>Table 148: Number of days and cost of sick leave (excluding injuries on duty) .....</i>	<i>181</i>
<i>Table 149: Number and period of suspension.....</i>	<i>183</i>
<i>Table 150: Performance Rewards by Gender.....</i>	<i>183</i>
<i>Table 151: Internal bursary fund .....</i>	<i>184</i>
<i>Table 152: Skills Matrix .....</i>	<i>185</i>
<i>Table 153: Financial Competency Development – Progress Report .....</i>	<i>186</i>
<i>Table 154: Skills Development Expenditure.....</i>	<i>187</i>

<i>Table 155: Additional Skills Development Expenditure .....</i>	<i>188</i>
<i>Table 156: Number of employees whose salaries were increased due to their positions being upgraded .....</i>	<i>190</i>
<i>Table 157: Employees whose salary levels exceed the grade determined by job evaluation .....</i>	<i>190</i>
<i>Table 158: Employees appointed to posts not approved .....</i>	<i>190</i>
<i>Table 159: Financial Summary.....</i>	<i>195</i>
<i>Table 160: Financial Performance of Operational Services .....</i>	<i>196</i>
<i>Table 161: Grant Performance .....</i>	<i>197</i>
<i>Table 162: Grants received from sources other than Division of Revenue Act (DORA).....</i>	<i>198</i>
<i>Table 163: Treatment of the largest assets acquired 2015/2016.....</i>	<i>201</i>
<i>Table 164: Repairs and Maintenance Expenditure 2015/2016 .....</i>	<i>201</i>
<i>Table 165: Capital Expenditure – Funding Sources – 2015/2016 .....</i>	<i>209</i>
<i>Table 166: Capital Expenditure of five largest projects .....</i>	<i>210</i>
<i>Table 167: Service Backlogs as at 30 June 2016 .....</i>	<i>211</i>
<i>Table 168: MIG Expenditure 2015/2016 on Service Backlogs .....</i>	<i>212</i>
<i>Table 169: Cash Flow Outcomes .....</i>	<i>215</i>
<i>Table 170: Actual Borrowings 2013/2014 – 2015/2016.....</i>	<i>216</i>
<i>Table 171: Municipal and Entity Investments .....</i>	<i>216</i>
<i>Table 172: GRAP Compliance List.....</i>	<i>219</i>
<i>Table 173: Auditor-General Report on Financial Performance 2014/2015.....</i>	<i>222</i>
<i>Table 174: Auditor-General Report on Service Delivery 2014/2015 .....</i>	<i>222</i>
<i>Table 175: Auditor-General Report on Financial Performance 2015/2016.....</i>	<i>222</i>
<i>Table 176: Auditor-General Report on Service Delivery 2015/2016 .....</i>	<i>222</i>
<i>Table 177: Councillors, Committees allocated and Council attendance .....</i>	<i>227</i>
<i>Table 178: Committees (other than Mayoral/Executive Committee) and purposes of committees .....</i>	<i>228</i>
<i>Table 179: Second- and Third-tier Structure .....</i>	<i>229</i>
<i>Table 180: Municipal Functions .....</i>	<i>230</i>
<i>Table 181: Functionality of Ward Committees .....</i>	<i>240</i>
<i>Table 182: Ward – Capital Projects.....</i>	<i>241</i>
<i>Table 183: Basic Service Provision .....</i>	<i>241</i>
<i>Table 184: Top four Service Delivery Priorities .....</i>	<i>241</i>
<i>Table 185: Municipal Audit Committee Recommendations .....</i>	<i>245</i>
<i>Table 186: Long-term Contracts .....</i>	<i>247</i>
<i>Table 187: Public-Private Partnerships entered into 2015/2016.....</i>	<i>247</i>
<i>Table 188: Disclosure of Financial Interests .....</i>	<i>249</i>
<i>Table 189: Revenue Collection Performance by Vote .....</i>	<i>250</i>
<i>Table 190: Revenue Collection Performance by Source.....</i>	<i>251</i>
<i>Table 191: Conditional Grants excluding MIG .....</i>	<i>252</i>
<i>Table 192: Capital Expenditure – New Assets Programme .....</i>	<i>256</i>
<i>Table 193: Capital Expenditure –Upgrade/Renewal Programme .....</i>	<i>259</i>
<i>Table 194: Capital Programme by Project 2015/2016 .....</i>	<i>261</i>
<i>Table 195: Capital Programme by Project by Ward 2015/2016 .....</i>	<i>263</i>
<i>Table 196: Service Backlogs – Schools and Clinics .....</i>	<i>263</i>

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<i>Table 197: Service backlogs experienced by the community where another sphere of government is the service provider .....</i>	<i>265</i>
<i>Table 198: Declaration of loans and grants made by the Municipality 2015/2016 .....</i>	<i>269</i>
<i>Table 199: MFMA S71 returns not made during 2015/2016 according to reporting requirements .....</i>	<i>269</i>
<i>Table 200: Presidential outcome for Local Government .....</i>	<i>270</i>

## **Chapter 1: Mayor's Foreword and Executive Summary**

## **Chapter 2: Governance**

## **Chapter 3: Service Delivery Performance (Performance Report)**

## **Chapter 4: Organisational Development Performance**

## **Chapter 5: Financial Performance**

## **Chapter 6: Auditor-General Audit Findings**

## **Glossary**

## **Appendices**

### **CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY**

- COMPONENT A: MAYOR'S FOREWORD
- COMPONENT B: EXECUTIVE SUMMARY

## **COMPONENT A: MAYOR'S FOREWORD**

The financial year 2015/2016 is the last year of the current political cycle and, as usual, the preparation for the new election has been accelerated. One impact of the impending August 2016 elections was the resignation and redeployment of the Executive Mayor Cllr GMM van Deventer. As a result thereof I was honoured to be elected Executive Mayor on 16 May 2016, and Cllr Gert Combrink was elected as Executive Deputy Mayor.

I take this opportunity to thank the previous Council, for the excellent work undertaken to turn our Municipality around. It is anticipated that we will receive a third consecutive clean audit for the 2015/2016 financial year.

I would also like to thank the outgoing Mayoral Committee for their support and guidance of the Municipality to ensure Drakenstein remains a "Place of Excellence". The whole Executive Mayoral Committee was supported by an excellent Council and together we were committed to providing all our clients and communities with service excellence to provide social and economic growth.

The electorate and all of our public deserves to know how the Municipality performs in fulfilling its mandate supplied and required by the Constitution within Chapter Seven thereof and specifically Schedules 4B and 5B. This Annual Report serves to provide this insight into the operations of our Municipality for the 2015/2016 financial year.

The format and content of the Annual Report is largely prescribed by Section 46 of the Local Government: Municipal Systems Act (Act 32 of 2000) and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act (Act 56 of 2003). The above legislation compels the Municipality to prepare an Annual Report for each financial year and the Executive Mayor to table such report in Council.

The primary tool to drive municipal service delivery priorities and budgeting is the Integrated Development Planning (IDP) and all functions of the Municipality are based on the foundation set by the IDP. During each financial year there are two rounds of IDP meetings, the first of which is held in the first six months of the calendar year to garner inputs and priorities from the public to ensure a credible IDP and aligned budget. In the second half of the calendar year the Municipality goes back to the public to report back on the progress made on strategies, priorities and projects.

Additional tools used to guide the operations within the Municipality are:

- a. the Service Delivery and Budget Implementation Process (SDBIP) through which all of the operations are ordered into Key Focus Areas (KFAs), Key Performance Areas (KPA) and Key Performance Indicators (KPIs);
- b. Reports required by the Municipal Finance Management Act (MFMA); and
- c. Reports required by all other relevant legislations.

These reporting and operational tools provide the Council and the public with a critical view of the state of affairs of the Municipality through which all the important decisions can be made on the future of the Municipality.

One of the most important assets of the Municipality is its staff. The staff are organised into an organisational structure which must be approved by Council. This structure, known as the Organogram, is in the process of being aligned with national standards, known as the TASK process. This process determines the classification of an employee into a standard that is used by all municipalities. The process is a long and arduous one and it takes time to properly evaluate and place staff in the correct organisational slot. This has had an effect on the recruitment rate of staff and has resulted in the Municipality generally being under staffed, which unfortunately may impact upon service standards. Various expediting tools have been put in place to accelerate the appointment of critical staff and this process has been driven by my office. It must however also be noted that the accelerated employment of staff can only be done if the Municipality can afford the staff at the requisite levels of skill and experience.

Statistics received from Statistics South Africa (STATSSA) at the end of the 2015/2016 financial year indicates that the population of Drakenstein has reached the 280,000 mark comprising more than 71,000 families. It also indicated that unemployment is estimated at 24% of the available workforce. The Municipality has taken cognisance of these figures and is strategising and planning to accommodate the accelerated growth of the population and the subsequent needs generated by this growth.

As a result of the continued growth in our population there is subsequently a large demand for state-provided housing. The Municipality has a total waiting list of over 40,000 households of which an amount of over 18,000 households are active. This means that 18,000 of the total 40,000 households regularly enquires about the state of the roll-out of the housing pipeline. These figures mean that Drakenstein would have to be doubled in the amount of units in the housing pipeline to accommodate all of the above. The Municipality is actively seeking opportunities, funds, partners and assistance to achieve this and thus various projects are under way. The Vlakkeland project which would cater for more 2,500 units is in the planning phase and the Erf 16161 project, which will be developed by a housing partner, has been launched to accommodate more than 1,500 units of houses in various housing brackets and typologies.

The Municipality has embarked on a process to find land to build houses and also to plan for all of the needs of these households in terms of social and other services, such as transportation, schools and health. The Municipality has also identified that it would need a strong economy to support the housing need and to drastically reduce the unemployment rate. The Municipality has therefore commenced with planning of the enlargement of our industrial and commercial sectors.

In support of the above it is gratifying to note the accelerated development of high quality homes being provided in the south of Drakenstein. Already we have land use applications for upmarket housing developments in the order of 9,000 units. It is therefore expected that the housing unit growth over the next five years would be in excess of 25, 000 units. Hence, we can expect Drakenstein to grow by 50% over the next 5 years. The positive impact of these developments on the growth of our fiscus and aligned ability to deliver improved and greater services cannot be underestimated.

The Annual Report 2015/2016 provides detail on various large bulk infrastructure projects being constructed to allow the required growth to take place. In order to assist with these high cost items, partnerships are being formed with the private sector in order to share funding and to expedite the creation of such infrastructure. One such project is the Kliprug Electrical Substation which is being built at a shared cost of R55 million by the private sector and which will be run and managed by the Municipality.

We are currently in the middle of a severe drought spell and were forced to move to Level 2 water restrictions within the 2015/2016 financial year. Some of our dams were very close to being empty. We therefore would like to urge the public to continue to use water sparingly, plant plants that are indigenous and drought resistant. We also propose that the public start using grey water more effectively in homes and gardens and make these changes a permanent way of life. We thank the public for saving our water. Remember that water is life and we have to save it while there is water to save. Water belongs to all of us and we are all responsible to preserve it.

The public will realise that all of the above requires a huge effort to operate and manage. These operations are run by an entity with a combined budget exceeding R2 billion, the budget operated is being managed by staff dedicated to performance, the proof of which has already been mentioned in the achievement of clean audits. I remain grateful to Council and my Executive Mayoral Committee, and in particular my Executive Deputy Mayor, all of whom continue to guide staff and the total operations to uplift Drakenstein to greater heights. All of this is done to serve our very important public and electorate.

As can be seen we have performed, we have planned and we have strategies, to create a better Drakenstein with our vision, to create "A Place of Excellence".

(Signed by:) \_\_\_\_\_  
EXECUTIVE MAYOR



## COMPONENT B: EXECUTIVE SUMMARY

### 1.1 MUNICIPAL MANAGER'S OVERVIEW

This Annual Report, together with a third clean audit in a row, bears testament to what is possible in local government through hard work, focus and determination in the face of various forms of adversity. In presenting this Annual Report 2015/2016, we affirm that Drakenstein Municipality has made further massive strides towards becoming a "Place of Excellence".

The 2015/2016 financial year saw the resignation of our Municipal Manager (MM) in December 2015 as well as our Executive Manager: Planning and Economic Development in March 2016. Our CFO has acted in the place of our MM and a temporary appointment was made in the place of the Executive Manager: Planning and Economic Development. Despite this additional work load, as well as preparing for the elections, the staff still managed to secure a clean audit. The public of Drakenstein can therefore be assured that the Administration are managing their assets responsibly and are rendering services at acceptable levels.

The 2015/2016 year was therefore also the end of the existing Council's era, an era where Drakenstein has performed well in many instances and has also achieved quite a number prizes for outstanding services rendered. Thank you therefore for all of those Councillors of the 2015/2016 dispensation for the excellent work done.

In keeping with the performance of last year, the Capital Budget spending for the financial year yielded a result of **98.75%** when compared with the Final Adjustments Budget for 2015/2016. The financial performance of the organisation also yielded excellent results as the actual operating revenue and expenditure yielded results of **99.0%** and **95.2%** respectively when compared with the Final Adjustments Budget for 2015/2016. All of these figures are improvement over the 2014/2015 financial year.

Various key service delivery improvements achieved during the year under review confirmed the appropriateness of the strategic direction embarked on at the beginning of the term of office of the current leadership. These include, amongst others, the completion of a next level of progress made towards the implementation of a number of vital bulk sewerage, water reticulation, roads and electricity distribution projects, providing thousands of Drakenstein residents with improved basic services and setting the tone for steadfast economic growth.

Infrastructure maintenance, upgrading and development remain the key in the development and growth of every municipality. It is also critical that the infrastructure development is done timeously to allow for future development and especially allowing the economy to grow. The expansion of bulk infrastructure has also been adjusted such that industry and commercial concerns that should generate more job opportunities are favoured. The Drakenstein Municipality continues to invest in infrastructure within the

development of all our towns to create the best opportunities and provide excellent services for all our residents. The major infrastructure projects funded from the Capital Budget were: (a) the upgrade of the bulk sewer in Southern Paarl; (b) Welvanpas Wastewater Treatment Works and outer buildings; (c) the rehabilitation and upgrading of Saron Wastewater Treatment Works; (d) the rehabilitation and extension of Wellington Wastewater Treatment Works; and (e) the construction of the Newton Reservoir.

The planning of the Waste-to-Energy project, to enable the drastic reduction of waste to the Wellington Landfill Site, is progressing at the pace determined by legislation. The process is aimed to reduce the current 300tons per day production of waste by Drakenstein to 15tons per day. The processes used will be firstly to reduce waste by any possible recycling processes, the remainder wet waste will be put through an Anaerobic Digester process and any remainder dry waste will be put through a Direct Combustion process. Both processes will generate 10 MW of electricity from the energy obtained. These processes have all been used for considerable years in Europe and the United States as well as many other countries. This will be the first process of its kind in South Africa. Currently the Environmental Impact Assessment (EIA) process is coming to a close. The EIA aligns the process to all safety requirements and addresses all concerns raised by the public.

In 2015/2016, the Economic Development and Tourism Unit continued with the process to consolidate our key economic development priorities as reflected in the 2015/2016 IDP, which primarily focus on job creation, investment promotion and sector development, rural economic development and the facilitation of skills development.

Our approach to expedite approval of building plans has moved into a higher gear. We are very much aware that in order to uplift the economy we need to pull out all stops to make this happen as fast as is possible. Not only does the Municipality need to be fast on the approval of building plans, we also need to be customer friendly and assist our customers with the approval of plans. Our 2014/2015 effort: "To maximise our existing resources, we realised that we will have to focus on creating an economy that promotes innovation through collaboration." Has been continued with and has been improved upon.

Within the context of local economic development, the allocation and spending of capital budgets to improve the conditions of informal traders in Paarl and Wellington were significant steps towards improved livelihoods.

We continued with the skills development programme, which provides quarterly training courses for the unemployed in order to make them more employable. The Municipality offered various skills development workshops for the unemployed youth and these included home-based care training, beautician training, waiter training and computer training. The aim of the skills training is to empower unskilled and unemployed youth with skills so that they could immediately access job opportunities.

Despite the many challenges encountered by the Human Settlements Department, it has performed well.

The Department of Human Settlements delivered 338 housing opportunities out of the targeted 400 for the financial year, translating into an 85% success rate. This is a slight improvement compared to the 2014/2015 financial year. Additional achievement includes:

- Obtaining all development rights for the Vlakkeland Development which will cater for over 2,550 housing opportunities. Implementation to follow in 2016/2017.
- Implementation of GAP development on Erf 16161 by ASLA. On completion, a total of 2,078 housing opportunities will be created for GAP and social rental market.
- Ongoing endeavour to ensure that title deeds are issued (447 title deeds issued to beneficiaries of Councils housing projects).
- Approval of the Municipal Housing Rental Strategy (including Social Housing Strategy).
- Relocation of 37 families from the banks of the Palmiet River as well as 24 families that were evicted from a farm on the Wellington Area.
- The formal incorporation of the Division: Rural Development and Eviction Matters into the Human Settlements Department.

A total number of 654 informal houses were electrified in 2015/2016. An amount of 436 was electrified the previous year. A programme has been launched to electrify all of the informal houses under Municipal control. It is however a problem to electrify the greater number of informal houses within private properties or commonly known as backyarders. A process needs to be launched nationally to enable the expenditure of municipal and national funds upon private properties for this reason.

Despite the above accomplishment, informal settlements still continue to pose major challenges in relation to vandalism of service infrastructure and the proliferation of structures. Ongoing evictions, increasing demand for housing and an increase in backyarders are further challenges that the Municipality is grappling with.

What is becoming abundantly clear, is that the Municipality and its housing partners need to completely rethink how they address the challenges of informal settlements and the provision of new housing opportunities. The need to develop industry and commercial precincts is becoming a big need in order to generate income to counter the expenditure of the indigent part of the community. This is a two pronged approach to generate working opportunities, thereby reducing the indigency figure and also creating a higher income for the Municipality is a process that Drakenstein is aiming for.

During this financial year, 17,971 households were provided with free basic water sanitation and refuse removal and 15,452 households were provided with free basic

electricity, whilst 66,316 households were provided with free basic water, the latter since all consumers receive the first 10kl free. The households which were actually provided with free basic services far exceed the targets set by the organisation, which means that more people could benefit from this grant.

The filling of key vacancies is proceeding and is ready to be drastically increased. The process of job evaluations started as a focus area in June 2015 after the establishment of a Regional Unit to deal with evaluations. This unit is functioning full steam and a total of 142 Municipal posts have been evaluated during the reported period. Prioritised vacancies have been identified for recruitment purposes and posts are advertised on an ongoing basis.

From an information system perspective; a stock control system was developed for stationery as well as a vehicle accident tracking register was also developed. The process of calculating cell phone deductions was automated. Technology was implemented to improve the speed of the fire reporting application.

The Corporate Governance of Information and Communications Technology (ICT) Policy was created and adopted by the Council on 29 September 2015. This policy therefore adopts the approach of establishing and clarifying principles and practices to support and sustain the effective corporate governance of ICT.

The centralised Complaints Management System continues to improve customer care is fully operational. The staff component of this services is being increased to allow for quicker responses. During the reporting period, a total number of 22,513 service requests were registered and more than 21,487 of these were attended to and finalised during the review period.

Drakenstein Municipality continued with its climate partnership with the Municipality of Neumarkt, Germany. One of our staff members was sent to Neumarkt for an exchange programme. The European Development Days 2016 Conference was attended as part of this partnership and a joint presentation made to conference.

We are excited about this and other initiatives that are focused on fulfilling the Drakenstein vision of excellence. Our greatest encouragement is the continued support and commitment of our Drakenstein residents and business community who are as passionate as we are about exceeding all expectations on all service delivery fronts. Thank you also to all my committed, passionate and hard-working colleagues across the Municipality who actively endeavour to develop Drakenstein into a "Place of Excellence".

(Signed by:) \_\_\_\_\_  
ACTING MUNICIPAL MANAGER

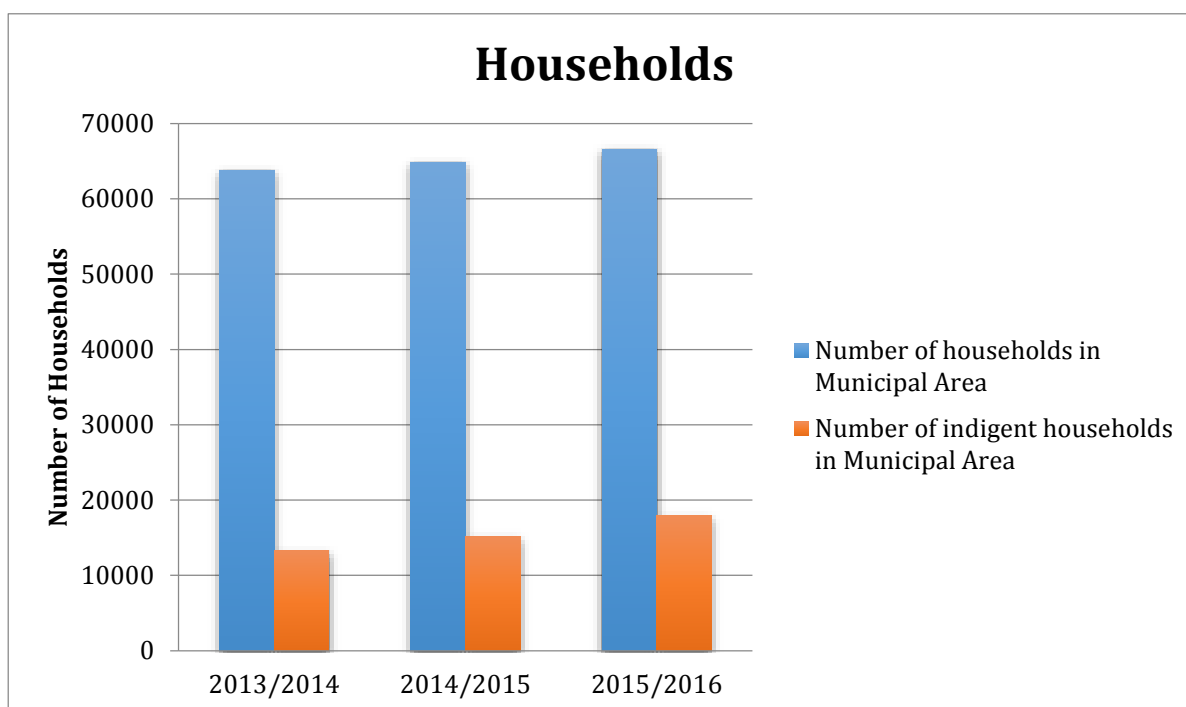
## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### INTRODUCTION TO BACKGROUND DATA

Drakenstein has the largest population in Cape Winelands with a 5.6 percent growth rate and a projected population of 278,794 people by 2020. The number of households increased by 1.5% growth with a total of 61,859 households in 2011 to 65,778 households in 2015. Generally the population growth is good news. At the same time the Municipality cannot ignore some of the challenges local municipalities face when servicing the growing bulk infrastructure and other socio-economic needs of a growing population.

Population Details									
Age	2013/2014			2014/2015			2015/2016		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0-4	12,423	12,584	25,007	12,429	12,590	25,019	12,658	12,401	25,059
Age: 5-9	11,056	11,230	22,286	11,057	11,231	22,288	10,272	10,191	20,463
Age: 10-14	10,249	10,416	20,665	10,250	10,417	20,667	10,132	10,045	20,117
Age: 15-19	10,644	10,600	21,244	10,650	10,615	21,265	12,071	12,039	24,110
Age: 20-29	22,513	22,281	44,794	22,562	22,318	44,880	28,012	25,228	53,240
Age: 30-39	18,647	19,157	37,804	18,661	19,169	37,830	18,312	18,342	36,654
Age: 40-49	17,876	18,466	36,342	17,883	18,471	36,354	17,676	19,073	36,749
Age: 50-59	11,975	13,212	25,187	11,979	13,216	25,195	12,396	13,939	26,335
Age: 60-69	6,199	7,616	13,815	6,203	7,619	13,822	6,227	7,737	13,964
Age: 70+	3,616	5,544	9,160	3,738	5,814	9,552	2,833	4,340	7,173

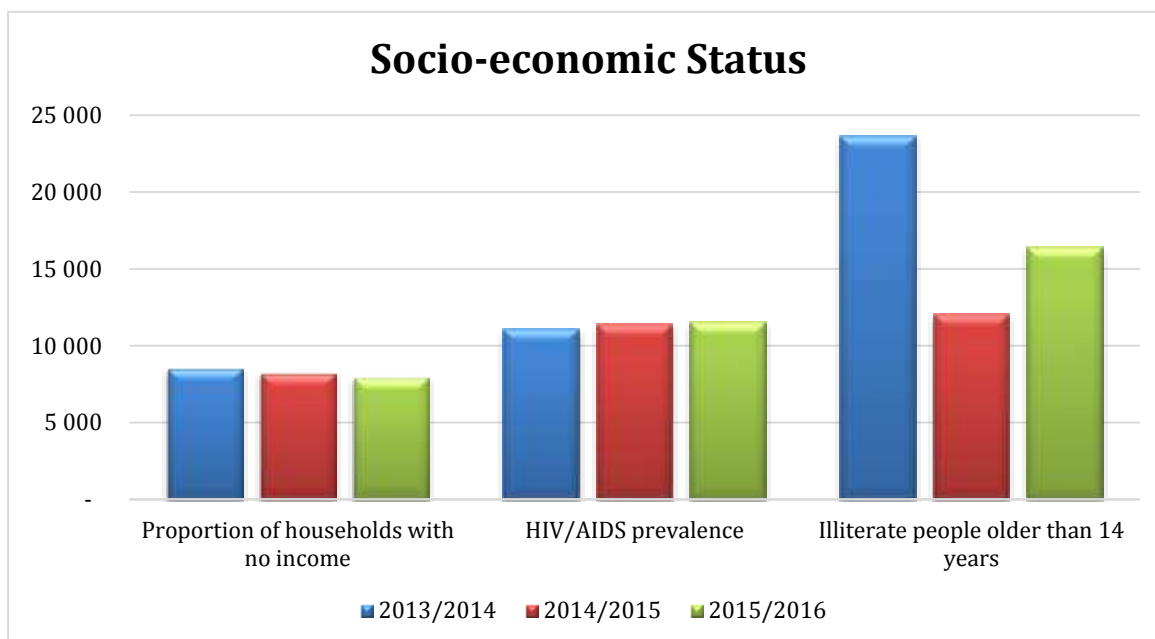
Table 1: Population Details



Graph 1: Households

Socio-economic Status					
Year	Unemployment Rate	Proportion of Households with no income	Proportion of Population in low-skilled employment	HIV/AIDS prevalence	Illiterate people older than 14 years
2013/2014	20.3%	8,517	44%	11,078	23,640
2014/2015	21.1%	8,230	47%	11,404	24,547
2015/2016	27.1%	7,943	12%	11,555	16,395

Table 2: Socio-economic Status



Graph 2: Socio-economic Status

Overview of neighbourhoods in Drakenstein Municipality		
Settlement Type	Households	Population
<b>Towns</b>		
Paarl, Mbekweni and Wellington	50,588	20,7451
Saron	2,025	8,293
Gouda	778	3,231
Hermon	175	755
Bainskloof Village	6	24
<b>Sub-total</b>	<b>53,573</b>	<b>219,755</b>
<b>Townships</b>		
-	0	0
<b>Rural Settlements</b>		
Rural / farming area within Drakenstein General Jurisdictional Area	9,275	44,833
<b>Sub-total</b>	<b>92,75</b>	<b>44,833</b>
<b>Informal Settlements</b>		
There are currently 28 informal settlements. The Department of Human Settlements is in the process of conducting a study on these settlements.	3,728	14,912
<b>Sub-total</b>	<b>3,728</b>	<b>14,912</b>
<b>Total</b>	<b>66,576*</b>	<b>279,500*</b>

\* Note: Household and population figures differ from other reported information in this report as a result of the different source documents used to compile reports. This will increase as the quality of data increases.

Table 3: Overview of neighbourhoods in Drakenstein Municipality



Natural Resources	
Major Natural Resources	Relevance to Community
Berg River and tributaries	Important irrigation, recreation and tourism feature
Paarl Mountain Reserve	Significant tourist and cultural asset
Arboretum	Scientific research and recreation
Several mountain ranges	Water provision, recreation, contribution towards agriculture
Agriculture	Major employer of low-skilled labour, export and local markets are serviced. Contributes towards local economy

*Table 4: Natural Resources*

## COMMENT ON BACKGROUND DATA

The latest STATSSA figures have been received at the end of the 2015/2016 financial year. The statistics have shown that Drakenstein have grown quicker than anticipated. It shows that about 50% of the Drakenstein households are not formal homes and/or are registered as indigents. The statistics further shows that about 24% of the available workforce is unemployed. Drakenstein therefore has a huge task to ensure that jobs are created in order to grow the economy and reduce unemployment. This burden of increased unemployment and population continues to exacerbate the Municipality's ability to provide inclusive quality services to the citizens of Drakenstein. Statistics also show that the Municipality has accelerated its attraction of job seekers from elsewhere in the province and country, which have placed this increased burden on the provision of Municipal services and other infrastructure. Issues of food security, household nutrition and the impacts of climate change has also added to the challenges, which is very much apparent with drought that commenced in the 2015/2016 financial year.

The Municipality has again continued strongly with its partnerships with external bodies such as the climate change partnership with Neumarkt in Germany and the Violence Prevention through Urban Upgrading Programme (VPUU), which focuses on empowering citizens to become active as agents of change in their own communities.

### 1.3 SERVICE DELIVERY OVERVIEW

The Directorate: Infrastructure Services is responsible for basic service delivery, i.e. water, sewerage, streets, storm water, traffic engineering, waste services and electricity.

All formal and informal areas within the urban area have access to all basic services except electricity. Electricity was previously available to formally reticulated dwellings only. All formal dwellings have been electrified. A total of 299 informal dwellings received electricity connections during the 2015/2016 financial year, which was funded with Integrated National Electrification Funding (INEP). Informal and illegal electricity connections remain a challenge. Basic services are provided to farms in the rural area through a subsidy scheme for farm workers. Basic services in the rural areas are addressed by Eskom as they mostly reside in the Eskom supply areas.

The Electricity Supply By-Laws were amended and changed to facilitate co-generation by means of solar photo voltaic systems. PV installation applications were processed by the Electro-technical Engineering Department for approval, as required for safety reasons. During the financial year applications for 1, 5 MW of solar PV plants had been received. In addition, special co-generation tariffs were developed to facilitate consumers who installed PV plants.

A Time of Use project was initiated during the financial year. Smart meters will be introduced during the 2015/2016 financial year on a test and research basis prior to introducing a Time of Use tariff for domestic consumers.

Basic services are provided to all new developments and all the services are maintained in terms of sound asset management principles.

Council has progressed well with the Waste-to-Energy project (WTE), initiated in 2007. This project that will be operated through a Public Private Partnership (PPP) process is coming to the end of the process. Council has previously accepted the MSA Section 78(3) and MFMA Section 120(6) processes have been completed and a report has been approved by Council in terms of the Section 78(4) decision, which entailed the acceptance of the WTE scenario and also to proceed with the PPP process whereby a private partner may construct and manage the WTE plant. The EIA process will be completed in the second semester of 2017. Council will thereafter be able to take the final decision to launch the project itself. At the time of compiling this report the Final Environmental Impact Assessment was in the process of being completed with specialist studies in the traffic assessment, botanical assessment, freshwater assessment, geohydrological assessment, noise assessment, visual assessment, material hazardous installation assessment, air quality assessment, human and animal health risk assessment and socio economic assessment.

Major Civil and Mechanical upgrading has commence at the Wellington, Saron and Gouda Wastewater Treatment facilities in order to increase the capacity of the treatment facilities and replace dilapidated infrastructure in order to ensure good, compliant and high standard of effluent be discharged into the watercourses.

Major upgrading of the bulk sewerage system for Paarl is in progress. The bulk sewer pipeline from the Paarl Waste Water Treatment Plant to Arboretum Road had been completed. The total cost of the bulk sewer is calculated at R325 Million when completed.

The second 11-megalitre Newton Reservoir has been completed during the 2015/2016 period. The new 10-megalitre/day Welvanpas Water Treatment Works, Waterworks Depot at Cummings Street and a 5 mega litre Welvanpas Reservoir are in progress and will be completed during 2017.

Additional work has been executed on the Stokery Road project to improve the intersections with other main roads during 2015/2016.

The final planning for the construction of Van der Stell Road between Abattoir Street and Klein Drakenstein Road has been completed. Final planning for the upgrading of Bergrivier Boulevard between Lady Grey Street and Oosbosch Street and between Bergrivier Boulevard and Jan van Riebeeck Drive to dual carriageway divided roads has commenced and was completed in 2015/2016.

All persons registered as indigent in terms of Council's policy received free basic services, namely 10 kℓ of water, 100 kWh of electricity limited to a 20amp circuit breaker as well as a subsidised refuse removal service.

The main elements of the Municipality's planning and development strategies lie in sustainable spatial planning and sound land use management principles.

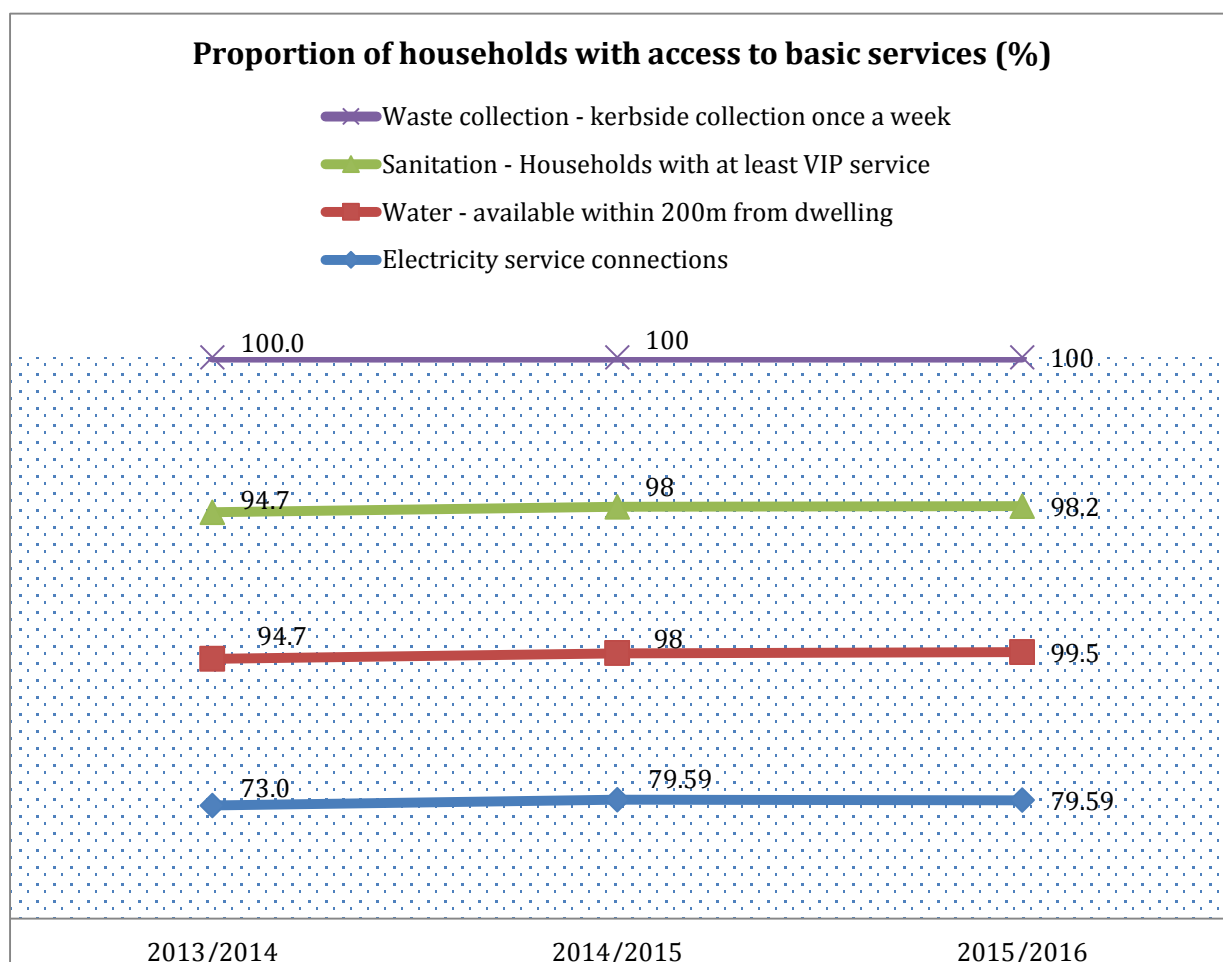
The Municipality has approved its new Spatial Development Framework in 2014. This document sets out broad principles to give direction to future developments, as well as where such developments can take place within the demarcated urban edges of all towns and in the rural areas. All land use planning applications are being evaluated against the broad principles before recommendations for decision making are made.

A number of policies have been accepted by Council which give further direction to planning requirements. This Municipality is furthermore also compiling a set of integrated zoning scheme regulations applicable to the total area of Drakenstein which will be completed in 2017. Both of these documents will be used in evaluating development applications, and together with sufficient bulk infrastructure, create the opportunities for economic development to take place in order to broaden the development footprint.

The overall picture that emerged from both the Local Economic Development (LED) assessment and the strategic conversation with the Provincial Government is that as a locality it was doing well, as evidenced by its population growth rate. Of concern, however, remains the high unemployment rate – a direct correlation with the increasing population. However, as always there are areas where improvement can be made; opportunities that can be capitalised on, and also constraints that could be addressed while overall commitment and alignment to the IDP is maintained.

A decision has been taken to develop and establish an electronic building control system which will assist in more effective and efficient use of resources, as well as allow the Municipality's clients to engage with the various authorising departments on a regular basis. The system is expected to be fully operational in 2017.

Environmental management remains a function dispersed between a number of Directorates and this situation will receive attention in the 2016/2017 year.



\* Note that the percentage of households with access to basic services indicated in the graph does not include rural households.

Graph 3: Proportion of households with access to basic services

## COMMENT ON ACCESS TO BASIC SERVICES

All formal households have access to basic civil engineering and electricity services.

Informal areas within the urban edge have been provided with a minimum level of basic civil services since 2007. The provision of services to the informal areas is as a result of rural-urban migration and new family formation which makes planning difficult.

An assessment is made annually to determine the backlogs to be addressed, based on available funding.

Theft and vandalism disrupt the provision and maintenance of services.

## **1.4 FINANCIAL HEALTH OVERVIEW**

The Municipality has made a concerted effort to ensure that the limited resources of the organisation are utilised in a sustainable and responsible manner. The financial overview of the organisation can be summarised as follows:

### **Financial Sustainability**

The Municipality has a significant revenue base that continues to grow substantially when compared with previous years. This revenue base has enabled the organisation to aggressively increase the external gearing to address its capital infrastructure needs. However, an independent Portfolio Manager (INCA) who reviewed the financial position and performance of the organisation, has cautioned the organisation that future increases in tariffs would have to be benchmarked against the consumer's ability to pay. Lower tariff increases coupled with higher inflation could hamper the Municipality's present services roll-out programme.

The liquidity levels of the organisation have been managed in a fair manner, although only a slight incline in the current assets to current liabilities ratio is evident. The liquidity ratio (current assets/current liabilities) of the organisation as at 30 June 2016 was 1.28 to 1 as opposed to the ratios of 1.11 to 1 (2014/2015), 1.09 to 1 (2013/2014) and 1.14 to 1 (2012/2013) for the previous three financial years. Although the industry norm is 1 to 1, it is encouraging that the ratio increased over the last financial year compared with the decrease year-on-year over the previous three financial years.

The overall financial operational performance of the organisation can be considered as being finely balanced with very little room for budgetary mistakes.

### **Key successes and outcomes for 2015/2016**

The Capital Budget spending for the financial year yielded a result of **98.75%** when compared with the Final Adjustments Budget for 2015/2016. This can be regarded as a very good performance in terms of all the role-players within the organisation responsible for ensuring that service delivery is of the highest quality in the Municipal Area.

The financial performance of the organisation also yielded excellent results. The actual operating revenue yielded a result of 99.0% when compared with the Final Adjustments Budget for 2015/2016. The actual operating expenditure yielded a result of 95.2% of the Final Adjustments Budget for 2015/2016. The Statement of Financial Performance (capital grants included) yielded a surplus of R 43.5 million compared with the budgeted deficit of R 29.7 million – a positive variance of R 73.2 million.

Two factors influenced the operating revenue and expenditure results for the 2015/2016 financial year. Firstly, housing budgeted expenditure (Drakenstein being an agent for provincial government) in terms of the Accounting Standards had to be offset against housing grant revenue received. Secondly, indigent subsidy budgeted expenditure given to indigent households in terms of the Accounting Standards had to be recognised as

revenue foregone. In both these instances, budgeted revenue and expenditure therefore decreased with the same amounts since budgeted practices and Accounting Standards disclosure principles are not fully synchronised as yet and with the application of Standard Chart of Accounts (SCOA), this problem has expedited. To obtain a clean audit opinion, Drakenstein must apply the budget guidelines of National Treasury as well as the Accounting Standards approved by the Accounting Standards Board.

### **Challenges identified and proposals to address these challenges**

Consumer debt remains a challenge and a number of initiatives were implemented. However, consumer debt (property rates, service charges, housing and sundry debtors – VAT excluded) increased by R 16.5 million from R 288.8 million as at 30 June 2015 to R 305.3 million as at 30 June 2016. The relationship between the ever-increasing tariffs and outstanding debtors is an indication that consumers are struggling to meet their obligations in terms of payment for services. The worsening economic climate puts pressure not only on the world economy, but also filters down to households in municipalities globally.

The debtors' payment period for the 2015/2016 financial year was 74.2 days, which is above the targeted number of 70 days but is an indication of the measures that have been put in place to decrease the debt situation of Council and improve its revenue capacity. The number of days for 2014/2015 was 79.8 days, compared to the 94.9 days as at 30 June 2014. The Municipality's debtors' collection period in days (after impairment) increased to 54.2 days as at 30 June 2016 compared to 52.1 days as at 30 June 2015. The Municipality's debtors' collection period in days (before impairment) reduced by 5.6 days the Municipality's debtors' collection period in days (after impairment) increased by 2.1 days during the financial year under review. This was certainly a contributing factor to the Municipality's net increase of R 65.2 million in cash and cash equivalents as reflected in the Cash Flow Statement. The ability of Council to finance the capital programme from internally-generated funds remains a big challenge. This challenge has an inverse relationship with the increasing external loan debt of Council, which amounted to 49.1% of the total operating expenditure at the end of the 2015/2016 financial year. Although Council has soft-capped the afore-mentioned percentage at 50%, it will have to exceed this percentage so as to invest in bulk infrastructure in Paarl South, as well as in the rest of Drakenstein's jurisdictional area, to unlock any further developments, in order to attract investors that can broaden the Municipality's tax base, which in turn will allow for cross-subsidisation. In terms of future developments forecasts the gearing ratio will reduce to less than 50% in accordance with the Long Term Financial Sustainability policy by the 2023/2024 financial year. This, together with more government grants, will ease the pressure on external borrowings that Council would like to cap at about 45% by 2025/2026.

The ability of Council to finance the capital programme from internally-generated funds remains a big challenge. This challenge has an inverse relationship with the increasing external loan debt of Council, which amounted to 47.4% of the total operating expenditure



at the end of the 2015/2016 financial year. Although Council has capped the aforementioned percentage at 50%, urgent upgrades in infrastructure to enable increased development and therefore an increased revenue base necessitated that we accelerate our capital programme and will therefore go above the capping over the medium term, the Municipality envisages to start generating sustainable operating surpluses by the 2025/2026 financial year, the Municipality is still in the process of ensuring that it continues to achieve sustainable surpluses. Although a surplus was achieved of R43,5 million during 2015/2016 this, together with more government grants, will ease the pressure on external borrowings that Council would like to cap at about 40% by 2026/2027.

Several other initiatives are envisaged for the 2016/2017 financial year, with the aim of improving Council's ability to finance future capital requirements. One of these initiatives is the Revenue Enhancement Programme, which will look at closing off any revenue leakages to ensure the collection of revenue that was not collected before in order to increase the revenue base of Council. The continued efficient and effective management of expenditure will also be improved in order to limit the spending on unnecessary items.

<b>Financial Overview 2015/2016</b>			
<b>Details</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>	<b>Actual</b>
<b>Income</b>	<b>R</b>	<b>R</b>	<b>R</b>
Grants	182,871,423	193,682,335	146,179,556
Taxes, Levies and Tariffs	1,510,173,327	1,485,694,181	1,487,033,531
Other	134,981,445	120,960,098	153,484,550
Sub-total	1,828,026,195	1,800,336,614	1,786,772,641
Less: Expenditure	1,907,865,278	1,904,367,376	1,816,997,976
<b>Total (Capital Grants Excluded)</b>	<b>(79,839,083)</b>	<b>(104,030,762)</b>	<b>(30,225,335)</b>
Plus: Capital Grants	51,306,577	74,332,770	58,490,610
<b>Total (Capital Grants included)</b>	<b>(28,532,506)</b>	<b>(29,697,992)</b>	<b>43,496,431</b>

Table 5: Financial Overview 2015/2016

<b>Operating Ratios</b>	
<b>Details</b>	<b>%</b>
Employee Cost	<b>23.44</b>
Finance Charges and Depreciation	<b>13.73</b>

Table 6: Operating Ratios

## COMMENT ON OPERATING RATIOS

The operating ratios as depicted above compare favourably with the current industry norms. The employee cost of 25.89% of total operating expenditure (2015/2016) is at the lower level of the 25% to 40% range regarded as the industry norm (depending on the



size and type of municipality), which means that the salary bill of the organisation is well within the required norms. It slightly decreased from 27% in 2014/2015 due to changes in the actuarial gains and losses on the post-employment benefits.

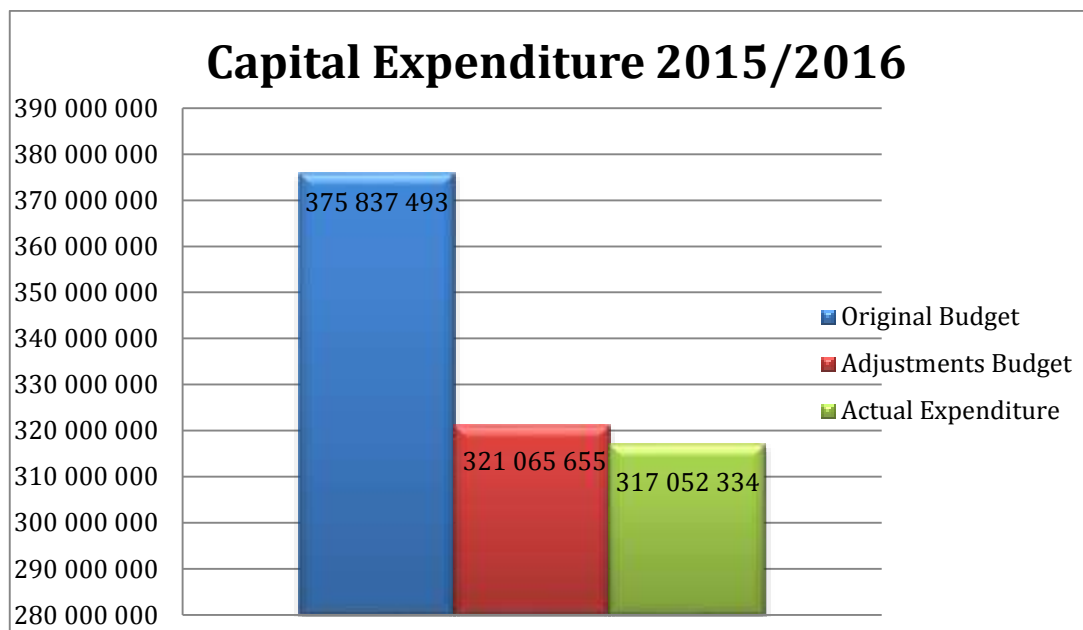
The repairs and maintenance ratio of 3.7% for 2015/2016 compared with the 4.5% for 2014/2015 could be viewed as unfavourable if compared with the industry norm of 7% to 8%. With the refinement of SCOA, better reporting of actual repairs and maintenance will be achieved in future.

However, it needs to be noted that Drakenstein's infrastructure is very old and will need to be replaced or refurbished to maintain current service delivery levels. The repairs and maintenance ratio of 3.77% is well below the norm of 8% that National Treasury sets out in MFMA Circular 71 for repairs and maintenance expenditure as a percentage of the carrying value of infrastructure assets in the assets register. The norm is not reasonable, simply because all municipalities' asset registers are not compiled on the same monetary basis. If Drakenstein wants to adhere to this norm, the Municipality will have to increase all current property taxes and service charges with a further 23.08%, which in the current economic climate is not a proposition.

Finance charges and depreciation expenditure represent 13.73% of total operating expenditure for 2015/2016 compared with the 14.03% for 2014/2015. Finance charges and capital redemption represent 11.53% of total operating expenditure for 2015/2016 compared with the 10.91% for 2014/2015. This compares unfavourably with National Treasury's norm of 6% to 8%. These norms of National Treasury imply that the Municipality is currently over-committed in terms of external loans. However, National Treasury's norm of 45% for total borrowing debt compares reasonably favourably with the Municipality's result of 49.8% (2015/2016) and 48.02% (2014/2015) that the Municipality capped at 50% and wants to reduce to below 50% by 2023/2024. A borrowing plan over the Medium Term Revenue Expenditure Framework (MTREF) has been developed and is aimed at ensuring that the borrowings of the organisation are kept at an affordable and acceptable level.

<b>Total Capital Expenditure</b>			
	<b>R'000</b>		
<b>Details</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>
Original Budget	187,360	284,821	375,837,493
Adjustments Budget	210,331	218,191	321,065,655
Actual	207,951	215,403	317,052,334

*Table 7: Total Capital Expenditure*



*Graph 4: Total Capital Expenditure*

## COMMENT ON CAPITAL EXPENDITURE

Less capital expenditure was incurred during 2015/2016 compared with the originally approved Capital Budget. This indicates a project management issue within the organisation. However, red tape pertaining to supply chain management is also making it difficult to spend all budgeted funds before the end of the financial year.

The variations between the Original Budget and the Final Adjustments Budget are mainly due to capital roll-overs for contracts awarded and orders issued of which the work was not completed at year-end.

The variation between the Final Adjustments Budget and the actual capital expenditure amounted to R 4.01 million or 1.25% of the Final Adjustments Budget that was not spent. The Municipality thus spent 98.75% of its capital expenditure when compared to the Final Adjustments Budget.

## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

During 2011 Council resolved to undertake an organisational review to ensure that the structure of the Municipality is in keeping with the function it is expected to perform, thereby ensuring that it is in a position to fulfil the vision and service delivery objectives set out in the IDP. A new organisational structure was adopted on 13 December 2012 and has been revised four times to keep up with changing demands in service delivery. The structure was populated and TASK implemented with effect from 1 July 2014. The Municipality was re-graded to a TASK Category 7-municipality to finalise the outstanding appeal issue in this regard and to allow the implementation of TASK. The process of job

evaluation started as a focus area in June 2015 after the establishment of a Regional Unit to deal with evaluations. This unit is functioning full steam and a total of 142 Drakenstein posts have been evaluated during the reporting period. Prioritised vacancies have been identified for recruitment purposes and posts are advertised on an ongoing basis.

The view that ICT should be governed and managed at all levels within a given organisational structure is supported by internationally accepted good practice and standards. These practices and standards are defined in the King III Code of Good Governance, ISO 38500 Standard for the Corporate Governance of ICT, the Corporate Governance of ICT Policy Framework and other best practice frameworks. Translated into a municipal operating environment, the corporate governance of ICT places the responsibility of strategic leadership on the Council and management within a municipality. This is done to ensure that the leadership and decision-making process for the use of ICT in service delivery and operational efficiencies of the municipality's ICT environment remain transparent. This accountability ensures the alignment of the use of ICT with the municipal service delivery requirements as reflected in the IDP.

Taking all of the above into consideration, the Corporate Governance of ICT Policy was created and adopted by the Council on 29 September 2015. This policy therefore adopts the approach of establishing and clarifying principles and practices to support and sustain the effective corporate governance of ICT.

A continual process to improve the alignment of business requirements with the use of ICT was instituted. In this regard there was a continuation of the implementation of the Resourcelink system self-assist module.

From a technology perspective, the Microsoft environment was further stabilised and the number of information systems services provided on the ICT platforms increased from 43 to 96 with no impact on the cooling and electricity demands and a 150 desktop computers were replaced. Furthermore, fibre optic and wireless data communication links in the Paarl and Wellington Municipal buildings were upgraded to newer technology to provide better capacity and stability. Together with this an increase in processing power and data storage capacity was implemented.

From an information system perspective, a stock control system was developed for stationery, a vehicle accident tracking register was developed and the process of calculating cell phone deductions was automated. Technology was also implemented to improve the speed of the fire reporting application.

During the reporting period the post of Manager Information systems was filled.

The Property Services Unit spent all available funding for the maintenance and upgrading of leased properties. The funds needed for building maintenance continue to grow faster than the funding available for this purpose.

The Legal Services Section played a supporting role to protect the Municipality against legal action, making use of both internal and external legal support services. Legal action

is also taken by the Municipality, where necessary, to enforce municipal legislation and contractual obligations. Because of the very nature of this unit's work, no capital projects were undertaken.

The Municipality experienced a slight decline the staff turnover rate from 8% to 6%, which is well within the accepted norm. Drakenstein's workforce expenditure of R 425,943,373 accounted for 23% of the total Operating Budget expenditure of R 1,816,997,977 for the 2015/2016 financial year. This is slightly lower than the 2014/2015 figure of 24% of the total Operating Budget expenditure.

## **1.6 AUDITOR-GENERAL REPORT**

For the third consecutive year, Drakenstein Municipality received an unqualified audit opinion with no other matters (a so-called 'clean' audit opinion) for the 2015/2016 financial year. This was achieved with in-house capacity and without the appointment of any consultants. The audit opinions received for the last thirteen financial years clearly indicate an improvement in leadership and control on the matters that the Auditor-General focuses on during its audits –

1. 2015/2016: Unqualified audit opinion with no other matters ('clean' audit);
2. 2014/2015: Unqualified audit opinion with no other matters ('clean' audit);
3. 2013/2014: Unqualified audit opinion with no other matters ('clean' audit);
4. 2012/2013: Unqualified audit opinion with other matters;
5. 2011/2012: Unqualified audit opinion with other matters;
6. 2010/2011: Unqualified audit opinion with other matters;
7. 2009/2010: Unqualified audit opinion with other matters;
8. 2008/2009: Unqualified audit opinion with other matters;
9. 2007/2008: Unqualified audit opinion with other matters;
10. 2006/2007: Qualified audit opinion with other matters;
11. 2005/2006: Qualified audit opinion with other matters;
12. 2004/2005: Qualified audit opinion with other matters; and
13. 2003/2004: Unqualified audit opinion with other matters.

The unqualified and qualified audit opinions have to do with the Annual Financial Statements. The other matters deal with leadership and control issues, predetermined objectives and legislative compliance issues.

Further details can be found in the Audit Outcome Improvement Plan attached as Volume III to the Annual Report 2015/2016.

## 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 feed 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 4 <sup>th</sup> Quarter Performance Report for previous financial year.	
4	Submit Draft Annual Performance Report to Internal Audit and Audit Committee.	
5	Audit/Performance Committee considers Draft Annual Performance Report of municipality.	August
6	Municipality submits Annual Financial Statements and Annual Performance Report including Draft Annual Report to Auditor-General.	
7	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP analysis phase.	
8	Auditor-General assesses Annual Financial Statements and Annual Performance Report data, including Draft Annual Report.	September – November
9	Municipality receives and addresses the Auditor-General's Communication of Findings.	
10	Mayor tables Draft Annual Report and audited Annual Financial Statements and Annual Performance Report to Council complete with the Auditor-General's Report.	January
11	Draft Annual Report is made public and representation is invited.	February - March
12	Oversight Committee assesses Draft Annual Report and issues an Oversight Report.	
13	Council considers Oversight Report.	
14	Oversight Report is made public.	
15	Oversight Report is submitted to relevant provincial departments.	February - March
16	Commencement of draft budget/IDP finalisation for next financial year. Annual Report and Oversight Report to be used as input.	

*Table 8: Statutory Annual Report Process*

**Chapter 1: Mayor's Foreword and Executive Summary**

**Chapter 2: Governance**

**Chapter 3: Service Delivery Performance (Performance Report)**

**Chapter 4: Organisational Development Performance**

**Chapter 5: Financial Performance**

**Chapter 6: Auditor-General Audit Findings**

**Glossary**

**Appendices**

## **CHAPTER 2: GOVERNANCE**

- Component A: Political and Administrative Governance
- Component B: Intergovernmental Relations
- Component C: Public Accountability and Participation
- Component D: Corporate Governance

## **INTRODUCTION TO GOVERNANCE**

In the quest to realise Drakenstein Municipality's vision of *"A Place of Excellence"*, it is imperative that the Municipality is governed in a way that promotes good governance. The Municipality strives to achieve excellence by balancing the needs of all residents and the constitutional and legal framework applicable to local government with the available resources in such a way that service delivery takes place in an efficient, economic and effective manner.

### **COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

#### **Political and Administrative Governance**

In compliance with Section 151(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), Section 53 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), Drakenstein's Municipal Council governs the local government affairs of the local community on its own initiative. The roles and areas of responsibility of each political structure and each political office-bearer of the Municipality and of the Municipal Manager are defined and adhered to accordingly.

#### **2.1 POLITICAL GOVERNANCE**

##### **Council**

The Council's primary role is to govern the municipality in a democratic and accountable manner, to perform legislative and executive functions and generally to fulfil its roles and responsibilities as set out in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). It focuses on legislation, decision-making, oversight and participatory roles, and has delegated executive functions to the Executive Mayor.

##### **Executive Mayor**

The Executive Mayor, (Councillor G van Deventer until 11 May 2016 and Cllr CJ Poole thereafter until 30 June 2016), assisted by the Executive Mayoral Committee, heads the political executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in her to manage the day-to-day affairs. This means that he/she has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, as well as the powers assigned by legislation. Although he/she is accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in conjunction with the Executive Mayoral Committee.

##### **Portfolio Committees**

Five (5) Section 80 committees are established, namely: Corporate Services, Planning and Economic Development, Infrastructure Services, Financial Services and Community Services, to advise the Executive Mayor on policy matters and any other matter to be



considered by the Executive Mayor. They are assigned to focus on specific functional areas of the Municipality and can only make decisions on specific functional issues if delegations have been granted to them. The members are appointed by Council. The chairpersons appointed by the Executive Mayor are full-time Councillors and form part of the Executive Mayoral Committee.

### **MPAC**

Section 79 committees are permanent committees appointed to advise the municipal Council. Council established the Municipal Public Accounts Committee (MPAC) to perform an oversight function on behalf of Council over the executive functionaries of the Council. The MPAC inter alia serves as an oversight committee to make recommendations to the Council when it adopts the Oversight Report on the Annual Report in terms of Section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

### **Audit Committee**

In compliance with Section 166(2) of the MFMA, Council has an Audit Committee which is an independent body advising the municipal Council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to:

- Internal financial control;
- Risk management;
- Performance management; and
- Effective governance.

Political Structure	
Designation	Function
 <p><b>Executive Mayor</b> <i>Cllr GMM van Deventer</i> (Until 11 May 2016)</p>	<p>The Executive Mayor represents the public and is the chief political principal of the municipality. In terms of legislation the Executive Mayor has the following functions:</p> <ul style="list-style-type: none"> <li>• Identify the needs of the municipality;</li> <li>• Review and evaluate those needs in order of priority;</li> <li>• Recommend to the municipal Council strategies, programmes and services to address priority needs through the Integrated Development Plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans;</li> <li>• Recommend or determine the best way, including partner-ship and other approaches, to deliver those strategies, programmes and services to the benefit of the community.</li> </ul>
 <p><b>Deputy Executive Mayor</b> <i>Cllr CJ Poole</i> (Executive Mayor from 16 May- 30 June 2016)</p>	<p>The Deputy Executive Mayor of a municipality exercises the power and performs the duties of the Executive Mayor if the Executive Mayor is absent or not available or if the office of the Executive Mayor is vacant.</p>
 <p><b>Speaker</b> <i>Cllr K le Roux</i></p>	<p>The Speaker of the municipal Council:</p> <ul style="list-style-type: none"> <li>• Presides at meetings of the Council;</li> <li>• Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);</li> <li>• Must ensure that the Council meets at least quarterly;</li> <li>• Must maintain order during meetings;</li> <li>• Must ensure compliance in Council and Council committees with the Code of Conduct set out in Schedule 1 to the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);</li> <li>• Must ensure that Council meetings are conducted in accordance with the rules and orders of the Council.</li> </ul>
 <p><b>Chief Whip</b> <i>Cllr RA Koegelenberg</i></p>	<p>The function of the Chief Whip is to create synergy and to maintain discipline among Councillors from various political parties. The role of the Chief Whip of Council covers both the political and administrative domains of Council with the emphasis on the political aspect. Seven political parties are represented in Council and the Chief Whip has to ensure that relationships are constructive and focused on key issues aimed at improving the lives of the residents of Drakenstein. The Chief Whip further acts as a link between the Speaker, the Executive and the Administration. The Chief Whip ensures that there is equitable representation on committees of Council.</p>

Table 9: Political Structure

### Executive Mayoral Committee

The Executive Mayor is supported by a Mayoral Committee. Each member of the Mayoral Committee has a portfolio with specific functions.

The Executive Mayor may delegate specific responsibilities to each member of the Mayoral Committee. Any powers and duties delegated to the Executive Mayor by the municipal Council must be exercised and performed by the Executive Mayor together with the other members of the Mayoral Committee.

Councillor and Portfolio	Councillor and Portfolio
 <p>GC Combrink <b>Portfolio:</b> <i>Finance</i> (Executive Deputy Mayor from 16 May- 30 June 2016)</p>	 <p>Dr MDJ Smith <b>Portfolio:</b> <i>Planning and Economic Development</i></p>
 <p>R Smuts <b>Portfolio:</b> <i>Security Services and Disaster Management</i></p>	 <p>L Ntlemeza <b>Portfolio:</b> <i>Corporate Services</i></p>
 <p>Dr ND Adams <b>Portfolio:</b> <i>Social Services and Community Development</i></p>	 <p>Dr LM du Toit <b>Portfolio:</b> <i>Environmental Affairs, Open Spaces and Parks</i></p>
 <p>WF Philander <b>Portfolio:</b> <i>Housing and Human Settlements</i></p>	 <p>EM Kearns <b>Portfolio:</b> <i>Public and Governmental Relations</i></p>
 <p>JG Rademeyer <b>Portfolio:</b> <i>Infrastructure Services</i></p>	 <p>A Stowman <b>Portfolio:</b> <i>Sport, Culture and Youth Matters</i></p>

<p><i>RH van Nieuwenhuyzen</i></p> <p><b>Portfolio:</b> Rural Management</p>	<p><i>Cllr RH van Nieuwenhuyzen was appointed to the Mayoral Committee as Portfolio holder for Rural Management from 16 May – 30 June 2016.</i></p>
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*Table 10: Executive Mayoral Committee*

## **Councillors**

Drakenstein Municipality has 61 Councillors. 31 are Ward Councillors and 30 are Proportional Councillors (PR). The Speaker presides at meetings of the Council. A full list of Councillors can be found in Appendix A. Appendix B sets out committees and committee purposes.

## **Political Decision-Taking**

Section 160(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) prescribes the manner in which Council takes decisions. A quorum of all Councillors must be present to take any decision and the majority of the votes cast results in a legal decision. The exception to this rule is that when any of the following issues are determined, it is determined by a decision taken with a supporting vote of a majority of all its members:

- (1) The passing of by-laws;
- (2) The approval of budgets;
- (3) The imposition of rates and other taxes, levies and duties; and
- (4) The raising of loans.

## **2.2 ADMINISTRATIVE GOVERNANCE**

The Municipal Manager is the Chief Accounting Officer of the municipality and also the head of the administration. His primary function is to serve as chief custodian of service delivery and the implementation of political priorities.

He is assisted by his Executive Management Team (EMT) which comprises of the Executive Managers of the five departments established in the new organogram.

Top Administrative Structure	
Position	Function
<p><b>Municipal Manager</b></p> <p><i>Johann Mettler until December 2015</i></p> <p>This position has been vacant since January 2016.</p> <p><i>Mr Jacques Carstens, current CFO has been acting in the position from January 2016.</i></p>	<ul style="list-style-type: none"> <li>• Provides an independent appraisal of the adequacy and effectiveness of the systems of internal control, risk management and governance processes.</li> <li>• Evaluates and contributes to the improvement of governance management processes.</li> <li>• Manages financial services in order to ensure financial viability, compliance and reporting.</li> <li>• Provides corporate services to the institution to ensure efficient support of organisational processes.</li> <li>• Provides and manages planning, economic development and environmental management services.</li> <li>• Renders integrated community services to enhance community development in general and promotes a clean and safe environment.</li> <li>• Maximises infrastructure development and delivers a service to all communities of Drakenstein.</li> </ul>
<p><b>Corporate Services</b></p> <p><i>Annalene de Beer</i></p>	<ul style="list-style-type: none"> <li>• Provides legal and administrative support services to the institution to facilitate proficient administrative practices and procedures.</li> <li>• Renders human resource management and support services to the municipality that will sustain the optimum utilisation of the municipality's human capital.</li> <li>• Provides effective and efficient information and communication technology services.</li> <li>• Provides comprehensive communication and intergovernmental relations services.</li> <li>• Coordinates and provides functional and administrative support to the political office-bearers.</li> <li>• Provides office management services to the Executive Mayor.</li> <li>• Renders property and facilities management services.</li> </ul>
<p><b>Chief Financial Officer</b></p> <p><i>Jacques Carstens</i></p> <p><i>Mrs. Cindy Lategan acted in this position from January 2016 whilst Mr. Carstens acted as Municipal Manager.</i></p>	<ul style="list-style-type: none"> <li>• Manages and controls the implementation of budget policies, systems and procedures and financial statement processes to ensure legislative compliance and sound financial management practices.</li> <li>• Implements and maintains revenue and credit control policies and procedures to ensure sound revenue management practices and compliance.</li> <li>• Ensures the recording, authorisation and proper execution of expenditure systems, procedures and transactions.</li> <li>• Manages supply chain management services to ensure proper systems, procedures and control for demand, acquisition, logistics, assets and disposal management.</li> </ul>

<b>Top Administrative Structure</b>	
<b>Position</b>	<b>Function</b>
<b>Planning and Economic Development</b>  <i>Ashraf Adam- until 31 March 2016. The position was advertised and filled. Ms Lauren Waring was appointed and assumed office on 20 June 2016.</i>	<ul style="list-style-type: none"> <li>Manages the rendering of spatial and land use planning, surveying, valuations and building control services.</li> <li>Plans, develops and implements a coherent and Integrated Framework for Local Economic Development and Tourism.</li> <li>Ensures the implementation of environmental management plans, policies and procedures and ensures compliance in accordance with applicable legislation.</li> <li>Renders management and line function administrative support services.</li> </ul>
<b>Infrastructure Services</b>  <i>Deon Louw</i>	<ul style="list-style-type: none"> <li>Ensures the rendering of sustainable and affordable civil engineering (water, sewerage, streets, stormwater and traffic engineering) services to the community in accordance with laid-down service delivery levels, standards and legislative requirements.</li> <li>Ensures the rendering of sustainable and affordable electricity to the community in accordance with laid-down service delivery levels, standards and legislative requirements.</li> <li>Provides fleet management, building management, technical support and project/programme management services.</li> <li>Renders management and line function administrative support services.</li> </ul>
<b>Community Services</b>  <i>Gary Boshoff</i>	<ul style="list-style-type: none"> <li>Manages the provisioning and maintenance/operation of parks, sport facilities, cemeteries and solid waste management services.</li> <li>Manages the rendering of protection services to ensure the safety of the community.</li> <li>Provides human settlements administration and support services to address the housing needs in the area.</li> <li>Provides and manages the rendering of community development, library and information services.</li> <li>Renders management and line function administrative support services.</li> </ul>

*Table 11: Top Administrative Structure*

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### Cooperative Governance and Intergovernmental Relations

Drakenstein Municipality participates in a range of intergovernmental activities, both formally and informally. Joint projects and events are participated in and organised. A good example would be the cooperation of all three spheres of government in the delivery of houses in the Drommedaris Project.

Various events and imbizo's have been organised to bring information and services to the community. The functioning of our Thusong Centres is also an example of bringing joint services to the community.

Various meetings are attended where interaction takes place between the various spheres of government. Drakenstein Municipality also attends the SALGA workgroup meetings where all the municipalities in the Western Cape gather to discuss matters of mutual interest in the various fields for which workgroups have been established. The Municipal Manager and Executive Mayor respectively take part in the Municipal Managers' Forum, both provincial and national, as well as the Premier's Forum where the Premier of the Western Cape meets the mayors of the municipalities in the Western Cape and their municipal managers to discuss various matters of mutual interest. There is a Joint Planning Initiative of which Drakenstein forms part of the pilot project with the Western Cape Provincial Government to deal with youth development and skills training, improving ICT infrastructure roll-out and local economic development.

The VPUU project is an excellent example of how intergovernmental relations can improve the lives of citizens. This is a joint project with provincial government and various other state departments such as the South African Police Services, Community Development, Sport and Arts and Crafts, NGOs and various other role-players. The project aims to upgrade the community and fight crime, poverty and other social evils through urban upgrading.

## **2.3 INTERGOVERNMENTAL RELATIONS**

### **National Intergovernmental Structures**

Drakenstein Municipality participates in national forums where issues are discussed that involve local municipalities. These forums are of a technical and professional nature.

Experiences and best practices are shared and information is gathered; an example of these would be SALGA, ISAMAO and the IMFO.

Drakenstein has entered into a Climate Change Partnership with Neumarkt in Germany. The partnership revolves around climate change-related aspects and involves municipal development cooperation, migration and development on a local level and a partnership with developing emerging economies.

### **Provincial Intergovernmental Structures**

Drakenstein Municipality participates in the Premier's Intergovernmental Forum as well as the Provincial Speakers' Forum.

The municipal managers also have a provincial and national forum. In all these forums, issues pertaining to service delivery and matters of common interest are discussed.

Information and best practices are shared and the interaction with the Western Cape Government and other municipalities is valuable to ensure better coordination and cooperation. An Institute for Municipal Accounting Officers has also recently been established.



Various forums in which officials participate are also structured at provincial level, e.g. the Communication Forum and SALGA Technical workgroups.

Councillors and officials also participate in SALGA working groups during which valuable information is shared.

### **Relationships with Municipal Entities**

No municipal entities have been established within the Drakenstein Area.

### **District Intergovernmental Structures**

As with provincial structures, the Municipality participated in the district forums of mayors, speakers and municipal managers, human resources, planning, finance and various infrastructure forums dealing with the services.

Cooperation, joint projects and information sharing take place on a regular basis.

Various professional and technical forums also exist on official level. Project teams for joint projects might be set up for the duration of a project.

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND**

### **OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

In terms of Section 6 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) the administration of a municipality must:

- "(a) Be responsive to the needs of the local community;*
- (b) Facilitate a culture of public service and accountability amongst staff;*
- (c) Take measures to prevent corruption;*
- (d) Establish clear relationships, and facilitate cooperation and communication between itself and the local community;*
- (e) Give members of the local community full and accurate information about the level and standard of municipal services they are entitled to receive; and*
- (f) Inform the local community how the municipality is managed, of the costs involved and the persons in charge."*

To comply with the above, the Municipality has established the legislatively required structures such as Section 80 Portfolio Committees advising the Executive Mayor, Council committees such as the Municipal Public Accounts Committee (MPAC), Section 62 Appeals Committee, Special (Disciplinary) Committee, as well as a Fraud and Risk Management Committee. An Audit Committee comprising of independent external members also advises Council. These structures assist the Municipality to discharge the necessary public accountability responsibilities. These structures represent a segmentation of duties amongst staff and public representatives to ensure accountability, transparency and good governance.

Council approved a ward committee system for each of the 31 wards after the elections in 2011 and the system is fully operational. The chairperson of the ward committee is the elected Ward Councillor and other members of the ward committee are elected by the residents of the ward. It is expected of the ward committees to hold regular meetings – at least once every three (3) months – and the minutes are submitted to the Speaker's Office. The functionality of the ward committees is monitored and reported on to Council on a quarterly basis.

An IDP Representative Forum was established to cover the following interest groups:

- Women, Children, Youth and Early Childhood Development;
- Vulnerable Groups (HIV/AIDS, Disabled, Elderly, Substance Abuse);
- Arts, Crafts, Sport and Culture;
- Religion;
- Media, Business, Agriculture; and
- Environmental Management.

The IDP Representative Forum is consulted during the biannual IDP consultation process in the wards as well as any inputs they have with regard to the IDP. The forum broadens the communication process with our community and focuses the interaction on the aspects within the interest groups.

Communication with the community through other media has also vastly improved. The website has been updated and is increasingly made user-friendly. A vast variety of information is displayed on the website as prescribed by legislation, and members of the public can report faults or refer enquiries through an e-mail link on the site. Media and communication are receiving a lot of attention and the Municipality responded to media enquiries on a weekly basis. The Municipality has procured a centralised Complaint Management System to upgrade customer care and established a Customer Care Unit within the Municipality that will be centralised. This unit will become fully functional during the next reporting cycle.

When the Annual Report is completed, it is made available at all the libraries and the two Thusong Centres in addition to the required distribution to other spheres of government. The MPAC scrutinises the report and also invites public comment on it.

## **2.4 PUBLIC MEETINGS**

### **COMMUNICATION, PARTICIPATION AND FORUMS**

In terms of Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), the municipality is required to establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality. During the year under review, the municipality used the following mechanisms to comply with this legislative requirement:

- (1) Ward committee meetings (discussed in more detail below);
- (2) Public notices in local and regional newspapers;
- (3) Monthly public newsletters distributed to all account holders;
- (4) Press releases as and when required;
- (5) Receipt and consideration of petitions and objections;
- (6) Public IDP and consultative meetings; and
- (7) Functioning of a municipal website, regularly updated with recent news.

Public meetings are essential mechanisms for the municipality to consult with the local community. The information gathered during such meetings is a key source that feeds into the IDP review process. The information gained at the meetings held during the year under review was useful and assisted the Municipality to plan for short-, medium- and long-term projects. One of the main advantages of public meetings is the platform that it provides the Municipality to interact with the community and to convey its message directly.

The Municipal Website features all the documentation required in terms of legislation as well as public policies, documents and by-laws informing residents about the affairs of the Municipality. It is endeavoured to create new interactive functions on the website to provide additional and user-friendly methods to the public to communicate with the Municipality. These features will be expanded in years to come.

No functional ward committee system existed when the current Council was elected in 2011. Council approved a ward committee system consisting of ward committees for each of the 31 wards. The chairperson of the ward committee is the elected Ward Councillor and other members of the ward committee were elected by the residents of the ward. It is expected of ward committees to have regular meetings – at least once every three (3) months – and the minutes are submitted to the Speaker's Office. The functionality of the ward committees is monitored and reported on to Council by the Speaker and his office.

An IDP Stakeholder Forum was established to cover the following interest groups:

- Women, Children, Youth and ECD;
- Vulnerable Groups (HIV/AIDS, Disabled, Elderly, Substance Abuse);
- Arts, Crafts, Sport and Culture;
- Religion;
- Media, Business, Agriculture; and
- Environmental Management.

The IDP stakeholder forum is consulted throughout the year on the process of the IDP consultation process held in the wards twice a year, as well as any inputs they have with regard to the IDP. The forum broadens the communication process with our community and focuses the interaction on the aspects within the interest groups.

During the budget process, meetings are held with business, bulk users and other interest groups to obtain their input on the proposed tariffs for the next financial year and, after approval of the budget, various groups are engaged to address any queries they may have on the implementation of the tariffs. The budget is also discussed in the wards with the communities when inputs are invited on the draft budget.

Media communication receives a lot of attention and the Municipality responds to media queries on a weekly basis. The Municipality has procured a centralised Complaint Management System to upgrade the customer care and established a Customer Care Unit within the Municipality that is now centralised.

When the Annual Report is completed, it is made available at all the libraries and Thusong Centres apart from the required publication to other spheres of government. The MPAC scrutinises the report and also invites public comment on the report.

## **WARD COMMITTEES**

Section 73 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) stipulates:

- "(1) If a metro or local council establishes ward committees it must establish a ward committee for each ward in the municipality.*
- (2) A ward committee consists of:*
  - (a) the councillor representing that ward in the council, who must also be the chairperson of the committee; and*
  - (b) not more than 10 other persons."*

No functional ward committee system existed when the current Council was elected in 2011. Council approved a ward committee system consisting of ward committees for each of the 31 wards. The chairperson of the ward committee is the elected Ward Councillor and other members of the ward committee are elected by the residents of the ward. It is expected of the ward committees to have regular meetings – at least once every three (3) months – and the minutes are submitted to the Speaker's office. The functionality of the ward committees are monitored and reported on to Council by the Speaker.

Ward committee meetings are particularly useful to ensure a relationship between Councillors and ward residents. Furthermore it provides the opportunity to discuss local matters that concern the residents in that ward. The Municipality annually avails funding to each ward in order to undertake specific projects in such wards. Ward committees play an important role in this regard as they advise on the projects they would like to be implemented. These ward projects further strengthen the relationship between the Municipality and the communities due to the direct impact that the ward committees can make on development projects in their wards.

The purposes of ward committees are:

- (1) To act as an advisory committee to the Ward Councillor and Council;

- (2) To ensure two-way communication to and from the community;
- (3) To identify ward-specific needs and to refer same to the administration and Council for attention;
- (4) To actively partake in the annual IDP ward-based public meetings;
- (5) To assist the Ward Councillor in identifying ward projects and ward capital projects;
- (6) To identify stakeholders in the wards and to liaise with them regarding matters needing attention; and
- (7) To discuss ward-related Council agenda items and to make inputs regarding same if necessary.

The major issues dealt with by Drakenstein ward committees were the following:

- (1) Advising the Ward Councillor and Council on ward issues dealt with by Council;
- (2) Identifying ward-specific needs and referring it to the administration and Council for attention;
- (3) Participation in the annual IDP ward-based public meetings;
- (4) The identification of ward projects and ward capital projects;
- (5) Identifying stakeholders in the wards and liaising with them regarding matters needing attention; and
- (6) Discussions on ward-related Council Agenda items and to make inputs regarding same if necessary.

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
The Drakenstein Municipality engaged with its citizens through public meetings in all 31 wards and a sector meeting to gain inputs from the public.	14 September to 13 October 2015 and 04 – 26 April 2016	All 66 councilors attended the IDP and Budget Roadshow of September-October 2015 and April 2016.	1,111* (September-October 2015 and April 2016)	3,592 (September-October 2015 and April 2016)	14 September to 13 October 2015 and 04 – 26 April 2016 IDP and Budget Roadshow
Municipal Public Accounts Committee (MPAC)	27 January 2016, re-convened 29 January 2016	6 Councillors (27 <sup>th</sup> ), 8 Councillors (29 <sup>th</sup> )	9 Executive Managers, Officials and the Chief Internal Audit (27 <sup>th</sup> ) 5 Executive Managers, Officials and the Chief Internal Audit (29 <sup>th</sup> )	None (Meeting of the 27 <sup>th</sup> attended by 2 members of the AGSA) Meeting of the 29 <sup>th</sup> attended by the Chairperson of the Audit Committee)	The MPAC reports to Council and their recommendations are contained in the Council agenda.

*\* This number comprise a count of attendance of municipal officials at all IDP and Budget Roadshow meetings. 1,111 is not the number of municipal officials who participated in the IDP and Budget Roadshow.*

Table 12: Public Meetings

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria	Yes	No
Does the municipality have impact, outcome, input, output indicators?	✓	
Does the IDP have multi-year targets?	✓	
Are the above aligned and can they calculate into a score?	✓	
Does the budget align directly to the KPIs in the strategic plan?	✓	
Do the IDP KPIs align to the Section 56 managers and Municipal Manager?	✓	
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	✓	
Do the IDP KPIs align with the provincial KPIs on the 12 outcomes?	✓	
Were the indicators communicated to the public?	✓	
Were the four quarterly aligned reports submitted within stipulated timeframes?	✓	

*Table 13: IDP Participation and Alignment Criteria*

## COMPONENT D: CORPORATE GOVERNANCE

### Overview of Corporate Governance

Governance in Drakenstein Municipality encompasses line functions pertaining to political and administrative governance, audit, risk management, organisational and individual performance management, public participation and IDP, intergovernmental relations, public communication, human resource management, organisational development and legal services. The governance function is supported by an independent Audit Committee, comprising of external specialists having the necessary skills to provide effective oversight of the Municipality's systems of internal control, risk management and governance processes. The Audit Committee is supported in its role by the Internal Audit function which performs audits in terms of an approved audit plan and reports to the Audit Committee on a quarterly basis. The Municipal Public Accounts Committee (MPAC) comprises of independent Councillors. In order to promote independence and objectivity, the MPAC is chaired by a Councillor from a political party other than the majority party in Council.

## 2.6 RISK MANAGEMENT

Section 62(i)(c) of the MFMA requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

There is a danger that risks which fall outside traditional functions may go unmanaged and have serious consequences on the institutional objectives. The need for broad-based risk management is thus critical as it will also ensure that risks which were not previously given adequate attention are now properly managed. Risk management processes that are integrated in the institution's existing structures are likely to be more effective in producing the desired service delivery and other objectives.



The Risk Management Section is responsible for the risk management function at Drakenstein Municipality through facilitation and advising on fraud and enterprise risk management issues. This entails the development of policies, strategies, plans and processes.

Drakenstein Municipality established a Fraud and Risk Management Committee (FARMCO), which meets on a quarterly basis and assists in the development and revision of all policies, strategies, plans and processes. In the financial year under review, the current Enterprise Risk Management Policy, Strategy as well as Plan were revised.

The Risk Register, linked to key performance areas (strategic objective) and key focus areas, was reviewed with all the directorates through a facilitation process. A total of two risks were found to be no longer applicable, while eight new risks were identified.

The five top risks identified were:

- (1) High vacancy rate
- (2) Unsafe working and storage conditions (non-compliance with OHS legislation and related regulations);
- (3) Risk of injury when performing duties in high crime-rate areas;
- (4) Environmental risks
- (5) Inadequate maintenance on infrastructure.

## **2.7 INTERNAL AUDIT**

Internal Audit is an independent function reporting administratively to the Accounting Officer and functionally to the Audit Committee. Internal Audit performs audits in terms of a 3 year strategic and 1 operational plan which is approved by the Audit Committee at the commencement of each financial year. The priorities in the Internal Audit Plan can be categorized in terms of audits focusing on the systems of internal control, risk management and governance processes. The prioritization of audits in these three categories is based primarily on the municipality's risk profile as well as legislative requirements. Internal Audit reports to the Audit Committee on a quarterly basis regarding progress with the implementation of the approved plan as well as the outcome of audits conducted in terms of the approved plan. Internal Audit also performs follow-up audits to assess the implementation of agreed management action plans in response to reported internal audit findings. Internal Audit executes its duties in terms of the International Standards for the Professional Practice of Internal Auditing (Standards) issued by the Institute of Internal Auditors.

## **2.8 ANTI-CORRUPTION AND FRAUD**

The FARMCO meets on a quarterly basis and assists with the development and revision of all policies, strategies, plans and processes relating to fraud risk management. In the financial year under review, the current Fraud Prevention Policy, Strategy as well as Plan were revised.



The FARMCO also functions as an oversight body.

This includes the review of the effectiveness of prevention initiatives, detection techniques as well as progress made in any forensic investigations.

Drakenstein Municipality appointed Deloitte to provide an anonymous fraud and ethics hotline service for the reporting of theft, fraud and corruption.

#### **FRAUD AND ANTI-CORRUPTION STRATEGY**

Notes: See Chapter 4 for details of disciplinary action taken on cases of financial mismanagement. MSA 2000 S83(c) requires providers to be chosen through a process which minimises the possibility of fraud and corruption.

## **2.9 SUPPLY CHAIN MANAGEMENT**

### **OVERVIEW OF SUPPLY CHAIN MANAGEMENT**

#### **Demand Management**

The objective of demand management is to assist the Municipality with the planning for the procurement of goods, works or services in a proactive manner and to move away from merely reacting to purchasing requests. Certain aspects of demand management were implemented, i.e. the Capital Projects Implementation Plan (CPIP) that encapsulates capital projects above R 200,000. This planning document assists directorates to timeously plan for procurement of capital goods/projects and where directorates are required to commit due dates for their respective capital projects above R 200,000. During the past financial year, a total of 48 tenders/contracts were awarded. The CPIP is a monitoring tool that provides the Accounting Officer with an oversight regarding the spending of capital funds during the financial year.

#### **Acquisition Management**

The Supply Chain Management (SCM) Unit processed a total of 15,095 orders for the 2015/2016 financial year. The total value of the orders that were processed amounted to R 538,480,525. Currently the bulk of the acquisition functions, i.e. the sourcing of quotations and processing of orders, is performed by temporary staff appointed in the SCM Unit.

#### **Policy Amendments**

The SCM Policy was reviewed during the 2015/2016 financial year. Certain amendments to the SCM Policy were tabled before Council in order to improve operational efficiency. The Municipality has to forward the current SCM Policy to the Western Cape Provincial Treasury on an annual basis for scrutiny and compliance verifications against the SCM Policy model that was issued by National Treasury. The purpose of this exercise is to determine whether the Municipal SCM Policy deviates from the stipulations of the SCM

Regulations. No comments of significance were received from the Western Cape Provincial Treasury in this regard.

### **Invitation and evaluation of bids based on a stipulated minimum threshold for local production and content**

Regulation 9(1) of the Preferential Procurement Regulations, 2011 makes provision for the Department of Trade and Industry to designate sectors for which local production and content is of critical importance when bids are awarded. Such bids must be advertised with a specific condition that only locally produced goods, works or services or locally manufactured goods with a stipulated minimum threshold for local production and content, as prescribed, will be considered. However, it is important to note that these requirements are only applicable to the following sectors:

<b>Sector description</b>	<b>% local content</b>
Textile, clothing, leather and footwear	100%
Steel power pylons	100%
Electrical and telecom cable products	90%
Furniture	85% - 100%
Canned/processed vegetables	80%
Buses (bus body)	70% - 80%
Valve products and actuators	70%
Solar water heater components	70%
Rail rolling stock	55% - 80%
Set-top boxes	30%
Residential electricity meters	50% - 70%

*Table 14: Procurement per sector*

Cognisance should be taken of the fact that the Municipality may only make awards for the abovementioned goods or services if the bidders comply with the minimum requirements as stipulated in the bid documents as provided by National Treasury. However, to ensure value for money for the local community, it may be necessary in future to deviate from the local content requirements and to report on a monthly basis to Council.

## 2.10 BY-LAWS

By-laws introduced during 2015/2016					
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
Municipal Land Use Planning	New	Yes	3/9/2015 – 5/10/2015	Yes	13 November 2015

Table 15: By-laws introduced during 2015/2016

Section 11(3) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

In terms of Section 160(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996):

- (a) The by-laws serve before the various structures of the Council;
- (b) The by-laws are advertised in the local media for objections or comment;
- (c) The by-laws are open for inspection at all municipal offices and libraries; and
- (d) The by-laws are forwarded to the local radio station for broadcasting.

Once adopted by Council, the by-laws are promulgated in the Provincial Gazette and takes immediate effect.

The following by-laws were passed in the 2015/2016 financial year:

By-law	Promulgation Status
1. Bylaw on Municipal Land Use Planning	13 November 2015

Table 16: By-laws passed

## 2.11 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the municipality's website.	Yes/No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	1 July 2015 – 30 June 2016
All current budget-related policies	Yes	1 July 2015 – 30 July 2016
The previous Annual Report 2014/2015	Yes	15 Feb 2016
The Annual Report 2015/2016 published/to be published	Yes	
All current performance agreements (2015/2016) and resulting scorecards required in terms of Section 57(1)(b)	Yes	26 August 2015

<b>Municipal Website: Content and Currency of Material</b>		
<b>Documents published on the municipality's website.</b>	<b>Yes/No</b>	<b>Publishing Date</b>
of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)		
All service delivery agreements (2015/2016)	Yes	1 July 2015 – 30 June 2016
All long-term borrowing contracts (2015/2016)	Yes	1 July 2015 – 30 June 2016
All Supply Chain Management Contracts above a prescribed value (above R 200,000) for 2015/2016	Yes	1 July 2015 – 30 June 2016
All information statements containing a list of assets over a prescribed value that have been disposed of in terms of the MFMA Section 14(2) or (4) during 2015/2016	N/A	1 July 2015 – 30 June 2016
Contracts agreed in 2015/2016 to which the MFMA Subsection (1) of Section 33 applies, subject to Subsection (3) of that Section	None	None for financial year 2015/2016
Public-private partnership agreements referred to in the MFMA Section 120 made in 2015/2016	None concluded	None for financial year 2015/2016
All quarterly reports tabled before Council in terms of the MFMA Section 52(d) during 2015/2016	Yes	1 July 2015 – 30 June 2016

*Table 17: Municipal Website Content*

## **2.12 PUBLIC SATISFACTION WITH MUNICIPAL SERVICES**

The centralised complaints management system procured to improve customer care is fully operational. Additional access options have been introduced in order to ensure that all residents have easy access to the system. In addition, the system has been expanded to all directorates of the Municipality. During the reporting period a total number of 22,513 service requests were registered and more than 21,487 of these service requests were dealt with within the period. It is clear that the system is being utilised extensively by the residents and the Municipality.

**Chapter 1: Mayor's Foreword and Executive Summary**

**Chapter 2: Governance**

**Chapter 3: Service Delivery Performance (Performance Report)**

**Chapter 4: Organisational Development Performance**

**Chapter 5: Financial Performance**

**Chapter 6: Auditor-General Audit Findings**

**Glossary**

**Appendices**

**CHAPTER 3: SERVICE DELIVERY PERFORMANCE**

- Component A: Basic Services
- Component B: Road Transport
- Component C: Planning and Development
- Component D: Community and Social Services
- Component E: Environmental Protection
- Component F: Security and Safety
- Component G: Sport and Recreation
- Component H: Corporate Policy Offices and other services

## **INTRODUCTION**

Council focused on ensuring that the ward system is functional and held IDP road show meetings in each of the 31 wards to ensure that all residents have the opportunity to participate in the process of the development of the budget, prioritisation of needs and to receive feedback on the operations of the Council and Administration.

Amendments to the organisational structure were approved to ensure that the Municipality performs according to expectation. The turnover rate of staff is well within the norms and standards and the staff budget amounts to 23% of the operational expenditure, whilst even 35% in local government is seen as still healthy.

The Local Economic Development Unit has continued its dual focus on encouraging and supporting emerging businesses and entrepreneurs, whilst assisting established business to grow and retain their foothold in Drakenstein. A new informal trading site was identified at Arendsnes and work has commenced to create opportunities for small scale traders as well as those entrepreneurs who have more experience and it is hoped that this mix will assist in mentorship. The number of events and tourism activities increase year-on-year and the relationship between the Municipality and the Drakenstein Local Tourism Association is sound and fruitful.

The Municipality continued to cut red tape and have implemented a number of recommendations within the Municipality which emanated from a study of international experts. The Municipal Planning Tribunal has been approved, and although it has not sat as yet, the skill and expertise of the members bodes well for the future of planning applications

In planning, improvements to the processing of development applications, including building plan approvals, was given further impetus as part of cutting red tape to facilitate an enabling environment for businesses to operate efficiently. Improving internal efficiencies is a central aspect of improving the local economy and through attracting investment. Within the context of local economic development, the allocation and spending of capital budgets to improve the conditions of informal traders in Paarl and Wellington were significant steps towards improved livelihoods.

The Department of Human Settlements delivered 338 housing opportunities out of the targeted 400 for the financial year, translating into an 85% success rate. This is a slight improvement compared to the 2014/2015 financial year.

Additionally, the Fairyland Housing Project was second runner-up in the Provincial Govan Mbeki Awards in its category (Upgrade of Informal Settlement Programme). This is the second year in a row that the Municipality is recognised for excellence in housing delivery.

Drakenstein Municipality successfully compiled a cash-funded revised budget. Sound budget controls were implemented and 95.2% of the operating budget was spent. The underspending is discussed under paragraph 1.4 (key successes and outcomes for 2015/2016) in the Annual Report. The Auditor-General of South Africa gave the Drakenstein Municipality an unqualified audit opinion on the Annual Financial Statements for sound financial accounting and record-keeping. No qualifications on the supply chain management processes were identified, which indicates sound procurement processes.

A total of 831 new electrical services were connected to the Drakenstein electrical network. Of these services 299 were informal services which were funded by the Department of Energy's INEP programme.

Substation switchgear upgrading at Suid-End Substation was completed to replace old and obsolete equipment. This upgrade exercise will facilitate the increase of capacity at the substation for future development growth in the Southern Paarl and Simondium areas.

## **COMPONENT A: BASIC SERVICES**

Electricity, water and sewerage services are fundamentally important basic services to ensure a healthy and safe environment for all Drakenstein inhabitants. These basic services sections play a very important part in the planning and installation of basic services in all informal settlements in the Drakenstein Area over which these sections have control.

### **3.1 WATER PROVISION**

#### **INTRODUCTION TO WATER PROVISION**

The basic functions of the Water Services Section are to upgrade existing water infrastructure, extend the network and maintain the existing network.

The upgrading of existing reticulation is planned in terms of priorities as determined in the IDP, as per the Water Master Plan, by Council and Technical Services. The implementation of this strategy is wholly dependent on the provision of an adequate budget. Major achievements for the past financial year were the construction and completion of the second 11 Mℓ Newton Reservoirs at Newton, Wellington. The main challenge in this regard is to obtain sufficient funding to upgrade the existing water networks in Paarl and Wellington.

The construction of the 5 Mℓ reservoir at Welvanpas (Wellington), the first of two 8 Mℓ Courtrai reservoirs and replacement of the existing bulk water pipe at Courtrai (Paarl) are in progress and will be completed in 2017. The construction of the new 10 Mℓ/day Welvanpas Water Treatment Works (WTW) with a total value of R 62 million is in



progress and will be completed by end 2017. The second phase of a possible seven phases of the Strawberry King pipeline with a total value of R120 million is in progress.

The planning of new Newton-Leliefontein booster pump station and inline power generation turbine at Leliefontein, Paarl has been completed.

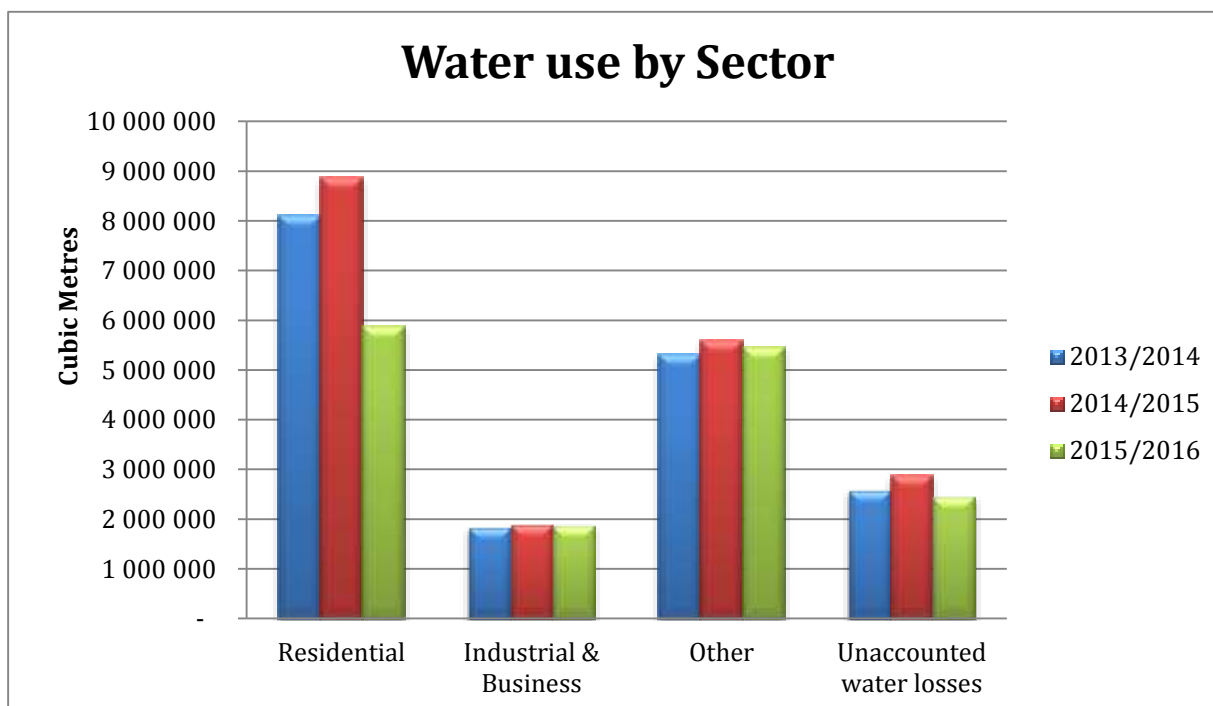
### Water use by sector

Within the constraints of the budget, the Water Section is performing satisfactorily.

The main objectives in the Water Section are to upgrade existing water mains to new and higher standards and to extend the service life of existing bulk water infrastructure in accordance with the Water Master Plan.

Total use of water by sector (cubic metres)				
Year	Residential	Industrial/ Business	Other	Unaccountable water losses
2013/2014	8,116,416	1,835,004	5,326,301	2,587,444
2014/2015	8,878,467	1,893,238	5,585,760	2,880,923
2015/2016	5,876,484	1,886,305	5,456,529	2,452,810

Table 18: Total use of water by sector (cubic metres)



Graph 5: Water use by sector

A total of 14,120 metres of water reticulation mains were upgraded in Paarl and Wellington. In total, 430 water connections were installed in the Drakenstein Area. A total of 322 burst pipes were repaired on reticulation networks, 737 water connections were repaired and 448 water meters were replaced during the year. A total number of 219 water meters were stolen and replaced by the Municipality. A total of 1,344 water leaks on private properties were repaired during the financial year.

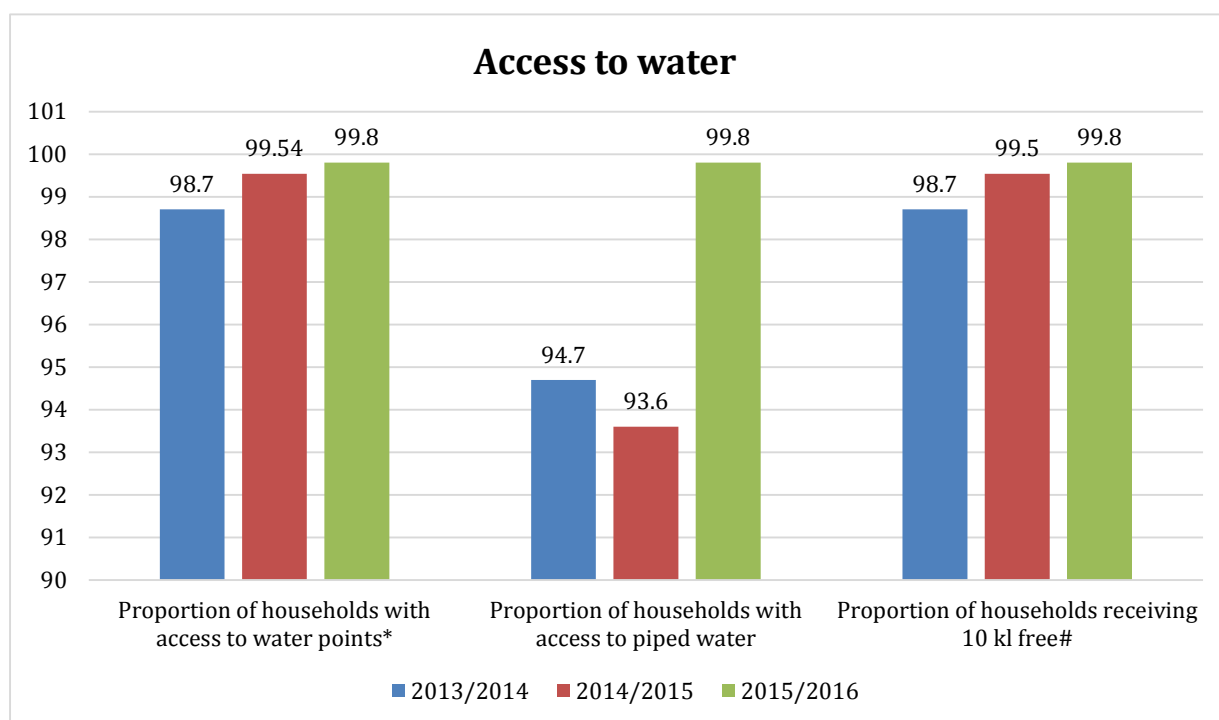
<b>Water Service Delivery Levels</b>			
<b>Description</b>	<b>Households</b>		
	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>
<b>Water: (above minimum level)</b>			
Piped water inside dwelling	38,182	38,565	39,222
Piped water inside yard (but not in dwelling)	20,900	21,829	22,959
Using public tap (stand pipes )	0	0	0
Other water supply (within 200 m)	3,750	4,157	3,728
<i>Minimum Service Level and Above sub-total</i>	<b>62,832</b>	<b>64,551</b>	<b>65,909</b>
<i>Minimum Service Level and Above Percentage</i>	99.5%	100%	100%
<b>Water: (below minimum level)</b>			
Using public tap (more than 200 m from dwelling)	163	148	148
Other water supply (more than 200 m from dwelling)	0	15	
No water supply (rural)	134	134	134
<i>Below Minimum Service Level sub-total</i>	<b>297</b>	<b>297</b>	<b>297</b>
<i>Below Minimum Service Level Percentage</i>	0.5%	0.5%	0.5%
<b>Total number of households*</b>	<b>63,129</b>	<b>64,848</b>	<b>66,613</b>

Table 19: Water Service Delivery Levels

Households – Water Service Delivery Levels below the minimum					
Households					
Description	2013/2014	2014/2015	2015/2016		
	Actual No.	Actual No.	Original Budget No.	Adjustments Budget No.	Actual No.
<b>Formal Settlements</b>					
Total households	63,129	64,848	N/A	N/A	66,613
Households below the minimum service level	297**	297**	N/A	N/A	297**
Proportion of households below the minimum service level	0.48%	0.45%	N/A	N/A	0.45%
<b>Informal Settlements</b>					
Total households	3,750	3,750	N/A	N/A	3,728
Households below minimum service level	0	0	N/A	N/A	0
Proportion of households below minimum service level	0%	0%	N/A	N/A	0%

\* Grants \*\* Farms

Table 20: Households – Water Service Delivery Levels below the minimum



\* Note that the percentage of households with access to basic services indicated in the graph does not include rural households.

Graph 6: Access to water

Water Service Policy Objectives taken from IDP				
Strategic Objective (SO): <i>Physical Infrastructure and Energy Efficiency</i>				
Municipal Key Focus Area (KFA): <i>Water and Sanitation Infrastructure</i>				
Ref no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL40	Implement all Water Services infrastructure capital projects measured quarterly in terms of the approved Capital Budget spent	% of approved Capital Budget spent by 30 June	96%	99.91%

*Table 21: Water Service Policy Objectives taken from IDP*

Employees: Water Services					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0-3 (T18 –T20)	0	0	0	0	0
4-6 (T15- 17)	2	3	2	1	33.3
7-9 (T12 – 14)	3	7	3	4	57.1
10-12 (T9 – 11)	6	37	6	31	83.8
13-15 (T6 – 8)	13	13	13	0	0
16-18 (T3 – 5)	8	24	8	16	66.7
19-20 (T1 & 2)	40	71	52	19	26.7
<b>Total</b>	<b>72</b>	<b>155</b>	<b>84</b>	<b>71</b>	<b>45.8</b>

Table 22: Employees – Water Services

The Water Services Section has 45.8% vacancies in terms of the approved organogram, of which 36 posts are critical. Some posts are vacant due to people resigning, retirement or death and are already funded. The new posts need urgent funding. Eighteen (18) of the critical posts are directly linked to service delivery and need to be filled as a matter of urgency. Some of these posts are required for statutory compliance with legislation and to ensure safe and sustainable water supply.

<b>Financial Performance 2015/2016: Water Services</b>					
<b>R</b>					
<b>Details</b>	<b>2014/2015</b>	<b>2015/2016</b>			
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>	<b>Actual</b>	<b>% Variance to Adjustments Budget</b>
Total Operational Revenue (excluding tariffs)	(156,424,132)	(160,974,761)	(180,671,605)	(183,857,180)	101.76%
Expenditure:					
Employees	34,613,312	37,220,757	39,725,473	39,623,597	99.74%
Impairment losses on financial assets	5,351,474	11,545,261	11,932,144	11,932,144	100%
Interest Paid	3,875,390	3,960,261	4,853,908	4,853,908	100%
Contracted Services	8,999,191	11,687,008	10,973,084	10,804,106	98.46%
Depreciation and Provisions	17,614,670	17,674,913	17,674,913	16,839,909	95.28%
Inventory	696,112	971,979	838,553	805,889	96.10%
Operational Cost	31,051,590	36,349,990	42,699,519	38,920,244	91.15%
<b>Total Operational Expenditure</b>	<b>102,201,739</b>	<b>119,410,169</b>	<b>128,697,594</b>	<b>123,779,797</b>	<b>96.18%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(54,222,393)</b>	<b>(41,564,592)</b>	<b>(51,974,011)</b>	<b>(60,077,383)</b>	<b>115.59%</b>

Table 23: Financial Performance 2015/2016 – Water Services

<b>Capital Expenditure 2015/2016: Water Services</b>					
<b>R</b>					
<b>Capital Projects</b>	<b>2015/2016</b>				
	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>% Variance to Adjustments Budget</b>	<b>Total Project Value</b>
<b>Total all</b>	<b>86,632,105</b>	<b>72,157,525</b>	<b>72,091,087</b>	<b>0.09%</b>	<b>72,157,525</b>
<i>Major projects</i>					
11 Mℓ Newton Reservoir	23,087,719	17,330,410	17,330,409	0%	17,330,410
Replacement of Strawberry King bulk water pipe	6,654,386	10,643,509	10,643,509	0%	10,643,509
Welvanpas WWTW and outbuildings	23,222,943	20,327,690	20,326,964	0%	20,327,690

Table 24: Capital Expenditure 2015/2016 – Water Services

All available funds were spent on the various capital projects. The following projects were completed as planned:

- (1) The construction of the second 11 Mℓ Newton Reservoir and related pipework was completed and the reservoirs are operational; and
- (2) A total length of 14,120 m of pipelines varying between 110 mmØ and 630 mmØ was installed in Paarl and Wellington.

Additional capital funding is required for the replacement of pipe infrastructure. An amount of R 27m per annum and R 19.5m is needed. All available funds were spent on the various capital projects.

### **3.2 WASTEWATER (SANITATION) PROVISION**

The basic functions of the Wastewater Section (Sanitation) are to upgrade existing sewerage infrastructure (as to meet future requirements), extend the network (provide higher level of service to consumers) and maintain the existing network (ensure adequate rehabilitation and maintenance).

The upgrade of existing reticulation is planned in terms of priorities as determined in the IDP, as per the Sewerage Master Plan, by Council and Civil Engineering Services. Major achievements for the past financial year include the completion of the Carolina bulk sewer and the commissioning thereof. The construction of the bulk sewer to Southern Paarl, phase 3 (section through the Arboretum) and School Street siphon have been completed and is operational.

#### **Other completed projects include:**

- Open trench pipe line (150 m) in Dreyden Street, Wellington.
- Pipe cracking (250 m) in Fair View Street, Paarl.
- Construction of 46 connection manholes in Wellington. (22 x Cavernelis Street, 9 x Dreyden Street & 15 x Hospital Street).
- Pipe cracking in Berg Street, Wellington.
- Pipe cracking in Jan Groentjie Street, Paarl.
- Pipe cracking in Castle Street, Paarl.
- Pipe cracking in Boy Louw Sports Grounds, Paarl.
- Pipe cracking in Barnett Street, Paarl.
- Pipe cracking in Long Street, Paarl.
- Pipe cracking in Long Street 2, Paarl.
- Pipe cracking in High Street, Wellington.
- Pipe cracking in Landfill Site, Wellington (160 mm dia waterline).
- Pipe cracking in Piet Retief Street, Wellington.
- Pipe cracking in Kearns Street, Paarl.
- Pipe cracking in Lantana Street, Paarl.
- Pipe cracking in Frater Street, Paarl.
- Pipe cracking in Mentoer Street, Wellington.
- Pipe cracking in Fontein Street, Wellington.



- Pipe cracking in Addy Street, Wellington.
- Pipe cracking in South Street, Wellington.
- Pipe cracking in Mount View Street, Paarl.
- Pipe cracking in Main Road, Paarl.

It is a major challenge to obtain sufficient funding to upgrade and maintain the existing sewer networks in Paarl, Hermon, Gouda, Saron and Wellington. Rehabilitation and maintenance of the existing infrastructure are critical to ensure the sustainability of the existing infrastructure.

The Southern Paarl Bulk Sewer Project stretches from the Paarl WWTW to the southern side of the N1 National Road all along the eastern banks of the Berg River and crosses the Berg River on the southern side of the N1. It also includes a bulk sewer pipeline along Carolina Road to Amstelhof in Paarl East and two siphon pipelines underneath the Berg River to connect the sewer network on the west bank of the Berg River to the new bulk sewer.

The bulk sewer lines will be connecting areas to the south and south east of the Paarl WWTW and approximately 42,500 people (existing and new) will connect to these lines. The existing bulk sewer lines could cope with the peak demands and some of the pipelines have also reached the end of their product life cycle. The new bulk sewer lines have already connected a number of existing informal and affordable housing schemes and will eliminate spillage of sewerage due to existing pipes not coping with the peak flows.

As the Berg River is a major source of irrigation water for fruit farmers downstream of Paarl, sewer spillages resulted in the deterioration of the quality of water in the river and often does not meet the standards required for irrigation of fruit. With the recent upgrades to the Paarl WWTW and the current new bulk sewer these spillages will be avoided.

The total cost of this multi-year project is approximately R 350,0 million, of which a portion was funded by the Municipal Infrastructure Grant (MIG) and Regional Bulk Infrastructure Grant (RBIG). The latest estimate for completion of the (RBIG) project specifically is approximately R 263,0 million and is co-funded by the Department of Water and Sanitation via the regional RBIG programme

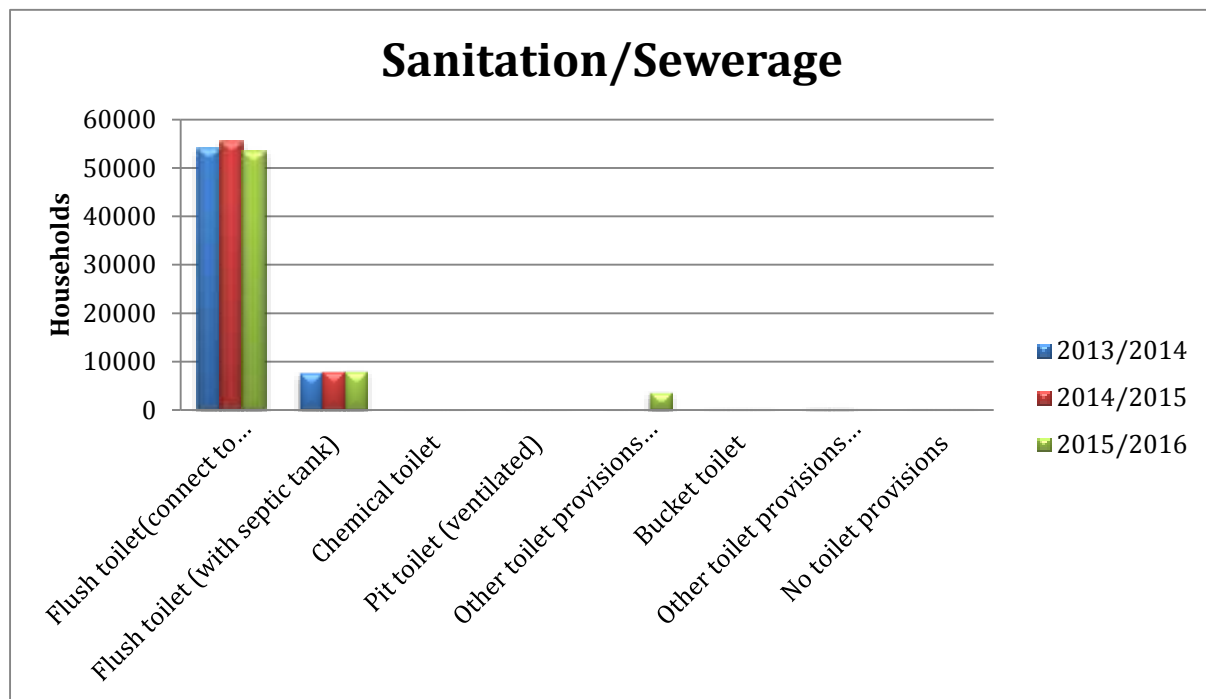
RBIG	R 99, 956, 174
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Drakenstein Municipality	R 163, 043, 826
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Numerous jobs were created for local labour and to date an accumulative of 410 local labourers were employed on the RBIG project totalling to approximately 99, 560 man-days and R 14,5 million in wages.

To date Paarl Bulk Sewer Phase 1 and Phase 2, West Bank, Carolina Phase 1 and 2 and Paarl Bulk Sewer Phase 3 (Partially) have been completed, a total length of approximately 15,0 km of bulk sewers varying from 600 mm diameter to 1800 mm diameter. All pipelines were laid to specification and minimum deviations occurred and are operational. The last phase is currently under construction and includes the crossing of the Arboretum Road and N1 National Road by means of trenchless pipe jacking methods, as well as a syphon pipeline crossing of the Berg River. This will be followed by a number of connector lines on the southern side of the N1 to connect to the new bulk sewer.

The project has a good safety record with no incidents to date and minimum environmental findings were recorded. The portion of the pipeline through the Arboretum went very well and all trees could be maintained due to specialist piling methods applied.



Graph 7: Sanitation/Sewerage

Sanitation Service Delivery Levels			
*Households			
Description	2013/2014	2014/2015	2015/2016
	Outcome No.	Outcome No.	Actual No.
<b>Sanitation/sewerage: (above minimum level)</b>			
Flush toilet (connect to sewerage)	54,012	55,595	57,223
Flush toilet (with septic tank)	7,757	7,893	8,030
Chemical toilet	35	35	35
Pit toilet (ventilated)	142	142	142
Other toilet provisions (above minimum service level)	0	0	0
Minimum service level and above sub-total	<b>61,946</b>	<b>63,665</b>	<b>65,430</b>
Minimum service level and above percentage	98.1%	98.1%	98.2%
<b>Sanitation/sewerage: (below minimum level)</b>			
Bucket toilet	378**	378**	378*
Other toilet provisions (below minimum service level)	451**	451**	451*
No toilet provisions	354**	354**	354*
Below minimum service level sub-total	<b>1,183</b>	<b>1,183</b>	<b>1,183</b>
Below minimum service level percentage	1.9%	1.9%	1.8%
<b>Total households</b>	<b>63,129</b>	<b>64,848</b>	<b>66,613</b>
<i>*Total number of households including informal settlements</i>			

*\*\*Farms which do not form part of the Municipal Water Reticulation System. Figures from 2011 Census*

Table 25: Sanitation Service Delivery Level

Households – Sanitation Service Delivery Levels below the minimum					
Households					
Description	2013/2014	2014/2015	2015/2016		
	Actual No.	Actual No.	Original Budget No.	Adjustments Budget No.	Actual No.
<b>Formal Settlements</b>					
Total Households	61,420	64,848			66,613*
Households below minimum service level	1,183*	1,183	**	**	1,183
Proportion of households below minimum service level	1.9%	1.9%	**	**	1.8%
<b>Informal Settlements</b>					
Total Households	3,960	3,750			3,728
Households below minimum service level	0	0	*	*	0
Proportion of households below minimum service level	0	0	*	*	0

*\*Not budgeted for per household. All monies allocated for this purpose used for sanitation in informal settlements.*

*\*\* Households not budgeted for as sanitation on farms is done by farm owners. Farms which do not form part of the municipal water reticulation system. Figures from 2011 Census Data*

Table 26 : Households – Sanitation Service Delivery Levels below the minimum

Wastewater (Sanitation) Service Policy Objectives taken from IDP				
Strategic Objective (SO): <i>Physical Infrastructure and Energy Efficiency</i>				
Municipal Key Focus Area (KFA): <i>Water and Sanitation Infrastructure</i>				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL41	Implement all Waste Water Services infrastructure capital projects measured quarterly in terms of the approved Capital Budget spent	% of approved Capital Budget spent by 30 June	96%	99.60%

Table 27: Wastewater (Sanitation) Service Policy Objectives taken from the IDP

Employees: Sanitation Services					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0-3 (T18 – T20)	0	0	0	0	0
4-6 (T15- 17)	1	3	1	2	66.7
7-9 (T12 – 14)	6	12	6	6	50
10-12 (T9 – 11)	4	29	4	25	86.2
13-15 (T6 – 8)	30	52	30	22	42.3
16-18 (T3 – 5)	3	6	3	3	50
19-20 (T1 & 2)	70	83	76	7	9.2
<b>Total</b>	<b>114</b>	<b>185</b>	<b>120</b>	<b>65</b>	<b>43.5</b>

Table 28: Employees – Sanitation Services

The Wastewater Section (Sanitation) has 44.3% vacancies on the organogram, of which 15 posts are critical. Some posts are vacant due to people resigning, retirement or death and are already funded. The new posts also need urgent funding. Five of the critical posts are directly linked to service delivery and need to be filled as a matter of urgency. Some of these post are required for statutory compliance with the law to ensure safe and sustainable sanitary services.

Financial Performance 2015/2016: Sanitation Services					
R					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustments Budget	Actual	% Variance to Adjustments Budget
Total Operational Revenue (excluding tariffs)	(124,242,010)	(131,622,135)	(154,912,119)	(154,385,582)	99.66%
Expenditure					
Employees	39,541,071	41,715,093	44,760,959	44,684,771	99.83%
Impairment on Financial Assets	3,488,067	5,111,698	5,282,991	5,282,991	100.00%
Interest Paid	13,591,587	15,688,996	19,229,277	19,229,276	100.00%
Contracted Services	9,497,255	11,807,627	10,200,657	9,591,187	94.03%
Depreciation & Provisions	17,917,262	20,424,165	26,024,165	19,589,791	75.28%
Inventory	2,189,629	2,173,534	2,526,453	2,438,243	96.51%
Operational Cost	527,453	10,115,101	15,020,273	16,638,745	110.78%
<b>Total Operational Expenditure</b>	<b>86,752,324</b>	<b>107,036,214</b>	<b>123,044,775</b>	<b>117,455,004</b>	<b>95.46%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(37,489,687)</b>	<b>24,585,921</b>	<b>31,867,344</b>	<b>36,930,578</b>	<b>115.89%</b>

Table 29: Financial Performance 2015/2016 – Sanitation Services

<b>Capital Expenditure 2015/2016: Sanitation Services</b>					
					<b>R</b>
<b>Capital Projects</b>	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>% Variance to Adjustments Budget</b>	<b>Total Project Value</b>
<b>Total all</b>	<b>91,115,444</b>	<b>81,865,823</b>	<b>81,540,480</b>	<b>0.40%</b>	<b>81,865,823</b>
<i>Major projects</i>					
Upgrade bulk sewer: Southern Paarl	27,616,043	25,625,022	25,625,020		25,625,022
Saron WWTW: Rehabilitation and Upgrading	9,890,680	19,410,905	19,406,448	0.02%	19,410,905
Wellington WWTW: Rehabilitation & Extension	24,278,074	18,916,429	18,598,284	1.68%	18,916,429

Table 30: Capital Expenditure 2015/2016 – Sanitation Services

### ***Paarl Wastewater Treatment Works***

The major upgrade of the Paarl plant was completed during the 2013/2014 financial year with the emphasis on improving the effluent quality to the Berg River and to ensure that the plant complies with all statutory requirements. A further effluent bypass pipeline was constructed to bypass the maturation ponds to ensure the highest quality of effluent is discharged into the Berg River and this was completed during 2014/2015. The maturation ponds will be decommissioned, dried and cleaned and be used in the event of any emergency, especially during peak wet weather flow or serious mechanical failures.

The biggest challenge is to source and appoint qualified process controllers in terms of our licenses issued by the Department of Water and Sanitation to operate the plants effectively.

During the next few years, the following need to be attended to at the Paarl Waste Water Treatment Works :

- Road works;
- Upgrade of the inlet works;
- Installation of a fully fledged telemetry/SCADA system;
- Preventative maintenance programme;
- Energy efficiency programmes;
- Mechanical and electrical backlog elimination programme;
- Upgrade of staff housing quarters;
- Achieving Green Drop accreditation; and
- Centralising of sludge management.

### ***Saron Wastewater Treatment Works.***

The upgrading of the works has commence in September 2015 and is estimated to be completed in May 2017. The works will be hydraulically upgraded from 0,75 Ml/d to 1,5 Ml/d. This will dramatically improve the effluent quality to the Little Berg River and will also greatly improve the visual impact of the works.

### ***Gouda Wastewater Treatment Works***

The future upgrade of the Gouda wastewater treatment works will include the following:

- The construction of a new irrigation balancing dam with a capacity of 7,000 m<sup>3</sup>; which will be completed in the last quarter of 2017.
- The construction of a new administration building; and
- The replacement of the existing gravity irrigation pipeline.

### ***Wellington Wastewater Treatment Works***

The Wellington Wastewater Treatment Works' refurbishing and extension form part of the 20-year, long-term Wastewater Strategy, ensuring that wastewater received at the works is treated appropriately by passing it through an effective treatment process thus protecting downstream users.

The planning and design of the upgrade were completed during 2013/2014 year. The proposed refurbishment and extensions of the works over the next three to four years will comprise the following:

- Refurbishment of the existing process units at the works in order to ensure that it operates at its design capacity and discharges effluent which consistently meets the required standards; and
- Constructing new process units to increase the capacity of the works from 7 to 16 Mℓ per day to accommodate the future flows, as well as accommodate the flow which is currently being diverted to Paarl WWTW via the Newtown pipeline.

The construction of the extensions and upgrading of the works is well underway an dis envisaged to be completed in the second quarter of 2018.

### ***Scientific Services***

The biggest challenge was to appoint staff within this section. This process was completed during 2014/2015 with the filling of all critical positions, namely a chief chemist, a chemist and three samplers.

The focus will also be on water pollution control, especially on industries' monitoring of permits and effluent discharge and any illegal discharge to any water resources. This will ensure the water quality improvement of the Berg River and other water resources. The emphasis will be on monitoring and prosecution to detect the pollution sources and to react proactively.



#### **SANITATION SERVICES PERFORMANCE OVERALL**

The bulk sewer projects currently undertaken are: Upgrade bulk sewer: Southern Paarl; Saron WWTW: Rehabilitation and Upgrading; Wellington WWTW: Rehabilitation and Extension. Total project cost of R91.1 million.

### **3.3 ELECTRICITY**

#### **INTRODUCTION TO ELECTRICITY**

##### **Strategy for the provision of electricity at household level**

A R 4,000,000 Electrification Grant for low-cost formal and informal households was received from the Department of Energy for the financial year.

Due to the limited grant funding received, an Informal housing electrification programme was initiated by Council. This programme in turn facilitated the application of electrification funding for the 2016/2017 financial years.

The grant funding enabled the Municipality to connect 458 informal electricity services at Silver Town 1 and 2, Ntshamba Street, New Beginnings, Carterville / New Rest and Dietmann Street. A further project at O.R. Thambo was commenced with at the end of June 2016.

Electrification of formal households were done in conjunction with the Housing Projects Unit of the Drakenstein Municipality, and 156 low cost housing electrical service connections were made at Fairylands and Siyahlala 1 & 2.

This electrification programme, however, excludes housing which falls within the Eskom supply areas. Formal electrification was carried out as and when top structures became available according to the Housing Programme.

##### **Progress made to redress service backlogs and achieve the national basic standard for electricity provision.**

The Housing Programme and informal settlement areas dictate the Electrification Programme. The planning and application of funds are mainly guided by the Housing Programme and the electrification funds were spent as intended.

##### **Top service delivery priorities and the impact on users during the year:**

Improved electricity infrastructure measured by effective capital spending. Capital expenditure for electricity infrastructure amounted to 98.9% of the Budget for the 2015/2016 financial year.

The Capital Budget was used to upgrade and extend infrastructure; this is an ongoing process as funds become available.

Maintenance of electricity assets are measured by effective Maintenance Budget spending.

The Operating and Maintenance Budget was used to extend the useful life of electrical assets. Electrical assets were maintained within the available funding constraints.

### **Measures taken to improve performance**

With the implementation of the new organogram for the department, the need arose for the urgent appointment of suitable and qualified staff to ensure that the service delivery standards can be maintained. A Master Planning Project was prioritised on the multi-year Capital Budget and will be expedited as funding becomes available. The new Asset Management System was implemented. The system is currently receiving attention so that software can be updated and reprogrammed to suite to ensure the functioning of the system.

### **Major successes achieved**

Tenders were awarded for the replacement of 66/11kV switchgear at Suid-End substation. Three 66kV circuit breakers were replaced during December 2015.

A tender for the replacement of three 15 MVA 66/11kV transformers at Suid End Substation was awarded. The new transformers will be delivered during the 2016/2017 financial year.

A further tender was awarded for the replacement of 11kV switchgear at Suid End Substation. Installation and commissioning will however only be completed during the 2016/2017 financial year.

During this financial year fifty-nine (59) new applications for the approval and commissioning of solar PV installations to generate electricity back into the Municipal networks were received. These applications once all commissioned will deliver 1,914 MVA of generated electricity back into the municipal networks. These co-generation plants are monitored to ensure that the quality of supply criteria as set for the Municipality in terms of NRS standards are maintained. Special precautions are also taken to ensure the safety of Municipal staff working on electrical networks.

Rolled-over grant funding from the Department of Energy was used to complete an energy efficiency project. The project entailed the changing of existing high-energy lighting to energy efficient type lighting in the Market Street, Electricity Administration and Civic Buildings.

### **Challenges faced in 2015/2016:**

- Staff shortages;
- Aged fleet;
- Inadequate Capital and Operating Budget;
- Lack of office space; and
- Non-responsive staff structure.

### **Communication to communities who are deficient in this basic service**

During the IDP ward roadshows, Council presents and shares the Budget, tariffs and other programmes with the community as required per legislation. The purpose of the exercise is to inform the community of all projects that may have an impact on them. At these meetings, the community is offered the opportunity to state their needs for electricity and to pose questions to the Administration.

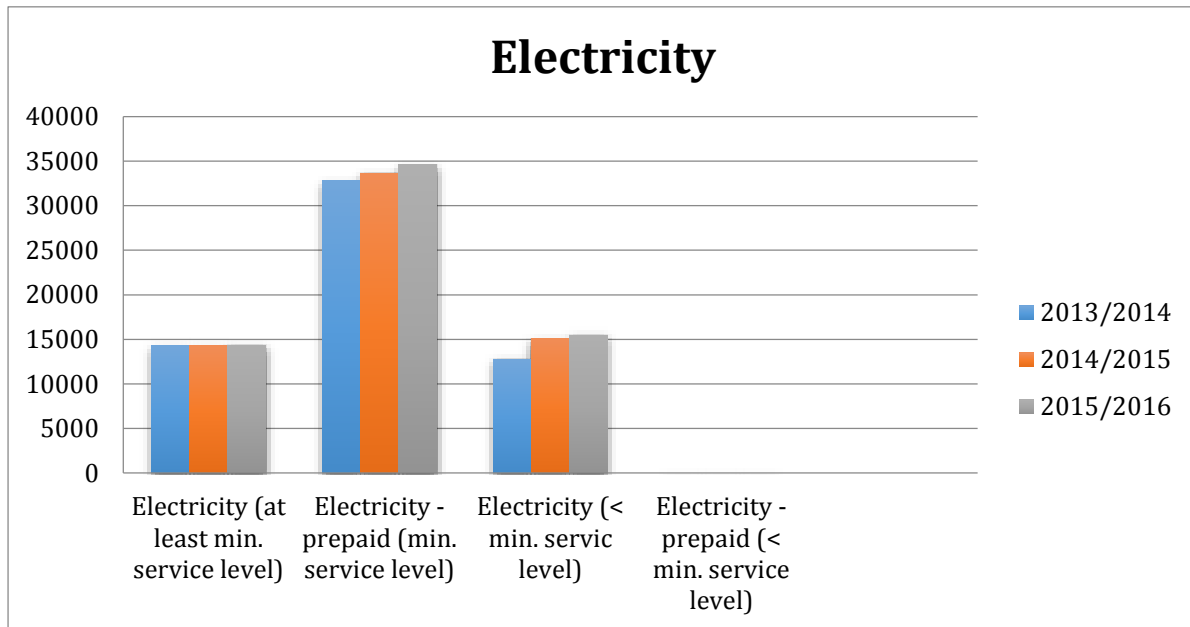
All information gathered from community inputs at the meetings are processed into projects where viable and prioritised for submission to the Capital Budget programme.

In addition, two Top 100 consumer forum meetings are held annually to inform large consumers of tariffs and other consumer trends within the electricity supply industry. These forums also provide valuable feedback to the Municipality on the commercial and industrial sectors electrical energy needs.

### **Name and extent of service divisions responsible for rendering electricity services within the Municipality.**

The Department Electrotechnical Engineering is divided into three divisions namely:

- **Operations and Maintenance:** Performs functions necessary to operate and to maintain the power network;
- **Planning, Design and Construction:** Performs functions relating to planning, design and extension of existing power network; and
- **Energy Management and Control:** Performs functions relating to energy efficiency, electrical demand and the encouragement of alternative energy source.



Graph 8: Electricity

Electricity Service Delivery Levels			
Description	Households		
	2013/2014 Actual No.	2014/2015 Actual No.	2015/2016 Actual No.
<b>Energy: (above minimum level)*</b>			
Electricity (at least min. service level)	14,273	14,285	14,330
Electricity – prepaid (min. service level)	32,857	33,654	34,627
Minimum service level and above sub-total	47,130	47,939	48,957
Minimum service level and above percentage	73%	76%	76%
<b>Energy: (below minimum level)*</b>			
Electricity (< min. service level)	12,753	15,095	15,452
Electricity – prepaid (<min. service level)	0	0	0
Other energy sources	0	0	0
Below minimum service level sub-total	12,323	15,095	15,452
Below minimum service level percentage	96.63%		31%
<b>Total number of households</b>	<b>63,091*</b>	<b>63,129*</b>	<b>64,286*</b>

\*Note: Estimated figures as Eskom electricity provision within Drakenstein is unknown.

Table 31: Electricity Service Delivery Levels

<b>Households – Electricity Service Delivery Levels below the minimum</b>					
<b>Description</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>		
	<b>Actual No.</b>	<b>Actual No.</b>	<b>Original Budget No.</b>	<b>Adjustments Budget No.</b>	<b>Actual No.</b>
<b>Formal Settlements</b>					
Total households	50,338	51,604	N/A	N/A	50,258*
Households below minimum service level	0	0	N/A	N/A	0
Proportion of households below minimum service level	0%	0	N/A	N/A	0%
<b>Informal Settlements</b>					
Total households	12,753	13,244	N/A	N/A	21,428
Households below minimum service level	12,323	11,773	N/A	N/A	20,684
Proportion households below minimum service level	96.63%	88.9%	N/A	N/A	96.53%

*\*Not budgeted for per household. All monies allocated for this purpose used for sanitation in informal settlements.*

*Table 32: Households – Electricity Service Delivery Levels below the minimum*

Electricity Service Policy Objectives taken from IDP				
Strategic Objective (SO): Physical Infrastructure and Energy Efficiency				
Municipal Key Focus Area (KFA): 9: Energy Efficiency				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL37	Limit the electricity losses to less than 10% annually (Preceding 11 months + Reporting month's units billed)/(Preceding 11 months + reporting month's units purchased)	% electricity losses by 30 June	>10%	>8.25%
TL38	Implement all the electricity capital projects measured quarterly in terms of the approved Electricity Capital Budget spent	% of approved Capital Budget spent by 30 June	96%	98.94%

Table 33: Electricity Service Policy Objectives taken from IDP

Employees: Electricity Services					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0-3 (T18 –20)	2	3	2	1	33
4-6 (T15- 17)	6	8	6	2	25
7-9 (T12 – 14)	23	25	23	2	8
10-12(T9 –11)	19	29	19	10	34.5
13-15 (T6 – 8)	36	45	36	9	20
16-18 (T3 – 5)	22	31	22	9	29
19-20 (T1 & 2)	31	39	31	8	20.5
<b>Total</b>	<b>139</b>	<b>180</b>	<b>139</b>	<b>41</b>	<b>22.8</b>

Table 34: Employees – Electricity Services

Financial Performance 2015/2016: Electricity Services					
R					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustments Budget	Actual	% Variance to Adjustments Budget
Total Operational Revenue (excluding tariffs)	(830,712,890)	(947,184,964)	(952,452,886)	(948,587,416)	99.59%
Expenditure					
Employees	54,275,502	57,585,341	57,490,537	57,200,901	99.50%
Impairment losses on Financial Assets	8,105,139	3,306,197	3,416,988	3,416,988	100%
Interest Paid	25,297	27,341,704	33,511,461	33,511,461	100%
Contracted Services	17,094,689	14,010,944	15,010,339	14,027,617	93.45%
Depreciation and Provisions	40,284,100	46,271,276	28,951,276	39,814,165	137.52%
Inventory	2,465,555	3,261,833	3,662,668	3,366,180	91.91%
Operational Cost	520,061,802	624,751,285	658,868,620	655,079,179	99.42%
<b>Total Operational Expenditure</b>	<b>667,584,183</b>	<b>776,528,580</b>	<b>800,911,889</b>	<b>806,416,491</b>	<b>100.69%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(163,128,707)</b>	<b>(170,656,384)</b>	<b>(151,540,997)</b>	<b>(142,170,926)</b>	<b>93.82%</b>

Table 35: Financial Performance 2015/2016 – Electricity Services

Capital Expenditure 2015/2016: Electricity Services					
Capital Projects	Budget	Adjustments Budget	Actual Expenditure	% Variance to Adjustments Budget	Total Project Value
<b>Total all</b>	<b>57,316,592</b>	<b>34,334,775</b>	<b>33,969,448</b>	<b>1.06%</b>	<b>34,334,775</b>
<i>Major projects</i>					
Electrification housing projects	5,765,965	5,100,473	5,036,289	1.26%	5,100,473
Network upgrading: HV and MV	3,000,000	3,697,367	3,697,367	0%	3,697,367
Regulatory compliance	10,000,000	10,182,247	10,182,245	0%	10,182,247

Table 36: Capital Expenditure 2015/2016 – Electricity Services



### ELECTRICITY SERVICES PERFORMANCE OVERALL

The rollover of funds of R 30,8 million was requested on capital projects for 2015/2016. Electrification of informal settlements commenced and a programme is being followed. The contractor has been appointed to replace four 15MVA transformers for Suid-End and Dalweide substations with 20MVA transformers. The 66 kV substation equipment replacement project at Suid- End substation has been completed. Other projects completed are existing lighting was replaced with energy efficient lighting in the following buildings, Electrical Services, Paarl Civic centre and Market buildings, new air-conditioners was also installed at the Electrical Services building and security was upgraded with CCTV and burglar alarm system at various substations. High security fencing tender was also awarded the fences at the different substations fence will be replaced.

## 3.4 WASTE MANAGEMENT

Solid Waste Service Delivery Levels			
Description	2013/2014	2014/2015	Households 2015/2016
	Actual No.	Actual No.	Actual No.
<b><i>Solid Waste Removal (minimum level)</i></b>			
Removed at least once a week	44,378	43,736	39,820
Minimum service level and above sub-total	44,359	43,736	39,820
Minimum service level and above percentage	99.95%	100%	100%
<b><i>Solid Waste Removal: (Informal service – minimum level- black bag) (below minimum level)</i></b>			
Removed at least once a week			4,525
Removed less frequently than once a week	0	0	0
Using communal refuse dump	0	0	0
Using own refuse dump	0	0	0
Other rubbish disposal	0	0	0
No rubbish disposal	0	0	0
Below minimum service level sub-total	19		0
<b>Below minimum service level percentage</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>44,378</b>	<b>43,736</b>	<b>44,345</b>

Table 37: Solid Waste Service Delivery Levels

Households – Solid Waste Service Delivery Levels below the minimum					
Households					
Description	2013/2014	2014/2015	2015/2016		
	Actual No.	Actual No.	Original Budget No.	Adjustments Budget No.	Actual No.
<b>Formal Settlements</b>					
Total households	44,378**		*		34,665**
Households below minimum service level	0	0			0
Proportion of households below minimum service level	0%	0%			0 %
<b>Informal Settlements</b>					
Total households	3,267***	3,267***			4,525***
Households below minimum service level	19	19			0
Proportion of households below minimum service level	0.58%	0.58%			0%

*\*Note: Not budgeted for per household. All monies allocated for this purpose used for sanitation in informal settlements.*

*\*\* Note: Actual number of households*

*\*\*\* Note: Actual number of informal households*

Table 38: Households – Solid Waste Service Delivery Levels below the minimum

Waste Management Service Policy Objectives taken from IDP				
Strategic Objective (SO): Physical Infrastructure and Energy Efficiency				
Municipal Key Focus Area (KFA): 12: Solid Waste				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL43	Submit report annually on the available solid waste air space at existing landfill facility	Number of reports submitted to Executive Mayoral Committee by 30 June	1	1
TL42	Implement all Solid Waste infrastructure capital projects measured quarterly in terms of the approved Capital Budget spent	% of approved Capital Budget spent by 30 June	96%	96.34%

*Table 39: Waste Management Service Policy Objectives taken from IDP*

Employees: Solid Waste Management Services					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0-3	0	1	1	0	0
4-6	3	5	2	3	60
7-9	2	3	3	0	0
10-12	12	23	19	0	0
13-15	2	39	14	0	0
16-18	33	48	35	2	4.17
19-20	115	118	96	3	2.5
<b>Total</b>	<b>167</b>	<b>237</b>	<b>170</b>	<b>8</b>	<b>3.4</b>

Table 40: Employees – Solid Waste Management Services

Financial Performance 2015/2016: Solid Waste Management Services					
Details	Households				
	2014/2015	2015/2016			
	Actual	Original Budget	Adjustments Budget	Actual	% Variance to Adjustments Budget
<b>Total Operational Revenue (excluding tariffs)</b>	<b>(93,079,386)</b>	<b>(127,150,354)</b>	<b>(127,150,355)</b>	<b>(126,190,138)</b>	<b>99.24%</b>
Expenditure:					
Employees	23,044,856	25,055,321	36,071,328	35,950,095	99.66%
Impairment losses on Financial Assets	3,887,019	10,037,673	10,374,036	10,374,036	100%
Interest Paid	2,470,121	2,522,680	3,091,932	3,091,932	100%
Contracted Services	11,685,826	18,743,999	14,834,415	5,844,301	39.40%
Depreciation and Provision	4,780,232	5,326,973	5,326,973	4,784,856	89.82%
Inventory	1,866,473	1,737,015	1,438,932	1,239,544	86.14%
Operational Cost	65,181,887	41,118,545	68,418,199	62,752,147	91.72%
<b>Total Operational Expenditure</b>	<b>112,916,415</b>	<b>104,542,206</b>	<b>139,555,815</b>	<b>124,036,912</b>	<b>88.88%</b>
<b>Net Operational (Service) Expenditure</b>	<b>19,837,028</b>	<b>22,608,148</b>	<b>12,405,460</b>	<b>2,153,226</b>	<b>-17.36%</b>

Table 41: Financial Performance 2015/2016 – Solid Waste Management Services

<b>Capital Expenditure 2015/2016: Waste Management Services</b>					
					<b>R</b>
<b>Capital Projects</b>	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>% Variance to Adjustments Budget</b>	<b>Total Project Value</b>
<b>Total all</b>	<b>19,125,000</b>	<b>12,356,776</b>	<b>11,903,988</b>	<b>3.66%</b>	<b>12,356,776</b>
<i>Major projects</i>					
Construction of Wellington landfill leachate	2,000,000	3,580,255	3,559,988	0.57%	3,580,255
Construction of drop-off chipping and crushing	2,500,000	4,192,769	4,192,767	0%	4,192,769
C/O : Fencing at Main Depots (Transfer Station)	700,000	1,489,088	1,489,088	0%	1,489,088

*Table 42: Capital Expenditure 2015/2016 – Waste Management Services*

## **WASTE MANAGEMENT SERVICES PERFORMANCE OVERALL**

### **Waste minimisation**

Waste minimisation initiatives, with the primary aim of diverting waste from disposal facilities (landfills), are key interventions to secure airspace and extend current landfill lifespan. Most recent airspace survey conducted in November 2015, indicated that the Wellington disposal facility will reach its full capacity by May 2020.

Current waste minimisation initiatives are:

#### **Municipal office paper recycling**

This project was started in June 2012, by informing municipal staff to separate waste paper by collecting it in designated containers (clear bags or waste paper bins). Currently, 13 Municipal buildings form part of the project.

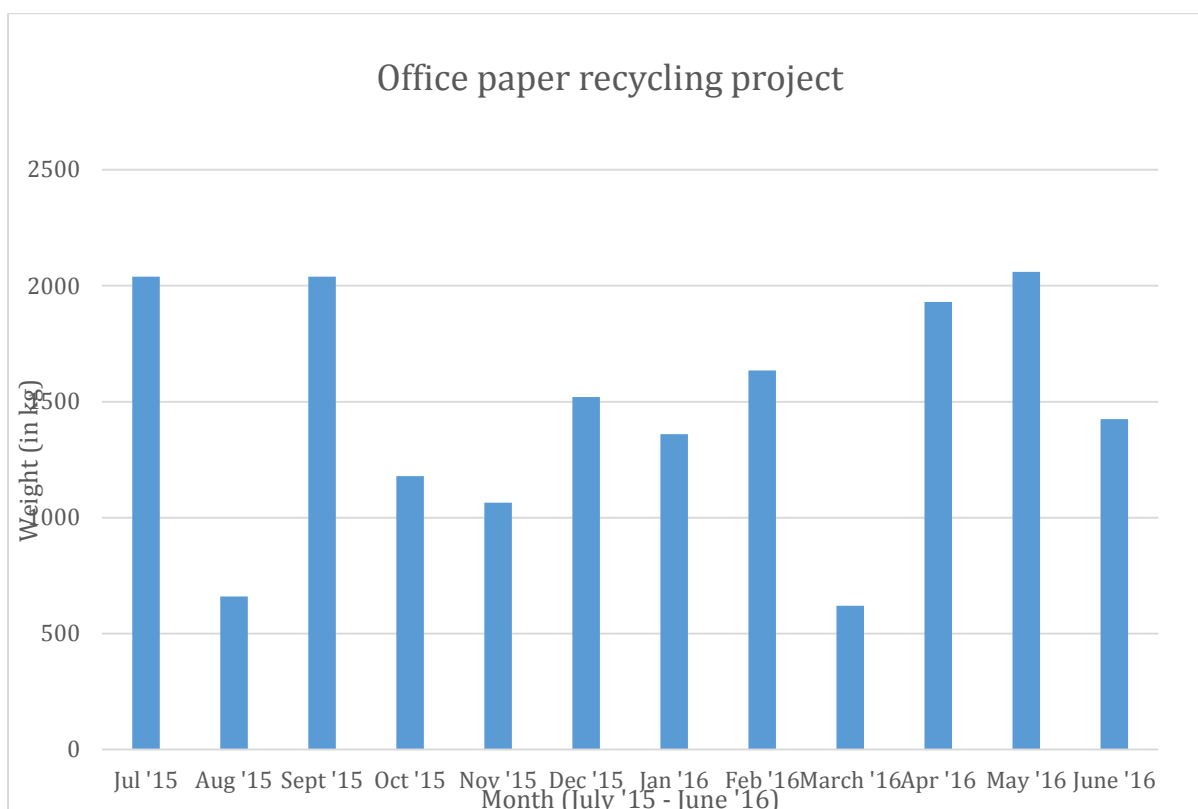
A total amount of 17,535 kg (more than 17 tons) office waste paper was collected during the 2015/2016 financial year.

The ultimate objective of Waste Management Services is to ensure that all such services delivered to all communities are of a high standard that the towns are cleaned regularly and that communities take ownership of the cleaning of their wards and build strong partnerships with the Municipality.

During 2015/2016 the following were achieved:

- Formal refuse collection service points – 39,820;
- Informal refuse collection service points – 4,108;
- Roads cleaned – 3,381 km; and
- Unemployed in Expanded Public Works Programme – 250 persons.

The emphasis was mainly on the eradication of illegal dumping, which not only impacts adversely on wards but also has a huge impact on the Municipality's budget. This money could have been utilised for important projects that could change the wellbeing of our people.



*Graph 9: Office paper recycling project*

- Separation at source

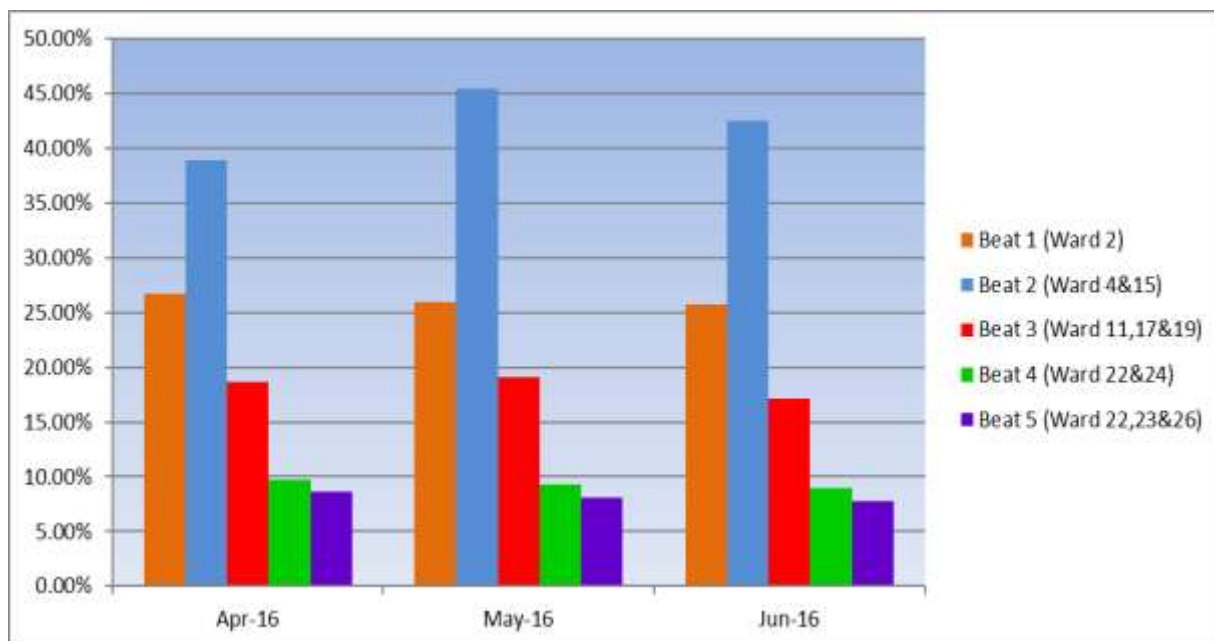
The National Recycling Participation Baseline is 40%. Participation varies from 8% to 46%. Participation rate vary due to various challenges such as clear bags being taken by informal collectors, bags issued are not used for the purpose, informal collectors emptying recyclable waste into refuse bins.

Below is an illustration of the participation rate during fourth quarter of the 2015/2016 financial year.

Percentage waste recycling participation					
Months	Beat 1 (Ward 2)	Beat 2 (Ward 4&15)	Beat 3 (Ward 17&19)	Beat 4 (Ward 22&24)	Beat 5 (Ward 22&23)
Apr 2016	26.77%	38.92%	18.62%	9.68%	8.61%
May 2016	25.91%	45.50%	19.08%	9.29%	8.06%
June 2016	25.72%	42.51%	17.13%	8.93%	7.79%

*Table 43: Percentage waste recycling participation*





*Graph 10: Percentage waste recycling participation*

## **2. Awareness and Education**

One of the goals in the Integrated Waste Management Plan (IWMP) is to educate, strengthen capacity and raise awareness in integrated waste management. This include that the public will be informed and continually made aware of the impacts of waste on the environment.

The Solid Waste Management Section has implemented a schools programme with various external role-players, such as Tedkor (a service provider appointed by National Department of Environmental Affairs). The programme is growing continually as there is an increasing interest in participation in the programme. A total of 27 schools were visited to initiate recyclable collection projects and clean-ups.

### **FUTURE WORK ENVISAGED**

#### **Capital/ Infrastructure**

Municipalities are compelled to prioritise the closure and rehabilitation of redundant waste disposal facilities. In the case of Drakenstein, it will be a multi-year project which will commence in the 2016/2017 financial year. Works will include the rehabilitation, capping and remediation of the DM closed and operational landfill sites namely; Wellington Landfill Cells 1-5 (Operational), Wellington Landfill Cell 6 (Full), and the non-operational sites of Gouda, Saron, Hermon, Dal Josaphat, Boy Louw and Klapmuts.

The landfill is currently operated by pumping the leachate manually into the sewer system and this creates the possible risk of mismanagement and/or leachate spillage outside the licensed footprint as a result of leachate build-up. This must be addressed by formalising

the existing leachate pump sump and equipping it with electricity, pump(s) and a float system to regulate the pumping of the leachate. This is critical in order to reduce the leachate level in the landfill and the resultant hydraulic head on the clay lining system as well as the surrounding clay berms. This leachate pumping facility would have to be a robust structure in order to prevent theft and vandalism.

Upgrading of the stormwater management system at the waste disposal facility upgrading of Paarl Refuse Transfer Station.

### **Operational**

Due to the rapid decrease in available airspace, it is imperative that more vigorous waste diversion will have to occur. This should include the following:

- Extension of waste minimisation initiatives;
- Increased awareness and education; and
- Implementation of IWMP action plans.

## **3.5 HOUSING**

### **INTRODUCTION TO HOUSING**

The 2015/2016 financial year was a year of highs and lows.

In total, 338 of the targeted 400 houses were handed over to beneficiaries, translating into an 85% success rate. Various factors contributed to not achieving the target. These include:

- Structures in the way of construction of both civil as well as top structures at Lantana prohibited the completed of the last 41 houses.
- Contractual disputes between the Municipality's agent/representative and the contractor also at Lantana.
- Due to a lack of relocation space for the overflow and borders (at both Fairyland and Siyahhlala to open up space for the construction of houses, both projects had to be temporarily suspended until such time that the relocation off site can take place. A potential relocation site has been identified but it may require going through a revised environmental process. Awaiting a response from the Provincial Department of Environmental Affairs and Development Planning. About 80 top structures need to be built on the area where the overflow of shacks are located.
- Due to non-performance, the contract of the appointed replacement contractor (Bankuna) at the Kingston Housing project had to be terminated. The original contractor (New Boss) also had to be terminated due to non-performance. A new contractor was appointed late in the financial year and commenced construction in mid-June 2016. It is believed that the houses will in all likelihood be completed

in the new 2016/2017 financial year. None of the proposed 122 opportunities could be delivered.

All the above factors contributed to the target not being achieved.

No sites were serviced during the financial year.

Other achievements/important events during the year:

- Approval of the rezoning and subdivision application for the Vlakkeland development which will cater for over 2,500 housing opportunities. A team of consultants have been appointed for the detail design and implementation phase of the project. Implementation is set for the third quarter of the 2016/2017 financial year.
- Implementation of a GAP development on Erf 16161 by ASLA. On completion, a total of 2,078 housing opportunities will be created for the GAP and social rental market. The Municipality and the Provincial Department of Human Settlements are partners in the development. Civils commenced in the fourth quarter of 2016.
- 447 title deeds were also issued to the respective beneficiaries of Council's housing projects. This is an ongoing process.
- Ongoing discussions between the Provincial Department of Human Settlements and officials of Council to re-initiate old unfinished projects. Implementation of some of these projects are set for the new financial year, pending availability of funding.
- Approval of the Municipality Housing Rental Strategy (including Social Housing Strategy).
- Relocation of 37 families from the banks of the Palmiet River as well as 24 families that were evicted from a farm in the Wellington Area.
- Upgrade to rental stock.
- The formal incorporation of the Division: Rural Development and Eviction Matters into the Human Settlements Department.

The Drakenstein Municipality consists of 31 wards of which 9 are considered as rural. In general, in order to meet the basic needs of rural and farming communities, municipalities should:

- Establish an environment (whether directly or indirectly) that will contribute and/or result in transformed rural communities, in a sustainable manner (facilitation, processes).
- Actively engage with spheres of government as partners, stakeholders and rural communities.
- Co-operate and align policies and programmes.

It is evident from the IDP that Drakenstein Municipality acknowledges rural development as a transversal concept that engages agencies across the public and private sectors. It requires of all agencies and spheres of government, state-owned enterprises and the private sector to contribute through their respective areas of responsibility to help address the increasing challenge of rural poverty and development. In this regard, municipalities have to ensure effective basic services provisioning, leveraging municipal spending to create local jobs, and facilitating local economic development for all, including rural communities in their areas of jurisdiction in order to effect transformed rural communities and areas. Continuous liaison and co-operation intra departmentally and with other stakeholders on critical matters regarding rural development contribute toward improving service delivery outcomes.

During the financial year, the services of Siyakhana Consulting was procured to support the division with the planning and preparation of a Rural Development Strategy and the establishment of a Rural Development Forum. This forum would be inclusive of civil society, government departments and other stakeholders for consultation and support with the implementation of the strategy to ensure that the objectives and plans for rural development are met in Drakenstein. The strategy is set to be finalised in the new financial year.

***Human Settlement / Housing challenges:***

- Despite having successes in issuing title deeds, the historical backlog still poses challenges to the Municipality.
- Incomplete projects that need to be concluded;
- Continuous land invasions, illegal erection of shacks and concerns of backyarders;
- Lack of relocation land for overflow of informal settlements;
- Evictions and the continuous pressure put on the Municipality to provide emergency housing;
- The state of basic services due to continuous vandalism and theft within informal settlements is a major area of concern.
- Lack of infrastructure in certain instances prevents/delays project implementation. This can also be linked to the limited funding available to meet the required infrastructure needs.
- The need to upgrade 'old' Municipal rental stock, especially the apartment blocks in primarily Paarl East. The cost to upgrade is astronomical and given budget constraints, coupled with low rental income, this is difficult to realise.

<b>Housing Demand Database</b>		
<b>Year</b>	<b>Number of people on the Housing Demand Database</b>	<b>% Housing waiting list increase/decrease</b>
2013/2014	40,690	2.8
2014/2015	41,475	1.9
2015/2016	40,457 <sup>1</sup>	2.5

*Table 44: Housing Demand Database*

<sup>1</sup> Of the 40,457 names on the waiting list, the current active demand is standing at 19,500. To be in better alignment with the Housing Demand Data Base as operated by the Provincial Department of Human Settlements, the active demand will be used in future.

Housing Service Policy Objectives taken from IDP				
Strategic Objective (SO): Social and Community Development (Municipal KPA)				
Municipal Key Focus Area (KFA): Sustainable Human Settlements (housing)				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL31	Provide houses in terms of the Integrated Human Settlement Plan	Number of housing opportunities provided by 30 June	400	338

*Table 45: Housing Service Policy Objectives taken from IDP*

Employees: Housing Services					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0-3	3	4	3	1	33
4-6	2	6	3	3	50
7-9	8	10	5	5	50
10-12	23	28	20	8	29
13-15	13	16	12	4	25
16-18	2	4	2	2	50
19-20	25	27	27	0	0
<b>Total</b>	<b>76</b>	<b>95</b>	<b>72</b>	<b>23</b>	<b>24%</b>

Table 46: Employees – Housing Services

Financial Performance 2015/2016: Housing Services					
R					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustments Budget	Actual	% Variance to Adjustments Budget
<b>Total Operational Revenue (excluding tariffs)</b>	(57,246,008)	(80,779,326)	(98,403,326)	(52,727,531)	53.58%
Expenditure:					
Employees	17,181,041	18,017,772	17,245,358	17,239,695	99.97%
Impairment losses on Financial Assets	152,957	0	151,212	152,492	100.85%
Interest Paid	1,745,410	1,783,155	2,185,531	2,185,531	100%
Contracted Services	8,706,856	8,964,314	13,967,945	11,681,665	83.63%
Depreciation and Provisions	20,101,527	10,854,230	(6,745,770)	20,810,273	-308.49%
Inventory	263,839	164,774	219,960	211,782	96.28%
Operational Cost	70,921,569	82,368,544	107,990,541	57,174,293	52.94%
<b>Total Operational Expenditure</b>	<b>119,073,198</b>	<b>122,152,789</b>	<b>135,014,777</b>	<b>109,455,730</b>	<b>81.07%</b>
<b>Net Operational (Service) Expenditure</b>	<b>61,827,190</b>	<b>41,373,463</b>	<b>36,611,451</b>	<b>56,728,198</b>	<b>154.95%</b>

Table 47: Financial Performance 2015/2016 – Housing Services



<b>Capital Expenditure 2015/2016: Housing Services</b>					
					<b>R</b>
<b>Capital Projects</b>	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>% Variance to Adjustments Budget</b>	<b>Total Project Value</b>
<b>Total all</b>	<b>1,400,000</b>	<b>3,256,045</b>	<b>3,085,040</b>	<b>5.25%</b>	<b>3,256,045</b>
<i>Major projects</i>					
Water meters and connections – Amstelhof	0	742,645	688,628	7.27%	742,645
Upgrading own rental stock	1,400,000	1,653,234	1,653,234	0%	1,653,234
CES 19/20 Kingston Town and infrastructure	0	743,178	743,178	0%	743,178

*Table 48: Capital Expenditure 2015/2016 – Housing Services*

#### **COMMENT ON THE PERFORMANCE OF HOUSING SERVICES OVERALL**

Despite the many challenges encountered by the Human Settlements Department, it has performed well.

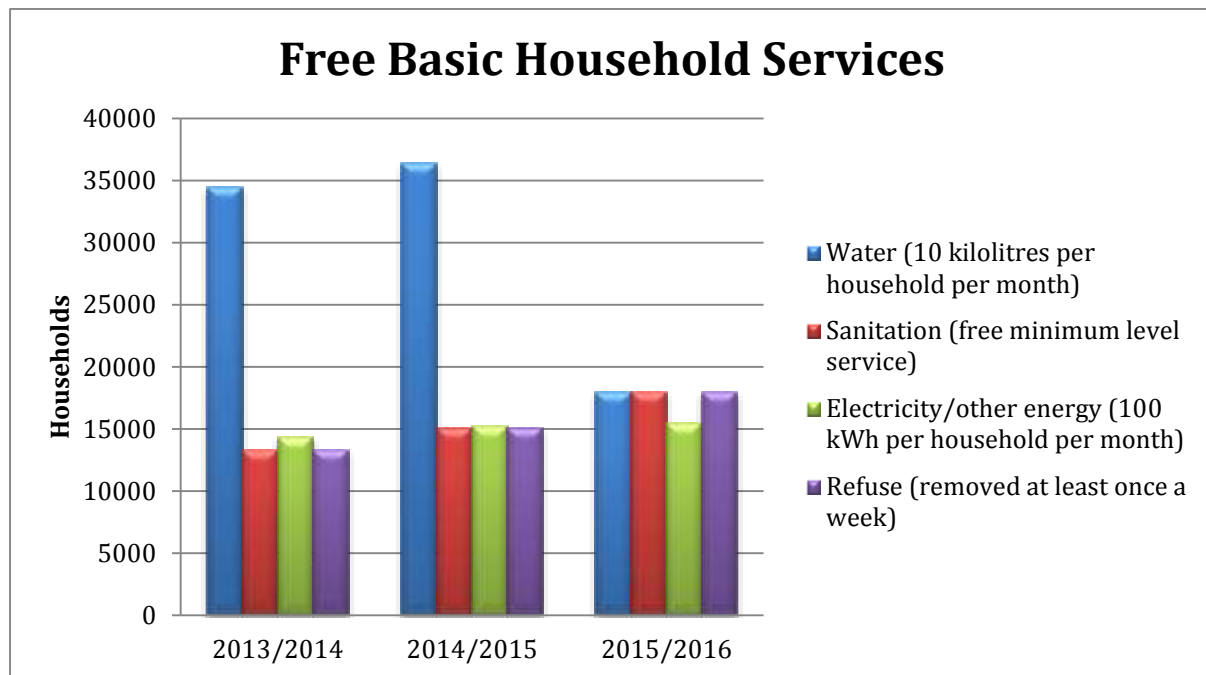
The Department of Human Settlements delivered 338 housing opportunities out of the targeted 400 for the financial year, translating into an 85% success rate. This is a slight improvement compared to the 2014/2015 financial year. Additional achievement includes:

- Obtaining all development rights for the Vlakkeland Development which will cater for over 2,550 housing opportunities. Implementation to follow in 2016/2017.
- Implementation of GAP development on Erf 16161 by ASLA. On completion, a total of 2,078 housing opportunities will be created for GAP and social rental market.
- Ongoing endeavour to ensure that title deeds are issued (447 title deeds issued to beneficiaries of Councils housing projects).
- Approval of the Municipal Housing Rental Strategy (including Social Housing Strategy)
- Relocation of 37 families from the banks of the Palmiet River as well as 24 families that were evicted from a farm on the Wellington area.
- The formal incorporation of the Division: Rural Development and Eviction Matters into the Human Settlements Department.

### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

#### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Indigent Subsidy Scheme is based on the prescripts of the Indigent Policy of Council and is funded from the Equitable Share Grant from the national fiscus. The grant is administered to qualifying consumers who are unemployed, pensioners or consumers earning salaries less than twice the government pensioners' grant. All consumers of the Drakenstein Municipality receive 10 kℓ free water per month and the indigent qualifying consumers receive 100 kWh free electricity per month, free refuse removal, free sanitation and a rebate on their monthly property rates account.



Graph 11: Free basic household services

Year	Households earning less than R 3,300 per month								
	Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Access	%	Access	%	Access	%	Access	%
2013/2014	63,129	13,300	20.8	13,300	20.8	14,336	22.5	13,300	20.8
2014/2015	64,848	15,095	23.3	15,095	23.3	15,186	23.4	15,095	23.3
2015/2016	66,613	17,971	27	17,971	27	15,452	23.2	17,971	27

Table 49: Free Basic Services to low-income households

<b>Financial Performance 2015/2016: Cost to Municipality of Free Basic Services delivered</b>					
<b>Services Delivered</b>	<b>2014/2015</b>	<b>2015/2016</b>			
	<b>Actual</b>	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual</b>	<b>Variance to Adjustments Budget</b>
Water	0	21,075	21,075	21,075	0%
Wastewater (Sanitation)	8,370	9,234	9,234	9,234	0%
Electricity	29,154	30,369	30,369	30,369	0%
Waste Management (Solid Waste)	21,834	24,875	24,875	24,875	0%
Rates and Rentals	25,962	11,292	11,292	11,292	0%
<b>Total</b>	<b>85,320</b>	<b>96,845</b>	<b>96,845</b>	<b>96,845</b>	<b>0%</b>

*Table 50: Financial Performance 2015/2016 – Cost to Municipality of Free Basic Services delivered*

Free Basic Service Policy Objectives taken from IDP				
Strategic Objective (SO): Social and Community Development (Municipal KPA)				
Municipal Key Focus Area (KFA): Poverty Alleviation				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL52	(NKPI) Provision of Free Basic Services	Report by 30 June on the % of households earning less than 2 x social grant plus 25% per month with access to free basic services	1	1
TL51	Update Indigent Register	% of all qualifying indigent applications processed by 30 June	99%	100%

*Table 51: Free Basic Service Policy Objectives taken from IDP*

## **COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT**

The Indigent Policy of Council determines that a household (main breadwinners of a household) residing on an erf, earning a combined gross income of equal or less than twice the monthly government social grant paid to old-age pensioners or disabled persons, plus 25%, qualifies for the indigent subsidy. The policy determines that the qualifying persons are eligible for the following free basic services per month: 10 kℓ free water, 100 kWh free electricity, sanitation consumption, one refuse removal and property rates to the extent of the value of the property. The 10 kℓ free water mentioned above is provided to all the households in the Drakenstein Municipal Area.

In the 2015/2016 financial year, 17,971 households were provided with free sanitation and refuse removal and 15,451 households were provided with free basic electricity, whilst 17,971 households were provided with free basic water. The households that were physically provided with free basic services far exceed the targets set by the Municipality, which means that more people could benefit from this grant. Council also approved a Writing Off of Irrecoverable Debt Policy in February 2013, which has enabled indigent consumers to participate in the writing off of debt which they are unable to pay. The total Equitable Share Grant received by the Municipality for the 2015/2016 financial year amounted to R 96,845,000.

## **COMPONENT B: ROAD TRANSPORT**

### **INTRODUCTION TO ROAD TRANSPORT**

Drakenstein Municipality does not operate a public transport system. The main method for public transport at present is the minibus taxi services operated by a number of independent operators.

The Cape Winelands District Municipality initiated the compilation of an Integrated Public Transport Network for the Cape Winelands District, of which Drakenstein forms part. This initiative was implemented in the 2014/2015 financial year with the first phase to be completed in 2016/2017. Flowing from this project, consideration will be given to the establishment of a public transport system for the Drakenstein Municipal Area by the Drakenstein Municipality.

### **3.7 ROADS**

#### **INTRODUCTION TO ROADS**

The basic functions of the Roads Section are to upgrade existing roads and streets, extend the network and maintain the existing network.

The upgrade of existing roads is planned in terms of priorities as determined in the IDP, through departmental planning and by the Municipality. The pace and extent of

implementation are determined by the budget allocated by both the provincial government (80% of cost contribution) and the Municipality (20% of cost contribution) in respect of main proclaimed roads and Municipal streets (100% internal funding). Achievements for the past financial year include the completion of the planning for the upgrade of Berg River Boulevard North to divided four-lane road, upgrading of the bridge structures in Paarl. The final planning for the upgrading of Oosbosch Street between Berg River Boulevard is in the final stages of completion. Construction of these two sections of road to divided four lane roads should dovetail to constitute a single project. Construction is expected to commence in 2016/2017.

Extensions to the road network are planned in accordance with the Integrated Transportation Plan, addressing both provincial and municipal roads. Planning for the upgrade of various sections of road is under way, but funding for construction will need to be sourced. The Integrated Transportation Plan is being revised with completion in 2016/2017.

The maintenance of roads and streets is undertaken in accordance with the Pavement Management System. This system is being re-evaluated to provide for an updated priority list of work to be undertaken. The evaluation will be completed in 2016/2017, for implementation in 2017/2018.

Gravel Road Infrastructure				
Kilometres				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2013/2014	43.75	0	0	43.75
2014/2015	43.75	0	0	43.75
2015/2016	43.75	0	2.5	41.25

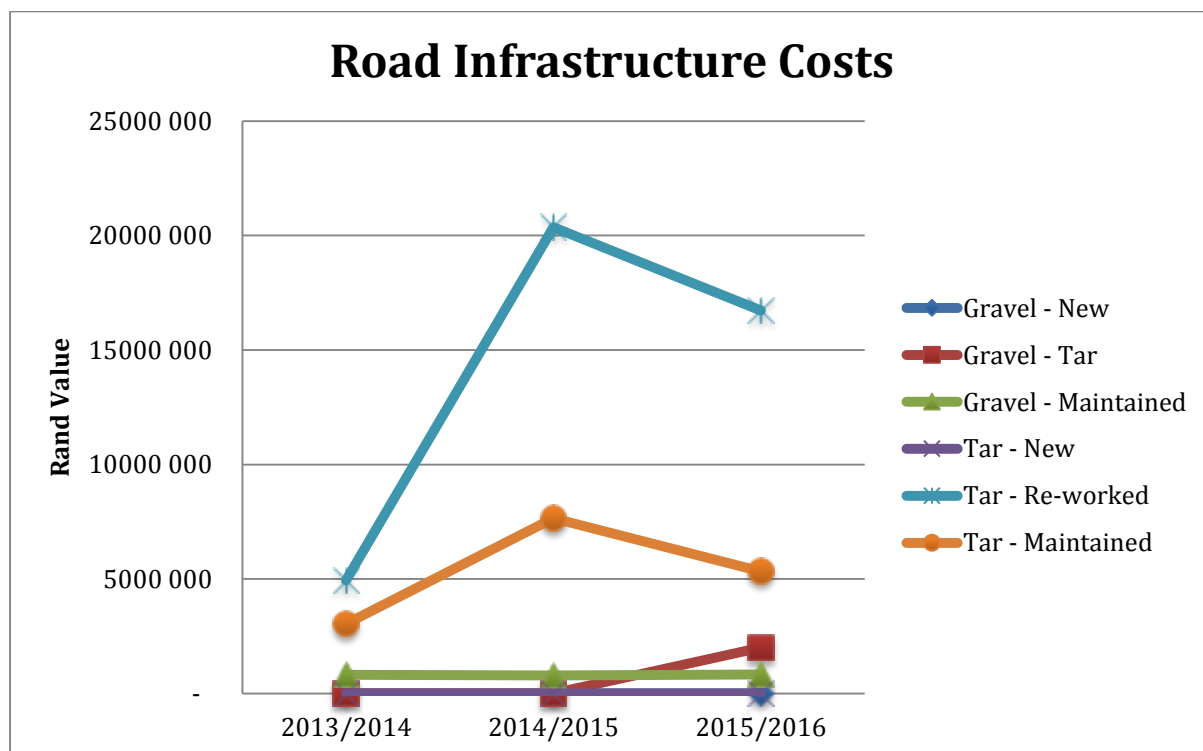
Table 52: Gravel Road Infrastructure

Asphalted Road Infrastructure					
Kilometres					
Year	Total asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained
2013/2014	507.77	0	14.26	0	507.77
2014/2015	507.77	0	2.386	32.698	507.77
2015/2016	507.77	0	0,65	22.30	507.77

Table 53: Asphalted Road Infrastructure

Cost of Construction/Maintenance						
R'000						
Year	Gravel			Tar		
	New	Gravel-Tar	Maintained	New	Re-worked	Maintained
2013/2014	0	0	824	0	4,935	3,045
2014/2015	0	0	794	0	20,367	7,648
2015/2016	0	2,000	833	0	16,731	5,338

Table 54: Cost of Construction/Maintenance



Graph 12: Road Infrastructure costs

Road Service Policy Objectives taken from IDP				
Strategic Objective (SO): <i>Physical Infrastructure and Energy Efficiency</i>				
Municipal Key Focus Area (KFA): <i>Roads and Stormwater</i>				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL39	Implement all the Roads, storm water infrastructure capital projects measured quarterly in terms of the approved Capital Budget spent	% of approved Capital Budget spent by 30 June	96%	98.91%

*Table 55: Road Service Policy Objectives taken from IDP*



Employees: Road Services					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0-3 (T18 - T20)	0	0	0	0	0
4-6 (T15 - 17)	2	3	2	1	33.3
7-9 (T12 - 14)	5	7	5	2	28.5
10-12 (T9 - 11)	7	9	7	2	22.2
13-15 (T6 - 8)	18	34	18	16	47.1
16-18 (T3 - 5)	36	46	36	10	21.7
19-20 (T1 & 2)	75	151	124	27	17.8
<b>Total</b>	<b>143</b>	<b>250</b>	<b>192</b>	<b>58</b>	<b>24.3%</b>

Table 56: Employees – Road Services

Financial Performance 2015/2016: Road Services					
R'000					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustments Budget	Actual	% Variance to Adjustments Budget
<b>Total Operational Revenue (excluding tariffs)</b>	(16,454,210)	(14,286,630)	(16,286,630)	(15,102,852)	92.73%
Expenditure					
Employees	23,384,268	25,742,438	24,557,493	24,556,294	100%
Impairment losses on Financial Assets	0	0	0	0	0%
Interest Paid	7,247,368	10,595,255	13,016,482	12,986,695	99.77%
Contracted Services	19,105,321	21,857,197	21,229,580	20,609,240	97.08%
Depreciation and Provisions	32,343,462	37,821,049	37,821,049	35,812,304	94.69%
Inventory	1,094,036	1,693,769	1,573,656	1,399,750	88.95%
Operational Cost	5,436,035	4,484,699	12,145,814	11,473,644	94.47%
<b>Total Operational Expenditure</b>	<b>88,610,490</b>	<b>102,194,407</b>	<b>110,344,074</b>	<b>106,837,926</b>	<b>96.82%</b>
<b>Net Operational (Service) Expenditure</b>	<b>72,156,280</b>	<b>87,907,777</b>	<b>94,057,444</b>	<b>91,735,074</b>	<b>97.53%</b>

Table 57: Financial Performance 2015/2016 – Road Services

<b>Capital Expenditure 2015/2016: Road Services</b>					
					<b>R</b>
<b>Capital Projects</b>	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>% Variance to Adjustments Budget</b>	<b>Total Project Value</b>
<b>Total all</b>	<b>80,570,440</b>	<b>42,923,983</b>	<b>42,909,851</b>	<b>0.03%</b>	<b>42,923,983</b>
<i>Major projects</i>					
Proclaimed and main road upgrades	9,376,409	9,413,035	9,413,035	0%	9,413,035
Upgrade Existing Sidewalks (Drakenstein)	7,500,000	8,240,769	8,233,368	0.09%	8,240,769
Construction of Stokery Road WTON Trans	8,070,175	8,070,175	7,894,053	2.18%	8,070,175

*Table 58: Capital Expenditure 2015/2016 – Road Services*

### **THE PERFORMANCE OF ROAD SERVICES OVERALL**

Within the constraints of the budget provided, the section performed well.

The main objectives of the Roads Section are to upgrade existing gravel streets to paved standard, extend the existing infrastructure in accordance with the Transportation Master Plan and development needs within the municipal area and maintain roads and streets in accordance with the Pavement Management System.

Extensions to the major road network are planned in accordance with the Transportation Master Plan. This plan is being updated and will be completed for implementation in 2016/2017. The work completed during the year comprised the completion of final planning for upgrading of Bergrivier Boulevard North to divided four lane standard, as well as the preliminary design of the upgrading of Oosbosch Street to the same standard. The resealing of approximately 22 km of streets was completed providing for preventative maintenance of these streets.

In total some 32 km of provincial roads are situated in the Drakenstein residential area. Most of these are to be maintained by the Municipality on a 20/80 contribution rate by respectively the Municipality and provincial government. However, with a dire shortage of funds for maintenance from government, the Drakenstein Municipality provides more than this share in order to maintain acceptable levels of service to its residents.

### **3.8 STORMWATER DRAINAGE**

#### **INTRODUCTION TO STORMWATER DRAINAGE**

The priorities of the Stormwater Section are to upgrade and maintain existing services as well as to install new systems as required in order to ensure the efficient and effective removal of stormwater. This section performed well in the reporting period.

The systems in Drakenstein are at present capable of removing stormwater originating from a 1:2 to 1:5 flood situation. Some systems are in need of upgrading, being of inferior quality and condition, and are upgraded as budget permits. It must be noted that higher intensity flood situations are expected to increase in frequency due to climate change. This unfortunately leads to the exposing of vulnerable groups to high risk situations.

This section holds itself available at all times and is proactive in dealing with crises situations as they arise.

Capital projects in this sector are focused on the upgrading of existing systems as the need arises and funding becomes available. In-situ camera inspections are undertaken and the relining process of substandard pipes executed where possible. Where lining of pipes is no longer viable, a replacement programme is followed within budgetary constraints. At present it is estimated that approximately R 200 million is required to address all problem areas in Drakenstein.

In order to provide for the proper handling of stormwater in all areas of development, the stormwater master plans for the various catchment areas will be required in the very near future, including a re-determination of the relative flood lines.

Maintenance is a major problem, particularly with regard to the cleaning of the systems. The continual dumping of refuse and pollutants into the systems has not abated and causes regular blockages. The section has increased the frequency of cleaning to quarterly in order to contain pollution. This is becoming increasingly difficult because of perpetually having to attend to particular areas as well as staffing and budget constraints.

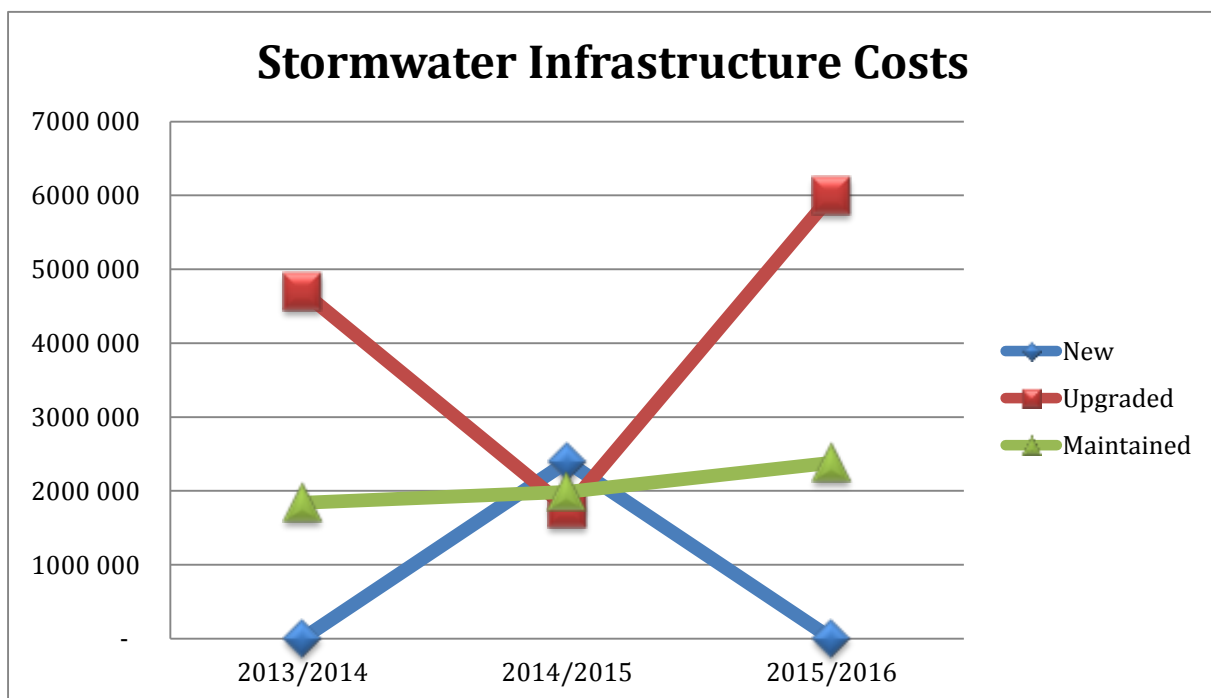
Informal settlements as well as all residents are assisted mainly by providing informal surface removal methods and rendering support during rainy periods through the provision of materials and sandbags to mitigate the effects of flooding.

Stormwater Infrastructure				
Kilometres				
Year	Total Stormwater measures	New Stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2013/2014	354.12	0.200	1.836	354.12
2014/2015	354.12	1.147	0.604	354.12
2015/2016	355.27	0	0	355.27

Table 59: Stormwater Infrastructure

Cost of Construction/Maintenance			
R'000			
Year	Stormwater Measures		
	New	Upgraded	Maintained
2013/2014	0	4,700	1,837
2014/2015	2,39	1,76	1,98
2015/2016	0	6,00	2.38

Table 60: Cost of Construction/Maintenance



Graph 13: Stormwater infrastructure costs

Stormwater Policy Objectives taken from IDP				
Strategic Objective (SO): Physical Infrastructure and Energy Efficiency (Municipal KPA)				
Municipal Key Focus Area (KFA): Roads and Stormwater Infrastructure				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL39	Implement all the Roads, storm water infrastructure capital projects measured quarterly in terms of the approved Capital Budget spent	% of approved Capital Budget spent by 30 June	96%	98.91%

Table 61: Stormwater Policy Objectives taken from IDP

Employees: Stormwater Services*					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0-3	*				
4-6					
7-9					
10-12					
13-15					
16-18					
19-20					
<b>Total</b>					

\* Note: Organogram not separated into Roads and Stormwater

Table 62: Employees – Stormwater Services

Financial Performance 2015/2016: Stormwater Services*					
R					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustments Budget	Actual	% Variance to Adjustments Budget
<b>Total Operational Revenue (excluding tariffs)</b>	<b>(16,454,210)</b>				
Expenditure:					
Employees	24,140,144				
Repairs and Maintenance	13,359,240				
Depreciation and Provisions	32,343,461				
Other	17,618,673				
<b>Total Operational Expenditure</b>	<b>87,461,519</b>				
<b>Net Operational (Service) Expenditure</b>	<b>71,007,308</b>				

\*Note: Financial information is not broken down into these groups with implementation of new cost centres. Information included under Roads Services.

Table 63: Financial Performance 2015/2016 – Stormwater Services

<b>Capital Expenditure 2015/2016: Stormwater Services</b>					
					<b>R</b>
<b>Capital Projects</b>	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>% Variance to Adjustments Budget</b>	<b>Total Project Value</b>
<b>Total all</b>	8,000,000	6,393,405	6,350,666	0.67%	6,393,405
<i>Major projects</i>					
Refurbish stormwater systems (Drakenstein)	8,000,000	6,393,405	6,350,666	0.67%	6,393,405

Table 64: Capital Expenditure 2015/2016 – Stormwater Services

#### **COMMENT ON THE PERFORMANCE OF STORMWATER SERVICES OVERALL**

The priorities of the Stormwater Section are to upgrade existing services, install new systems as required and maintain existing services for efficient and effective stormwater removal. The systems in Drakenstein are at present capable of removing stormwater originating from a 1:2 to 1:5 flood situation.

Generally, more regular flooding is experienced due to the tendency of weather patterns changing to more intense rainfall over shorter periods of time. However, as a result of increased maintenance, the incidence has reduced.

Some systems are in need of upgrading, being of inferior quality and condition, as well as substandard sizing of pipelines.

The compilation of storm water master plans for the individual catchment areas, including the re-determination of floodlines are envisaged to properly planning for mitigation of flooding hazards.

Capital projects entail the lining of existing pipes or replacement, as required.

Maintenance is a major problem, particularly with regard to the cleaning of the systems. The continual dumping of refuse and pollutants into the systems cause regular blockages. The intention of the section is to clean the system at least quarterly during any year.

Informal settlements as well as all residents are assisted mainly by providing informal surface removal methods and by rendering support during rainy periods through the provision of materials and sandbags to prevent/contain flooding of property.

## **COMPONENT C: PLANNING AND ECONOMIC DEVELOPMENT**

### **INTRODUCTION TO PLANNING AND ECONOMIC DEVELOPMENT**

The Planning and Economic Development Directorate takes responsibility for the sustainable and pro-active planning and facilitation of internal and external projects which will result in inclusive development for the whole Municipal Area. This entails protecting and enhancing the natural and built environment; sustainable and integrated spatial planning; and identifying economic opportunities which lead to better employment opportunities.

### **3.9 PLANNING**

#### **Division: Land Survey and Valuations**

##### ***Section: Land Survey***

The purpose of the Land Survey Section is to provide a technical support service regarding land-related matters, to provide for the orderly and efficient development of land and to ensure proper control in respect of the subdivision of land within the urban environment. The section is responsible for the processing of land development applications, e.g. urban land subdivisions, removal of restrictive title conditions prohibiting land subdivision, encroachments, road and public place closures, scrutinising of building plans in respect of property and cadastral information, providing land information to assist the public, recommending whether or not rates clearance for the transfer of erven and farms within the municipal area may be issued, assisting other departments with land survey tasks and the verification of municipal property boundaries using land survey methods. The section evaluated a total of 1,712 building plan applications (1,418 new building plan applications and 294 building plan applications that were amended) and of the 64 applications received for urban land subdivision, 34 were finalised within the year and the remaining applications are in progress.

##### ***Section: Valuations***

The purpose of the Valuation Section is to establish and maintain a reliable property valuation roll with accurate valuations, as the basis for levying municipal property taxes. The section is responsible for the appointment of a service provider for the compilation of the General Valuation (GV) Roll every four years, the implementation thereof and Supplementary Valuation (SV) Rolls at least bi-annually, except for the year during which the new General Valuation Roll is implemented, when only one SV is undertaken.

The General Valuation Roll 2012 was finalised during 2012/2013. This roll is valid from 01 July 2013 until 30 June 2017.

A service provider, for the compilation of the General Valuation Roll 2016, was appointed during the financial year. The GV 2016 will be implemented on 01 July 2017 and will be valid until 30 June 2021.



During 2015/2016, two (2) supplementary valuation rolls were finalised, namely the Fifth SV 2012 and the Sixth SV 2012. Results for these supplementary valuations are as follows:

Supplementary Valuation	Number of properties valued	Number of objections received	Number of appeals referred to the Valuation Appeal Board
Fifth supplementary valuation	1,439	96	10
Sixth supplementary valuation	625	21	0

*Table 65: Valuation Roll*

### **Division: Spatial Planning**

The Spatial Planning Division consists of a Spatial Planning Section, a Heritage Section and a GIS Section.

#### ***Spatial Planning Section***

The purpose of spatial planning is to provide a framework for the spatial vision and form of Drakenstein Municipality. The Spatial Development Framework (SDF) provides guidelines for future development and growth of the Municipal Area in a predictable manner to enhance the quality of life of its residents.

#### ***Heritage Section***

The purpose of heritage is to identify, protect and manage the heritage (built form) of the Drakenstein Municipality.

#### ***GIS Section***

The main purpose of the GIS Section is to provide and maintain Geographic Information System services and products for the directorate, provide GIS related guidance and support to managers and staff, and to take an active role in the development and maintenance of organisational Geographic Information System services.

### **Division: Land Use Planning**

The purpose of land use planning is to enhance the living quality of all residents within the Drakenstein Municipal Area and to cater for sustainable progression/growth of the Municipal Area as a whole, through creating an environment that facilitates orderly and predictable development throughout the entire Drakenstein Municipal Area. The Land Use Planning Division is responsible for the processing of applications for land use changes (by means of rezoning, consent uses, departures, temporary departures, amendment of conditions of approval and removal of restrictive title conditions) and farm subdivision applications, as well as the scrutinising of building plans for compliance with zoning parameters and attending to illegal land uses. The number of applications processed is set out in Table 66.

Due to the promulgation of new national and provincial planning legislation, the Municipality developed and adopted its own Bylaw on Municipal Land Use Planning, in terms whereof land use planning is regulated at Municipal level. In terms of the new delegation system, which is in line with national and provincial legislation, all Municipal land use planning applications are either decided by an authorised official, or a Municipal Planning Tribunal, with a general right of appeal to the Executive Mayor being the Appeal Authority. The Bylaw was implemented on 1 February 2016. All applications submitted after 31 January 2016 are therefore dealt with in terms hereof.

### **Division: Building Control**

The main purpose of Building Control is to process and assess new building plan applications, to monitor building work and to act against unauthorised building activities to promote orderly building development that will benefit and promote the living environment of the citizens of the Municipal Area.

The unit commenced with the review of the current electronic building plan application system in order to improve on the efficiency and effectiveness of the current system. The amended system will be finalised during the 2016/2017 financial year.

A total of 1,845 inspections, consisting amongst others of beacon inspections, commencement inspections, progress inspections, completion inspections and complaints inspections, were undertaken by the building inspectors during the financial year.

A total of 1,629 building plan applications were received during the financial year. In total 1,106 building plan approvals were issued and 523 building plan applications were at different stages of evaluation, but not finalised at year end. The estimated building cost of the approved building plan applications amounts to R 1,7 billion.

<b>Applications for Land Use Development<sup>2</sup></b>						
<b>Detail</b>	<b>Formalisation of Townships</b>		<b>Rezoning</b>		<b>Built Environment</b>	
	<b>2014/2015</b>	<b>2015/2016</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2014/2015</b>	<b>2015/2016</b>
Planning applications received	61	88	129	78	1,731	1,629
Determination made in year of receipt	43	41	20	26	908	918
Determination made in following year	-	-	-	-	349	188
Applications withdrawn	-	-	-	-	-	-
Applications outstanding at year end	18	47	109	52	474	523

*Table 66: Applications for Land Use Development*

<sup>2</sup> Formalisation of Townships includes farm subdivisions and subdivision of urban erven. Rezoning includes consent uses, departures, temporary departures, amendment of conditions of approval and the removal of restrictive title conditions.

Planning Policy Objectives taken from IDP				
Strategic Objective (SO): Services and Customer Care (Municipal KPA)				
Municipal Key Focus Area (KFA): Building Regulations and Municipal Planning				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
<i>N/a</i>	<i>Not programmed for 2015/2016</i>			

Table 67: Planning Policy Objectives taken from IDP

Employees: Planning Services					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0-3	5	4	4	0	0
4-6	12	15	10	5	33.33
7-9	8	32	18	14	43.75
10-12	18	17	13	4	23.53
13-15	3	6	4	2	33.33
16-18	3	3	3	0	0
19-20	0	0	0	0	0
<b>Total</b>	<b>49</b>	<b>77</b>	<b>52</b>	<b>25</b>	<b>32.47</b>

Table 68: Employees – Planning Services

Financial Performance 2015/2016: Planning Services					
R					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustments Budget	Actual	% Variance to Adjustments Budget
<b>Total Operational Revenue (excluding tariffs)</b>	(7,283,754)	(6,558,798)	(6,558,798)	(6,439,331)	98.18%
Expenditure:					
Employees	18,900,303	18,990,143	19,768,497	19,679,489	99.55%
Impairment Losses on Financial Assets	0	0	0	0	0%
Interest Paid	0	0	0	0	0%
Contracted Services	4,472,839	8,562,226	7,286,975	7,085,150	97.23%
Depreciation and Provisions	152,460	715,782	715,782	183,491	25.63%
Inventory	568,370	388,612	553,064	532,618	96.30%
Operational Cost	832,898	610,232	967,228	602,756	62.32%
<b>Total Operational Expenditure</b>	<b>24,926,869</b>	<b>29,266,995</b>	<b>29,291,546</b>	<b>28,083,504</b>	<b>95.88%</b>
<b>Net Operational (Service) Expenditure</b>	<b>17,643,115</b>	<b>22,708,197</b>	<b>22,732,748</b>	<b>21,644,173</b>	<b>95.21%</b>

Table 69: Financial Performance 2015/2016 – Planning Services

Capital Expenditure 2015/2016: Planning Services					
R					
Capital Projects	2015/2016				
	Budget	Adjustments Budget	Actual Expenditure	% Variance to Adjustments Budget	Total Project Value
<b>Total all</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>
<i>Major projects</i>					
Buildings: Office alterations: Market Street	150,000	0	0	0%	0

Table 70: Capital Expenditure 2015/2016 – Planning Services

### **COMMENT ON THE PERFORMANCE OF PLANNING SERVICES OVERALL**

The primary projects of the Planning Services Department are operational by nature. The capital expenditure during the financial year was for the provision of equipment to the department.

## **Operational Projects 2015/2016**

### **Spatial Development Framework (SDF)**

The SDF review process, as a core component of the IDP in terms of Section 26(e) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), was initiated by the Spatial Planning Division in January 2014. The review of the SDF was approved by Council on 28 October 2015 with the main priority being to guide new investment, give effect to the principles as stated in the IDP and to identify priority areas for strategic intervention.

The SDF Vision is as follows:

*"The Drakenstein Municipality located at the heart of the Winelands, and building on its assets - its dramatic scenic landscape, precious natural and cultural heritage, quality educational institutions and sporting facilities, thriving agricultural economy and unrivalled access to the regional access and logistics networks - will be a place of excellence for all its residents."*

### **Arboretum Urban Design Framework**

The Arboretum is seen as one of Drakenstein's most significant assets, which could hold enormous economic benefits/potential that need to be exploited. The Spatial Planning Division was tasked to compile an Urban Design Framework for the Paarl Arboretum. The draft Urban Design Framework was completed and a report was compiled for the Executive Mayor and Mayoral Committee in September 2015. Discussions are currently underway to finalise the document for resubmission to the Executive Mayor and Mayoral Committee, in order to request that a public participation process be initiated on the final draft Urban Design Framework.

### **Acquisition of Development Rights for the extension of the existing Wellington Industrial Park**

The approved strategic environmental assessment identified additional land for the expansion of the existing Wellington Industrial Park as well as areas for conservation purposes. Specialist studies have been initiated in the 2015/2016 financial year to be used as informants to support the rezoning of the land for industrial purposes. Specialist studies include an urban design framework, landscape plan, engineering studies, traffic impact assessment, heritage studies and environmental impact assessment.

### **Wellington CBD Urban Design Framework**

The project was identified in the Drakenstein SDF and the goal of the project is to provide guidance on the future development and redevelopment of the CBD of Wellington. This

would include revitalisation, integration, upgrading, and beautification and improved functioning of the CBD on various levels.

An overall urban design framework for the whole study area was compiled and detailed planning and urban design were done for various precincts, within the CBD study area, with an implementation plan as an end product.

The implementation plan consists of various projects to be initiated by various internal Drakenstein departments.

The Wellington CBD Urban Design Framework was approved by Council on 20 January 2016.

### **Student Accommodation Policy**

The project was identified in the reviewed Drakenstein SDF (2015) and the need for such a policy was also identified due to the influx of student accommodation establishments/facilities into residential suburbs (e.g. conversion of single residential dwelling into student houses)

The goal of the policy is to provide better management of current and future student accommodation establishments/facilities within the Drakenstein Municipal Area.

This policy is being compiled in terms of the Drakenstein Policy on Policy Formulation, with a final draft submitted to directorates for comment on 2 June 2016. An item will serve at the Executive Mayor and Mayoral Committee in the 2016/2017 financial year.

### **Policy for the Naming and Renaming of Streets, Public Places, Natural Areas, Artefacts and Council-Owned Buildings and Facilities**

The policy sets out criteria and rules for the evaluation of proposed names for new and existing features. Features refer to streets, public places, natural areas, artefacts and Council-owned buildings and facilities.

The policy further sets out the processes to be followed for each type of application and provides for the establishment of a Renaming Committee and Panel of Experts.

The policy is currently being considered by the Executive Mayor and Mayoral Committee for comment. An item will serve at the Executive Mayor and Mayoral Committee in the 2016/2017 financial year.

### **Identification of Land for Cemetery Purposes Study: Phase 1**

The need for land for cemetery purposes was identified. A study was launched to identify the most suitable land possible. Phase 1 of the study consisted of high-level data and imagery analysis as well as the determination of the extent of land needed for the next 50 years.

Phase 1 has been completed in the 2015/2016 financial year and the next phase of the project will entail the ground-truthing as well as accompanying processes related thereto.

### **Heritage Guidelines**

The project focuses on the identification of heritage guidelines for conservation areas as well as a proposal for a possible heritage by-law aimed at enforcing the protection of Grade III heritage resources. This process was completed in the 2015/2016 financial year. This project will be incorporated with the Integrated Zoning Scheme project, with accompanying public participation processes.

### **GIS Projects Development**

A GIS web-application for Heritage was developed and deployed on the basic architecture previously build. New architectural development included a SQL-based reporting service for Heritage information accessed via the Heritage Mapper. The architecture behind the reporting service allows further reporting services to be developed for units across the organisation as the need arises. Training and support was provided for clients and users with respect to the newly deployed web-applications.

### **New Land Use Management System**

The most important instrument used in land use management is the Land Use Management System (previously Zoning Scheme Regulations). It must be noted that four different sets are currently in existence/operation for different parts of the Municipal Area. In order to comply with the provisions of new planning legislation, adopt and utilise best practice and trends and to cater for local economic development, a new single and integrated Land Use Management System for the whole of the Drakenstein Municipal Area is being developed. This is a 3-year project in which the public will also be involved and is expected to be completed by the end of 2017.

## **3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKETPLACES)**

The vision for Local Economic Development (LED) in Drakenstein is to have an inclusive economy for all. With this in mind the unit's focus for 2015/2016 was to expand its reach to previously disadvantaged areas in the Municipality.

The unit focused on the following economic thrusts:

- Encouraging labour intensive Job creation;
- Business retention and expansion of existing sectors e.g. Tourism sector;
- Skills development with a specific focus on entrepreneurship training.

In terms of accelerating local economic development service delivery, the LED Unit achieved the following:

- Hosted the first "Drakenstein Got Talent" talent show competition as part of the annual "Festival of Lights". This talent show showcased our local talent throughout the Drakenstein Municipal Area. The "Festival of Lights" events were used as a marketing platform to boost the winners' exposure to the Entertainment industry.

- The Municipality also trained 44 petrol attendants on basic customer service training in the tourism sector which was part of the Municipality's overall Tourism Sector Enhancement Plan.
- Facilitated two business networking sessions in the VPUU designated area to encourage business partnerships in previously disadvantaged areas. The sessions focused on social entrepreneurship and youth entrepreneurship respectively.
- Supported the Drakenstein Local Tourism Association to enhance their existing tourism product offering through the implementation of a Business Retention and Expansion Strategy in collaboration with Cape Winelands District Municipality created 1,118 work opportunities through the EPWP and CWP; and labour intensive capital projects.
- Improved Municipal support to promote Drakenstein as a premier events destination. The Municipality also supported 7 events of which 3 were community events. By doing this the Municipality enhanced its geographical spread of the tourism sector into the rural hinterland and also promoted community beneficiation.

Stakeholder engagement remains one of the Municipality's key focus areas. The LED Unit continues to strive towards building credible partnerships with the private sector and other key role-players in the economic development realm. In 2015 the LED Unit was selected to participate in a provincial pilot project to address the red tape experienced by the private sector in the Municipality which formed part of the Mark of Good Public Service Model currently supported by the Western Cape Government. A report was compiled and the unit will be implementing the recommendations in the 2016/2017 financial year to ensure that the Municipality improve its service offering to the citizens of Drakenstein and prospective investors into the area.

<b>Economic Activity by Sector</b>			
<b>R'000</b>			
<b>Sector</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>
Agriculture, forestry and fishing	922,284	838,639	1,044,316
Mining and quarrying	4,623	5,412	1,6550
Manufacturing	2,149,691	2,518,537	3,559,115
Wholesale and retail trade	2,096,539	2,426,719	1,946,526
Finance, property, etc.	3,225,186	3,720,035	3,150,103
Government, community and social services	3,197,677	2,377,477	2,453,739
Infrastructure services	555,831	1,258,998	883,998
<b>Total</b>	<b>12,151,831</b>	<b>13,145,817</b>	<b>13,054,347</b>

*Table 71: Economic Activity by Sector*



<b>Economic Employment by Sector</b>			
<b>Sector</b>	<b>Jobs</b>		
	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>
Agriculture, forestry and fishing	10,894	10,378	8,133
Mining and quarrying	90	60	51
Manufacturing	12,724	12,787	9,339
Wholesale and retail trade	13,247	13,366	17,064
Finance, property, etc.	12,877	13,096	13,683
Government, community and social services	14,799	14,227	15,850
Infrastructure services	4,405	4,839	6,262
<b>Total</b>	<b>69,036</b>	<b>68,753</b>	<b>70,382</b>

*Table 72: Economic Employment by Sector*

The LED Unit is responsible for the coordination of the Municipality's job creation programmes. The Municipality currently has two programmes that provide short-term work opportunities for unemployed people:

- (1) The Expanded Public Works Programme (EPWP); and labour intensive capital projects; and
- (2) The Community Works Programme (CWP).

<b>Job creation through Expanded Public Works Programme (EPWP) Projects</b>		
<b>Details</b>	<b>No. of EPWP Projects</b>	<b>No. of Jobs created through EPWP Projects</b>
2013/2014	3	514
2014/2015	5	755
2015/2016	8	1,118

*Table 73: Job creation through EPWP Projects*

Local Economic Development Policy Objectives taken from IDP				
Strategic Objective (SO): Economic Growth and Development (Municipal KPA)				
Municipal Key Focus Area (KFA): Job Creation				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL18	(NKPI -4) The number of jobs created through the Municipality's local economic development initiatives including capital projects	Number of job opportunities created by 30 June	750	1,118

Table 74: Local Economic Development Policy Objectives taken from IDP

<b>Employees: Local Economic Development Services</b>					
<b>Job Level</b>	<b>2014/2015</b>	<b>2015/2016</b>			
	<b>No. of Employees</b>	<b>No. of Posts</b>	<b>No. of Employees</b>	<b>No. of Vacancies (full-time equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
0-3	1	1	1	0	0
4-6	1	1	1	0	0
7-9	3	4	3	1	25
10-12	2	2	2	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>1</b>	<b>12.5</b>

Table 75: Employees – Local Economic Development Services

<b>Financial Performance 2015/2016: Local Economic Development Services</b>					
<b>R</b>					
<b>Details</b>	<b>2014/2015</b>	<b>2015/2016</b>			
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>	<b>Actual</b>	<b>% Variance to Adjustments Budget</b>
<b>Total Operational Revenue (excluding tariffs)</b>	(47,100)	(49,830)	(49,830)	0	0%
Expenditure:					
Employees	3,497,013	3,825,620	1,751,459	1,751,252	99.99%
Impairment losses on Financial Assets	0	0	0	0	0%
Interest Paid	0	0	0	0	0%
Contracted Services	1,299,838	2,643,568	1,920,040	1,797,101	93.60%
Depreciation & Provisions	336,388	535,753	535,753	403,157	75.25%
Inventory	58,904	31,535	54,815	44,193	80.62%
Operational Cost	1,596,403	2,321,965	2,608,359	2,108,149	80.82%
<b>Total Operational Expenditure</b>	<b>6,788,545</b>	<b>9,358,441</b>	<b>6,870,426</b>	<b>6,103,853</b>	<b>88.84%</b>
<b>Net Operational (Service) Expenditure</b>	<b>6,741,445</b>	<b>9,308,611</b>	<b>6,820,596</b>	<b>6,103,853</b>	<b>89.49%</b>

Table 76: Financial Performance 2015/2016 – Local Economic Development Services

<b>Capital Expenditure 2015/2016: Local Economic Development Services</b>					
<b>Capital Projects</b>	<b>2015/2016</b>				
	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>% Variance to Adjustments Budget</b>	<b>Total Project Value</b>
<b>Total all</b>	<b>2,182,000</b>	<b>340,690</b>	<b>340,690</b>	<b>0</b>	<b>340,690</b>
<i>Major projects</i>					
Refurbishment of Ikhwezi	532,000	66,554	66,554	0	66,554
Informal trading kiosks in Paarl CBD	500,000	173,946	173,946	0	173,946
Refurbishment of Arendsnes Building	150,000	51,251	51,251	0	51,251

Table 77: Capital Expenditure 2015/2016 – Local Economic Development Services

In terms of the capital projects, the LED Unit reviewed the implementation of the infrastructure support programme for informal traders and decided to do upgrades of existing informal trading structures to better suit the needs of the existing traders.

## COMPONENT D: COMMUNITY AND SOCIAL SERVICES

### COMMUNITY DEVELOPMENT

The Community Development Section is responsible for poverty relief initiatives, support to vulnerable groups, including youth, gender, the disabled and the early childhood development (ECD) sector. It also manages the Mayoral Ward Projects in 31 wards and the distribution of the Grant in Aid Funds.

The section facilitated various skills development workshops for the unemployed youth, which included bricklaying, hairdressing, beautician training, waiter training and computer training. The aim of the skills training was to empower unskilled and unemployed youth with skills so that they could immediately access job opportunities. Two skills development workshops were facilitated for the Drakenstein ECD sector in the rural areas, including Saron and Gouda.

The strategic, programmatic focus of the section is to develop and establish social support networks and to develop and promote community livelihood strategies. The principles guiding the implementation of programmes and projects are based on labour-intensive job creation initiatives that sustain and support impoverished households.

The section is also responsible for the Paarl East and Mbekweni Thusong Centres. These Thusong Centres are one-stop facilities that provide opportunities to access a compendium of government services to surrounding communities. These include social services, social pensions and grants, consumer protection and numerous Municipal services.

The Municipal halls are also managed by this section and these include the Wellington and Paarl Town Halls, as well as the Huguenot, Gouda, Fairyland, Mbekweni and Colibri Community Halls.

Community Development Policy Objectives taken from IDP				
Strategic Objective (SO): Social and Community Development (Municipal KPA)				
Municipal Key Focus Area (KFA): Sport and Recreation				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL32	Implement the Sport and Recreation capital projects measured quarterly in terms of the approved Capital Budget spent	% of Capital Budget spent by 30 June	96%	99.94%

*Table 78: Community Development Policy Objectives taken from IDP*

### 3.11 LIBRARIES

Drakenstein libraries are essential components of strategies aimed at improving information access, both for the public at large and for specialised groups. The public library is the local centre of information, making all kinds of knowledge and information readily available to its users.

The development of information technologies, and in particular the Internet, has created a completely new environment in which the role of traditional information services (libraries) has been thoroughly revised. The Municipality were able to provide ICT services to 45,041 users. The potential of networking, cooperation and digitisation substantially modify the functions of acquiring, storing and disseminating information and knowledge.

The services of Drakenstein public libraries are provided on the basis of equality of access for all, regardless of age, race, sex, religion, nationality, language or social status. Specific services and materials are provided for those users who cannot, for whatever reason, use the regular services and materials, for example linguistic challenges, people with disabilities, people in hospitals and prisons.

All age groups must find material relevant to their needs. Drakenstein libraries strive towards collections and services that include all types of appropriate media and modern technologies as well as traditional materials. High quality and relevance to local needs and conditions are fundamental. Material must reflect current trends and the evolution of society, as well as the memory of human endeavour and imagination.

Collections and services are not subject to any form of ideological, political or religious censorship, nor commercial pressures. Special attention is paid to the least developed and remote communities so that they do not lag behind technological advances.

The library week theme for 2016 highlighted the role libraries and books play in lifelong learning; how knowledge is accessed and transferred and how it enables users to develop to their highest potential.

Service Statistics for Libraries 2015/2016					
Programme	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Displays	118	112	111	116	457
Storytelling sessions	40	35	49	46	170
Book education, class visits and library orientation	71	100	51	57	279
Library Week activities	21	14	12	20	67
Holiday programme activities	21	33	14	27	95
Community and outreach programmes	140	93	75	65	373
Formal book discussions	37	29	26	43	135
Literacy sessions facilitated	24	0	0	14	38
ICT computer usages	10,351	9,483	11,831	12,342	44,007

Service Statistics for Libraries 2015/2016					
Programme	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Learner support	3,117	2,268	2,876	4,299	12,560
Circulation	184,369	164,965	176,729	194,595	720,658
Membership	82,291	82,561	81,893	84,018	330,763
New members added	1,385	2316	1,103	2,128	6,938
Library users	60,208	34,629	61,710	60,030	216,577
Library stock	Provincial		Own		Total
	189,745		41,205		230,989
Service Statistics for Satellite Libraries 2015/2016*					
Programme	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Displays	63	54	58	50	225
Storytelling sessions	120	87	111	154	472
Book education, class visits and library orientation	146	134	132	122	534
Library Week activities	5	5	13	2	25
Holiday programme activities	10	5	5	7	27
Community and outreach programmes	9	1	9	23	42
Formal book discussions	4	20	11	9	44
Literacy sessions facilitated	0	1	0	4	5
ICT computer usages	42	13	100	921	1,076
Learner support	42	40	32	66	180
Circulation	20,381	16,436	19,036	24,610	80,463
Membership	2,702	2,711	2,963	3,425	11,801
New Members added	226	362	337	759	1,684
Library stock	Provincial		Own		Total
	27,177		10,469		37,646

Table 79: Service Statistics for Libraries



Libraries; Community Facilities; Other Policy Objectives taken from IDP				
Strategic Objective (SO): Social and Community Development (Municipal KPA)				
Municipal Key Focus Area (KFA): Libraries				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL34	Submit a quarterly reports to the Executive Mayor on the implementation of library programmes	Number of reports submitted to the Executive Mayor by 30 June	4	4

Table 80: Libraries, Community Facilities, and other Policy Objectives taken from IDP

<b>Employees: Libraries; Community Facilities, Other</b>					
<b>Job Level</b>	<b>2014/2015</b>	<b>2015/2016</b>			
	<b>No. of Employees</b>	<b>No. of Posts</b>	<b>No. of Employees</b>	<b>No. of Vacancies (full-time equivalents)</b>	<b>No. of Vacancies (as a % of total posts)</b>
0-3	1	1	1	0	0
4-6	0	0	0	0	0
7-9	10	11	10	1	9
10-12	11	11	10	1	9
13-15	8	39	35	4	8.75
16-18	11	12	11	1	8.3
19-20	0	0	0	0	0
<b>Total</b>	<b>41</b>	<b>74</b>	<b>67</b>	<b>7</b>	<b>35.05</b>

Table 81: Employees – Libraries, Community Facilities and Other

<b>Financial Performance 2015/2016: Libraries, Community Facilities, Other</b>					
<b>R</b>					
<b>Details</b>	<b>2014/2015</b>	<b>2015/2016</b>			
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>	<b>Actual</b>	<b>% Variance to Adjustments Budget</b>
<b>Total Operational Revenue (excluding tariffs)</b>	(978,718)	(13,720,070)	(13,730,070)	(13,542,295)	98.63%
Expenditure:					
Employees	11,927,332	13,071,355	13,127,744	13,123,752	99.97%
Impairment losses on Financial Assets	0	0	0	0	0%
Interest Paid	0	0	0	0	0%
Contracted Services	890,804	841,094	934,813	930,606	99.55%
Depreciation and Provisions	535,816	1,022,717	1,022,717	538,806	52.68%
Inventory	264,195	194,458	297,276	287,500	96.71%
Operational Cost	498,090	387,160	1,193,462	1,105,571	92.64%
<b>Total Operational Expenditure</b>	<b>14,116,237</b>	<b>15,516,784</b>	<b>16,576,012</b>	<b>15,986,234</b>	<b>96.44%</b>
<b>Net Operational (Service) Expenditure</b>	<b>13,137,519</b>	<b>1,796,714</b>	<b>2,845,942</b>	<b>2,443,939</b>	<b>85.87%</b>

Table 82: Financial Performance 2015/2016 – Libraries, Community Facilities and Other

<b>Capital Expenditure 2015/2016: Libraries, Community Facilities, Other</b>					
					<b>R</b>
<b>Capital Projects</b>	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>% Variance to Adjustments Budget</b>	<b>Total Project Value</b>
<b>Total all</b>	<b>2,109,500</b>	<b>408,279</b>	<b>325,744</b>	<b>20.22%</b>	<b>408,279</b>
<i>Major projects</i>					
Community Hall and Facilities: Saron	989,750	175,894	175,894	0%	175,894
ICT Equipment: Surveillance Cameras	90,000	80,376	42,336	47.33%	80,376
C/O : Air Conditioners	0	58,573	58,573	0%	58,573

*Table 83: Capital Expenditure 2015/2016 – Libraries, Community Facilities and Other*

#### **COMMENT ON THE PERFORMANCE OF LIBRARIES, COMMUNITY FACILITIES; OTHER OVERALL**

The Thusong Centres that were developed by the Municipality are now functional. Members of the public are also allowed to use and hire the venue for community events and projects.

The Library Section will continue to endeavour to promote a reading culture more specially in the rural areas where communities are in need of a library, by creating more satellite or mobile libraries. we will continue with outreach programmes right through our Municipality and recruit potential library users. Make them aware of the importance of a reading culture in preparing for a greater future.

### **3.12 CEMETERIES AND CREMATORIA**

Drakenstein Municipality has seven cemeteries in use. The two top priorities for the Cemeteries Section are the provision of a new cemetery and the maintenance of the current cemeteries. The measure that was put into place to improve the maintenance of the cemeteries was the design and implementation of a Maintenance Plan.

The number of burials that took place for the period 01 July 2014 to 30 June 2015 is 1,509. Drakenstein Municipality does not have a Municipal crematorium but monitors the emissions of the private crematorium.

Cemeteries and Crematoria Policy Objectives taken from IDP				
Strategic Objective (SO): Health, Safety and Environment (Municipal KPA)				
Municipal Key Focus Area (KFA): Parks, Cemeteries and Open Spaces				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL32	Implement the Sport and Recreation capital projects measured quarterly in terms of the approved Capital Budget spent	% of Capital Budget spent by 30 June	96%	99.94%

*Table 84: Cemeteries and Crematoria Policy Objectives taken from IDP*

Employees: Cemeteries and Crematoria					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	No. of Vacancies (as a % of total posts)
0-3	1	1	1	0	0
4-6	4	5	3	2	25
7-9	2	4	3	1	25
10-12	13	24	13	11	46
13-15	50	81	50	31	62
16-18	98	155	98	57	37
19-20	0	0	0	0	0
<b>Total</b>	<b>168</b>	<b>270</b>	<b>168</b>	<b>102</b>	<b>28</b>

Table 85: Employees – Cemeteries and Crematoria

Financial Performance 2015/2016: Cemeteries and Crematoria					
R					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustments Budget	Actual	% Variance to Adjustments Budget
<b>Total Operational Revenue (excluding tariffs)</b>	(2,329,779)	(1,887,185)	(1,887,185)	(2,361,018)	125.11%
Expenditure:					
Employees	2,173,384	2,287,248	5,025,512.	5,010,778	99.71%
Impairment losses on Financial Assets	0		0	0	0%
Interest Paid	0	0	0	0	0%
Contracted Services	296,453	365,084	354,431	210,801	59.48%
Depreciation and Provisions	572,371	727,551	727,551	553,101	76.02%
Inventory	54,498	95,026	101,992	90,240	88.48%
Operational Cost	303,446	278,038	598,128	449,890	75.22%
<b>Total Operational Expenditure</b>	<b>3,400,152</b>	<b>3,752,947</b>	<b>6,807,614</b>	<b>6,314,810</b>	<b>92.76%</b>
<b>Net Operational (Service) Expenditure</b>	<b>1,070,373</b>	<b>1,865,762</b>	<b>4,920,429</b>	<b>3,953,792</b>	<b>80.35%</b>

Table 86: Financial Performance 2015/2016: Cemeteries and Crematoria

Capital Expenditure 2015/2016: Cemeteries and Crematoria*					
R					
Capital Projects	Budget	Adjustments Budget	Actual Expenditure	% Variance to Adjustments Budget	Total Project Value
<b>Total all</b>					
Major projects					

\*Note: No specific projects were included in the budget for the above section.

Table 87: Capital Expenditure 2015/2016 – Cemeteries and Crematoria

#### **THE PERFORMANCE OF THE CEMETERIES AND CREMATORIA SECTION OVERALL**

##### **CEMETERIES**

The target for the next 12 months is the identification of suitable land for the development of another cemetery for Drakenstein. The development will start during this period. Maintenance is a serious challenge due to the increasing amount of burials and the cemeteries getting fuller.

##### **PARKS**

The target for the next 12 months is to upgrade 70 play parks and plant 700 street trees.

### **3.13 CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES**

The Early Childhood Development (ECD) sector is serviced by the Community Development Section. The top service delivery priorities for the sector were:

- To establish the needs of the ECD sector within the Drakenstein Municipal Area. This process included mobilising all the existing ECD Forums to determine their needs and to prioritise these needs within the framework of the IDP.
- Items of ECD furniture was supplied to the ECD sector to assist in making the ECD more compliant with the minimum standards required for registration.

To facilitate training for ECD practitioners on the needs that were identified by the ECD Forum as priority training needs.

- Training focused on financial management training for non-financial managers at ECD centres. Other training also focused on health and sanitation training for ECD practitioners.

To renovate and upgrade the ECD facilities:

- Trees were cut and trimmed at Happy Toddlers ECD centre to create a safer recreational environment for the children.
- Permission was granted to construct an ECD facility in the Fairyland/Groenheuwel Area.

Child Care; Aged Care; Social Programmes Policy Objectives taken from IDP				
Strategic Objective (SO): Social and Community Development (Municipal KPA)				
Municipal Key Focus Area (KFA): Special Programmes (Gender, Elderly, Youth and Disabled)				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL35	Arrange 4 skills training workshops for the youth by 30 June	Number of workshops held by 30 June	4	4

*Table 88: Child Care, Aged Care, and Social Programmes Policy Objectives taken from IDP*

Employees: Child Care, Aged Care, Social Programmes					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0-3	1	1		0	0
4-6	-	-		-	
7-9	2	3		1	0
10-12	2	2		0	33
13-15	-	-		-	
16-18	-	-		-	
19-20	-	-		-	
<b>Total</b>	<b>5</b>	<b>6</b>		<b>1</b>	<b>16.5%</b>

Table 89: Employees – Child Care, Aged Care, Social Programmes

Financial Performance 2015/2016: Child Care, Aged Care, Social Programmes*					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustments Budget	Actual	% Variance to Adjustments Budget
<b>Total Operational Revenue (excluding tariffs)</b>	*	*	-	*	-
Expenditure:	*	*	-	*	-
Employees	*	*	-	*	-
Repairs and Maintenance	*	*	-	*	-
Depreciation and Provisions	*	*	-	*	-
Other	*	*	-	*	-
<b>Total Operational Expenditure</b>	*	*	-	*	-
<b>Net Operational (Service) Expenditure</b>	*	*	-	*	-

\*Note: Financial information is not broken down into these groups.

Table 90: Financial Performance 2015/2016 – Child Care, Aged Care, Social Programmes



<b>Capital Expenditure 2015/2016: Child Care, Aged Care, Social Programmes</b>					
					<b>R</b>
<b>Capital Projects</b>	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>% Variance to Adjustments Budget</b>	<b>Total Project Value</b>
<b>Total all</b>	<b>0</b>	<b>83,048</b>	<b>83,047</b>	<b>0%</b>	<b>83,048</b>
<i>Major projects</i>					
W/P:17 Container at Nieuwedrift	0	21,206	21,205	0%	21,206
W/P:28 Purchase of 1 x 12 m Container Room	0	61,842	61,842	0%	61,842

Table 91: Capital Expenditure 2015/2016 – Child Care, Aged Care, Social Programmes

### THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL

#### Youth

The Community Development section hosted the Drakenstein Youth Summit where approximately 750 youth attended over a period of 2 days. The aim of the Summit was to provide Drakenstein youth with a platform to engage different government and community stakeholders on the challenges that youth faced, including unemployment, substance abuse, skills development, gender based violence, healthy lifestyles, teenage pregnancies, cervical cancer etc. Day one focused on the challenges and day two focused on what needed to be done to address the challenges.

A Youth Day commemoration was held at the Paarl East Multipurpose Thusong Service Centre. The 16 June commemoration was attended by 700 youth. The keynote speaker at the event was the Minister of Community Safety, Mr. Dan Plato. The Youth Day was the culmination of the efforts of various government departments, the NGO sector, tertiary institutions and the banking sector to provide youth with an opportunity to interact with different government sector departments.

#### Skills Training for Youth

The skills training for the youth was premised on the principle that all skills training had to result in the participant being able to immediately access a job opportunity as an outcome of the skill that had been learnt. The accredited courses that were provided during this financial year included beautician training, home based care training, waiter training and computer training. Each course provided 20 participants with an opportunity to get an accredited skills training certificate on the completion of the course.

<b>Skills Training (Course)</b>	<b>Participants</b>
Waiter Training	20
Beautician Training	20
Accredited Computer Training	50
Home-based Care Training	30
Life Skills Training	20

Table 92: Skills Training for youth

## Gender Forum

A Gender Forum was established with the gender representatives of the ward committees. A draft plan of action for the Gender Forum was developed and implementation commenced during the 2015/2016 financial year. This included special projects such as gender-focused intervention programmes during Women's Month, Human Rights Day and 16 Days of Activism for no Violence against Women and Children.

## Elderly Forum

Two engagements were held with the Elderly and the Disabled People's Forum. These engagements allowed them to access municipal facilities free of charge so that they could host various functions on their events calendar. The elderly sector was also assisted in terms of hosting the regional Golden Games at the Dal Josafat Stadium. The elderly also has several service benefits that can be accessed, including reduced tariffs for water and electricity.

Strategic Objective (SO): Social and Community Development				
Municipal Key Focus Area (KFA): Poverty Alleviation				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL51	Update Indigent Register	% of all qualifying indigent applications processed by 30 June	99%	100%
TL52	Provision of free basic services	Report on the % of households earning less than 2 x social grant plus 25% per month with access to free basic services	1	1

*Table 93: Strategic Objectives: Social and Community Development*

## COMPONENT E: ENVIRONMENTAL PROTECTION

The Municipality has implemented integrated environmental management in its entirety and has no dedicated sections or sub-sections dealing with components of IEM.

This section's service delivery focus is to ensure an environment that is safe, not harmful and is protected for future generations by protecting and enhancing the Municipality's environmental assets and natural resources. The mission is to manage the implementation of Drakenstein Municipality's Environmental Policy, to give effect to Presidential Outcome 10 within the mandate of local government and to give effect to Provincial Strategic Objective 7 within the mandate of local government. The section is responsible for:

- Managing the integrated environmental management process;
- Managing the Environmental Management System;
- Maintaining and updating the State of the Environment Report;

- Managing air quality and implementing the Air Quality Management Plan;
- Managing noise control, managing and implementing the Environmental Management Framework;
- Managing the conservation and restoration of natural resources;
- Undertaking environmental audits;
- Preparing environmental policy documents;
- Commenting on environmental issues;
- Compiling environmental reports;
- Environmental law enforcement; and
- Environmental awareness raising.

A Memorandum of Understanding (MoU) was drafted between the Directorate: Planning and Economic Development and the Directorate: Infrastructure Services to ensure that there is clear alignment of responsibilities and accountability for performance after the organisational restructuring process. The MoU is still in the process of being finalised.

The Environmental Management System (EMS), based on the International Standard ISO 14001, for Drakenstein Municipality was maintained as far as possible given the staff capacity constraints. The EMS includes an Environmental Policy Framework.

The standard operating procedure (SOP) that was developed in the 2015/2016 financial year to deliver integrated multidisciplinary comment on environmental applications, is continually being implemented. The Drakenstein Municipality fulfils an important role as a commenting authority on environmental applications for proposed developments within the Municipality. By providing thorough and meaningful comment on environmental applications, the Municipality is able to guide and influence development proposals, so as to promote development that is aligned with the environmental and socio-economic management objectives of the Municipality.

The Drakenstein Environmental Management Framework (EMF) was submitted to the Minister: Local Government, Environmental Affairs and Development Planning for concurrence and was subsequently gazetted for public comment. The EMF will be formally adopted once Cape Nature finalises the revised Critical Biodiversity Areas maps.

A Draft Climate Change Adaptation Plan was also completed, which aims at addressing climate change impacts through all municipal operations. This section is currently working on finalising the draft plan. The section also completed a draft framework for the development of an Alien Species Management Plan.

During the year, 12 environmental complaints were received and investigated, and all the investigations were completed.

The Environmental Management Section was involved in six awareness-raising events during the year. A total of 32 environmental reports were done for various applications.

### **3.14 POLLUTION CONTROL**

Pollution control is not a dedicated function but is dealt with as a subcomponent of a number of different sections in the Municipality. These sections include Environmental Management, Water and Sewerage Services, Waste Management, Building Control and Law Enforcement.

#### **Service Statistics for Pollution Control**

During the 2015/2016 financial year, 17 pollution-related complaints were received. Compliance notices were not issued by this section as cases were referred to either the Department of Environmental Affairs and Development Planning, the Department of Water Affairs or the Civil Engineering Services Department for enforcement. The 17 complaints received and investigated can be broken down as follows:

- Two noise-related complaints;
- Four air pollution-related complaints; and
- 11 general environmental complaints.

Pollution Control Policy Objectives taken from IDP				
Strategic Objective (SO): Health, Safety and Environment (Municipal KPA)				
Municipal Key Focus Area (KFA): KFA 33. Environmental Management				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2016/2017	Actual 2016/2017
N/a	Develop a revised draft Climate Change, Adaptation and Mitigation Plan	Revised Draft Climate Change, Adaptation and Mitigation Plan developed by 30 June	1	2

Table 94: Pollution Control Policy Objectives taken from IDP

### **THE PERFORMANCE OF POLLUTION CONTROL OVERALL**

The prevention of pollution and degradation of the environment remains a priority and is dealt with as a cooperative function between the departments in the Municipality and external agencies.

As there is no dedicated pollution control department or section in the Municipality, no dedicated KFAs and KPIs for pollution control are stipulated in the IDP. However, the function is covered by the functional areas of a number of departments and sections in the Municipality. Pollution control is dealt with operationally by the department or section that is most closely aligned to the pollution incident, e.g. the Solid Waste Section will deal with illegal dumping and the Sewerage Section will deal with liquid pollution. There were no dedicated pollution control capital projects, but some projects reported on in other areas such as the upgrade of the WWTW, the upgrade of the main outfall sewer, the management of the landfill and waste recovery and recycling can be considered as projects related to pollution control.

Section 30 incidents are dealt with on an ad-hoc basis in conjunction with other agencies and to date only relatively minor incidents have been encountered. There does however appear to be a lack of understanding and knowledge of why and how Section 30 is enforced and this must be addressed through broad-based awareness raising.

### **3.15 BIODIVERSITY, LANDSCAPE (INCLUDING OPEN SPACES)**

Biodiversity Management is dealt with as a subcomponent of a number of different sections in the Municipality.

These sections include:

- Environmental Management;
- Streets and Stormwater;
- Waste Management;
- Parks and Recreation;
- Law Enforcement; and
- Town Planning.

Biodiversity is maintained largely via the private sector. The Municipality's EPWP is focused on alien vegetation clearing and the Parks and Recreation Section contributes to this function by planting indigenous vegetation.

Biodiversity, Landscape and Other Policy Objectives taken from IDP				
Strategic Objective (SO): Health, Safety and Environment (Municipal KPA)				
Municipal Key Focus Area (KFA): Environmental Management				
Re. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2016/2017	Actual 2016/2017
N/a	Not programmed for 2015/2016			

Table 95: Biodiversity, Landscape and Other Policy Objectives taken from IDP

Employees: Environmental Management					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0-3	0	1	1	0	0
4-6	0	2	0	2	100
7-9	2	2	2	0	0
10-12	1	1	1	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>6</b>	<b>4</b>	<b>0</b>	<b>0</b>

### THE PERFORMANCE OF BIODIVERSITY; LANDSCAPE AND OTHER OVERALL

The function is covered by the functional areas of a number of departments and sections in the Municipality. Biodiversity, landscape and other is dealt with operationally by the department or section that is most closely aligned to the function, i.e. Parks and Recreation deal with landscaping and some alien clearance. Stormwater deals with alien clearance in the rivers on property owned and managed by the Municipality. Paarl Mountain Nature Reserve deals with alien clearance and the management of biodiversity in the nature reserve. Other urban conservation areas are a joint responsibility of Environmental Management and Solid Waste Services. No dedicated biodiversity, landscape and other capital projects were undertaken, but some projects reported on in other areas can be considered as biodiversity, landscape and other projects.

## COMPONENT F: SECURITY AND SAFETY

### INTRODUCTION TO SECURITY AND SAFETY

The mission of Traffic Services is to render an effective and high-quality service through a process of consultation and transparency in all facets of the traffic services, and in rendering a service to the community of Drakenstein and its visitors by ensuring the free flow of traffic and creating a safe environment.

#### 3.16 TRAFFIC, LICENSING AND LAW ENFORCEMENT

During the year 2015/2016, a large number of offences were dealt with.

The main purpose of this section is not only to prosecute, but also to educate offenders. The main activities undertaken were:

- Apprehending offenders talking on cell phones while driving, red light and stop street violations, failure to wear seatbelts, excessive speeding, taxis, and red and yellow line offences – all the aforementioned contributed to a high accident rate; illegal number plates and driving under the influence of alcohol;



- Dealing with illegal dumping, illegal occupation of Municipal property and vagrancy throughout Drakenstein;
- Corrective measures taken *inter alia* include the commissioning of red light and speed violation cameras, selective law enforcement on safety belts, cell phones, number plates and public transport. The construction to erect a public transport impoundment facility is well underway. This included regular roadblocks in conjunction with the South African Police Services (SAPS);
- The implementation of mobile cameras to effectively deal with excessive speed;
- Traffic safety talks at various institutions to address irresponsible driver behaviour and pedestrian safety; and
- Law enforcement officers were trained to effectively deal with Municipal by-laws.

<b>Traffic, Licensing and Law Enforcement Service Data</b>				
<b>Details</b>	<b>2014/2015</b>	<b>2015/2016</b>		<b>2016/2017</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Actual</b>	<b>Estimate</b>
Number of road traffic accidents during the year			3,395	
Number of by-law infringements attended			1,758	
Number of traffic officers in the field on an average day			5 – Early Shift 5 – Late Shift = 10 officers per day	
Number of traffic officers on duty on an average day			7 – Testing Station 5 – Early Shift 5 – Late Shift = 17 officers per day	

Table 96: Law Enforcement Service Data

Law Enforcement Policy Objectives taken from IDP				
Strategic Objective (SO): Health, Safety and Environment (Municipal KPA)				
Municipal Key Focus Area (KFA): Municipal Law Enforcement				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL29	Respond to law enforcement complaints	% Response to all law enforcement complaints within 24 hours	90%	81.7%

*Table 97: Law Enforcement Objectives taken from IDP*

Employees: Law Enforcement Officers					
Job level	2014/2015	2015/2016			
Law Enforcement	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	No. of Vacancies (as a % of total posts)
Administrators					
Chief Law Enforcement Officer					
Other Law Enforcement Officers					
0 – 3	0	0	0	0	0
4 – 6	0	1	0	1	100
7 – 9	0	1	1	0	0
10 – 12	16	19	15	4	20
13 – 15	0	0	0	0	0
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
<b>Total</b>	<b>16</b>	<b>21</b>	<b>16</b>	<b>5</b>	<b>23.8</b>

Table 98: Employees – Law Enforcement

Financial Performance 2015/2016: Law Enforcement					
R					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustments Budget	Actual	% Variance to Adjustments Budget
Total operational revenue (excluding tariffs)	0	0	0	0	0%
Expenditure:					
Employees	2,107,090	2,454,015	6,710,345	6,710,341	100%
Impairment losses on Financial Assets	0	0	0	0	0%
Interest Paid	0	0	0	0	0%
Contracted Services	6,239	10,234	5,867	5,539	94.41%
Depreciation and Provisions	32,550	68,187	68,187	28,016	41.09%
Inventory	48,024	51,498	85,265	79,872	93.68%
Operational Cost	32,268	50,193	1,361,883	722,546	53.05%
<b>Total Operational Expenditure</b>	<b>2,226,170</b>	<b>2,634,127</b>	<b>8,231,547</b>	<b>7,546,314</b>	<b>91.68%</b>
<b>Net Operational (Service) Expenditure</b>	<b>2,226,170</b>	<b>2,634,127</b>	<b>8,231,547</b>	<b>7,546,314</b>	<b>91.68%</b>

Table 99: Financial Performance 2015/2016 – Law Enforcement

<b>Capital Expenditure 2015/2016: Law Enforcement</b>					
					<b>R</b>
<b>Capital Projects</b>	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>% Variance to Adjustments Budget</b>	<b>Total Project Value</b>
<b>Total all</b>	<b>1,200,000</b>	<b>3,780,009</b>	<b>3,667,910</b>	<b>2.97%</b>	<b>3,780,009</b>
<i>Major projects</i>					
C/O : Vehicle Impound	0	3,360,769	3,360,769	0%	3,360,769
Traffic HQ	300,000	273,685	273,684	0%	273,685
Generator MVR Dal Josaphat	350,000	112,097	0	100%	112,097

Table 100: Capital Expenditure 2015/2016 – Law Enforcement

#### **COMMENT ON THE PERFORMANCE OF LAW ENFORCEMENT OVERALL**

The Law Enforcement Section ensures that all residents within the Municipal boundaries adhere to the by-laws and renders an effective and equitable service in all wards to create a safe environment.

Law Enforcement also renders support services to the Housing Department with the demolishing of structures.

Regular foot patrols are undertaken in the CBD's to ensure compliance by informal traders and to combat vagrancy.

Joint operations with SAPS to decrease incidents of social crime. Law Enforcement arranged training for neighbourhood watch members to assist with crime prevention.

### **3.17 FIRE SERVICE**

Functionally, the Fire Department is divided into five areas namely: operations, training, support services, fire safety and disaster risk management. Within these functional areas, the following activities take place or are conducted:

- **Operations:** The division operates a 24-hour service and an emergency control centre which responds to all incidents in the Municipal Area within predetermined times. The Municipality is proud to report that it achieves these goals most of the time due to the geographical location of all fire stations. The Fire Service has four fire stations that are located in located, Mbekweni, Wellington, Saron and Paarl whom also has its own fire house.
- **Training : Professional firefighter training:** The Drakenstein Municipality is accredited as a Fire Training Centre and provides professional fire training to all appointed Fire Service personnel and to neighbouring fire services. The training centre also complements other accredited training centres in the region. The objective of continuous training is to improve the skills and development of the Fire

Service personnel in order to render an effective and efficient service to our communities. 129 Fire Service officials were trained during the reporting period.

**The following training were conducted and attended by fire service personnel:**

<b>Firefighter Training</b>	<b>Number of officials attended</b>
Confined Space Rescue	3
Incident command and control 300	5
Fire service instructor Course	2
Incident Command System 100 and 200	26
Practical Pump Operations and Driving	12
Hazmat Operations Challenge	2
Swift water rescue course	2
Advanced Fire Safety Course	1
Daily drills and instruction per shift	20 operational firefighting staff members
Breathing Apparatus refresher course	36
Compressor Operator Course	20

*Table 101: Firefighter Training*

- Public and life safety training:** This training is centred on providing basic fire training and first aid education to the communities within the Municipal Area as a whole, specifically those communities residing in informal settlements such as Mbekweni, Chester Williams, Fairyland and Paarl East. The key focus this year was the children and women in these high risk areas. The Municipality trained 54 community members from the aforementioned areas. The implementation of this training programme serves the communities well and the fruits are enjoyed through a reduction in fire calls and a reduction in loss of life.

A total of 1,721 children from primary and pre-primary schools were recipients of the Fire and Life Safety Programme: STOP, DROP AND ROLL AND LEARN NOT TO BURN. The programme is aimed at fire and life safety within the communities.
- Support services:** The Fire Service operates a 24-hour emergency control and dispatch centre. All emergency calls are received by the centre and, depending on the emergency, the relevant vehicles are dispatched to attend to the incidents. The incidents are not confined to fire calls only. Professionally trained firefighters responded to rescue and medical incidents, chemical incidents and other special services calls such as flooding etc.

- **Fire safety:** This division focuses on risk and building inspections. The following information highlights the activities in this division:

Fire Safety – Activities	Number of activities/inspections
Fire safety inspections	1,027
Inspections of overgrown erven and property	1,879
Lectures and demonstrations	65
Buildings plans scrutinised and approved	1,692
Events Management and risk visits	79

*Table 102: Fire Safety – Activities*

- Compliance with the National Building Regulations, the Building Standards Act and related by-laws.
- **Disaster risk management.** The service delivery priority is aimed at the annual review of the Corporate Disaster Management Plan, which was reviewed and submitted for final approval and implementation. All senior managers were updated and informed of the plan regarding their specific functional responsibilities.

The Municipality renders relief services to fire victims by handing out food parcels and blankets. During 2015/2016, 426 blankets and 207 food parcels were handed out. Shack fires remain a challenge and in order to reduce the occurrence thereof, Fire Service engages in public and life safety education by training volunteers from the communities in the informal settlements. Measurable success was achieved.

Fire Service Data				
Details	2014/2015	2015/2016		2016/2017
	Actual	Estimate	Actual	Estimate
Total fires attended to in the year	673	750	708	740
Total of other incidents attended to in the year	84	150	128	140
Average turnout time – urban areas	10-12 minutes	10	10-12 minutes	10
Average turnout time – rural areas	18	23	20	23
Firefighters in post at year end	71	75	64	67
Total fire appliances at year end	10	12	12	14
Average number of appliances on the road during the year	10	12	12	14

*Table 103: Fire Service Data*

Fire Service Policy Objectives taken from IDP				
Strategic Objective (SO): Health, Safety and Environment (Municipal KPA)				
Municipal Key Focus Area (KFA): Disaster Management				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL28	Review the Disaster Risk Management Plan and submit to Council by 31 May	Number of plans reviewed and submitted to Council by 31 May	1	0

Table 104: Fire Service Policy Objectives taken from IDP

Employees: Fire Service					
Job level	2014/2015	2015/2016			
Fire Officers	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
Administrators					
Chief Fire Officer and Deputy (T16)	1	1	1	1	0
Other Fire Officers					
0 – 3*	1	1		0	0
4 – 6*	2	3		1	33
7 – 9*	18	48		30	63
10 – 12*	60	76		16	21
13 – 15*	10	32		22	69
16 – 18*	0	0		0	0
19 – 20*	5	28		23	82

\* Subject to TASK evaluation

Table 105: Employees – Fire Service

Financial Performance 2015/2016: Fire Service					
R					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustments Budget	Actual	% Variance to Adjustments Budget
Total operational revenue (excluding tariffs)	(295,169)	(289,863)	(289,863)	(308,895)	106.57%
Expenditure:					
Employees	26,641,047	29,041,213	27,428,334	27,428,189	100%
Impairment losses on Financial Assets	0	0	0	0	0%
Interest Paid	0	0	0	0	0%
Contracted Services	661,061	616,629	659,842	583,569	88.44%
Depreciation and Provisions	780,545	946,188	946,188	715,707	75.64%
Inventory	93,218	84,202	94,939	87,636	92.31%
Operational Cost	472,228	705,335	6,052,171	5,336,847	88.18%
<b>Total Operational Expenditure</b>	<b>28,648,098</b>	<b>31,393,567</b>	<b>35,181,474</b>	<b>34,151,947</b>	<b>97.07%</b>
<b>Net Operational (Service) Expenditure</b>	<b>28,352,930</b>	<b>31,103,704</b>	<b>34,891,611</b>	<b>33,843,053</b>	<b>96.99%</b>

Table 106: Financial Performance 2015/2016 – Fire Service



<b>Capital Expenditure 2015/2016: Fire Service</b>					
					<b>R</b>
<b>Capital Projects</b>	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>% Variance to Adjustments Budget</b>	<b>Total Project Value</b>
<b>Total all</b>	<b>40,000</b>	<b>40,000</b>	<b>4,452</b>	<b>88.87%</b>	<b>40,000</b>
<i>Major projects</i>					
Medical equipment	40,000	40,000	4,452	88.87%	40,000

*Table 107: Capital Expenditure 2015/2016 – Fire Service*

#### **COMMENT ON THE PERFORMANCE OF FIRE SERVICE OVERALL**

The Fire Services Department is focused on rendering a customer-orientated service. Although there are challenges in terms of human resources, vehicles and equipment, the Municipality responded to all incidents within prescribed response times. In the case of Saron and Gouda, the Municipality is challenged in terms of the distance that needs to be covered. The Municipality manages and operates a 24-hour service at four fire stations located geographically throughout the Municipality. Continuous public and life safety programmes serve their purpose in the vulnerable communities and a reduction in shack fires has already been observed. All vacant posts in the department are to be advertised and appointments will be made in the second quarter of the new financial year.

## COMPONENT G: SPORT AND RECREATION

The top three services delivered in the Parks and Cemeteries Section were the upgrading of 79 play parks, the planting of 3,331 trees and the clearing of 115,59 hectares of alien vegetation.

### 3.18 SPORT AND RECREATION

Sports fields and halls in Drakenstein were prepared for 2,849 events/games for the period 1 July 2015 to 30 June 2016. The following table provides a comparison between 2013/2014, 2014/2015 and 2015/2016 of the different sports codes' utilisation of the facilities.

Code	2013/2014	2014/2015	2015/2016	Number of fields
Rugby	555	1,100	1,132	19
Cricket	233	244	364	12
Soccer	643	598	559	13
Cycling	2	6	3	1
Hockey	14	0	22	4
Athletics	54	36	26	3
Netball	307	497	612	12
Other Events	149	160	131	Took place at all the facilities

*Table 108: The different sports codes' utilisation of sports facilities*

Sport and Recreation Policy Objectives taken from IDP				
Strategic Objective (SO): Social and Community Development (Municipal KPA)				
Municipal Key Focus Area (KFA): Sport and Recreation				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL32	Implement the Sport and Recreation capital projects measured quarterly in terms of the approved Capital Budget spent	% of Capital Budget spent by 30 June	96%	99.94%

*Table 109: Sport and Recreation Policy Objectives taken from IDP*

Employees: Sport and Recreation					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0-3	1	1	1	0	0%
4-6	4	7	1	3	57%
7-9	1	2	0	2	100%
10-12	17	34	18	16	53%
13-15	88	28	52	36	59%
16-18	162	220	199	21	10%
19-20	0	0	0	0	0%
<b>Total</b>	<b>273</b>	<b>292</b>	<b>271</b>	<b>78</b>	<b>40%</b>

Table 110: Employees – Sports and Recreation

Financial Performance 2015/2016: Sport and Recreation					
R					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustments Budget	Actual	% Variance to Adjustments Budget
<b>Total Operational Revenue (excluding tariffs)</b>	(2,211,599)	(4,624,840)	(3,665,955)	(2,643,526)	72.11%
Expenditure:					
Employees	35,806,445	40,196,314	36,660,498	36,639,994	99.94%
Impairment losses on Financial Assets	0	0	0	0	0%
Interest Paid	0	0	0	0	0%
Contracted Services	5,816,990	5,918,149	6,848,161	6,575,548	96.02%
Depreciation and Provisions	5,650,669	5,131,898	5,131,898	6,270,925	122.20%
Inventory	1,434,893	1,363,613	1,356,076	1,255,729	92.60%
Operational Cost	1,855,934	2,556,398	9,572,772	5,294,817	55.31%
<b>Total Operational Expenditure</b>	<b>50,564,931</b>	<b>55,166,372</b>	<b>59,569,405</b>	<b>56,037,013</b>	<b>94.07%</b>
<b>Net Operational (Service) Expenditure</b>	<b>48,353,332</b>	<b>50,541,532</b>	<b>55,903,450</b>	<b>53,393,487</b>	<b>95.51%</b>

Table 111: Financial Performance 2015/2016 – Sports and Recreation

Capital Expenditure 2015/2016: Sport and Recreation					
R					
Capital Projects	Budget	Adjustments Budget	Actual Expenditure	% Variance to Adjustments Budget	Total Project Value
<b>Total all</b>	<b>22,579,810</b>	<b>23,945,085</b>	<b>23,264,756</b>	<b>2.84%</b>	<b>23,945,085</b>
<i>Major projects</i>					
Upgrading Weltevrede Sports Grounds	400,000	2,447,377	2,434,474	0.53%	2,447,377
Tartan track: Daljosaphat Stadium	4,102,232	16,498,098	16,498,097	0%	16,498,098
Upgrading of Mbekweni B & C sports field	350,000	869,129	869,129	0%	869,129

Table 112: Capital Expenditure 2015/2016 – Sport and Recreation

#### **COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL**

The largest capital projects were:

- The upgrading of Weltevrede Sports complex;
- The construction of a new synthetic athletic track at Daljosaphat;
- The upgrading of Faure stadium( phase one); and
- The upgrading of Mbekweni Sport Stadium (phase one).

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

#### **3.19 EXECUTIVE AND COUNCIL**

In terms of Section 4(2) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), a municipal council must, within the municipality's financial and administrative capacity, and having regard for practical considerations:

- Exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the community;
- Provide, without favour or prejudice, democratic and accountable government;
- Encourage the involvement of the community;
- Strive to ensure that municipal services are provided to the community in a financially and environmentally sustainable manner;
- Consult the community on the level, quality, range and impact of municipal services and the available options for service delivery;
- Give members of the community equitable access to the municipal services to which they are entitled;
- Promote and undertake development in the municipality;
- Promote gender equity in the exercise of the municipality's executive and legislative authority;
- Promote a safe and healthy environment in the municipality; and
- Contribute, together with other organs of state, to the progressive realisation of the fundamental rights contained in Sections 24, 25, 26, 27 and 29 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). Section 19(2) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) further imposes the following executive obligations on every municipal council. A council must annually review:
  - the needs of the community;
  - its priorities to meet those needs;
  - its processes for involving the community;
  - its organisational and delivery mechanisms for meeting those needs; and
  - its overall performance in achieving the objects of local government as set out in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).

In terms of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), the municipal council must elect an executive mayor and other office-bearers. The executive mayor appoints a mayoral committee to assist the executive mayor. The municipal council may establish committees to assist the municipal council and/or the executive mayor. The Executive Mayor of Drakenstein Municipality, Cllr Gesie van Deventer, and the Council elected in May 2011 have made substantial strides towards implementing the revised vision of "Drakenstein: A Place of Excellence" throughout the operations of Council and the administration in the year under review.

The Municipal Council adopted priorities for the Municipality, Executive Mayor and other political structures to meet on a regular basis in order to ensure that decision-making takes place in an efficient and effective manner.

Regular performance reports in terms of the Performance Management System, together with monthly reports to the Executive Mayoral Committee and Council, provide these structures with continuous information on progress made with the achievement of targets as well as the implementation of decisions taken by them. These systems have been further enhanced by the issuing of tablet devices to Councillors and the procurement of an electronic system generating reports to Portfolio Committees, the Executive Mayoral Committee and Council.

COMMITTEE	NO. OF MEETINGS
Executive Mayor and Mayoral Committee	12
Special Executive Mayor and Mayoral Committee	5
Council	12
Special Council	1
Special Confidential Council	1
Corporate Governance Portfolio Committee	
Corporate Services Portfolio Committee (with effect from 27/03/2013 Council resolution)	1
Social Services Portfolio Committee	
Community Portfolio Committee (with effect from 27/03/2013 Council resolution)	1
Finance Portfolio Committee	9
Infrastructure and Planning Portfolio Committee (until 26/3/2013)	
Infrastructure Services Portfolio Committee (with effect from 27/03/2013 Council resolution)	0
Planning and Economic Development Portfolio Committee (with effect from 27/03/2013 Council resolution)	0
Municipal Public Accounts Committee (MPAC)	2
Appeals Committee	4
Audit Committee	6
Fraud and Risk Management Committee	2
Budget Steering Committee	3

*Table 113: Service Statistics for the Executive and Council*

The Executive and Council Policy Objectives taken from IDP				
Strategic Objective (SO): Governance and Stakeholder Participation				
Municipal Key Focus Area (KFA): Governance Structures				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL13	Monitor Council Resolutions by submitting progress reports on the implementation of Council resolutions to Council at Council meetings	Number of reports submitted to Council per by 30 June	10	12
TL1	% of AC recommendations submitted and adopted by Council annually	% of AC recommendations submitted and adopted by Council by 30 June	90%	100%
TL2	Attend to 90% formal public complaints received	% of complaints attended to by 30 June	90%	100%

Table 114: The Executive and Council Policy Objectives taken from IDP

Employees: The Executive and Council					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0-3	0	0	0	0	0
4-6	4	4	4	0	0
7-9	7	7	7	0	0
10-12	0	1	0	1	100
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
<b>Total</b>	<b>11</b>	<b>12</b>	<b>11</b>	<b>1</b>	<b>0.83</b>

Table 115: Employees – The Executive and Council

Financial Performance 2015/2016: The Executive and Council					
R					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustments Budget	Actual	% Variance to Adjustments Budget
<b>Total Operational Revenue (excluding tariffs)</b>	(15,413,294)	(12,023,071)	(15,023,071)	(19,668,588)	130.92%
Expenditure:					
Employees	27,765,942	51,695,928	32,067,436	26,225,724	81.78%
Impairment losses on Financial Assets	0	0	0	0	0%
Interest Paid	0	0	0	0	0%
Contracted Services	3,929,598	3,172,596	3,211,208	2,746,724	85.54%
Depreciation and Provisions	878,957	1,387,099	1,387,099	686,935	49.52%
Inventory	4,776,169	5,314,972	5,332,337	4,881,847	91.55%
Operational Cost	9,691,557	6,726,055	(12,871,917)	(16,477,358)	128.01%
<b>Total Operational Expenditure</b>	<b>47,042,223</b>	<b>68,296,650</b>	<b>29,126,163</b>	<b>18,063,872</b>	<b>62.02%</b>
<b>Net Operational (Service) Expenditure</b>	<b>31,628,928</b>	<b>56,273,579</b>	<b>14,103,092</b>	<b>(1,604,716)</b>	<b>-11.38%</b>

Table 116: Financial Performance 2015/2016 – The Executive and Council



<b>Capital Expenditure 2015/2016: The Executive and Council</b>					
<b>R</b>					
<b>Capital Projects</b>	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>% Variance to Adjustments Budget</b>	<b>Total Project Value</b>
<b>Total all</b>	<b>10,802,500</b>	<b>1,012,340</b>	<b>918,991</b>	<b>9.22%</b>	<b>1,012,340</b>
<i>Major projects</i>					
Sidewalks	0	70,450	70,450	0%	70,450
Play park Upgrade Site Dev & Furn	0	62,865	62,865	0%	62,865
Unallocated Operational infrastructure Allocation	7,082,500	831,347	831,347	0%	831,347

*Table 117: Capital Expenditure 2015/2016 – The Executive and Council*

## **COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL**

The five largest capital projects were:

- Upgrade of bulk sewer: Southern Paarl (R25,625,022);
- 11 Mℓ Newton Reservoir (R17,330,410);
- Welvanpas Wastewater Treatment Works (R 20,327,690);
- Saron Wastewater Treatment Works (R 18,598,283); and
- Wellington Wastewater Treatment Work (R 18,916,429).

In terms of the needs identified in the IDP for the year under review, an emphasis was placed on maintenance, street lighting and the expansion of bulk infrastructure and reticulation.

### **3.20 FINANCIAL SERVICES**

#### **INTRODUCTION TO FINANCIAL SERVICES**

The major key performance area of the Finance Directorate is Financial Sustainability. It is imperative that the generated revenue base is of such a nature that the Municipality is able to fund its short-, medium- and long-term operations in order to ensure continuity and a financially sound and stable organisation. The major key functional areas that have been identified and linked to financial sustainability are revenue enhancement, credit control measures and expenditure management.

The debtors' payment period for the 2015/2016 financial was 74.2 days, which is above the targeted number of 70 days but is an indication of the measures that have been put in place to decrease the debt situation of Council and improve its revenue capacity. The number of days for 2014/2015 was 79.8. The payment ratio of 95.6%, including debt written off versus the targeted 97%, shows that the ability of our consumers to pay their accounts is decreasing and a more stringent approach is required in order to meet the targeted percentage. The challenge at hand is the one of eradicating historical debt that

consumers are still struggling to pay, which affects the revenue capacity of the organisation as well as the number of days it takes Council to recover debt.

Although the ratios in terms of the collection of revenue have improved overall, there is a considerable amount of work to be done in order to bring the debtors book of Council to an acceptable level. The gloomy economic conditions globally have also affected the consumers' ability to pay and most consumers are still recovering from the recessionary trends of the past few years. New initiatives have been planned for the 2015/2016 financial year and onwards, which will work towards the eradication of revenue leakages and enable the revenue base of Council to grow to an acceptable level. These initiatives include the appointment of PricewaterhouseCoopers in November 2013 to conduct the Revenue Enhancement Project that will further unlock revenue for the organisation. The implementation of the new organisational structure and the approval of positions to be filled will also strengthen the capacity of the unit dealing with revenue collection and enhancement.

<b>Debt Recovery</b>									
<b>R'000</b>									
	<b>2013/2014</b>			<b>2014/2015</b>			<b>2015/2016</b>		
<b>Details of the types of account raised and recovered</b>	<b>Billed for the year</b>	<b>Collected for year</b>	<b>% Collected</b>	<b>Billed for the year</b>	<b>Collected for year</b>	<b>% Collected</b>	<b>Billed for the year</b>	<b>Collected for year</b>	<b>% Collected</b>
Property Rates	193,401	148,161	76.6	203,077	181,554	89.4	222,560	208,587	93.72%
Electricity – B	93,202	79,937	85.8	105,351	89,234	84.7	117,942	94,639	80.24%
Electricity – C	545,501	514,528	94.3	574,246	568,884	99	620,372	602,025	97.04%
Water – B	12,567	9,139	72.7	12,787	9,934	77.7	15,597	10,315	66.13%
Water – C	112,385	98,633	87.8	150,892	124,220	82.3	166,361	147,882	88.89%
Sanitation	51,173	41,352	80.8	57,832	46,772	80.8	69,050	56,483	81.80%
Refuse	110,979	50,336	45.4	71,294	54,681	76.7	92,005	68,546	74.50%
Other	71,986	174,122	241.9	17,507	19,169	109	89,281	143,482	160.71%

*Table 118: Debt Recovery*

Financial Service Policy Objectives taken from IDP				
Strategic Objective (SO): Financial Sustainability (Municipal KPA)				
Municipal Key Focus Area (KFA): Revenue Enhancement/ Capital Expenditure				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL10	Raise / collect operating budget revenue as per approved Budget	% of total operating budget revenue raised/ received by 30 June	98%	99.26%
TL12	Spend at least 96% of the approved Capital Budget for the Municipality by 30 June (MFMA, S10(c))	% of approved Capital Budget spent for the Municipality by 30 June	96%	98.75%
TL54	Compile a Capital Project Implementation Plan and submit to the MM for approval by 30 June 2016 (2016/2017)	Capital Project Implementation Plan developed and submitted to the MM by end June	1	1

Table 119: Financial Service Policy Objectives taken from IDP

Employees: Financial Services					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
T 0-3	2	5	2	3	60
T 4-6	99	148	117	49	33
T 7-9	14	23	15	8	35
T 10-12	6	22	6	16	73
T 13-15	5	5	5	0	0
T 16-18	8	8	8	0	0
T 19-20	2	2	2	0	0
<b>Total</b>	<b>136</b>	<b>213</b>	<b>155</b>	<b>76</b>	<b>36</b>

Table 120: Employees – Financial Services

Financial Performance 2015/2016: Financial Services					
R					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustments Budget	Actual	% Variance to Adjustments Budget
<b>Total Operational Revenue (excluding tariffs)</b>	(209,671,050)	(260,964,394)	(227,875,691)	(248,933,367)	109.24%
Expenditure:					
Employees	9,628,349	12,858,376	10,553,695	10,307,401	97.67%
Impairment Losses on Financial Assets	9,448,666	9,232,763	9,653,419	9,653,419	0%
Interest Paid	0	0	2,723,397	364,977	0%
Contracted Services	4,750,667	5,797,895	6,695,550	6,632,650	99.06%
Depreciation and Provisions	730,204	3,051,965	3,051,965	548,038	17.96%
Inventory	1,428,547	983,882	1,593,437	1,571,370	98.62%
Operational Cost	15,401,525.	32,251,198	30,070,454	30,050,915	99.94%
<b>Total Operational Expenditure</b>	<b>41,387,959</b>	<b>64,176,079</b>	<b>64,341,917</b>	<b>59,128,770</b>	<b>91.90%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(168,283,092)</b>	<b>(196,788,315)</b>	<b>(163,533,774)</b>	<b>(189,804,597)</b>	<b>116.06%</b>

Table 121: Financial Performance 2015/2016 – Financial Services

<b>Capital Expenditure 2015/2016: Financial Services</b>					
<b>R</b>					
<b>Capital Projects</b>	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>% Variance to Adjustments Budget</b>	<b>Total Project Value</b>
<b>Total all</b>	<b>75,000</b>	<b>282,807</b>	<b>276,376</b>	<b>2.27%</b>	<b>282,807</b>
<i>Major Projects</i>					
Operational Infrastructure Allocations	0	207,807	201,376	3.09%	207,807
ICT Equipment: Notebooks for Financial Interns	75,000	75,000	75,000	0%	75,000

*Table 122: Capital Expenditure 2015/2016 – Financial Services*

#### **COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL**

Financial Services implemented all their capital projects during the year under review. The total capital budget spending rate for Financial Services is calculated at 99.7% of the allocated Capital Budget. This Department can confirm that its targets are set out in the IDP schedule and can be obtained with the approved budget provision.

### **3.21 HUMAN RESOURCE SERVICES**

The organisational structure that was adopted on December 2012 was reviewed and approved on 12 December 2014. The review was mostly based on the Financial Services Directorate. Council again reviewed the structure in 2015 and made further amendments to the structure in Financial Services and Community Services. Placements were finalised and appeals have been dealt with. Most employees whose posts were declared redundant have been provided with alternative job offers. Only one employee was declared redundant and dealt with in terms of the collective agreement. The organisational review included a restructuring of the Human Resources Section to be better equipped for the challenges it faces. The TASK outcomes report was implemented on 01 July 2014. All posts that do not have outcomes are in a process of being evaluated by the Cape Winelands District Evaluation Committee. The posts that do not have a TASK grading or where the grading is lower than the incumbent's salary are maintained as 'personal to incumbent' until these posts are evaluated or the incumbent vacates the post.

The Municipality has complied with the Employment Equity Act (EEA) by ensuring that the Employment Equity Report was prepared and submitted on 01 October 2015. Appointments are done in terms of the employment equity targets wherever possible. In instances where an appropriately qualified and skilled applicant could not be found within the target groups, the best candidate for the position was appointed in the spirit of ensuring effective service delivery. The Municipality is committed to the principles of the employment equity legislation and will continue to strive to appoint suitably qualified applicants whilst ensuring that the workforce is representative of the clients it serves.

## **SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES**

<b>SUBMISSION DATE</b>	<b>TO</b>	<b>DOCUMENT</b>
30 April annually	LGSETA	Workplace Skills Plan
30 April annually	LGSETA	Annual Training Report
01 October annually	Dept. of Labour	Employment Equity Report
14 August annually	MEC Local Government	Sec 56/7 Performance Agreements

Human Resource Services Policy Objectives taken from IDP				
Strategic Objective (SO): Institutional Transformation				
Municipal Key Focus Area (KFA): Organisational Structure				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL15	(NKPI - 5) The number of people from employment equity target groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan	Report on the number of people from employment equity groups employed in the three highest levels of management submitted to the Office of the Municipal Manager by 30 June	1	1

Table 123: Human Resource Services Policy Objectives taken from IDP

Employees: Human Resource Services					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0-3	1	1	1	0	0
4-6	11	12	11	1	8.3
7-9	1	1	1	0	0
10-12	6	7	5	2	8%
13-15	4	5	4	1	20
16-18	0	0	0	0	0
19-20	0	0	0	0	0
<b>Total</b>	<b>23</b>	<b>26</b>	<b>22</b>	<b>4</b>	<b>16.3</b>

Table 124: Employees – Human Resource Services

Financial Performance 2015/2016: Human Resource Services					
R					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustments Budget	Actual	% Variance to Adjustments Budget
<b>Total Operational Revenue (excluding tariffs)</b>	(709,119)	(1,500,000)	(1,500,000)	(1,322,220)	88.15%
Expenditure:					
Employees	(1,021,446)	(1,190,124)	(3,082,823)	(3,086,402)	100.12%
Impairment losses on Financial Assets	0	0	0	0	0%
Interest Paid	0	0	0	0	0%
Contracted Services	2,272,436	1,881,135	2,736,053	2,700,319	98.69%
Depreciation and Provisions	141,292	144,809	144,809	128,844	88.97%
Inventory	176,257	92,588	146,640	146,639	100%
Operational Cost	3,816,193	4,234,731	4,122,235	3,990,325	96.80%
<b>Total Operational Expenditure</b>	<b>5,384,730</b>	<b>5,163,139</b>	<b>4,066,914</b>	<b>3,879,725</b>	<b>95.40%</b>
<b>Net Operational (Service) Expenditure</b>	<b>4,675,611</b>	<b>3,663,139</b>	<b>2,566,914</b>	<b>2,557,505</b>	<b>99.63%</b>

Table 125: Financial Performance 2015/2016 – Human Resource Services

Capital Expenditure 2015/2016: Human Resource Services					
R					
Capital Projects	Budget	Adjustments Budget	Actual Expenditure	% Variance Adjustments Budget	Total Project Value
<b>Total all</b>	<b>525,000</b>	<b>178,481</b>	<b>135,325</b>	<b>24.18%</b>	<b>178,481</b>
<i>Major projects</i>					
ICT Equipment: Time & Attendance System: Office Building	500,000	153,481	135,325	11.83%	153,481
Buildings: Refurbishing Training Centre:	25,000	25,000	0	100%	25,000

Table 126: Expenditure Capital 2015/2016 – Human Resource Services



### **THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL**

Self - service was implemented in 2015/2016. The focus of the project is online application for leave, viewing of leave balances, view of basic personal details and on-line viewing of pay- slips. In addition, the Time Keeper System is also working well, which assists managers and supervisors to keep track of the movements of their employees in the building and the effective management of time management of employees in terms of arriving in the morning and leaving in the afternoon. The Time Keeper System was installed at the Civic Centre in 2014/2015 and the second phase was rolled out to other sites during the 2015/2016 financial period. These sites are Fire Services (main office), Mbekweni Fire office, Wellington Civic Centre, Electricity Building and Market Street and Stores. Time Keeper is successfully running at the Civic Centre.

### **3.22 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

This year was an extremely busy period for the ICT Department. In adherence to good practice, two initiatives identified during the review of our ICT Strategic Information and Communication Technology Plan were successfully implemented:

#### **A. Upgrade of our ICT infrastructure:**

- Additional Core Switch was installed to improve redundancy and allow for 10GB connections.
- New optic Fibre upgrades to the following sites:
  1. Paarl Civic to Paarl Electricity;
  2. Wellington Civic to Wellington Electricity;
  3. Wellington Civic to Wellington Building Section; and
  4. Welling Civic to Wellington Law Enforcement.
- Old Netgear radios were replaced with Ubiquiti radios.

#### **B. Capacitate ICT Organisation:**

- Manager Information System (M.I.S.) vacancy was filled on the 1st of March 2016.

**The following additional projects were also successfully completed during the 2015/2016 financial year:**

#### **ICT Operations and Support:**

- **Microsoft Active Directory was upgraded to Version 2012**

This is a pre-requisite for the installation of the more advanced MS Office 2016. It also provides other advantages such as improved network security.

- **Microsoft System Centre Operations Manager (SCOM) installed**

Used to update security patches on all network computers;  
Used to update antivirus definitions;  
Used to roll out new software installation; and  
Set the platform for further developments in the next year.

- **Desktops replaced**

150 Desktop computers were replaced. This is necessary as the older technology is not compatible with the latest versions of the operating system as well as software in use.

- **Additional VMWare host (Server)**

An additional host was procured and installed in the virtual environment to cater for the growth in systems.

- **VMWare upgraded to the latest version**

VMWare software was successfully upgraded to the latest version without any interruption to any services.

- **Wireless radio links**

20 radios forming part of the current wireless infrastructure was replaced by newer technology. This ensures better availability as well as a vast improvement in speed and bandwidth.

### **Information Systems:**

- **In-house applications systems developed**

1. The Stock Control application was developed to manage stock levels of stationery.
2. The Accident Register application was developed to register and maintain records related to municipal vehicle accidents. This application is primarily used by the Civil Engineering: Fleet Management Section.
3. The Cell Phone Deductions application was developed to automate the reconciliation process of municipal cell phone contract expense. The previous manual reconciliation process was too time-consuming and prone to errors.

- **Enhancement of the Fire Reporting application**

The Fire Reporting application was enhanced to diverge from utilising the archaic Topspeed Database Management System to consume the versatile MS SQL database management system. This dramatically increased the processing speed of the application and has led to a significant decline in complaints relating to speed.

- **SQL Memory and Hard Drive sizes were increased**

This facilitated faster processing speeds for mission critical application systems such as the financial system: Solar, and the Payroll system: Resourcelink, etc.

- **The Spotlight Monitoring system was installed**

The Spotlight software system was installed to proactively monitor and diagnose the health of the SQL server infrastructure.

#### **SERVICE STATISTICS FOR ICT SERVICES**

Type	Calls logged	Completed within time	%
Computer	568	541	95.25
Telephone	68	64	94.12

*Table 127: Service Statistics for ICT*

ICT Services Policy Objectives taken from IDP				
Strategic Objective (SO): Institutional Transformation (Municipal KPA)				
Municipal Key Focus Area (KFA): Systems and Technology				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
N/a	Not programmed for 2015/2016			

Table 128: ICT Services Policy Objectives taken from IDP

Employees: ICT Services					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0-3	0	0	0	0	0
4-6	0	1	0	1	100
7-9	3	3	3	0	0
10-12	4	6	4	2	33
13-15	0	1	0	1	100
16-18	2	4	3	1	25
19-20	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>15</b>	<b>10</b>	<b>5</b>	<b>33</b>

Table 129: Employees – ICT Services

Financial Performance 2015/2016: ICT Services					
Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustments Budget	Actual	% Variance to Adjustments Budget
<b>Total Operational Revenue (excluding tariffs)</b>	0	0	0	0	0%
Expenditure:					
Employees	669,710	376,749	798,093	798,086	100%
Impairment losses on Financial Assets	0	0	0	0	0%
Interest Paid	0	0	0	0	0%
Contracted Services	1,171,948	1,325,484	1,135,276	1,135,274	100%
Depreciation and Provisions	3,084,470	2,950,111	2,950,111	3,193,295	108.24%
Inventory	180,690	185,250	58,835	58,834	100%
Operational Cost	1,586,320	2,742,78	3,182,520	3,137,700	98.59%
<b>Total Operational Expenditure</b>	<b>6,693,139</b>	<b>7,580,378</b>	<b>8,124,835</b>	<b>8,323,189</b>	<b>102.44%</b>
<b>Net Operational (Service) Expenditure</b>	<b>6,693,139</b>	<b>7,580,378</b>	<b>8,124,835</b>	<b>8,323,189</b>	<b>102.44%</b>

Table 130: Financial Performance 2015/2016 – ICT Services

<b>Capital Expenditure 2015/2016: ICT Services</b>					
					<b>R</b>
<b>Capital Projects</b>	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>% Variance to Adjustments Budget</b>	<b>Total Project Value</b>
<b>Total all</b>	<b>5,050,000</b>	<b>3,331,262</b>	<b>2,971,024</b>	<b>10.81%</b>	<b>3,331,262</b>
<i>Major projects</i>					
ICT Equipment: Computer Related (New & Rep)	2,500,000	2,897,025	2,897,025	0%	2,897,025
C/O : ICT Equipment: Communication Network(Optic fibre)	0	384,237	324,597	15.52%	384,237
Buildings: Office Alterations: Data Centre	30,000	30,000	0	100%	30,000

*Table 131: Capital Expenditure 2015/2016 – ICT Services*

#### **COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL**

The ICT Department continuously strives to keep abreast of technological and good practices development in order to ensure that information systems support municipal service delivery in general. All the key performance indicators were met for the different divisions in the ICT Department for the 2015/2016 financial year.

### **3.23 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT**

#### **ESTATES AND PROPERTY SECTION**

##### **Facility and Property Management**

The activities of this section contribute towards economic growth and development as well as social and community development by making properties available through the sale or lease thereof, and thereby creating economic opportunities whilst also providing for the development and empowerment of the poor and most vulnerable. It further contributes to institutional transformation through the maintenance and development of office facilities and amenities that are required to render services. Its main objective is, however, to administer Council's property portfolio and ensure that property leases are in place, updated and implemented. Inspections to ensure properties are not illegally occupied or vandalised are undertaken on a regular basis. The section does not deal with the low-cost housing rental stock, as the Housing Section manages the leasing, maintenance and occupation of all rental stock.

Property management was enhanced during the year due to improved procedures, systems and control measures such as:

- Improved control over the management of lease properties as well as the

management of lease contracts by regular monitoring of lease payments and timely renewal or termination of contracts;

- Regular in loco inspection of all lease properties to ensure compliance with conditions of lease and to identify maintenance needs. The information is recorded in a lease inspection register;
- Monitoring of development timeframes in respect of land sold for development;
- Introduction of timeframes for the processing of land transaction applications;
- New procedure to check applications by businesses for the purchase/lease of land against company database to confirm ownership to prevent fraud;
- Standard operating procedures for all processes have been compiled; and
- Work study exercise leading to restructuring of section and additional staff to be appointed after evaluation and placement.

## SERVICE STATISTICS FOR PROPERTY

### Land transactions dealt with

Properties sold	To	Purpose
34 Wellington	Springdeals 34 cc	Development
34 Wellington	Diemersfontein Prop	Development
4916 Paarl	Avenue Development	Development
2745 Wellington	Wellington Give Project	Night Shelter
1680 and 55 Wellington	Skyward Housing	Housing
9508 Paarl	Legal Occupants	Housing
24999 Paarl	Moubas Investments	Housing
612 and 606 Gouda	WCPA	Traffic centre
10235 Paarl	Kathy's Educare	Crèche
4403 Wellington	Beyernteen	Development
35236 Paarl	DTPW	School
2686 Mbekweni	Siyaya African Rest	Restaurant
3643 Mbekweni	Mosaic Comm Dev	Orphan Care

Table 132: Properties sold

Properties leased	To	Purpose
Road reserve Sonstraal and Klein Drakenstein	Time being of Pieter De Bod Family Trust	Spes Bona Filing Station
1667 Wellington	Voucher	Gardening
1886 Paarl	Paarl Recreation Club	Sport
12682 Wellington	Wamakersvallei Training	Training
2689 Mbekweni	Wagon of Hope	NGO
34 Wellington	SPCA	SPCA
34 Wellington	Pacmar	Development
7165 Paarl	Old Mill Sport	Sport
1297 Wellington	Kabouterplaas	Crèche
10186 Paarl	Miqlat	Sport
2689 Mbekweni	Jos Funerals	Business
12649 Paarl	Osdam	Business
4916 Paarl	Paarl Trailer Hire	Business
486 Paarl	WCM	Fire Station

Table 133: Properties leased

**Community Hall Usage**

Usage	Paarl Town Hall	Huguenot Hall	Mbekweni Hall	Wellington Town Hall	Gouda Hall	Colibri Hall	Fairyland Hall
SASSA	0	50	59	48	0	0	0
Council	2	3	4	10	12	3	0
Birthdays	9	12	5	12	7	2	9
Weddings	11	26	3	8	3	2	0
Dances	14	20	5	6	15	11	0
Matric Functions	13	0	0	2	0	0	0
Meetings and workshops	15	87	59	23	25	7	35
Farewells	3	0	2	5	2	0	1
Shows/churches	10	19	40	13	13	53	69
Concerts	22	23	10	5	3	6	5
UIF	0	92	0	0	0	0	0

Table 134: Community Hall Usage

**Capital and Maintenance Projects**

Project Description	Cost
Completion of Canoe Club	R528,623
Palisade fence as new Canoe Club	R182,676
Construction of training room Wellington	R365,783
Thatch roof repairs Paarl Museum	R178,719
External paint and roof repairs P Pigion	R59,700
Build-in cupboards and tiling Wamakers	R180,000
Vallei Centre Wellington	R78,133
Alterations to stoep Wamakersval	R180,000
Repair and paint Old Mill Sport	R146,970
Palisade fence at Lollipop and Stone guards at Happy Toddlers	R165,964
External paint and repairs at Mbekweni at Fitness Centre (erf 589)	R53,149
External paint and replace ceiling at Lukhanyo (erf 1750) Mbekweni	R44,787
Shade netting at cooling towers Civic Centre	R39,120
Replace ceiling at Sibuyile Mbekweni	R18,900
Roof to Old Police Station Paarl East	R78,913
Further palisade fence at Civic Centre	R47,940
Beta fence Wellington Museum	R120,000
Stoep at erf 5810 Coode Street, Wellington	R25,000
Lukhanyo Centre Improvements – Ward 6 Mbekweni	R13,000
Replacement water tanks at Civic Centre	R100,000
External painting and repairs Shanoor Bldg. Paarl East	R84,956
Steel shelving and Civic Centre	R7,908

Table 135: Capital and Maintenance Projects

**Cell phone administration:**

Administered cell phone accounts for 191 users.



Property Policy Objectives taken from IDP				
Strategic Objective (SO): Institutional Transformation (Municipal KPA)				
Municipal Key Focus Area (KFA): Facilities				
Ref. no.	Name of Key Performance Indicator (KPI)	Unit of Measurement	Annual Target 2015/2016	Actual 2015/2016
TL36	Annual Assessment of Community Facility/ Building Maintenance needs	Number of documented maintenance plans for facilities submitted to the Municipal Manager by 30 March	1	1

Table 136: Property Policy Objectives taken from IDP

Employees: Property					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0-3	13	13	12	1	8.5
4-6	5	6	4	2	33
7-9	3	4	3	1	25
10-12	1	1	1	0	0
13-15	1	1	1	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
<b>Total</b>	<b>23</b>	<b>25</b>	<b>21</b>	<b>4</b>	<b>14.22</b>

Table 137: Employees – Property

## LEGAL SERVICES

Legal Services within the Municipality supports the Council and administration with legal advice and support. The organisational structure provides for the strengthening of the Legal Service Unit. The posts of the legal advisers and Manager legal services were graded and advertised and legal adviser was appointed. The other two positions remain vacant for the current year. The administrative support of the section is currently performed by one permanent staff member. During this period external legal service providers who provide a wide spectrum of legal services such as representation in litigation, legal opinions, contracts and agreements were also used.

Employees: Legal Services					
Job Level	2014/2015	2015/2016			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0-3	0	0	0	0	0
4-6	1	0	0	0	0
7-9	0	1	1	0	100
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	1	3	1	2	33
19-20	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>50</b>

Table 138: Employees – Legal Services

<b>Employees: Risk Management (Internal Audit)</b>					
<b>Job Level</b>	<b>2014/2015</b>	<b>2015/2016</b>			
	<b>No. of Employees</b>	<b>No. of Posts</b>	<b>No. of Employees</b>	<b>No. of Vacancies (full-time equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
0-3 (T18 – T20)	1	1	1	0	0
4-6 (T15- 17)	-	-	-	-	-
7-9 (T12 – 14)	0	1	0	1	100
10-12 (T9 – 11)	0	1	0	1	100
13-15 (T6 – 8)	-	-	-	-	-
16-18 (T3 – 5)	-	-	-	-	-
19-20 (T1 & 2)	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>66.66</b>

*Table 139: Employees: Risk Management (Internal Audit)*

<b>Employees: Procurement Services</b>					
<b>Job Level</b>	<b>2014/2015</b>	<b>2015/2016</b>			
	<b>No. of Employees</b>	<b>No. of Posts</b>	<b>No. of Employees</b>	<b>No. of Vacancies (full-time equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
0-3	2	5	3	2	40
4-6	16	26	22	4	15
7-9	5	6	5	1	16.67
10-12	1	2	1	1	50
13-15	3	3	3	0	00
16-18	1	1	1	0	0
19-20	0	0	0	0	0
<b>Total</b>	<b>28</b>	<b>43</b>	<b>35</b>	<b>8</b>	<b>18.60</b>

*Table 140: Employees: Procurement Services*

<b>Financial Performance 2015/2016: Property, Legal, Risk Management and Procurement Services</b>					
<b>R</b>					
<b>Details</b>	<b>2014/2015</b>	<b>2015/2016</b>			
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>	<b>Actual</b>	<b>% Variance to Adjustments Budget</b>
Total Operational Revenue (excluding tariffs)	(63,689,913,00)	(3,108,534,00)	(3,131,595,00)	(3,292,467,20)	5,14%
<b>Expenditure:</b>					
Employees	23,193,896,00	5,741,152	6,856,485	6,795,931,86	-0,88%
Impairment losses on financial assets	0	0	0	0	0%
Interest Paid	0	0	0	0	0%
Contracted Services	646,763	1,859,211	3,655,854	3,516,013,55	-3,83%
Depreciation & Provisions	242,038,00	8 418 600,00	37 738 600,00	11,986,427,48	-68,24%
Inventory	0	217,414	441,027	437,093,47	-0,89%
Operational Cost	46,685,159	4,084,229	5,540,911	2,979,716,42	-46,22%
Total Operational Expenditure	70,767,856	20,320,606	54,232 877	25,715 ,82,78	-52,58%
Net Operational (Service) Expenditure	7,077,943	17,212,072	51,101 282	22,422,715,58	-56,12%

*\*Note: Financial information is not broken down into these groups with implementation of new cost centers.*

*Table 141: Financial Performance 2015/2016 – Property, Legal, Risk Management and Procurement Services*

<b>Capital Expenditure 2015/2016: Property</b>					
<b>R</b>					
<b>Capital Projects</b>	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>% Variance to Adjustments Budget</b>	<b>Total Project Value</b>
<b>Total all</b>	<b>9,475,000</b>	<b>9,225,826</b>	<b>9,123,090</b>	<b>1.11%</b>	<b>9,225,826</b>
<i>Major projects</i>					
Office alterations all floors	0	479,373	479,373	0%	479,373
Office building: Upgrading Civic Centre	4,950,000	8,231,779	8,231,779	0%	8,231,779
Extension to Market Street Building	150,000	400,000	400,000	0%	400,000

*Table 142: Capital Expenditure 2015/2016 – Property*

#### **COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL**

The Property Services Section continually strives to improve property management practices. During the year improvements in operational systems were implemented to enhance efficiency and service delivery by this unit, comprising of: -

- Lease and sale of properties – new measures were introduced which require that all applications for the lease and sale of municipal property must be tabled to Council within three months from application.
- Staff capacity. The staff capacity was assessed and reviewed and an amendment to the Organisational Structure was approved to make provision for additional capacity.
- Clearance certificates – new procedures were adopted and implemented to ensure quick turnaround time for issuing of clearance certificates.
- Registration of title deeds – staff and service providers (attorneys) appointed and administrative arrangements made to speed up registration of transfers in housing projects.

Various maintenance and capital projects as per Table 135 were completed during the year. Other capital projects included:

- Continuation with the upgrading of the air-conditioning system in the Civic Centre.
- Office alterations on the second and Ground Floor of the Civic Centre were completed.
- Upgrade of the electrical cabling on the Ground Floor was completed.
- Planning was completed for the installation of a fire detection system in the Civic Centre.

#### **COMMENT ON THE PERFORMANCE OF LEGAL SERVICES OVERALL**

The Legal Services Section of the Municipality plays a supporting role in protecting the Municipality from legal action by way of internal and external legal support services. Legal action is also instituted by the Municipality, where necessary, to enforce municipal legislation and contractual obligations.

The Municipality is using the services of an external service provider to assist the Municipality in administering its own legislation through the development and promulgation of new legislation as well as the review of existing legislation. The Municipal Code encompasses all of the Municipality's own legislation as well as policies and are constantly updated and reviewed.

The position of one of the two Legal Advisors has been filled. External legal service providers who provide a wide spectrum of legal services such as representation in litigation, legal opinions, contracts and agreements are also used and in this way it was ensured that the required performance was maintained by duly protecting the interests of the Municipality.

**Chapter 1: Mayor's Foreword and Executive Summary**

**Chapter 2: Governance**

**Chapter 3: Service Delivery Performance (Performance Report)**

**Chapter 4: Organisational Development Performance**

**Chapter 5: Financial Performance**

**Chapter 6: Auditor-General Audit Findings**

**Glossary**

**Appendices**

**CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE**

- Component A: Introduction to the Municipal Personnel
- Component B: Managing the Municipal Workforce
- Component C: Capacitating the Municipal Workforce
- Component D: Managing the Workforce Expenditure

## INTRODUCTION

The organisational development function falls under the Human Resource Section. Its main objectives are to manage organisational design and business modelling, coordinate culture and change management, administer job descriptions, job evaluation system management, and to develop and maintain an effective employee performance appraisal system and awards process. Its focus is also the development of employees to ensure that Drakenstein Municipality has a skilled workforce.

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees			
	2014/2015	2015/2016		
	No. of Employees	No. of Approved Posts	No. of Employees	No. of Vacancies
Water	80	155	80	75
Wastewater (Sanitation)	113	186	107	79
Electricity	135	233	137	96
Waste Management	164	237	163	74
Housing	97	105	79	26
Wastewater (Stormwater Drainage)	54	86	54	32
Roads	98	164	89	75
Transport	25	40	23	17
Planning	44	78	44	34
Local Economic Development	7	8	7	1
Planning (Strategic and Regulatory)	0	0	0	0
Community and Social Services	98	139	95	44
Environmental Protection	3	6	4	2
Health	0	0	0	0
Security and Safety	181	326	175	151
Sport and Recreation	301	477	281	196
Corporate Policy Offices and other	298	482	330	152
<b>Totals</b>	<b>1,698</b>	<b>2,722</b>	<b>1,668</b>	<b>1,054</b>

Table 143: Total number of employees

<b>Vacancy Rate 2015/2016</b>			
<b>Designations</b>	<b>*Total no. of approved posts</b>	<b>*Variances (total time that vacancies exist using full-time equivalents)</b>	<b>*Variances (as a proportion of total posts in each category) %</b>
Municipal Manager	1	1	100
CFO	1	0	0
Other S57 Managers (excluding Finance posts)	4	0	0
Other S57 Managers (Finance posts)	0	0	0
Municipal Police	0	0	0
Firefighters	110	43	39%
Senior Management: Levels 13-15 (excluding Finance posts)	52	9	17%
Senior Management: Levels 13-15 (Finance posts)	9	0	0
Highly skilled supervision: levels 9-12 (excluding Finance posts)	158	78	49%
Highly skilled supervision: levels 9-12 (Finance posts)	11	10	91%
<b>Total</b>	<b>340</b>	<b>140</b>	<b>41%</b>
<i>Note: These figures are based on the holding structure.</i>			

Table 144: Vacancy Rate 2015/2016

<b>Turnover Rate</b>			
<b>Details</b>	<b>Total no. of appointments as at beginning of financial year</b>	<b>No. of terminations during the financial year</b>	<b>Turnover Rate*</b>
2013/2014	1,717	146	8%
2014/2015	1,711	137	8%
2015/2016	1,711	98	6%
<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>			

Table 145: Turnover Rate

## COMMENT ON VACANCIES AND TURNOVER

The Municipality has been fortunate to attract highly skilled senior managers and a Municipal Manager to head the organisation. The Municipal Manager resigned in December 2015 to take up employment as an acting City Manager in the Nelson Mandela Bay Metro Municipality. The post of MM was only advertised after 2015/2016. Due to the Local Government Elections in 2016, the Municipality is now currently actively recruiting employees to fill other critical vacancies and to populate the new structure with suitably qualified employees in the posts on the new organogram. The Municipality mainly loses employees to other municipalities where they are offered higher positions at higher salaries due to the experience they have gained at a large municipality like Drakenstein.



Due to the regulatory environment affecting salary structures, paying higher salaries than the standardised evaluated salary is not easily achieved. Paying scarce skills allowances is also not the answer as the determination on what a scarce skill is and when the scarcity ends, has its own challenges. The turnover rate of 6% is within the norm. A high number of employees are reaching retirement age with long years of service and choosing to leave formal employment for retirement.

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

The Municipality has been fortunate to attract highly skilled senior managers and a Municipal Manager to head the organisation; it is currently actively recruiting employees to fill other critical vacancies and to populate the new structure with suitably qualified employees in the posts on the new organogram. The Municipality mainly loses employees to other municipalities where they are offered higher positions at higher salaries due to the experience they have gained at a large municipality like Drakenstein. Due to the regulatory environment affecting salary structures, paying higher salaries than the standardised evaluated salary is not easily achieved. Paying scarce skills allowances is also not the answer as the determination on what a scarce skill is and when the scarcity ends, has its own challenges. The turnover rate of 6% for the 2015/16 financial year is within the norm. A high number of employees are reaching retirement age with long years of service and choosing to leave formal employment for retirement.

### 4.2 POLICIES

HR Policies and Plans				
	Name of policy	Completed	Reviewed	Date adopted by Council or comment on failure to adopt
1	Education and Training Policy	27/11/2008	Under review	27/11/2008
2	Performance Management Policy Framework	30/08/2007	Reviewed	21/05/2014
4	Recruitment, Selection and Appointments Policy	27/11/2008	Reviewed	21/05/2014
5	Sexual Harassment Policy	25/10/2007	Under review	25/10/2007
6	Smoking Policy	30/07/2002	Under review	30/07/2002
7	Rehabilitation/Alcohol Policy	28/09/2006	Under review	28/09/2006
8	HIV/AIDS policy	30/11/2004	Under review	30/11/2004
9	Placement Policy	30/12/2012	Used for placements if and when necessary where changes are made to the structure	13/12/2012
10	Appointment of Temporary Staff Policy	20/09/2013	Under review	20/09/2013
11	Private Work Policy	13/12/2012	Will be reviewed as and when necessary	13/12/2012

HR Policies and Plans				
Name of policy		Completed	Reviewed	Date adopted by Council or comment on failure to adopt
12	Accelerated Promotion Policy	20/06/2012	Policy by agreement with trade unions abolished	20/06/2012
13	Overtime Policy	30/05/2012	Under review	24/05/2013

Table 146: HR Policies and Plans

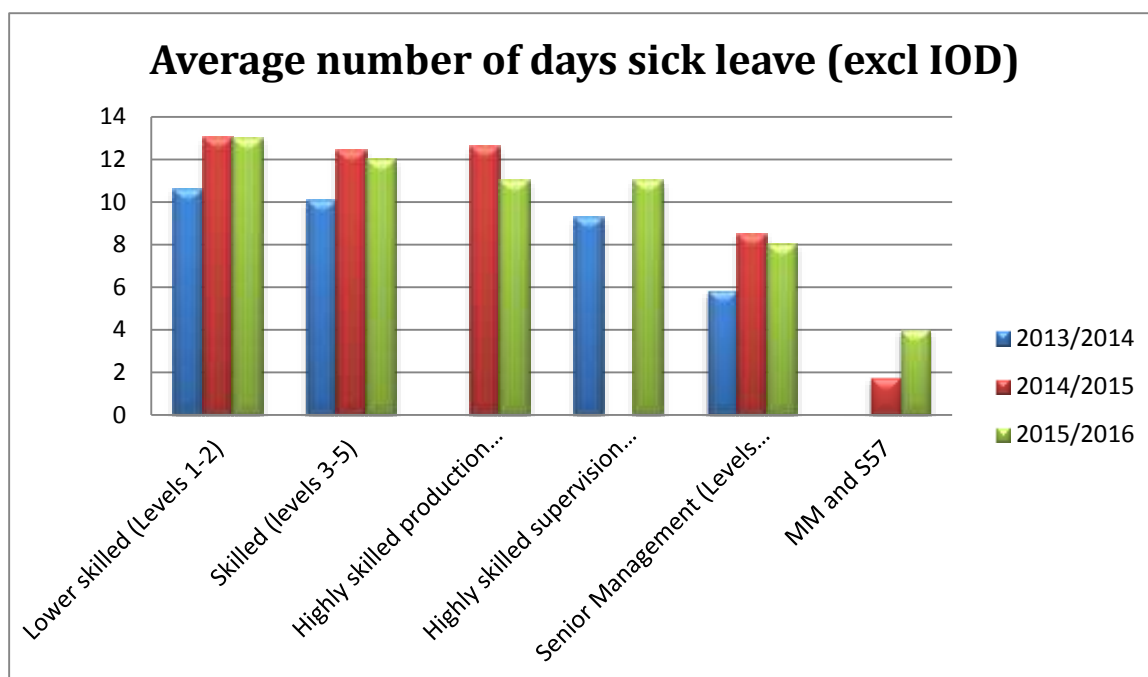
#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and cost of injuries on duty					
Type of injury	No. of days taken for injury leave	No. of employees using injury leave	Proportion employees using sick leave (%)	Average injury – Leave days per employee	Total estimated cost R
Required basic medical attention only	293	109	65.27%	2.68	118,399
Temporary total disablement	1,035	58	34.73%	17.84	448,848
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
<b>Total</b>	<b>1,328</b>	<b>167</b>	<b>100%</b>		<b>567,248</b>

Table 147: Number and cost of injuries on duty

Number of days and cost of sick leave (excluding injuries on duty)					
Designations	Total no. of sick leave	Proportion of sick leave without medical certification %	No. of employees using sick leave	Total no. of employees in post*	*Average days sick leave per employee
Lower skilled (levels 1- 2)	7,645	33	552	577	13
Skilled (levels 3-5)	8,629	29	674	733	12
Highly skilled production (Levels 6-8)	2,552	22	206	228	11
Highly skilled supervision (Levels 9-12)	814	20	72	74	11
Senior Management (levels 13 – 15)	417	20	41	51	8
MM and S57/6	21	14	2	5	4
<b>Total</b>	<b>20,078</b>		<b>1,547</b>	<b>1,668</b>	

Table 148: Number of days and cost of sick leave (excluding injuries on duty)



Graph 14: Average number of days sick leave

No deaths or major injuries at work were experienced in the reporting period. The Health and Safety Officer and line management are encouraged to continuously increase awareness amongst employees in order to minimise the occurrence of injuries. Accredited training in respect of Occupational Health and Safety is implemented annually for health and safety representatives and employees. This assists in increasing awareness and reduces health and safety accidents. Personnel records of the number of sick leave instances are recorded and kept in the HR/payroll system. Health and safety kits are continuously provided to ensure that first aid is applied in the case of an incident occurring.

Number and period of suspensions				
Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalised	Date finalised
General Worker X 3	Theft/attempted theft	11 Aug 2015	Found not guilty	10 Nov 2015
Electrician Apprentice	Unruly behaviour	1 Sep 2015	Services terminated	25 Nov 2015
General Worker	Theft/attempted theft	20 Oct 2015	Resigned prior to hearing	25 Jan 2016
General Worker	Theft/attempted theft	20 Oct 2015	Resigned prior to hearing	15 Feb 2016
Hall Caretaker	Dishonesty	19 Nov 2015	Hearing started 3 Feb 2016	Still in process
Building Control Officer	Bribery	11 Dec 2015	Resigned prior to hearing	25 Jan 2016
Clerk	Dishonesty	11 Jan 2016	Resigned prior to hearing	3 Feb 2016
General Worker X 2	Theft/attempted theft	3 Feb 2016	Plea agreement : Written Warning	25 Jul 2016
Clerk	Dishonesty	8 Feb 2016	Resigned prior to hearing	9 Feb 2016

Number and period of suspensions				
Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalised	Date finalised
General Workers X 4	Theft/attempted theft	11 Feb 2016	Suspension cancelled – witness withdrew (not sufficient evidence to proof case)	9 May 2016
Team Leader	Theft/attempted theft	11 Feb 2016	Suspension cancelled – witness withdrew (not sufficient evidence to proof case)	9 May 2016
Foreman	Dishonesty	9 May 2016	Hearing started 25 Aug 2016	Still in process

Table 149: Number and period of suspension

#### 4.4 PERFORMANCE REWARDS

Performance Rewards by Gender					
Designations	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2015/2016 R	Proportion of beneficiaries within group %
Lower skilled (Levels 1 – 2)	Female	N/A	N/A		N/A
	Male	N/A	N/A		N/A
Skilled (Levels 3 – 5)	Female	N/A	N/A		N/A
	Male	N/A	N/A		N/A
Highly skilled production (level 6 – 8)	Female	N/A	N/A		N/A
	Male	N/A	N/A		N/A
Highly skilled supervision (levels 9 – 12)	Female	N/A	N/A		N/A
	Male	N/A	N/A		N/A
Senior Management (Levels 13 – 15)	Female	N/A	N/A		N/A
	Male	N/A	N/A		N/A
MM and S57	Female	1	0		0
	Male	3	0		N/A
<b>Total</b>		<b>4</b>	<b>4</b>		<b>0</b>
Has the statutory municipal calculator been used as part of the evaluation process?					Yes

Table 150: Performance Rewards by Gender

#### Performance Rewards

Performance bonuses will be paid to S57 Managers for the 2015/2016 financial year, as resolved by Council. The contracts of the Municipal Manager and S57 Managers have been amended as such that they are eligible for performance bonuses. The Municipal Manager and Executive Managers enter into performance contracts on an annual basis and their performance is monitored and reported on as required. Their contracts were amended for 2014/2015 and they will be eligible for performance bonuses for the year 2015/2016 as soon as the process is concluded. The performance evaluation of the Sections 56 and 57 for the financial year has already been concluded.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Implementation of the 2015/2016 Workplace Skills Plan, as approved by the skills development stakeholders, was a great success. Some of the critical projects such as the Municipal Finance Management Programme, National Certificate Civil Construction, Plumbing Learnership programmes, Electrical Apprenticeship and Road Construction Works NQF 2 and NQF4 Learnerships will continue in the 2016/2017 financial year.

The Municipality budgeted and granted an amount of **R 85,876** for sixteen (16) internal employees towards bursaries. Study fields included Human Resources, Town and Regional Planning, Engineering, Electrical Engineering, Disaster Management and Artisan Development. Eighteen bursary holders are active with studies through the bursary process.

### End of financial year status 2015/2016

Vote Number	Project	Initial Budget	Actual Expenditure	Reasons for balance
200115505000	Internal Bursaries	R 85,876	R 85,875.18 (99%)	Excess funds went for savings

*Table 151: Internal bursary fund*

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2016	Number of skilled employees required and actual as at 30 June 2016											
			Learnerships			Skills programmes and other short courses			Other forms of training			Total		
		No.	Actual 30 June 2015	Actual 30 June 2016	Target	Actual 30 June 2015	Actual 30 June 2016	Target	Actual 30 June 2015	Actual 30 June 2016	Target	Actual 30 June 2015	Actual 30 June 2016	Target
MM and S57	Female	-	-	-	-	-	-	-	-	-	-	-	-	-
	Male	1	-	1	1	-	-	-	-	-	-	1	1	1
Councillors, Senior Officials and Managers	Female	34	-	25	25	9	9	9	-	-	-	34	34	34
	Male	37	-	20	20	9	9	9	8	8	8	37	37	37
Technicians and Associate Professionals	Female	32	-	20	20	7	7	7	5	5	5	32	32	32
	Male	150	-	76	76	74	74	74	-	-	-	150	150	150
Professionals	Female	9	-	4	4	5	5	5	-	-	-	9	9	9
	Male	23	-	15	15	8	8	8	-	-	-	23	23	23
Sub-total	Female	75	-	49	49	21	21	21	5	5	5	75	75	75
	Male	211	-	112	112	91	91	91	8	8	8	211	211	211
<b>Total</b>		<b>286</b>	<b>-</b>	<b>161</b>	<b>161</b>	<b>112</b>	<b>112</b>	<b>112</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>286</b>	<b>286</b>	<b>286</b>

Table 152: Skills Matrix

Financial Competency Development: Progress Report						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
Accounting Officer	0	0	0	0	0	0
Chief Financial Officer	1	0	1	1	1	1
Senior Managers	4	0	4	4	4	4
Any other financial officials	55	0	55	0	47	14
<b>Supply Chain Management Officials</b>						
Heads of Supply Chain Management Units	1	0	1	0	1	1
Supply Chain Management Senior Managers	2	0	2	0	2	1
<b>Total</b>	<b>63</b>	<b>0</b>	<b>63</b>	<b>5</b>	<b>55</b>	<b>21</b>
<i>*This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)</i>						

Table 153: Financial Competency Development – Progress Report

Skills Development Expenditure											R
Management Level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2015/2016								
			Learnerships		Skills Programmes and 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	0	-	-	-	-	-	-	-	-	
	Male	1	39,500	39,500	-	-	-	-	39,500	39,500	
Legislators, Senior Officials and Managers	Female	34	270,000	270,000	-	-	-	-	270,000	270,000	
	Male	37	517,500	517,500	-	-	-	-	517,500	517,500	
Professionals	Female	9	67,500	67,500	-	-	-	-	67,500	67,500	
	Male	23	292,500	292,500	-	-	-	-	292,500	292,500	
Technicians and Associate Professionals	Female	32	55,000	55,000	-	-	-	-	55,000	55,000	
	Male	150	468,063	468,063	-	-	-	-	468,063	468,063	
Clerks	Female	60	-	-	85,000	85,000	-	-	85,000	85,000	
	Male	26	-	-	37,000	37,000	-	-	37,000	37,000	
Service and Sales Workers	Female	21	-	-	52,500	52,500	-	-	52,500	52,500	
	Male	19	-	-	47,500	47,500	-	-	47,500	47,500	
Plant and machine operators and assemblers	Female	5	-	-	7,500	7,500	-	-	7,500	7,500	
	Male	35	-	-	82,080	82,080	-	-	82,080	82,080	
Elementary occupations	Female	35	-	-	121,432	121,432	-	-	121,432	121,432	
	Male	124	586,280	586,280	-	-	-	-	586,280	586,280	
Sub-total	Female	196	392,500	392,500	266,432	266,432	-	-	658,932	658,932	
	Male	415	1,903,843	1,903,843	166,580	166,580	-	-	2,070,423	2,070,423	
Total		611	R2,296,343	R2,296,343	R433,012	R433,012	R	R	R2,729,355	R 2,729,355	
Note: Total budget amount is R 3,023,870 translates into 90% actual budget expenditure of R2,729,355 (original Council training budget vote : R 1,322,220 + R 1,407,135 additional ) allocated for the Workplace Skills Plan (2015/2016)											

Table 154: Skills Development Expenditure



Council budgeted an amount of R 1,500,000 and spent 88% of the amount (actual R 1,322,220) on the implementation of the approved Workplace Skills Plan (2015/2016). Additional amounts detailed below were budgeted and spent on various projects resulting to an overall expenditure amount of **R 2,729,355** on all skills development interventions for the financial year 2015/2016.

**Additional Skills Development Expenditure includes:**

<b>Project</b>	<b>Initial Budget</b>	<b>Actual Expenditure</b>
Internal Employee Bursaries	R 85 876	R 85,875
External /Mayoral Bursaries	R 302,000	R 188,266
Vacation Work	R 183,444	R 183,444
Student/ Work Integrated Learning	R 286,793	R 283,793
Municipal Finance Management Programme/ Electrical Apprenticeship (LGSETA MANDATORY GRANTS VOTE)	R 665,757	R 665,757
	<b>R 1,523,870</b>	<b>R 1,407,135</b>

*Table 155: Additional Skills Development Expenditure*

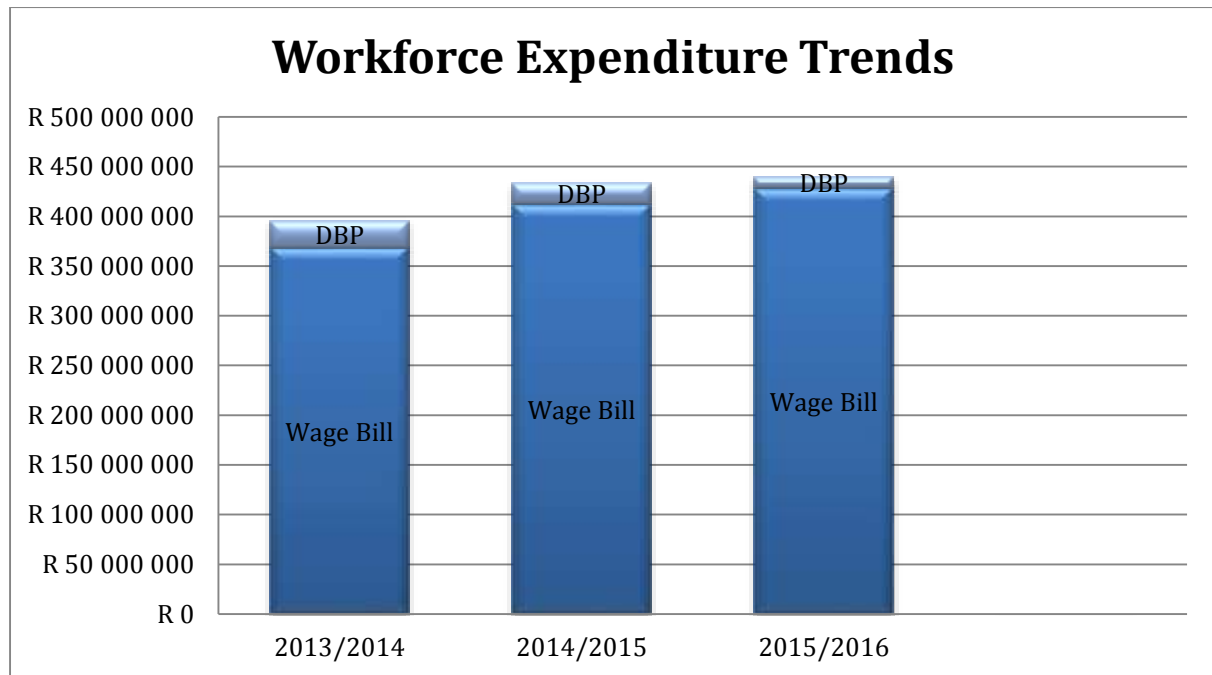
National Treasury successfully identified Drakenstein Municipality as a Special Merit Case for legislative implementation of Municipal Finance Minimum Competencies. The Municipality has concluded implementing an in-house programme for the final prioritised target using Stellenbosch School of Public Leadership during 2015/2016. The target group currently await final LGSETA moderated and endorsed results.

## **COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE**

### **INTRODUCTION TO WORKFORCE EXPENDITURE**

Municipalities are required to carry out quality services in an effective, efficient and financially sound manner by supporting the principles of ensuring cost-effective and affordable service delivery. Accountability and transparency are, therefore, important when managing workforce expenditure. To be effective, it is important to ensure that the Municipality plans properly. A Capital Expenditure Plan was introduced for this purpose to ensure the spending on projects is completed by setting timeframes for all the processes leading up to the successful completion of the projects. To ensure that the Municipality adheres to legislation, only approved and budgeted posts on the structure are advertised. All positions are advertised on the Municipality's website and in the local media. This also applies to bursaries. Advertising in other media is based on the target market for the post. This saves on advertising costs and in the electronic age gives easy and quick access to applicants. Drakenstein strives to appoint employees who share the vision of "A Place of Excellence" and who will add value to the organisation. The training and development of internal staff is aimed at ensuring that they are able to perform their duties better.

#### 4.5 EMPLOYEE EXPENDITURE



*Graph 15: Workforce Expenditure Trends*

#### COMMENT ON WORKFORCE EXPENDITURE

Drakenstein's workforce expenditure of R 428,697,279 accounted for 25.1% of the total operating budget expenditure of R 1,705,529,476 for the 2015/2016 financial year. This included R 10,977,351 for provisions for defined benefit plan (DBP) expenses as required by the SA Standards of GRAP, after taking into account R 8,406,873 worth of actuarial gains for post-employment healthcare benefits. The workforce expenditure of R 412,476,034 accounted for 25.6% of the total operating budget expenditure of R 1,613,474,953 for the 2014/2015 financial year. This included R 20,901,358 for provisions for defined benefit plan (DBP) expenses as required by the SA Standards of GRAP, after taking into account R 4,124,348 worth of actuarial losses for post-employment healthcare benefits. The workforce expenditure of R 368,388,765 accounted for 24.1% of the total operating budget expenditure of R 1,530,761,371 for the 2013/2014 financial year. This included R 26,831,623 for provisions for defined benefit plan (DBP) expenses as required by the SA Standards of GRAP, after taking into account R 11,998,993 worth of actuarial losses for long-service awards. It is clear from the above that the total workforce expenditure as a percentage of the total operating budget have fluctuated over the last three financial years from 24.1% to 25.6% to 25.1%. This % is well within the limits and will steadily rise as evaluations are implemented and posts filled.

Number of employees whose salaries were increased due to their TASK levels being audited		
Post Description	Gender	Aggregate of change in yearly earnings
Typist/Clerk	F	R727
Manager: Risk Management	M	R184,600

Table 156: Number of employees whose salaries were increased due to their positions being upgraded

Employees whose salary levels exceed the grade determined by job evaluation				
Occupation	Number of employees	Job evaluation level	Yearly equivalent of basic salary above the highest notch of TASK level	Reason for deviation
1. Actuals: Unskilled and defined decision-making	36	T1-T3	6,721.09	Employees were previously on the Van der Merwe salary scale and with the implementation of TASK these individuals already earned more than the highest notch of the TASK grade. These employees will be held personal to incumbent.
2. Actuals: Semi-skilled and discretionary decision-making	228	T4-T8	29,948.07	
3. Actuals: Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	82	T9-T13	44,063.16	
4. Actuals: Professionally qualified and experienced specialists and mid-management	1	T14-T18	10,160.45	

Table 157: Employees whose salary levels exceed the grade determined by job evaluation

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. of appointments	Reason for appointment when no established post exists
No appointments were made to posts not approved on the structure				

Table 158: Employees appointed to posts not approved

## **DISCLOSURES OF FINANCIAL INTERESTS**

Disclosures have been made by officials and Councillors concerning their financial interests, as required by Municipal Performance Regulations 805 of 2006 and are set out in Appendix I. No transgressions due to financial interests occurred.

**Chapter 1: Mayor's Foreword and Executive Summary**

**Chapter 2: Governance**

**Chapter 3: Service Delivery Performance (Performance Report)**

**Chapter 4: Organisational Development Performance**

**Chapter 5: Financial Performance**

**Chapter 6: Auditor-General Audit Findings**

**Glossary**

**Appendices**

## **CHAPTER 5: FINANCIAL PERFORMANCE**

- Component A: Statements of Financial Performance
- Component B: Spending against Capital Budget
- Component C: Cash Flow Management and Investments
- Component D: Other Financial matters

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

The following sections provide an overview of the financial results of the Municipality for the year under review per economic classification compared to the prior year audited results, the Original and Final Adjustments Budget.

Note: Statements of Revenue Collection Performance by vote and by source are included in **Appendix J**.

Financial Summary						
R'000						
Description	2014/2015	Current Year 2015/2016			2015/2016 % Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Property rates	193,848	210,544	211,718	209,584	0.46%	1.01%
Service charges	1,071,315	1,274,812	1,249,191	1,172,244	8.05%	6.16%
Investment revenue	27,481	21,931	24,968	30,414	-38.68%	-21.81%
Transfers recognised – operational	121,823	182,871	205,721	120,921	33.88%	41.22%
Other own revenue	95,916	137,868	120,778	112,773	18.20%	6.63%
Total Revenue (excluding capital transfers and contributions)	1,510,382	1,828,026	1,800,337	1,645,936	9.96%	8.58%
Employee costs	412,976	441,004	435,716	428,697	2.79%	1.61%
Remuneration of Councillors	19,976	21,346	21,346	21,054	1.37%	1.37%
Depreciation	163,831	178,721	176,721	172,943	3.23%	2.14%
Finance charges	61,025	69,128	78,968	76,580	-10.78%	3.02%
Materials and bulk purchases	543,065	615,904	592,627	626,597	-1.74%	-5.73%
Transfers and grants	4,223	695	493	4,868	-600.43%	-887.42%
Other expenditure	409,619	581,068	598,497	355,449	38.83%	40.61%
Total expenditure	1,614,715	1,907,865	1,904,367	1,686,188	11.62%	11.46%
Surplus (Deficit)	(104,333)	(79,839)	(104,031)	(40,252)	49.58%	61.31%
Transfers recognised – capital	73,598	51,307	74,333	83,749	-63.23%	-12.67%
Contributions recognised – capital and contributed assets	0	0	0	0	%	%
<b>Surplus (Deficit) after capital transfers and contributions</b>	<b>(30,735)</b>	<b>(28,533)</b>	<b>(29,698)</b>	<b>43,496</b>	<b>252.44%</b>	<b>246.46%</b>

<b>Financial Summary</b>						
<b>R'000</b>						
<b>Description</b>	<b>2014/2015</b>	<b>Current Year 2015/2016</b>			<b>2015/2016 % Variance</b>	
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>
Share of surplus/(deficit) of associate	0	0	0	0	0%	0%
Surplus (Deficit) for the year	(30,735)	(28,533)	(29,698)	43,496	252.44%	246.46%
<b>Capital expenditure and fund sources</b>						
<b>Capital expenditure</b>	<b>215,404</b>	<b>375,837</b>	<b>321,066</b>	<b>317,052</b>	<b>15.64%</b>	<b>1.25%</b>
Transfers recognised – capital	64,886	51,307	74,404	73,796	-43.84%	0.82%
Public contributions and donations	0	0	0	0	0%	0%
Borrowing	132,020	294,531	228,078	226,358	23.15%	0.75%
Internally generated funds	18,498	30,000	18,584	16,898	43.67%	9.07%
<b>Total sources of capital funds</b>	<b>215,404</b>	<b>375,837</b>	<b>321,066</b>	<b>317,052</b>	<b>15.64%</b>	<b>1.25%</b>
<b>Financial position</b>						
Total current assets	537,665	541,329	734,113	632,329	-16.81%	13.86%
Total non-current assets	4,524,050	4,815,306	4,756,927	4,691,103	2.58%	1.38%
Total current liabilities	492,017	392,938	392,938	496,216	-26.28%	-26.28%
Total non-current liabilities	839,552	1,066,784	1,066,784	1,050,502	1.53%	1.53%
Community wealth/ Equity	3,730,146	3,897,313	4,031,718	3,776,714	3.09%	6.32%
<b>Cash flows</b>						
Net cash from (used) operating	202,332	246,562	254,078	222,659	9.69%	12.37%
Net cash from (used) investing	(217,706)	(364,023)	(309,251)	(324,922)	10.74%	-5.07%
Net cash from (used) financing	92 066	162,048	162,048	167,442	-3.33%	-3.33%
<b>Cash/cash equivalents at the year end</b>	<b>76,693</b>	<b>44,588</b>	<b>106,875</b>	<b>65,179</b>	<b>-46.18%</b>	<b>39.01%</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	<b>259,526</b>	<b>168,752</b>	<b>361,536</b>	<b>324,705</b>	<b>-92.42%</b>	<b>10.19%</b>
Application of cash and investments	(109,633)	(217,742)	(243,429)	(243,429)	-11.80%	0%
<b>Balance – surplus (shortfall)</b>	<b>149,893</b>	<b>(48,990)</b>	<b>118,107</b>	<b>81,276</b>	<b>265.90%</b>	<b>31.18%</b>
<b>Asset Management</b>						
Asset register summary (WDV)	5,161,964	4,813,860	4,755,480	4,687,918	2.62%	1.42%

Financial Summary						
R'000						
Description	2014/2015	Current Year 2015/2016			2015/2016 % Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Depreciation and asset impairment	163,831	178,721	178,721	172,923	3.24%	3.24%
Renewal of existing assets		143,094	120,741		100%	100%
Repairs and maintenance	72,374	67,091	169,030	174,897	-160.69%	-3.47%

Table 159: Financial Summary



<b>Financial Performance of Operational Services</b>						
<b>R'000</b>						
<b>Description</b>	<b>2014/2015</b>	<b>Current Year 2015/2016</b>			<b>2015/2016 % Variance</b>	
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>
<b>Operating Cost</b>						
Water	102,701	123,017	128,698	123,780	100.6%	96.2%
Wastewater (Sanitation)	87,543	115,596	120,245	117,455	101.6%	97.7%
Electricity	668,605	785,271	809,572	806,416	102.7%	99.6%
Waste Management	129,221	123,736	139,652	124,134	100.3%	88.9%
<b>Component A: sub-total</b>	<b>858,849</b>	<b>1,147,620</b>	<b>1,198,167</b>	<b>1,171,785</b>	<b>102.1%</b>	<b>98.8%</b>
Roads	89,014	111,930	110,344	106,938	95.5%	96.8%
Planning	33,327	41,761	36,162	34,187	81.9%	94.5%
Environmental Protection	0	0	6,643	6,066	0%	91.3%
<b>Component B: sub-total</b>	<b>122,341</b>	<b>153,691</b>	<b>153,149</b>	<b>147,091</b>	<b>95.7%</b>	<b>96.0%</b>
Community and Social Services	71,007	26,690	29,996	28,684	107.5%	95.6%
Sports and Recreation	58,091	70,501	59,569	56,037	79.5%	94.1%
Security and Safety	7,078	116,735	98,874	96,515	82.7%	97.6%
Housing	118,341	122,239	143,815	109,456	89.5%	76.1%
Health	5,084	6,435	0	0	0	0
<b>Component C: sub-total</b>	<b>259,601</b>	<b>342,600</b>	<b>332,254</b>	<b>290,692</b>	<b>84.8%</b>	<b>87.5%</b>
Corporate Policy Offices and Other	395,073	263,954	220,798	202,506	76.7%	91.7%
<b>Component D: sub-total</b>	<b>395,073</b>	<b>263,954</b>	<b>220,798</b>	<b>202,506</b>	<b>76.7%</b>	<b>91.7%</b>
<b>Total Expenditure</b>	<b>1,635,864</b>	<b>1,907,865</b>	<b>1,901,368</b>	<b>1,812,073</b>	<b>95.0%</b>	<b>95.2%</b>

Table 160: Financial Performance of Operational Services

#### COMMENT ON FINANCIAL PERFORMANCE

The financial performance of the organisation yielded excellent results. The actual operating revenue yielded a result of 99.0% when compared with the Final Adjustments Budget for 2015/2016. The actual operating revenue yielded a result of 96.6% when compared with the Final Adjustments Budget for 2015/2016.

The Municipality moved from an operating deficit of R 30.7 million in the 2014/2015 financial year to an operating surplus of R 43.5 million in the 2015/2016 financial year. Although moving in the right direction slowly but surely, the results still indicate that not all off-setting depreciation ('paper money') is fully cash funded.

## 5.1 GRANTS

Grant Performance						
R'000						
Description	2014/2015	2015/2016			2015/2016 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>148,769</b>	<b>145,011</b>	<b>178,231</b>	<b>168,358</b>	<b>-16.10%</b>	<b>5.54%</b>
Equitable share	85,321	96,845	96,845	96,845	0%	0%
Municipal Infrastructure Grant (MIG)		1,450	1,776	1,850	-27.59%	-4.17%
Municipal Systems Improvement	33,138	34,046	34,046	34,046	0%	0%
Department of Water Affairs	934	930	930	930	0%	0%
Electrification Grant	1,450	0	0	0	0%	0%
Regional Bulk Services Infrastructure Grant	5,192	4,000	4,508	4,515	-12.88%	-0.16%
Expanded Public Works Grant (EPWP)	20,842	6,628	39,000	29,047	-338.25%	25.52%
Other transfers/grants	1,211	1,112	1,112	1,112	0%	0%
<b>Provincial Department:</b>	<b>574</b>	<b>14</b>	<b>14</b>	<b>13</b>	<b>7.14%</b>	<b>7.14%</b>
Proclaimed Roads	<b>64,365</b>	<b>87,667</b>	<b>115,206</b>	<b>62,669</b>	<b>28.51%</b>	<b>45.60%</b>
Library Personnel	15,934	13,842	15,842	14,579	-5.32%	7.97%
Housing	150	13,417	13,417	13,383	0.25%	0.25%
Community Development Workers	48,281	57,900	75,524	28,894	50.10%	61.74%
Other transfers/grants	107	108	108	108	0%	0%
<b>Other grant providers:</b>	<b>0</b>	<b>2,400</b>	<b>10,315</b>	<b>5,705</b>	<b>-137%</b>	<b>44.69%</b>
	852	1,500	1,527	0	100%	100%
<b>Total Operating Transfers and Grants</b>	<b>852</b>	<b>1,500</b>	<b>1,527</b>	<b>0</b>	<b>100%</b>	<b>100%</b>

Table 161: Grant Performance

### COMMENT ON OPERATING TRANSFERS AND GRANTS

All grants received that did not form part of the Division of Revenue Act (DORA) allocation as gazetted, were utilised as per conditions set in the service level agreements. All grants utilised were treated in accordance to GRAP 23.

<b>Grants received from sources other than Division of Revenue Act (DORA)</b>						
<b>Details of Donor</b>	<b>Actual Grant 2014/2015</b>	<b>Actual Grant 2015/2016</b>	<b>2015/2016 Municipal Contribution</b>	<b>Date Grant terminates</b>	<b>Date Municipal contribution terminates</b>	<b>Nature of and benefit from the grant received, including description of any contributions in kind</b>
A – Municipal Infrastructure Grant	33,138	34,046	0	30/06/2016	N/A	
B – Financial Management Grant	1,450	1,776	0	30/06/2016	N/A	
C – Municipal Systems Improvement Grant	934	930	0	30/06/2016	N/A	
D – Electrification Grant	3,000	4,508	0	30/06/2016	N/A	
E – RBIG	19,428	39,000	0	30/06/2016	N/A	
F- ROADS	15,934	15,842	0	30/06/2016	N/A	
<b>Foreign Governments/Development Aid Agencies</b>						
N/A						

Table 162: Grants received from sources other than Division of Revenue Act (DORA)

## COMMENT ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES

All grants received that did not form part of the DORA allocation as gazetted, were utilised as per conditions set in the service level agreements. All grants utilised were treated in accordance with GRAP 23.

## 5.2 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

Asset management at the Municipality is guided by the Asset Management Policy which, although originally focusing largely on the financial management of assets, has been expanded to cover the full scope of asset management. The intent of all of the clauses in the previous policy has been incorporated in the new Asset Management Policy, approved by Council on 20 May 2016.

The objectives of the Asset Management Policy and of related standard operating procedures, are to assist officials in understanding their legal and managerial responsibilities with regard to assets and to ensure:

- consistent application of asset management principles;
- application of accrual accounting;
- compliance with the MFMA (including the new mSCOA), GRAP and other related legislation;
- optimisation of asset usage; and

- (e) effective and efficient safeguarding and control of assets of the Municipality, through safeguarding procedures and through the proper recording of assets from authorisation to acquisition and to subsequent disposal.

The acquisition and construction of infrastructure assets of the Municipality are planned in terms of priorities as determined in the IDP and by Council, and as per the different Infrastructure Master Plans. Information regarding Asset Register updates in respect of disposals, adjustments, review of useful life, etc. is based on submissions by user departments in accordance with the procedures in place.

The Financial Services Directorate is responsible for maintaining an asset register for all assets capitalised. Resultant from the fact that assets are managed by a large number of user departments under the control of each directorate, the need arose for a coordination committee to align the activities of all involved. The Asset Management Committee was established during June 2015, and the process of implementation of the Asset Management Policy and Asset Management Strategy, driven through this committee, commenced during the past financial period, with reporting to the Executive Management Team on 28 June 2016 regarding the activities and progress of the Committee.

A number of matters related to asset management currently impact on the Asset Management Strategy of the Municipality. The following are the most significant issues identified:

- Lack of capacity in sections responsible for management of assets and reporting of information regarding assets (including the Asset Management Section).  
In terms of the organisational structure and the higher demands and standards required regarding asset management, all relevant sections are inadequately staffed. The management of infrastructure assets is particularly challenging in that it necessitates the expertise of engineering staff with some accounting knowledge or background, a skill that is scarce. The Municipality still has to rely, to an extent, on external service providers to update and manage the infrastructure portion of the assets. Currently only four dedicated staff members are assigned to maintaining the Asset Register in the Financial Services Directorate.
- Lack of an appropriate integrated asset management system.  
Currently asset systems have either not sufficiently been linked to the GIS system, or they do not include photographic imagery, and all systems carrying asset data do not integrate automatically. The asset register sub-system on the SOLAR Management Information System is utilised to record and maintain mainly financial, and limited other technical data regarding assets and asset components. Management envisages that the limitation be addressed by implementing an Asset Management System that will provide more up-to-date spatial data and information on maintenance and renewal requirements. Ideally the system will integrate with the financial system and provide data to also maintain financial information to full adherence with GRAP

requirements and the new mSCOA. This will however be a costly and time-consuming process due to the many aspects of asset management as well as the requirements of GRAP and the new mSCOA-structure.

Treatment of the largest assets acquired 2015/2016			
Asset 1			
Name	Upgrade of Bulk Sewer: Southern Paarl		
Description	Sewerage network		
Asset type	Infrastructure		
Key staff involved	Sanitation/sewerage services personnel		
Staff responsibilities	Project management / Maintenance of sewerage networks / Asset register compilation		
Asset Value	2013/2014	2014/2015	2015/2016
	R29,700,825	R27,073,088	R25,625,020
Capital implications	External loan / Regional Bulk Infrastructure Grant Depreciation and payment of interest on loan used to fund project.		
Future purpose of asset	Eliminate possible pollution of the Berg River, make provision for future development. Open up large area for housing and business development and therefore job creation. Will alleviate the housing backlog		
Describe key issues	Vandalism of infrastructure a big obstacle		
Policies in place to manage asset	Asset Management Policy		
Asset 2			
Name	11 ML Newton Reservoir & Pump Station		
Description	Water Network		
Asset type	Infrastructure		
Key staff involved	Water services personnel		
Staff responsibilities	Project Management/ Maintenance of Water networks/ Asset Register Compilation		
Asset Value	2013/2014	2014/2015	2015/2016
	R15,038,986	R18,461,440	R17,330,409
Capital implications	External loan / MIG funding Depreciation and payment of interest on loan used to fund project.		
Future purpose of asset	Reduce risk related to water retention and availability for the Wellington, Newton and Mbekweni area. Open area up for all types of development included low cost- and gap housing. Open up large area for housing and businesses development and therefor job creation. Will alleviate the housing backlog.		
Describe key issues	Funding to complete booster pump station that forms part of the Newton Bulk Water Augmentation project.		
Policies in place to manage asset	Asset Management Policy		
Asset 3			
Name	Construction of Stokery Road Wellington		
Description	Dual carriageway street		
Asset type	Infrastructure		
Key staff involved	Roads, Streets and Storm Water section personnel		
Staff responsibilities	Project management and technical input		
Asset Value	2013/2014	2014/2015	2015/2016
	R10,519,265	R17,965,946	R7,894,053

<b>Treatment of the largest assets acquired 2015/2016</b>	
Capital implications	Department of Transport subsidy 80%; Own capital 20%
Future purpose of asset	Provision of safe, reliable and adequate transport route
Describe key issues	Traffic law enforcement
Policies in place to manage asset	Asset Management Policy

*Table 163: Treatment of the largest assets acquired 2015/2016*

## COMMENT ON ASSET MANAGEMENT

The Municipality is focusing its efforts towards more efficient asset management. The Municipality's vision and intent regarding all aspects of asset management is defined in the Asset Management Policy, which commits the Municipality to providing municipal services for which the Municipality is responsible, according to certain core principles, in a transparent, accountable and sustainable manner, in pursuit of legislative requirements and in support of its strategic objectives.

It is envisaged that the Municipality's increased effort in focusing on asset management will assist in ensuring that assets are properly maintained and service delivery is enhanced.

The Municipality's capital projects, such as indicated above, were identified through Infrastructure Master Plans and the priorities contained in the IDP and were funded through loans and grants. No tariffs were raised to fund these projects.

The Council only approves projects where the full cost of the project, the future operating costs of the project as well as the effect that the costs associated with the project will have on tax and tariffs were considered by the Council.

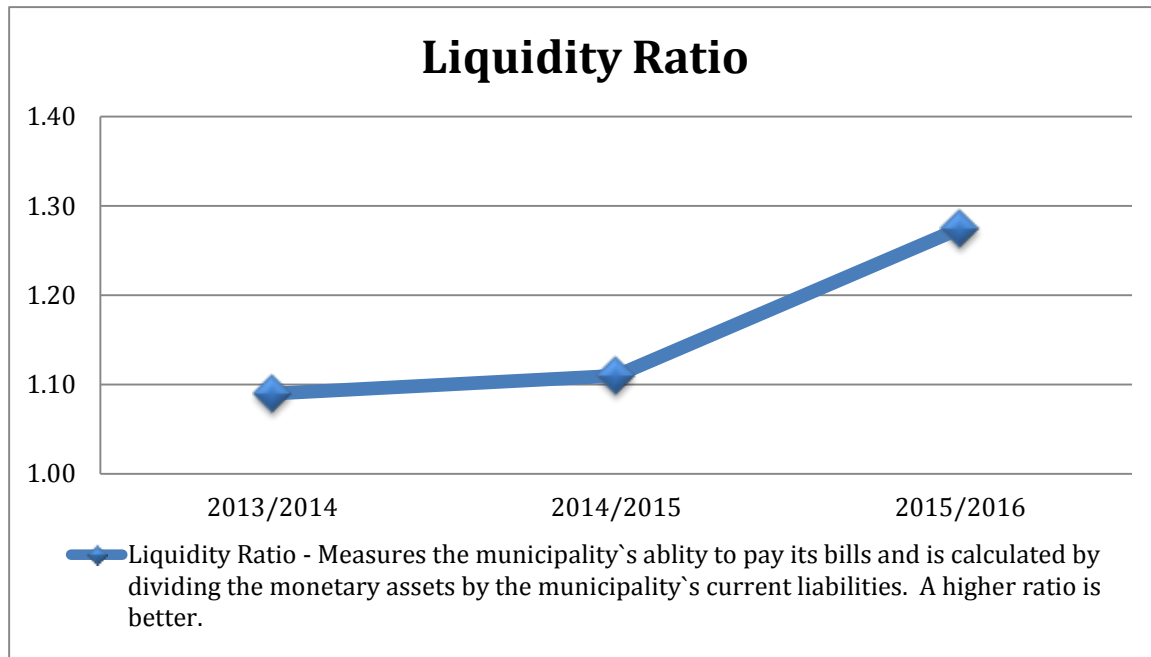
<b>Repairs and Maintenance Expenditure 2015/2016</b>				
				<b>R'000</b>
<b>Description</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>	<b>Actual</b>	<b>Budget Variance</b>
Repairs and maintenance expenditure	67,091	169,030	174,897	(5,867)

*Table 164: Repairs and Maintenance Expenditure 2015/2016*

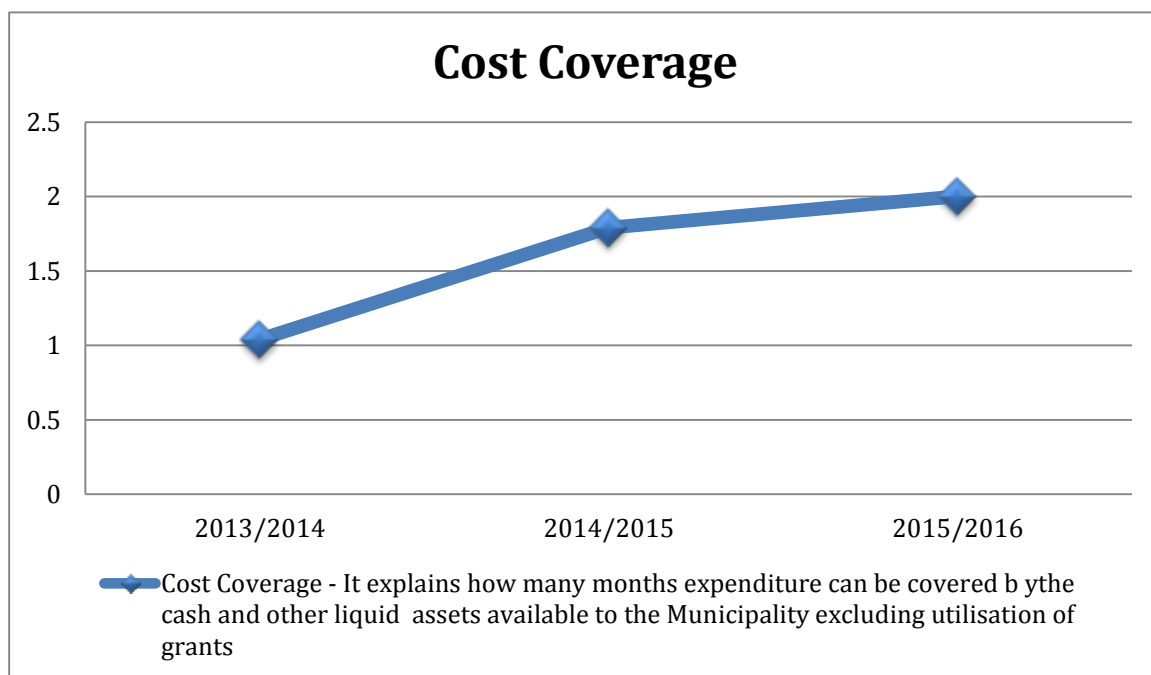
## COMMENT ON REPAIRS AND MAINTENANCE EXPENDITURE

This expenditure reflects actual materials expenditure on budgeted repairs and maintenance items and also includes internal labour, contracted services and vehicle costs.

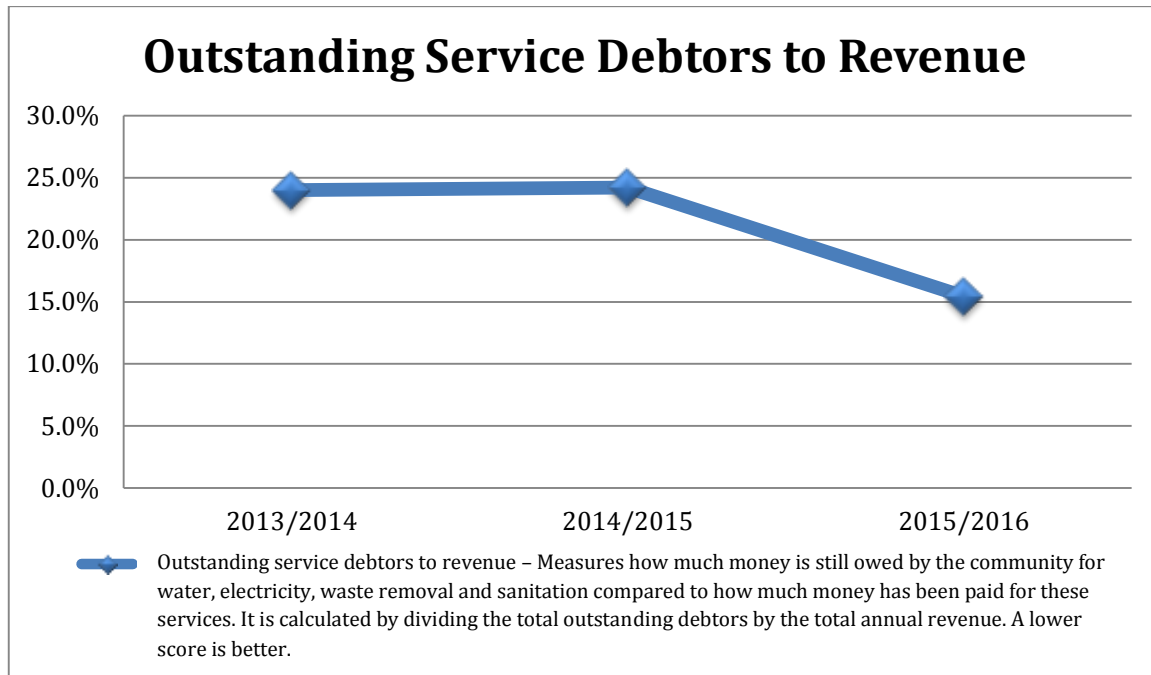
### 5.3 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



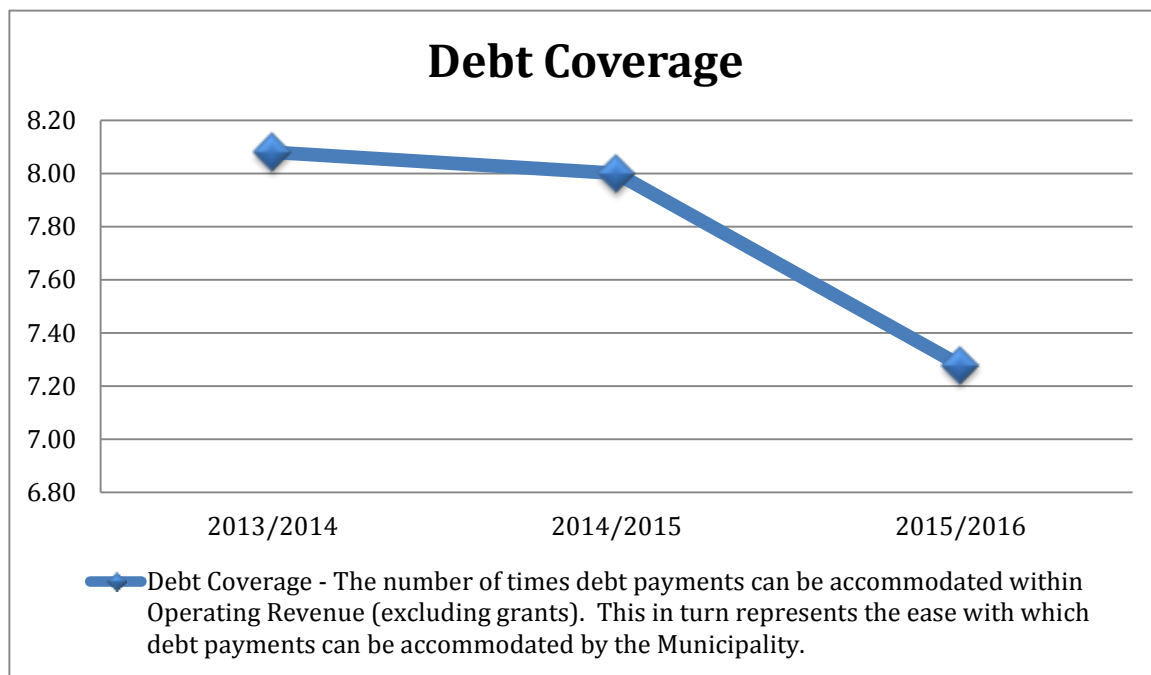
*Graph 16: Liquidity Ratio*



*Graph 17: Cost Coverage*

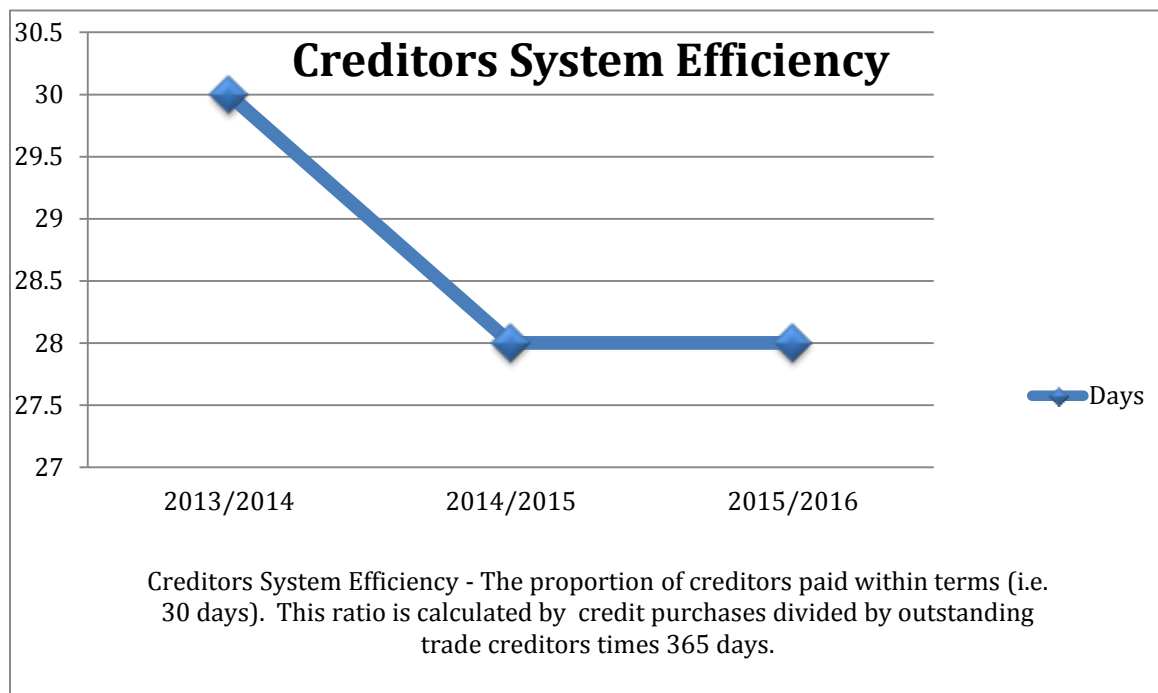


*Graph 18: Outstanding Service Debtors to Revenue*

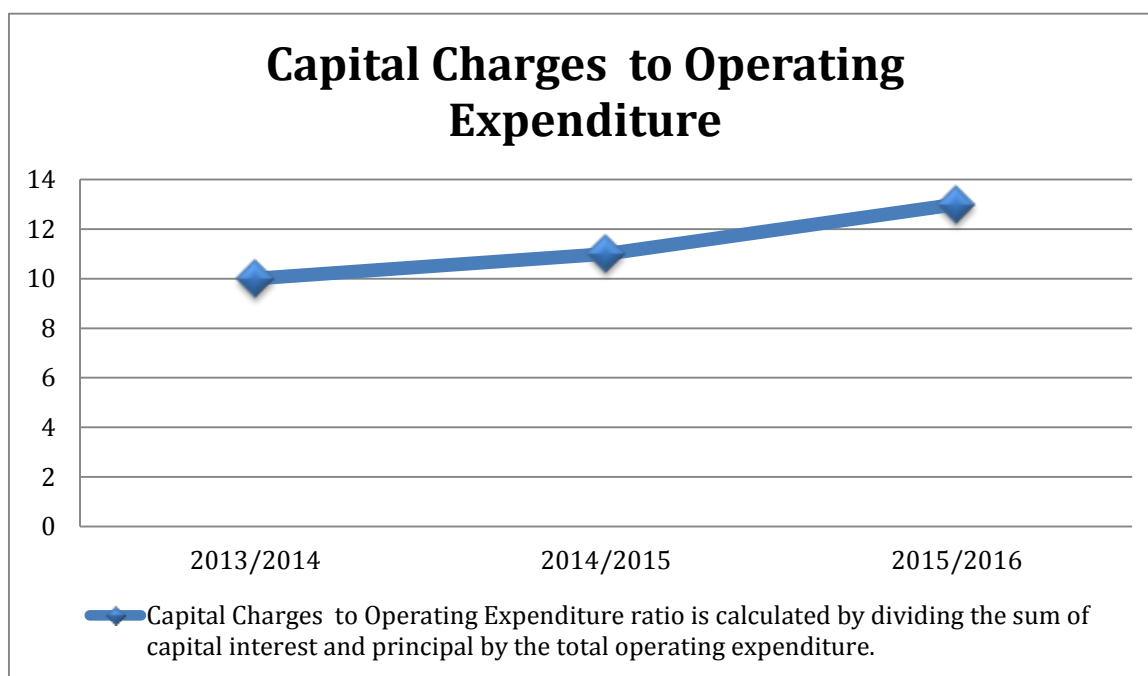


*Graph 19: Debt Coverage*

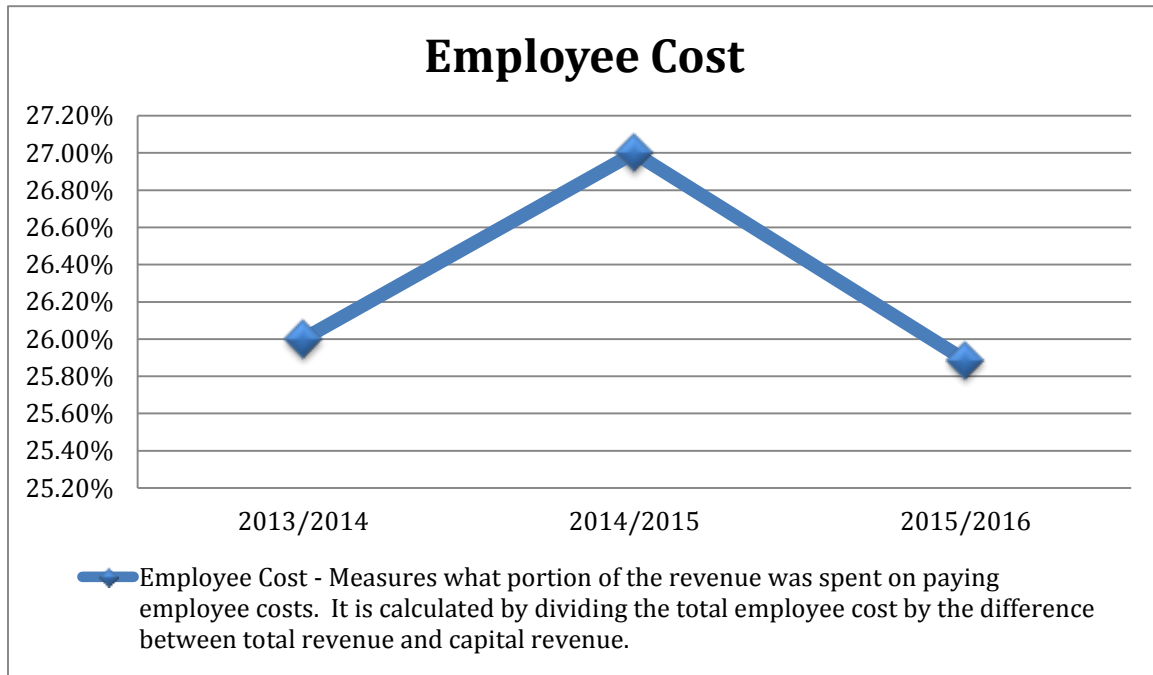




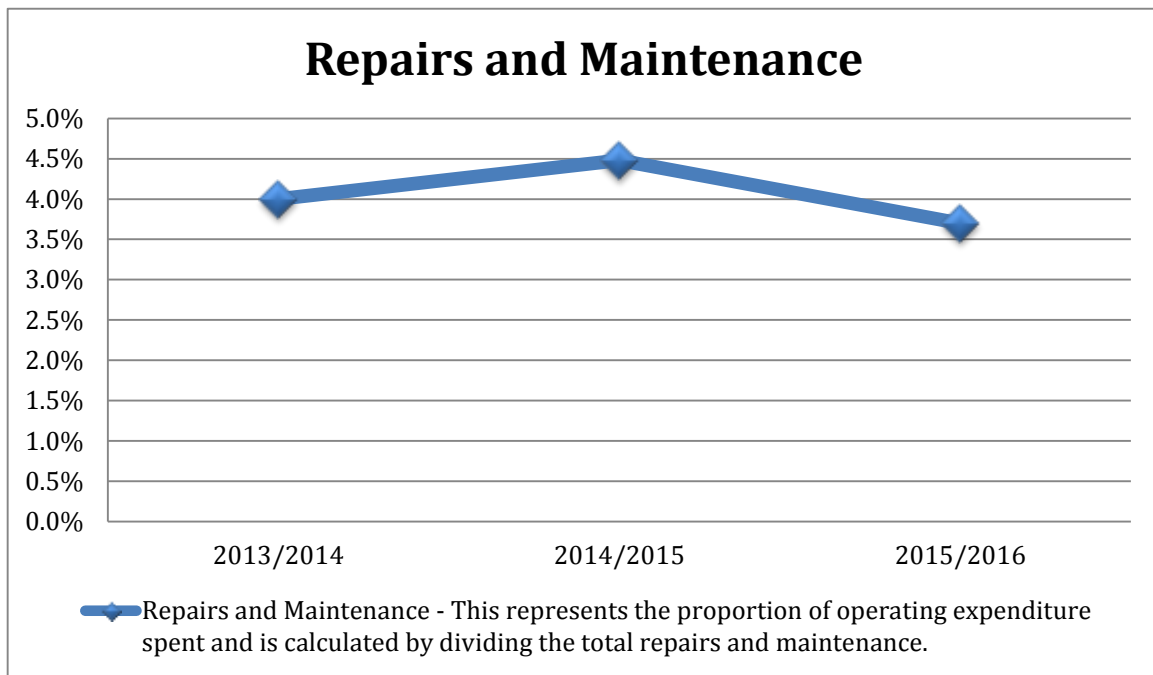
*Graph 21: Creditors System Efficiency*



*Graph 20: Capital Charges to Operating Expenditure*



*Graph 22: Employee Cost*



*Graph 23: Repairs and Maintenance*

## **COMMENT ON FINANCIAL RATIOS**

The Liquidity Ratio represents the ability of the Municipality's current assets to service its current liabilities. This ratio shows a stable trend over the three years under review and the Municipality was still in a liquid position in the 2015/2016 financial year with a ratio of 1.28:1. It has to be noted that this is a very tight position which the organisation is striving to improve.

### **Cost Coverage**

This ratio represents the number of months' fixed expenditure that can be covered by the cash and liquid assets available to the Municipality.

The cost coverage ratio year on year however shows a positive upward trend from the 2013/2014 financial year to the 2014/2015 financial year to the current 2 times coverage for the 2015/2016 year.

### **Outstanding Service Debtors to Revenue**

This ratio measures how much money is owed by debtors when compared to the generated revenue. This is a measure of what the fraction of outstanding debt is from the total generated revenue. This ratio has lowered from 2014/2015 – 2015/2016, which is a good indication that the debt situation of the Municipality is improving slightly year on year.

### **Debt Coverage**

This ratio shows a decline in the 2015/2016 year, the low debt coverage remains a concern for the organisation, as it means that the capacity of the Municipality to pay off its debt is decreasing due to the large amounts of external loans taken up by the Municipality for the purposes of investing in cash-generating infrastructure. A very strict approach to the management of external loans is required in order to carefully manage loans taken up and loans that still need to be taken up.

### **Creditors System Efficiency**

The creditors payment period increased from 28 days to 30 days from 2012/2013 to 2013/2014 but once again decreased to 28 days in 2014/2015 and remained stable at that rate in 2015/2016. The legislated payment period in terms of Section 65 of the MFMA is 30 days and the organisation is thus operating within the norm and the legislated timeframe when it comes to the payment of creditors.

### **Capital Charges to Operating Expenditure**

This ratio indicates the percentage that capital charges make out of the total operating expenditure. This is an indication of how geared the organisation is. This ratio is still a concern as it shows an upward trend for the last three years under review.

### **Employee Cost**

This ratio represents the percentage employee cost compared to the total expenditure of Council. This ratio is within the norm of the industry.

### **Repairs and Maintenance**

The percentage amount of repairs and maintenance shows a slightly increased trend year on year, which could be an indication that the replacement programme of Council is effective and more money is being spent on the maintenance of capital assets. Although the trend has slightly decreased in 2015/2016, this could be due to the new SCOA classifications adopted.

## **COMPONENT B: SPENDING AGAINST CAPITAL BUDGET**

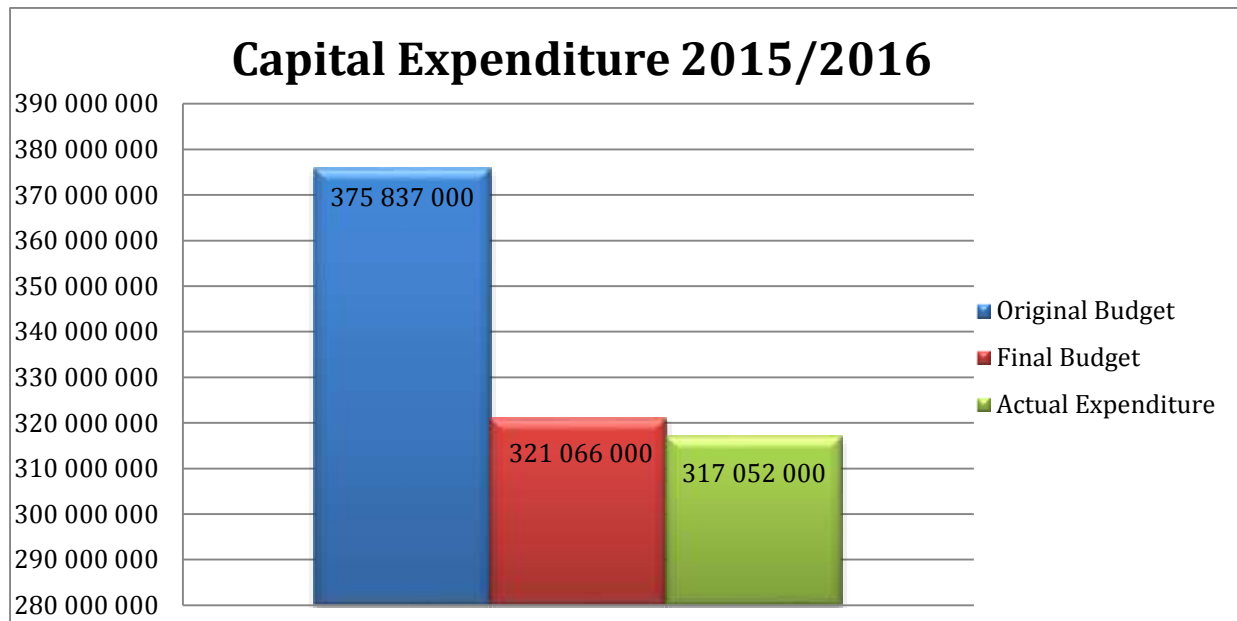
### **INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET**

Capital expenditure relates mainly to construction projects of which the value will last over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B provides an overview of the sources of asset finance and the utilisation of assets as planned.

The major infrastructure projects funded from the Capital Budget were (a) the upgrade of the bulk sewer in Southern Paarl; (b) Welvanpas Wastewater Treatment Works & Out buildings; (c) the rehabilitation and upgrading of Saron Wastewater Treatment Works; (d) the rehabilitation and extension of Wellington Wastewater Treatment Works; and (e) the construction of the Newton Reservoir.

Refer to **Appendix L (I)** (relating to the capital expenditure- new assets programme) also **Appendix I (II)** relating to Capital Expenditure – Upgrade/ Renewal Programme, **M** (relating to the Capital Programme by Project 2015/2016, and **N** (relating to the Capital programme by Project by Ward) for a further analysis of capital expenditure.

## 5.4 CAPITAL EXPENDITURE



Graph 24: Capital Expenditure

## 5.5 SOURCES OF FINANCE

Capital Expenditure - Funding Sources 2015/2016						
Details	2014/2015	2015/2016				R'000
	Actual	Original Budget (OB)	Adjustments Budget (AB)	Actual	Adjustments to OB Variance %	Actual to AB Variance (%)
<b>Source of finance</b>						
External loans	132,020	294,531	228,078	226,358	22.56%	0.75%
Public contributions and donations	0	0	0	0	0%	0%
Grants and subsidies	64,886	51,307	74,404	73,797	-45.02%	0.82%
Other	18,498	30,000	18,584	16,898	38.05%	9.07%
<b>Total</b>	<b>215,404</b>	<b>375,837</b>	<b>321,066</b>	<b>317,052</b>	<b>14.57%</b>	<b>1.25%</b>
<b>Percentage of finance</b>						
External loans	61%	78%	71%	71%	9.35%	-0.50%
Public contributions and donations	0%	0%	0%	0%	0%	0%
Grants and subsidies	30%	14%	23%	23%	-69.76%	-0.44%
Other	9%	8%	6%	5%	27.49%	7.92%
<b>Capital expenditure</b>						
Water and sanitation	96,380	177,748	154,023	153,632	13.35%	0.25%
Electricity	17,850	57,317	34,335	33,969	40.10%	1.06%
Housing	3,516	1,400	3,256	3,085	-132.57%	5.25%
Roads and stormwater	51,990	61,015	61,541	60,868	-0.86%	1.09%
Other	45,668	78,358	67,910	65,498	13.33%	3.55%
<b>Total</b>	<b>215,404</b>	<b>375,837</b>	<b>321,066</b>	<b>317,052</b>	<b>14.57%</b>	<b>1.25%</b>
<b>Percentage of expenditure</b>						

<b>Capital Expenditure – Funding Sources 2015/2016</b>						
<b>Details</b>	<b>2014/2015</b>	<b>2015/2016</b>				<b>R'000</b>
	<b>Actual</b>	<b>Original Budget (OB)</b>	<b>Adjustments Budget (AB)</b>	<b>Actual</b>	<b>Adjustments to OB Variance %</b>	<b>Actual to AB Variance (%)</b>
Water and sanitation	45%	47.29%	47.97%	48.46%	-1.44%	-1.01%
Electricity	8%	15.25%	10.69%	10.71%	29.88%	-0.19%
Housing	2%	0.37%	1.01%	0.97%	-172.25%	4.05%
Roads and stormwater	24%	16.23%	19.17%	19.20%	-18.07%	-0.16%
Other	21%	20.85%	21.15%	20.66%	-1.45%	2.33%

Table 165: Capital Expenditure – Funding Sources – 2015/2016

## COMMENT ON SOURCES OF FUNDING

Overall, 98.75% of the Capital Budget was spent during the 2015/2016 financial year.

The Municipality is working on streamlining in-house processes to ensure that it reaches as close to 100% spending as possible.

## 5.6 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

<b>Capital Expenditure of five largest projects</b>					
<b>R</b>					
<b>Name of project</b>	<b>Current year</b>			<b>Variance year</b>	
	<b>Original Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>Original Variance (%)</b>	<b>Adjustments Variance (%)</b>
Upgrade Bulk Sewer : Southern Paarl	27,616,043	25,625,022	25,625,020	-7.21%	0%
Welvanpas WTW & Out Buildings	23,222,943	20,327,690	20,326,964	-12.47%	0%
Saron WWTW: Rehabilitation and upgrading	9,890,680	19,410,905	14,406,448	96.21%	0%
Wellington WWTW: Rehabilitation & Extent	24,278,074	18,916,429	18,598,283	-23.39%	-1.68%
11 ML Newton Reservoir	23,087,719	17,330,410	17,330,409	-24.94%	0%
<i>*Projects with the highest capital expenditure in 2015/2016</i>					
<b>Name of Project A</b>	<b>Upgrade Bulk Sewer: Southern Paarl</b>				
<b>Objective of project</b>	Eliminate possible pollution of the Berg River, make provision for future development.				
<b>Delays</b>	Not applicable, work to be completed in April 2016 only. Delay in grant funding from Department of Water and Sanitation.				
<b>Future challenges</b>	Vandalism of infrastructure a big obstacle.				
<b>Anticipated citizen benefits</b>	Open up large area for housing and business development and therefore job creation. Will alleviate the housing backlog.				
<b>Name of Project B</b>	<b>Proclaimed and Main Road Upgrades</b>				

<b>Capital Expenditure of five largest projects</b>					
<b>R</b>					
<b>Name of project</b>	<b>Current year</b>			<b>Variance year</b>	
	<b>Original Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>Original Variance (%)</b>	<b>Adjustments Variance (%)</b>
Objective of project	Reseal and refurbishment of main routes and proclaimed roads to maintain timeously.				
Delays	None.				
Future challenges	Insufficient funding to execute proper maintenance.				
Anticipated citizen benefits	Improved safety and transport facilities, reduction in requiring large capital expenditure in future.				
<b>Name of Project C</b>	<b>Saron WWTW: Rehabilitation and upgrading</b>				
Objective of project	To increase the capacity of the WWTW for future growth of Saron.				
Delays	Industrial strike for a period of 1 week but the issues were resolved and the project proceeded. Project currently on programme.				
Future challenges	Awaiting Eskom bulk supply, time consuming process and continuous liaison with Eskom.				
Anticipated citizen benefits	Stimulate growth, good effluent quality resulting in environmental improvement.				
<b>Name of Project D</b>	<b>Wellington WWTW: Rehabilitation &amp; Extent</b>				
Objective of project	Upgrade and Extension of the Wellington WWTW to 16 Ml/day.				
Delays	None.				
Future challenges	None anticipated at this stage.				
Anticipated citizen benefits	The WWTW will service approximately 120,000 citizens (25,000 households).				
<b>Name of Project E</b>	<b>11 ML Newton Reservoir</b>				
Objective of project	Reduce risk related to water retention and availability for the Wellington, Newton and Mbekweni areas. Open area up for all types of development including low-cost and gap housing.				
Delays	Project is on programme.				
Future challenges	Funding to complete booster pump station that forms part of the Newton Bulk Water Augmentation project.				
Anticipated citizen benefits	Open up large area for housing and business development and therefore job creation. Will alleviate the housing backlog.				

Table 166: Capital Expenditure of five largest projects

## COMMENT ON CAPITAL PROJECTS

Deviations noted in the actual vs. budgeted spend of the infrastructure above were due to delays in the electrification of housing projects because of the holdup in community participation and the fact that certain housing projects did not start according to timelines.

## 5.7 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Infrastructure Services represents the core of service delivery to the community.

The bulk infrastructure service networks, when it reaches the end of its life, must be replaced, rehabilitated and maintained within acceptable norms and standards to ensure the reliable provision of services. The total replacement cost of the existing infrastructure services is estimated at R 8 billion. It has been found that a large percentage of assets has reached the end of these assets economic life. The Municipality does not generate sufficient funds to repair these assets.

However, a risk assessment study was undertaken to determine the most important assets that should be replaced and maintained to ensure service delivery.

The provision of basic services to the informal areas is a moving target due to the migration of informal inhabitants into the areas. Services in terms of minimum standards are provided but need to be extended on an annual basis, which places a burden on the Capital Budget. The total number of household increase is greater than the number of houses that the Municipality build, which places an enormous burden on its resources.

Service Backlogs as at 30 June 2016				
Households (HHs)				
	*Service level above minimum standard		**Service level below minimum standard	
	No. of HHs	% HHs	No. of HHs	% HHs
Water	66,316	99.5	297	0.5
Sanitation	65,430	98.2	1,183	1.8
Electricity	50,258 <sup>1</sup>	100	20,684 <sup>1</sup>	96.53
Waste Management	43,385	100	0	0
Housing	*	*	*	*
% HHs are the service above/below minimum standard as a proportion of total HHs. "Housing" refers to *formal and **informal settlements.				

*\*Note: Housing backlogs addressed in Table 2. The required information cannot be provided in terms of households.*

*\*\* Note: No backlog on providing minimum services to formal households.*

*Only some informal settlements are below the minimum service level.*

*<sup>1</sup>Figures now include Eskom areas but exclude Stellenbosch areas of Pniel and Hollandse Molen*

Table 167: Service Backlogs as at 30 June 2016



<b>Municipal Infrastructure Grant (MIG) * Expenditure 2015/2016 on Service Backlogs</b>						
<b>R</b>						
<b>Details</b>	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual</b>	<b>Variance</b>		<b>Major conditions applied by donor</b>
				<b>Budget</b>	<b>Adjustments Budget</b>	
<b>Infrastructure – Road transport</b>				0	0	
Roads, pavements and bridges	0	0	0	0%	0%	
Stormwater	0	0	0	0%	0%	
<b>Infrastructure – Electricity</b>	<b>435</b>	<b>435</b>	<b>435</b>	<b>100%</b>	<b>100%</b>	
Generation	0	0	0	0%	0%	
Transmission and Reticulation	0	0	0	0%	0%	
Street lighting	435	435	435	100%	100%	
<b>Infrastructure – Water</b>	<b>16,738</b>	<b>16,738</b>	<b>16,738</b>	<b>100%</b>	<b>100%</b>	
Dams and reservoirs	11,401	11,401	11,401	100%	100%	
Water purification	4,021	4,021	4,021	0%	0%	
Reticulation	1,316	1,316	1,316	0%	0%	
<b>Infrastructure – Sanitation</b>	<b>10,435</b>	<b>10,435</b>	<b>10,435</b>	<b>100%</b>	<b>100%</b>	
Reticulation	0	0	0	0%	0%	
Sewerage purification	10,435	10,435	10,435	100%	100%	
<b>Infrastructure – Other</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0%</b>	
Waste Management	0	0	0	0%	0%	
Transportation	0	0	0	0%	0%	
Gas	0	0	0	0%	0%	
<b>Other</b>	<b>2,256</b>	<b>2,256</b>	<b>2,256</b>	<b>100%</b>	<b>100%</b>	
PMU	1,242	1,242	1,242	100%	100%	
Sport	1,014	1,014	1,014	100%	100%	
<b>Total</b>	<b>29,864</b>	<b>29,864</b>	<b>29,864</b>	<b>100%</b>	<b>100%</b>	

Table 168: MIG Expenditure 2015/2016 on Service Backlogs

## **COMMENT ON BACKLOGS**

The MIG allocation for 2015/2016 was **R34,046,000** and the 100% expenditure thereof resulted in additional service delivery. The main beneficiaries are the poorer communities as they are given better infrastructure which assists in improving their standard of living.

Most of 2015/2016 MIG funds were spent on multi-year projects and are still on-going.

The following projects resulted in additional service delivery:

- Paarl: Siyahlala: Bo Dal Rd: New Street Lighting - 1,666 households benefited;
- Newton: Construction of two 11 Mℓ reservoirs. Approximately 15,000 households benefiting;
- Wellington: Upgrading of Weltevrede Sports Ground- 15,841 households benefitted.

The following projects are on-going and will further reduce backlogs once completed:

- Strawberry King to Wellington: New Water Pipeline;
- Wellington: Upgrade of Wastewater Treatment Works;
- Welvanpas Water Treatment Works and 5ML Reservoir
- Newton Water Pump station
- Upgrading of Hermon Sports Ground
- Mbekweni: Upgrading Sports Fields
- Boy Louw Sports Grounds: Upgrade Ablution Facilities

The allocated 2015/2016 MIG funds for street lighting were spent on the following projects:-

- Installation of additional street lights at Hermon.
- Installation and commissioning of additional street lights at Gouda.
- Installation of street lights at Bo dal Road and Shiyahlala.

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow is of vital importance to the health of a municipality. The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) requires that a municipality must establish an appropriate and effective cash management and investment policy. Under this policy, the municipality must:

- conduct its cash management and investments;
- invest money not immediately required; and
- surplus cash refers to money that is not immediately required for expenditure; this surplus could include income from rates and services, rents, fines, grants, subsidies, levies and interest earned on investments.

Investments are placed with top creditworthy institutions as rated by nationally recognised credit rating agencies.

The department reports regularly to the Executive Mayor, the Finance Portfolio Committee, the Auditor-General and the National Treasury in order to assess the performance of the investment portfolio and to ensure that the investments comply with policy objectives, guidelines, applicable laws and regulations.

### 5.8 CASH FLOW

Cash Flow Outcomes				
Description	2014/2015	Current Year 2015/2016		
	Audited Outcome	Original Budget	Adjustments Budget	Actual
<b>Cash Flow from operating activities</b>				
<b>Receipts</b>	1,571,692	<b>1,831,509</b>	<b>1,883,590</b>	1,697,162
Ratepayers and other	1,353,263	1,575,400	1,566,424	1,461,511
Government – Operating	131,065	182,871	205,721	205,237
Government – Capital	73,598	51,307	86,514	0
Interest	13,752	21,916	24,916	30,399
Dividends	15	15	15	15
<b>Payments</b>	(1,370,958)	<b>(1,584,945)</b>	<b>(1,629,512)</b>	(228,507)
Suppliers and employees	(1,307,866)	(1,515,123)	(1,549,850)	(151,927)
Finance charges	(61,025)	(69,128)	(78,968)	(76,580)
Transfers and Grants	(2,068)	(694)	(694)	0
<b>Net cash from (used) operating activities</b>	<b>200,736</b>	<b>246,564</b>	<b>254,078</b>	<b>1,468,655</b>
<b>Cash flow from investing activities</b>				
<b>Receipts</b>	(2,302)	<b>539</b>	<b>539</b>	<b>8,120</b>
Proceeds on disposal of PPE	0	250	250	7,598
Decrease (Increase) in non-current debtors	(2,302)	289	289	522

<b>Cash Flow Outcomes</b>				
<b>Description</b>	<b>2014/2015</b>	<b>Current Year 2015/2016</b>		
	<b>Audited Outcome</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>	<b>Actual</b>
Decrease (Increase) other non-current receivables	0	0	0	0
Decrease (Increase) in non-current investments	0	0	0	0
<b>Payments</b>	<b>(215,404)</b>	<b>(364,562)</b>	<b>(309,791)</b>	<b>(333,042)</b>
Capital assets	(215,404)	(364,562)	(309,791)	<b>(333,042)</b>
<b>Net cash from (used) investing activities</b>	<b>(217,706)</b>	<b>246,563</b>	<b>254,078</b>	<b>222,659</b>
<b>Cash flow from financing activities</b>				
<b>Receipts</b>	<b>207,711</b>	<b>295,263</b>	<b>295,263</b>	<b>297,313</b>
Short-term loans	0	0	0	0
Borrowing long term/refinancing	205,000	294,531	294,531	294,531
Increase (Decrease) in consumer deposits	2,711	732	732	2,782
<b>Payments</b>	<b>(115,645)</b>	<b>(133,214)</b>	<b>(133,214)</b>	<b>(129,870)</b>
Repayment of borrowing	(115,645)	(133,214)	(133,214)	(129,870)
<b>Net cash from (used) financing activities</b>	<b>92,066</b>	<b>162,049</b>	<b>162,049</b>	<b>167,443</b>
<b>Net increase/(Decrease) in cash held</b>	<b>76,692</b>	<b>44,588</b>	<b>106,875</b>	<b>65,179</b>
Cash/cash equivalents at the beginning of the year	182,833	124,164	254,662	259,526
Cash/cash equivalents at the end of the year	257,929	168,752	361,536	324,705

Table 169: Cash Flow Outcomes

## COMMENT ON CASH FLOW OUTCOMES

Cash received from debtors has increased from the previous year, indicating an effective implementation of the Debtors' Policy. Fewer operating grants were received than were budgeted, mainly as a result of a delay in the receipt of housing subsidies from the Western Cape Government, Department of Human Settlements.

## 5.9 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

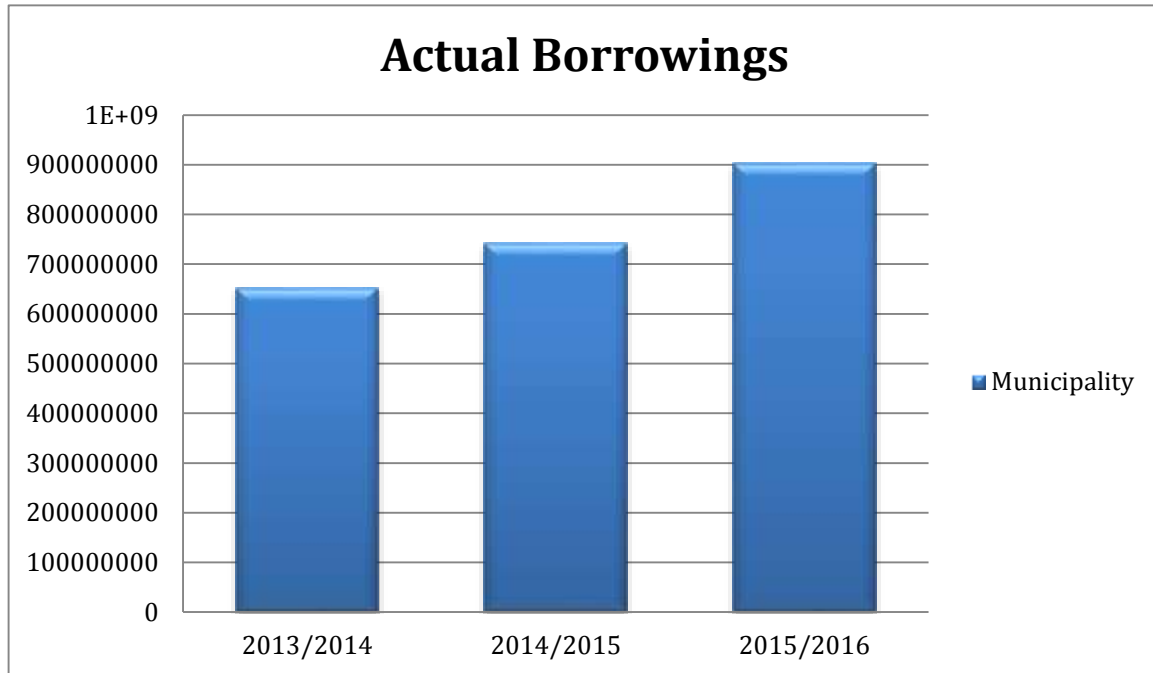
The application of the Municipality's Investment Policy aims to gain the optimal return on investments, without incurring undue risks, during those periods when cash revenue is not needed for capital or operational purposes, whereas the Borrowing Policy aims to gain the lowest interest rate on external borrowings.

<b>Actual Borrowings 2013/2014 – 2015/2016</b>			
<b>Instrument</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>
<b>Municipality</b>			
Long-term loans (annuity/reducing balance)	651,902	741,239	902,837
Long-term loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment credit	-	-	-
Financial liabilities	-	-	-
PPP liabilities	-	-	-
Finance granted by capital equipment supplier	-	-	-
Marketable bonds	-	-	-
Non-marketable bonds	-	-	-
Bankers acceptances	-	-	-
Financial derivatives	-	-	-
Other securities	-	-	-
<b>Municipality total</b>	<b>651,902</b>	<b>741,258</b>	<b>902,837</b>

Table 170: Actual Borrowings 2013/2014 – 2015/2016

<b>Municipal and Entity Investments</b>			
<b>Instrument</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>Municipality</b>			
Securities – National government	-	-	-
Listed Corporate Bonds	139	142	393
Deposits – Bank	159,008	225,836	319,391
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	-	-	-
<b>Municipality sub-total</b>	<b>159,147</b>	<b>225,978</b>	<b>319,784</b>

Table 171: Municipal and Entity Investments



*Graph 25: Actual Borrowings*

## COMMENT ON BORROWING AND INVESTMENTS

Investments have increased since the previous financial year, whereas borrowings have also increased due to the increased investment in infrastructure. The Municipality is nearing its point of effective gearing and will thus have to seek other sources of finance in future, such as government grants, or will need to revise its investment in infrastructure going forward.

### 5.10 PUBLIC-PRIVATE PARTNERSHIPS

#### PUBLIC-PRIVATE PARTNERSHIPS

Drakenstein Municipality has commenced with the establishment of a public-private partnership. The Waste to Energy Project is in the process of being externally assessed as prescribed by Section 78(3) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.11 SUPPLY CHAIN MANAGEMENT

#### SUPPLY CHAIN MANAGEMENT

The Municipality has to submit the current Supply Chain Management Policy to National and Provincial Treasury on an annual basis for scrutiny and compliance verification against the Model Supply Chain Management Policy that was issued by National Treasury. The purpose of this exercise is to determine whether the Municipal Supply Chain Management Policy deviates from the stipulations of the Model Supply Chain Management Policy and Supply Chain Management Regulations. The Supply Chain Management Policy was reviewed during the 2015/2016 financial year. Certain amendments to the policy were tabled before Council in order to improve operational efficiency.

A committee system for competitive bids is functional, with stated and assigned delegations issued and signed by the respective members serving on the respective committees. No Councillor is a member of or acts as an observer at any bid committee evaluating or approving tenders, quotations, contracts or other bids. The SCM Manager and the SCM Specialist have obtained the prescribed competency levels for Municipal Finance Management and three other senior supply chain management officials are in the process of obtaining the required accreditation.

### 5.12 GRAP COMPLIANCE

The Municipality has fully implemented the Standards of GRAP (Generally Recognised Accounting Practice) in accordance with the MFMA and Directive 5 issued by the Accounting Standards Board (ASB) and did not deviate from any standard.

Reference	Topic
GRAP	Framework for the preparation and presentation of financial statements
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investment in Associates
GRAP 8	Investment in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of Non-cash-generating Assets

Reference	Topic
GRAP 23	Revenue from Non-exchange Transactions
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee Benefits - issued December 2009
GRAP 26	Impairment of Cash-generating Assets
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 100	Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
GRAP 105	Transfers of Functions Between Entities Under Common Control
GRAP 106	Transfers of Functions Between Entities Not Under Common Control
GRAP 107	Mergers
IFRS 4	Insurance contracts
IFRS 6	Exploration for and evaluation of mineral resources
IAS 12	Income taxes
IGRAP 1	Applying the probable test on initial recognition of revenue
IGRAP 2	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IGRAP 3	Determining whether an Arrangement Contains a lease
IGRAP 4	Rights to Interest Arising from Decommissioning, Restoration and Environmental
IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial
IGRAP 6	Loyalty Programmes
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their
IGRAP 8	Agreements for the construction of Assets from Exchange Transactions
IGRAP 9	Distributions of Non-cash Assets to Owners
IGRAP 10	Assets Received from Customers
IGRAP 11	Consolidations – Special Purpose Entities
IGRAP 12	Jointly Controlled Entities – Non-monetary Contributions by Ventures
IGRAP 13	Operating Leases – Incentives
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IGRAP 15	Revenue – Barter Transactions Involving Advertising Services
IGRAP 16	Intangible Assets – Website Costs
IFRIC 12	Service concession arrangements
IFRIC 21	Levies
SIC 25	Income taxes – Changes in the status of an enterprise or its shareholders
SIC 29	Disclosure service concession
Directive 1	Repeal of existing transitional provisions in, and consequential amendments to,
Directive 3	Transitional provisions for high capacity municipalities
Directive 5	Determine the GRAP reporting framework
Directive 7	The Application of Deemed Cost
Directive 11	Changes in the Measurement Bases Following the Initial Adoption of the
ASB Guide 1	Guideline on accounting for public private partnerships

Table 172: GRAP Compliance List



The adoption of the standards and interpretation above did not have a significant impact on the financial position, financial performance or cash flows of the Municipality.

**Chapter 1: Mayor's Foreword and Executive Summary**

**Chapter 2: Governance**

**Chapter 3: Service Delivery Performance (Performance Report)**

**Chapter 4: Organisational Development Performance**

**Chapter 5: Financial Performance**

**Chapter 6: Auditor-General Audit Findings**

**Glossary**

**Appendices**

**CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS**

- Component A: Auditor-General opinion of Financial Statements 2014/2015
- Component B: Auditor-General opinion of Financial Statements 2015/2016
- Glossary
- Appendices

The Annual Financial Statements as set out in Volume I and the Annual Performance Report as set out in Volume V was submitted to the Auditor-General on 31 August 2016. The Auditor-General performed their audit during the months of July to November 2016 and submitted their Auditor-General's Report (attached hereto as Volume II) as required by Section 126(3) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) to the Municipality on 30 November 2016.

## COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2014/2015

Auditor-General Report on Financial Performance 2014/2015	
<b>Audit Report Status</b>	Unqualified Audit Opinion
<b>Non-compliance issues</b>	<b>Remedial action taken</b>
None	Not applicable

Table 173: Auditor-General Report on Financial Performance 2014/2015

Auditor-General Report on Service Delivery 2014/2015	
<b>Status of Audit Report</b>	Clean Audit Opinion
<b>Non-compliance issues</b>	<b>Remedial action taken</b>
None	Not applicable

Table 174: Auditor-General Report on Service Delivery 2014/2015

## COMPONENT B: AUDITOR-GENERAL OPINION 2015/2016

### 6.1 AUDITOR-GENERAL REPORT 2015/2016

Auditor-General Report on Financial Performance 2015/2016	
<b>Status of Audit Report</b>	Unqualified Audit Opinion
<b>Non-compliance issues</b>	<b>Remedial action taken</b>
None	Not applicable

Table 175: Auditor-General Report on Financial Performance 2015/2016

Auditor-General Report on Service Delivery 2015/2016*	
<b>Status of Audit Report</b>	Clean Audit Opinion
<b>Non-compliance issues</b>	<b>Remedial action taken</b>
None	Not applicable

Table 176: Auditor-General Report on Service Delivery 2015/2016

## **AUDITOR-GENERAL REPORT ON THE FINANCIAL STATEMENTS 2015/2016**

The Auditor-General's Report in paragraph 6 of the report attached hereto as Volume II gave Drakenstein Municipality an unqualified audit opinion with no other matters and we quote:

*"In my opinion, the financial statements present fairly, in all material respects, the financial position of the Drakenstein Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA."*

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Predetermined objectives**

The Auditor-General's Report in paragraph 18 of the report attached hereto as Volume II gave Drakenstein Municipality an unqualified audit opinion with no other matters and we quote:

*"18. I did not identify material findings on the usefulness and reliability of the reported performance information for the following key performance areas:*

- *Key performance area 2: physical infrastructure and energy efficiency*
- *Key performance area 3: services and customer care*
- *Key performance area 4: economic growth and development*
- *Key performance area 6: social and community development "*

### **Compliance with legislation**

The Auditor-General's Report in paragraph 21 of the report attached hereto as Volume II gave Drakenstein Municipality an unqualified audit opinion with no other matters and we quote:

*"I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA."*

### **Internal control**

The Auditor-General's Report in paragraph 22 of the report attached hereto as Volume II gave Drakenstein Municipality a clean bill of health and we quote:

*"I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control"*

## **COMMENTS ON AUDITOR-GENERAL'S OPINION 2015/2016**

Drakenstein Municipality received an unqualified opinion with no other matters on the Annual Financial Statements and performance information for the 2015/2016 financial

year. It is clear in the opinion of the Auditor-General that Drakenstein Municipality's financial position and service delivery performance are sound and that sound leadership, financial management and internal control practices are in place.

Management submits monthly Section 71 of the MFMA reports in the required format to National Treasury and the Western Cape Provincial Treasury and the same information in a layman's report to the Executive Mayor and Council.

Signed (Chief Financial Officer)..... Dated

## GLOSSARY

Glossary	
<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	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 of the Republic of South Africa, 1996 (Act 108 of 1996). This includes plans, budgets, in-year and annual reports.
<b>Activities</b>	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> ".
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor-General and approved by Council or a provincial or national executive.
<b>Baseline</b>	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.
<b>Basic municipal service</b>	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.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	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.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are " <i>what we use to do the work</i> ". They include finances, personnel, equipment and buildings.

<b>Glossary</b>	
<b>Integrated Development Plan (IDP)</b>	Sets out municipal goals and development plans.
<b>National Key Performance Areas</b>	<ul style="list-style-type: none"> <li>• Service delivery and infrastructure;</li> <li>• Economic development;</li> <li>• Municipal transformation and institutional development;</li> <li>• Financial viability and management; and</li> <li>• Good governance and community participation.</li> </ul>
<b>Outcomes</b>	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 " <i>what we wish to achieve</i> ".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as " <i>what we produce or deliver</i> ". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a key result area.
<b>Performance Indicator</b>	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).
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards</b>	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 employee performance management and development system (EPMDS), performance standards are divided into indicators and the time factor.
<b>Performance Targets</b>	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.
<b>Service Delivery and Budget Implementation Plan</b>	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.
<b>Vote</b>	<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 attended	Percentage apologies for non-attendance
					%	%
Adams, Noël David	√		Community Services	Proportional	100	N/A
Adriaanse, Miriam Maria		√	Infrastructure Services	Ward 24	94	100
Afrika, Amelda Felicity		√	Community Services	Proportional	88	100
Allom, Amina		√	Infrastructure Services	Ward 25	69	100
Apollis, Cupido Jacobus Johannes		√	Corporate Services	Proportional	88	0
Appollis, Mariëtte Bernice (replaced by F Martin)		√	Community Services	Proportional	100	N/A
Arnolds, Ruth Belldine		√	Corporate Services	Ward 7	81	33
Bekeer, Abraham		√	MPAC	Proportional	81	33
Blanckenberg, Derrick Solomon		√	Corporate Services	Proportional	63	83
Bolani, Luvuyo Espin		√	Infrastructure Services	Proportional	94	0
Buckle, Albertus Marthinus Loubser		√	MPAC	Ward 18	94	100
Chabaan, B (replaced Martin, F)		√		Proportional	50	100
Combrink, Gert Cornelius	√		Financial Services	Proportional	94	100
Cupido, Felix Patric		√	Community Services	Proportional	100	N/A
Cupido, Patricia Beverley Ann		√	Financial Services	Proportional	100	N/A
Daries, Lutisia Nancy		√	Appeal Committee and Planning and Economic Development	Ward 22	88	100
Davids, Claire Olivia		√	Infrastructure Services	Proportional	69	0
De Goede, Hendrik Ruben		√	Financial Services	Ward 19	94	100
De Wet, Jo-Ann		√	MPAC	Proportional	100	N/A
Duba, B (replaced Mbubu, V)			Infrastructure Services	Ward 16	70	67
Du Toit, Lourens Matthys	√		Community Services	Ward 17	94	100
Gouws, Eva		√	Corporate Services	Ward 21	100	N/A
Gwada, Zuko Lawrence		√	Planning and Economic Development	Proportional	81	33
Hlati, Vuyani		√	Infrastructure Services	Ward 5	75	0
Jacobs, Andre Noel		√	Infrastructure Services	Proportional	38	100
Julius, Elmarie		√	Corporate Services	Proportional	94	100
Kearns, Christephine		√	Infrastructure Services	Ward 10	94	100
Kearns, Esther Martha	√		Infrastructure Services	Ward 20	94	100
Kem, Zithembe		√	Community Services	Proportional	75	50
Kika-Dyson, Spasie Nontuthuzelo		√	Planning and Economic Development	Proportional	44	56
Koegelenberg, Renier Adriaan	√		Planning and Economic Development and Appeal Committee	Ward 4	100	N/A
Kotze, Daniel Andreas		√	Appeal Committee	Proportional	69	60

<b>Councillors, committees allocated and Council attendance</b>						
<b>Council members</b>	<b>Full-time</b>	<b>Part-time</b>	<b>Committees allocated</b>	<b>*Ward and /or party represented</b>	<b>Percentage Council Meetings attended</b>	<b>Percentage apologies for non-attendance</b>
					<b>%</b>	<b>%</b>
Landu, Linda		√	Planning and Economic Development	Proportional	100	N/A
Le Roux, Jacobus Francois	√		Appeals Committee	Proportional	100	N/A
Lumko, Sonwabo Ernest		√	Corporate Services	Ward 14	88	100
Mangena, Tembikile Christopher		√	Community Services	Ward 9	88	50
Martin, F (replaced Appollis, MB)		√		Proportional	25	67
Mathee, Joseph		√	MPAC	Proportional	88	100
Mbubu, Victor – Deceased (replaced by Duba, B)		√	Infrastructure Services	Ward 16		
Mchelm, Jerome Clive		√	Financial Services	Ward 31	56	14
Msolo, Mhlangabezi Case		√	Financial Services and Appeals Committee	Ward 12	94	100
Mtiki, Nombuyiselo		√	Corporate Services	Proportional	81	67
Naude, Willem Johannes		√	Corporate Services	Ward 23	88	100
Niehaus, Lodewyk Wilfred		√	Infrastructure Services	Ward 15	88	100
Nomana, Tryfhina Zukiswa		√	Planning and Economic Development	Ward 6	94	100
Ntlemeza, Lulama Eunice	√		Corporate Services	Proportional	100	N/A
Paliso, Mziyanda / Mapuma		√	Financial Services	Proportional	88	50
Philander, Wendy Felecia	√		Community Services	Ward 26	100	N/A
Poole, Conrad James	√		Planning and Economic Development	Ward 27	88	100
Rademeyer, Johannes Gerhardus	√		Infrastructure Services	Ward 2	100	N/A
Rens, Samuel Colin		√	Community Services	Proportional	75	50
Ross, Cupido Senior (replaced by Williams, DC)		√	Financial Services	Proportional	81	67
Ross, Soudah		√	Community Services	Ward 13	88	100
Smit, Wilhelmina Elizabeth		√	MPAC	Ward 3	94	100
Smith, Matthys Daniel Jacobus	√		Planning and Economic Development	Ward 29	94	100
Smuts, Rean	√		Corporate Services	Proportional	94	100
Somgqeza, Tandiwe Eveline		√	MPAC	Proportional	94	100
Stowman, Aidan Charles	√		Community Services	Ward 11	94	100
Tshaya, Mpelese Alfred		√	Community Services	Ward 8	94	100
Van der Westhuizen, Colin Clive		√	Community Services	Ward 1	56	100
Van Deventer, Gesina Maria Magdalena	√		Executive Mayor	Proportional	100	N/A
Van Nieuwenhuyzen, Reinhardt Heinrich		√	MPAC	Ward 28	100	N/A
Von Schlicht, Helena		√	Planning and Economic Development	Proportional	100	N/A
Williams, DC (replaced Ross, S)		√		Proportional	100	N/A
Witbooi, Gerald John		√	Corporate Services	Ward 30	69	60

Table 177: Councillors, Committees allocated and Council attendance



## APPENDIX B: COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral/Executive Committee) and purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of committee</b>
Municipal Public Accounts Committee	To perform an oversight function on behalf of Council over the executive functionaries of the Council.
Appeals Committee	To deal with appeals in terms of Section 62 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
Audit Committee	<p>In terms of Section 166(2) of the MFMA, an audit committee must advise the municipal council, the political office bearers, the accounting officer and the management staff of the municipality, on matters relating to:-</p> <ul style="list-style-type: none"> <li>• Internal financial control;</li> <li>• Risk management;</li> <li>• Performance management; and</li> <li>• Effective governance.</li> </ul>
Fraud and Risk Management Committee	To assist the Accounting Officer by reviewing the effectiveness of the municipality's fraud and risk management systems, practices and procedures and providing recommendations for improvement.
Budget Steering Committee	To assist Council in ensuring that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.
Special Committee	<ul style="list-style-type: none"> <li>• To serve as administrative tribunal to conduct hearings of Councillors charged for contravention of the Code of Conduct for Councillors and to make recommendations to Council regarding proposed sanctions.</li> <li>• To consider any other matter of a disciplinary nature relating to Councillors and make a recommendation to Council.</li> </ul>

*Table 178: Committees (other than Mayoral/Executive Committee) and purposes of committees*

## APPENDIX C: SECOND- AND THIRD-TIER ADMINISTRATION STRUCTURE

<b>Second- and Third-tier Structure</b>	
<b>Department</b>	<b>Executive Manager/Manager</b>
Civil Engineering Services	Deputy Executive Manager: Mr D du Plessis
Civil Engineering Services	Snr Engineer Roads, Stormwater and Traffic: Mr CM Lotz
Civil Engineering Services	Snr Engineer: Support Services (Civil Engineering) Mr WJ Knaggs
Civil Engineering Services	Snr Engineer Mr AA Kowalewski
Civil Engineering Services	Senior Engineer Wastewater Services: Mr RM Brown
Technical Support & Project Management	Acting Snr Manager Support Services: Mr S de Jongh
Technical Support and Project Management	Manager Fleet Management: Mr FW Nieuwoudt
Technical Support and Project Management	Manager Project Management Unit
Technical Support and Project Management	Manager Building Maintenance: Mr K Wyngaard
Planning Services	Deputy Executive Manager: Planning: Vacant
Planning: Land Use Planning	Manager Land Use Planning: Mr HG Strijdom
Planning: Land Survey and Valuation	Manager Land Survey and Valuation: Mr DO Cupido
Planning: Building Control	Manager Building Control: Mr David Delaney
Planning: Spatial Planning	Manager Spatial Planning: Ms A Shortles
Planning: Economic Development	Manager Local Economic Development: Ms C Phillips
Internal Audit	Manager Internal Audit: Mr TC Traut
Income Division	Manager Income: Mr AC Abrahams
Financial Reporting	Manager Financial Reporting: Mr A Viola
Revenue and Expenditure	Snr Manager Revenue and Expenditure: Ms NG Keketsi
Financial Statements and Reporting	Senior Manager Financial Management Support: Ms C Lategan
Budget Office	Manager Budget: Ms KS Fredericks
Assets and Insurance	Manager Assets and Insurance: Ms L Theron
Supply Chain Management Unit	Manager Supply Chain Management: Mr H Vergotine
Housing: Rural Development	Manager Rural Development: Ms E Williams
Housing Admin	Manager Housing Admin: Mr NV Konjwayo
Traffic Services	Chief Traffic Services: Mr J Cornelissen
Snr Manager: Human Settlement	Snr Manager Human Settlement: Mr F Rhoda
Protective Services	Deputy Executive Manager: Mr V Petersen
Community Development	Manager Community Development: Mr JGP Rhoda
Fire Services	Chief Fire Services: Mr D Damons
Housing Projects	Manager Housing Projects: Mr C Jacobs
Libraries and Information Services	Manager Libraries and Information Services: Ms L Thomas
HR: Labour Relations Officer	Chief Labour Relations Officer: Mr P la Grange
HR: Training Officer	Chief Training Officer: Ms M Sibeko
HR: Personnel Admin	Chief Personnel Officer: Ms T van der Westhuizen
Information and Communication Technology	Chief Information Officer: Mr FB Theron
Legal Services	Manager: Legal Services : Vacant
Corporate Services	Manager Administration: Vacant
Electrical Services	DEM Electrical Services: Mr A Albertyn
Electrical Services:	Manager Operations and Maintenance: Mr M Fredericks
Electrical Services	Chief Electrical Engineering Technician: Mr D Gabriels
Office of the Municipal Manager	Chief Audit Executive: Ms R Jaftha
Office of the Municipal Manager	Ombudsman: Ms LL Nojozi
Office of the Municipal Manager	Chief Risk Officer: Mr G Dippenaar
Office of the Municipal Manager	Manager IDP/PMS: Ms F Qebanya

Table 179: Second- and Third-tier Structure

**APPENDIX D: FUNCTIONS OF MUNICIPALITY**

<b>Municipal Functions</b>		
<b>Municipal Functions</b>	<b>Function applicable to Municipality</b>	
	<b>Yes</b>	<b>No</b>
<b>Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), Schedule 4, Part B functions:</b>		
Air pollution	√	
Building regulations	√	
Child care facilities	√	
Electricity and gas reticulation	√	
Firefighting services	√	
Local tourism	√	
Municipal airports		√
Municipal planning	√	
Municipal health services	N/A	
Municipal public transport	N/A	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other.	√	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international shipping and related matters.		√
Stormwater management systems in built-up areas	√	
Trading regulations	√	
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewerage disposal systems.	√	
<b>Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), Schedule 5, Part B functions:</b>		
Beaches and amusement facilities		√
Billboards and the display of advertisements in public places	√	
Cemeteries, funeral parlours and crematoria	√	
Control of public nuisances	√	
Control of undertakings that sell liquor to the public	√	
Facilities for the accommodation, care and burial of animals	√	
Fencing and fences	√	
Licensing of dogs		√
Licensing and control of undertakings that sell food to the public	√	
Local amenities	√	
Local sports facilities	√	
Markets		√
Municipal abattoirs		√
Municipal parks and recreation	√	
Municipal roads	√	
Noise pollution	√	
Pounds	√	
Public spaces	√	
Refuse removal, refuse dumps and solid waste disposal	√	
Street trading	√	
Street lighting	√	
Traffic and parking	√	

*Table 180: Municipal Functions*

**APPENDIX E: WARD REPORTING**

<b>Functionality of Ward Committees</b>					
<b>Ward Name (Number)</b>	<b>Name of Ward Councillor and elected Ward Committee Members</b>	<b>Committee established Yes/No</b>	<b>Number of monthly Committee meetings held during the year</b>	<b>Number of Monthly Reports submitted to Speaker's Office on time</b>	<b>Number of quarterly public Ward Meetings held during the year</b>
1	<b>WARD COUNCILLOR</b>	Yes	3	3	2
	Cllr CC van der Westhuizen				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Henry Valentyn				
	Mr Ivan Marang				
	Mr Jason Peter Snyders				
	Ms Rosaline van der Westhuizen				
	Mr Jack Botha				
	Ms Jo-Ann Phillips				
	Mr Zithulele Jefree Duzen				
	Ms Vuyokazi Cynthia Gcakini				
	Mr Wiseman Sipho Matokazi				
	Ms Zamikhaya Siyaya				
2	<b>WARD COUNCILLOR</b>	Yes	4	4	2
	Cllr JG Rademeyer				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Hendrick Jacobus Kotze				
	Ms Susara du Toit				
	Ms Wilma Leonora Busse				
	Mr Nicolaas Daniël Sauerma				
	Mr Willem Hermanus Ehlers				
	Mr Andries Petrus Vorster				
	Mr Leonard Stephen Weyers				
3	<b>WARD COUNCILLOR</b>	Yes	6	6	2
	Cllr WE Smit				
	<b>WARD COMMITTEE MEMBERS</b>				
	Abel Mentoer				
	Ms Magrieta Futhwa				
	Ms Janine Alkaster				
	Mr Johannes Steenkamp				
	Ms Sarie Johannes				
	Mr Nicolaas Geldenhuys				
	Mr Damon Mintoer				
	Ms Janine Alkaster				
	Ms Clara Jawa				
4	<b>WARD COUNCILLOR</b>	Yes	5	5	2
	Cllr RA Koegelenberg				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Christo Botha				

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Adriaan Johannes du Plessis				
	Ms Elmarie Kotze				
	Marthinus Hermanus le Roux				
	Mr Carel Hendrik Stander				
	Mr Johannes Frederik Kotze				
	Mr Driaan Koegelenberg				
	Mr Mossie Mouton				
	Mr Petrus Johannes Kruger Steenkamp				
	Ms Heleen Petsch				
5	<b>WARD COUNCILLOR</b>	Yes	4	4	1
	Cllr V Hlati				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Ismail Lindile Botha				
	Mr Nonzwakazi Tshabe				
	Mr Benjamin Alfred Kika				
	Mr Johannes Jacobus Joseph				
	Mr Simphiwe Mkosana				
	Ms Linda Maria Pietersen				
	Mr Ivan James Kiewit				
	Mr Nondumiso Petros				
	Mr Sinoyolo Nyawula				
	Ms Margaret Jongani				
6	<b>WARD COUNCILLOR</b>	Yes	6	6	3
	Cllr T Z Nomana				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Nceba Mpiliswana				
	Mr Lucas Wellem				
	Mrs Zandile Mjuza				
	Mr Sydwell Sithembiso Magqazana				
	Mrs Sonia Thozama Nongwedle				
	Mr Phindile Maki				
	Mr Thumeka Yakobi				
	Ms Patience Bomikazi Delihlazo				
	A G Maki				
	Mr Luvuyo Yedwa				
7	<b>WARD COUNCILLOR</b>	Yes	5		2
	Cllr RB Arnolds				
	<b>WARD COMMITTEE MEMBERS</b>				
	Ms Monica Ryan				
	Ms Elana Davids				

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr André Hendricks Ms Angeline Le Cordeur Mr Bega Hera Mr Davey Simonse Mr Deon Manuel Mr David Geduld Ms Bellmordene Robson				
8	<b>WARD COUNCILLOR</b> Cllr MP Tshaya <b>WARD COMMITTEE MEMBERS</b> Ms Noncedo Mahlathi Ms Thobele Mtyole Mr Taambela Siyabulela Ms N Peter Mr Nkosiphendule Takatayo Ms Shiela Witbooi Mr Zikhali Nomonde Mr Vuysile Thabo Kallie Ms B Fizizolo Mr V Mananga	Yes	3	3	1
9	<b>WARD COUNCILLOR</b> Cllr TC Mangena <b>WARD COMMITTEE MEMBERS</b> Mr Velile Moses Jela Mr Mncedisi Nobala Mr Loyiso Felix Sibelegwana Ms Khanyiswa Margaret Khweni Ms Vuyokazi Cynthia Mfiki Mr Vukile Henry Nkewu Ms Nokhaya Xhayimpi Mr Thapelo Nimrod Moahloli Ms Ayanda Lloyd Nyaka Ms Nontuthuzelo Lydia Kwini	Yes	4	4	1
10	<b>WARD COUNCILLOR</b> Cllr C Kearns <b>WARD COMMITTEE MEMBERS</b> Mr Charles Abrahams Mr Heinrich Appollis Mr Christiaan Abrahams Mr Bennie Boltman Ms Mirian Engelbrecht Ms Rachel Hendricks Ms Mary Hendricks	Yes	5	5	3

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Ms Sandra Jones Mr Williams Kearns Mr Neil Pietersen				
11	<b>WARD COUNCILLOR</b> Cllr AC Stowman <b>WARD COMMITTEE MEMBERS</b> Mr Julian Clive Blankenberg Ms Jennifer Daniels Mr Noël Daniels Ms Merencia Charlotte Charmain Jooste Ms Cynthia Ndzuzo Ms Lenie Ross Mr Jan September Ms Lindley Titus Mr Raymond Yantolo Sindiso Tshaka	Yes	4	4	2
12	<b>WARD COUNCILLOR</b> Cllr MC Msolo <b>WARD COMMITTEE MEMBERS</b> Mr Monde Tose Ms Gladys Maseng Mr Philimon Qumza Ms Bulelwa Lucia Sijaji Ms Lityshia Kwili Ms Beauty Momolotope Phokeng Mr John Vuyisile Sonolo Ms Elda Matobs Mr Sydwell Makabongwe Matshotayana Mr Mkhosi Enock Mgalimani	Yes	5	5	3
13	<b>WARD COUNCILLOR</b> Cllr S Ross <b>WARD COMMITTEE MEMBERS</b> Ms Margeret Joubert Mr Lamani Thanduxolo Ms Veronica Koopman Ms Delie Abelse Ms Yandekea Theodora Fatyela Mr Barend George Ms Marlene Fredericks Ms Angelina Solomon Ms Sonia Falmer	Yes	6	6	2

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
14	Ms Julia Olifant	Yes	5	5	4
	<b>WARD COUNCILLOR</b>				
	Cllr J De Wet				
	<b>WARD COMMITTEE MEMBERS</b>				
	Ms Mandy Jacobs				
	Ms Patricia Mjulen				
	Ms Monica Riegers				
	Mr Dumisani Daweti				
	Mr Calvin Festus				
	Ms Norina Scheffers				
	Mr Molisana Leonard Taso				
	Mr Saolomzi Ganandana				
	Ms Brenda von Willing				
	Mr Douglas Matthews				
15	<b>WARD COUNCILLOR</b>	Yes	4	4	4
	Cllr LW Niehaus				
	<b>WARD COMMITTEE MEMBERS</b>				
	Ms Christina Elizabeth Niehaus				
	Mr Percy Alfred Lotter				
	Mr Jacobus Adriaan Louw				
	Mr Thomas Williams Engela				
	Ms Anzel Beukes				
	Mr Pieter Burger				
16	<b>WARD COUNCILLOR</b>	Yes	3	3	2
	Cllr B Duba				
	<b>WARD COMMITTEE MEMBERS</b>				
	Ms Nancy Nonkumbulo George				
	Ms Nomsa Minah Nontombi Mdunusie				
	Mr Sonwabo Bangani				
	Ntombekhaya Lilian Didiza				
	Mr Thamsanga Ntayi				
	Mr Sakhele John Mcimbi				
	Ms Linda Joyce Mhlebi				
	Mlungi Si Simelane				
	Zweimkile Braveman Mini				
17	<b>WARD COUNCILLOR</b>	Yes	3	3	2
	Cllr LM du Toit				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Stephanus Roberts				
	Mr Xolani Wilson Dlikilili				



Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Johannes Casper Bezuidenhout				
	Mr Michael Philip Shaw				
	Mr Dawid Linee				
	Ms Georgina Davids				
	Ms Irene Abrahams				
	Ms Frouwien Reina du Toit				
	Mr Willem Meiring				
	Mr Daniel Young				
	Ms Nondumiso Julia Zizi				
18	<b>WARD COUNCILLOR</b>	Yes	6	6	2
	Cllr AML Buckle				
	<b>WARD COMMITTEE MEMBERS</b>				
	Ms Josephine Ann Cornelius				
	Mr Zolani Livingstone Masoka				
	Ms Nozizwe Mosala				
	Ms Sikelelwa Mirriam Ntangani				
	Ms Linda Muller				
	Mr Johannes van Zyl Smith				
	Ms Adele Brink				
	Ms Naaim Davids				
	Mr Petrus Pietersen				
19	<b>WARD COUNCILLOR</b>	Yes	5	5	2
	Cllr HR de Goede				
	<b>WARD COMMITTEE MEMBERS</b>				
	Ms Elizabeth Maria Wessels				
	Mr Christiaan Jacobus Visser				
	Mr Johannes Andrews				
	Mr Theunis Gerhardus Bester				
	Mr David Johannes van Lill Basson				
	Ms Elizabeth Johanna Janse van Rensburg				
	Ms Johanna Elizabeth Swanepoel				
	Mr Zizi Hanekom				
	Ms Elizabeth Maria Wessels				
	Dr Daniël Wessels Botes				
20	<b>WARD COUNCILLOR</b>	Yes	5	5	2
	Cllr EM Kearns				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Marshall Alexander				
	Ms Jennifer Botha				

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Pieter Johnson Mr Esau Davids Ms Theresa Pietersen Mr Herlin Carelse Ms Celita Charles Mr Eden Watts Mr Jacob Martin Ms Florencia Abrahams				
21	<b>WARD COUNCILLOR</b> Cllr E Gouws <b>WARD COMMITTEE MEMBERS</b> Mr Johan Niklaas Adams Ms Lenie Borrings Mr November Setley Ms Mirinda Paulse Ms Marlene Parkerson Ms Cherie Williams Ms Antionette Feona van Breda Ms Mercia Booysen Mr Isak John de Kok Ms Roseline Rossouw	Yes	4	4	2
22	<b>WARD COUNCILLOR</b> Cllr LN Daries <b>WARD COMMITTEE MEMBERS</b> Mr John Eduard Williams Ms Esme Solomon Mr Dennis Cyril Kearns Ms Rozanne Botha Ms Caroline Adams Mr Ivan Henry Sendin Mr William Henry van Wyk Mr Cecil Booysen Ms Shariefa Moerat Ms Clara Claasen	Yes	11	11	3
23	<b>WARD COUNCILLOR</b> Cllr WJ Naude <b>WARD COMMITTEE MEMBERS</b> Mr Samuel Andrews Ms Batronesia Arendse Mr Garth Botha Ms Dawn Jacobs Mr Patrick A Poggenpoel Mr Attie E Rens Ms Susan Rens	Yes	3	3	2

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Abdul M Richards				
	Ms Sharon E September				
	Ms Magda D Syfers				
24	<b>WARD COUNCILLOR</b>	Yes	4	4	3
	Cllr MM Adriaanse				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Kervin Patrick Bowers				
	Ms Maureen Williams				
	Ms Brysina Kruger				
	Mr Jeptha Leibrandt				
	Ms Geraldine Gordon				
	Mr Barry van Wyk				
	Mr Michael Nathan				
	Mr Jessie Festus				
	Ms Elizabeth Windvogel				
	Ms Marlene Cupido				
	<b>WARD COUNCILLOR</b>				
	Cllr A Allom				
25	<b>WARD COMMITTEE MEMBERS</b>	Yes	6	6	4
	Ms Florintina Alida Groenewald				
	Ms Stienie Elizabeth de Kock				
	Mr Bernard Robert Jones				
	Ms Carol Vanella Linee				
	Mr James Stevans				
	Mr Winston Quinton Gewsind				
	Mr Christiaan Van der Westhuizen				
	Mr Leon Diedericks				
	Mr Charles Petrus Jacobs				
	Ms Angeline Rhoda Roman				
	<b>WARD COUNCILLOR</b>				
	Cllr WF Philander				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Angelo Watts				
26	Mr Ephraim Samaai	Yes	5	5	5
	Ms Rosina Jansen				
	Ms Claudine Rooks				
	Mr Marius Van Sitters				
	Ms Joyce Kroutz				
	Ms Clarens du Plessis				
	Ms Elenore Basson				
	Ms Maria Titus				
	Ms Joan Anderson				

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
27	<b>WARD COUNCILLOR</b>	Yes	3	3	3
	Cllr CJ Poole				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Jonathan Van Rooyen				
	Ms Doreen Kilowan				
	Ms Lorraine de Klerk				
	Ms Vanessa Booysen				
	Ms Whilemina Hendricks				
	Mr Henry Matthews				
	Mr Karools Isaacs				
	Ms Lynette Wessels				
	Ms Gwendelene Davids				
28	<b>WARD COUNCILLOR</b>	Yes	4	4	3
	Cllr RH van Nieuwenhuyzen				
	<b>WARD COMMITTEE MEMBERS</b>				
	Ms Marie E Conradie				
	Mr Zenzile Gcinisa				
	Mr Johnnie Swarts				
	Ms Margaret Waterboer				
	Ms Cecilia Mitchell				
	Mr Japie H Arendse				
	Mr Andries Mitchell				
	Mr Eden Leon Davids				
	Mr John-Hilton Stevens				
	Ms Angelique Stevens				
29	<b>WARD COUNCILLOR</b>	Yes	4	4	3
	Cllr MDJ Smith				
	<b>WARD COMMITTEE MEMBERS</b>				
	Mr Turnel Abrahams				
	Ms Brenda Anne Albertus				
	Ms M S Engeldoe				
	Mr Williams Moses Walters				
	Mr Johannes Quinot				
	Mr Hendrik Filand				
	Getruida Smit				
	Jan Louw Du Plessis				
	Eugenie				
	Donald Clarence Winter				
30	<b>WARD COUNCILLOR</b>	Yes	3	3	2
	Cllr GJ Witbooi				
	<b>WARD COMMITTEE MEMBERS</b>				
	Ms Magrieta Marsh				
	Mr Ettiene Ernest Patience				
	Ms Suzette Nicolene Scholtz				

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of monthly Committee meetings held during the year	Number of Monthly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
31	Ms Levena Eleanor de Wee				
	Mr Christopher Stephen Joachims				
	Mr Arnold Arendse				
	Mr Derick William Brown				
	Mr George Charles				
	Mr Johannes Smit				
	Mr P A Camfer				
	<b>WARD COUNCILLOR</b>	Yes	3	3	4
	Cllr JC Mchelm				
	<b>WARD COMMITTEE MEMBERS</b>				
	Ms Joan Adams				
	Mr Zandisile Killion Cekiso				
	Mr Mziwabantu Wilfred Cekiso				
	Ms Anne-lucia Jacobs				
	Mr Brendan Koopman				
	Ms Cavendine McCree				
	Ms Amelia Robinson				
	Ms Dinah Smith				
	Ms Charmaine van Rooyen				
	Mr Klaas Nicky Morkel				

Table 181: Functionality of Ward Committees

## APPENDIX F: WARD INFORMATION

Ward Title: All Wards				
Capital Projects: Seven largest 2015/2016 (Full list in Appendix N)				
No.	Project Name and Detail	Start date	End date	Total value
1.	UPGRADE BULK SEWER: SOUTHERN PAARL	1 July 2015	30 June 2016	25,128,510.15
2.	SARON WWTW: REHABILITATION AND UPGRADING	1 July 2015	30 June 2016	13,931,425.74
3.	WELVANPAS WTW & OUT BUILDINGS	1 July 2015	30 June 2016	16,305,494.37
4.	TARTAN TRACK :DALJOSAPHAT STADIUM	1 July 2015	30 June 2016	10,609,776.00
5.	UPGRADE SUID END SUBSTATION 66/11K	1 July 2015	30 June 2016	9,451,915.26
6.	PROCLAIMED AND MAIN ROADS UPGRADES	1 July 2015	30 June 2016	9,413,034.76
7.	11 ML NEWTON RESERVOIRS (MIG)	1 July 2015	30 June 2016	9,263,726.00

Ward Title: All Wards				
Capital Projects: Seven largest 2015/2016 (Full list in Appendix N)				
No.	Project Name and Detail	Start date	End date	Total value
None of the seven largest capital projects were allocated to a specific ward. Capital projects benefited more than one ward. See Appendix N				

Table 182: Ward – Capital Projects

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery			51,002		
Households without minimum service delivery			20,684		
Total households*			71,686		
Houses completed in year					
Shortfall in housing units					
*Including informal settlements					

Table 183: Basic Service Provision

Top four Service Delivery Priorities (Highest priority first)		
No.	Priority name and detail	Progress during 2015/2016
1	Housing	338 housing opportunities provided
2	Electricity	>8.25% electricity losses
3	Skills development	4 training workshops per annum
4	Job creation	1,118 work opportunities created

Table 184: Top four Service Delivery Priorities

**APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE  
2015/2016**

<b>Municipal Audit Committee Recommendations</b>		
<b>Date of Committee Meeting</b>	<b>Committee recommendations during 2015/2016</b>	<b>Recommendations adopted</b>
25 August 2015	<b>Performance Management:</b>  The AC recommended that: <ul style="list-style-type: none"> <li>Management reviews and supervisory checks of the portfolios of evidence, should be continuously reviewed and where necessary incorporated into the standard operating procedures for the performance indicators.</li> </ul>	Yes
	<b>Internal Audit:</b>  The AC recommended that: <ul style="list-style-type: none"> <li>Council notes that the 2014/15 Internal Audit Plan was not completed and that the plan for 2015/16 will include four audit areas that were not completed in 2014/15.</li> </ul>	Yes
	<b>Financial Management</b>  The AC recommended that: <ul style="list-style-type: none"> <li>Management should continue in their efforts to match the expenditure to the budgets and prepare the budgets in line with anticipated future expenditure.</li> </ul>	
	<b>Administrative Matters</b>  The AC recommended that: <ul style="list-style-type: none"> <li>The Municipal Council submit a resolution to amend the current audit committee charter;</li> <li>The Municipal Council note that the Audit Committee supports the appointment of the CAE.</li> </ul>	
7 December 2015	<b>Internal Audit:</b>  The AC recommended that: <ul style="list-style-type: none"> <li>The Audit Committee confirms that the organisational structure of Internal Audit is adequate and independent;</li> <li>The audit reports submitted to the Audit Committee are on schedule with the Internal Audit Plan and Management has acted affectively on the recommendations made;</li> <li>The Internal Audit team is still inadequately resourced and should note that steps are in place to clarify this.</li> </ul>	Yes
	<b>Performance Management:</b>  The Audit Committee recommended that: <ul style="list-style-type: none"> <li>Management reviews and supervisory checks of the portfolios of evidence, should be continuously reviewed and where necessary</li> </ul>	Yes

<b>Municipal Audit Committee Recommendations</b>		
<b>Date of Committee Meeting</b>	<b>Committee recommendations during 2015/2016</b>	<b>Recommendations adopted</b>
25 February 2016	<p>incorporated into the standard operating procedures for the performance indicators.</p> <p><b>Annual Financial Statements</b></p> <p>The Audit Committee recommended that:</p> <ul style="list-style-type: none"> <li>• The Annual Financial Statements for the year ended 30 June 2015 be approved as read with the AG's report;</li> <li>• The Management should complete their draft annual report with sufficient time for proper review by Management and the Audit Committee prior to submission to the AG.</li> </ul> <p><b>Administrative Matters:</b></p> <p>The Audit Committee recommends that:</p> <ul style="list-style-type: none"> <li>• The Municipal Council encourage FARMCO to meet quarterly to reflect the commitment of Management to maintain an effective fraud and risk management process. Furthermore that FARMCO consider carry out an updated fraud awareness campaign;</li> <li>• The Municipal Council encourage Management to include the underlying cause of deviation in their monitoring reports to Council.</li> </ul> <hr/> <p><b>Internal Audit:</b></p> <p>The Audit Committee recommends that:</p> <ul style="list-style-type: none"> <li>• The Audit Committee confirms that the organisational structure of Internal Audit is adequate and independent but remains concerned that the Internal audit team is still not fully resourced;</li> <li>• The audit reports submitted to the Audit Committee are on schedule with the Internal Audit Plan;</li> <li>• Management is advised to act timeously on the recommendations made by Internal Audit in their reports.</li> </ul> <p><b>Risk Management</b></p> <p>The Audit Committee recommended that:</p> <ul style="list-style-type: none"> <li>• The quarterly FARMCO meetings be convened urgently;</li> <li>• Emerging risks and response plans are tabled at these meetings;</li> <li>• Risk Management should be embedded in the management of the Municipality lead by the Municipal Manager;</li> <li>• FARMCO consider carrying out an updated fraud awareness campaign.</li> </ul>	



<b>Municipal Audit Committee Recommendations</b>		
<b>Date of Committee Meeting</b>	<b>Committee recommendations during 2015/2016</b>	<b>Recommendations adopted</b>
	<p><b>Ethics Management:</b></p> <p>The Audit Committee recommended that:</p> <ul style="list-style-type: none"> <li>Management should consider consolidating their ethics issues in a formal policy that reflects their behaviour and code of conduct.</li> </ul> <p><b>Administrative Matters:</b></p> <p>The Audit Committee recommends that:</p> <ul style="list-style-type: none"> <li>The Municipal Council encourage management to address the filling of key vacancies and at the same time address the skill shortage;</li> <li>The Municipal Council encourage Management to include the underlying cause of deviation in their PDO reports to Council;</li> <li>The controls should be formalized to avoid the reoccurrence of findings reported by the forensic investigations.</li> </ul>	
26 May 2016	<p><b>Internal Audit:</b></p> <p>The Audit Committee recommends that:</p> <ul style="list-style-type: none"> <li>The Audit Confirms that the organisational structure on Internal Audit is adequate and independent;</li> <li>The audit reports submitted to the Audit Committee although behind schedule are being closely monitored in line with the Internal Audit Plan;</li> <li>Management is advised to act timeously on the recommendations made by Internal Audit in their reports;</li> <li>Audit Committee supports Internal Audit request to implement the Internal Audit Methodology.</li> </ul>	Yes
	<p><b>Risk Management:</b></p> <p>The Audit Committee recommends that:</p> <ul style="list-style-type: none"> <li>The quarterly FARMCO meetings be convened urgently;</li> <li>Emerging risks and response plans are tabled at these meetings;</li> <li>Emergency preparedness plan be updated to cover risk of service disruption during local elections;</li> <li>Risk Management should be embedded in the management of the Municipality lead by the Municipal Manager;</li> <li>FARMCO consider carrying out an updated fraud awareness campaign.</li> </ul>	Yes

<b>Municipal Audit Committee Recommendations</b>		
<b>Date of Committee Meeting</b>	<b>Committee recommendations during 2015/2016</b>	<b>Recommendations adopted</b>
	<b>Ethics Management</b>  The Audit Committee recommends that: <ul style="list-style-type: none"> <li>Once the formal appointment of the permanent Municipal Manager has been confirmed, the management team should then consider consolidating their ethics issues in a formal policy that reflects their behaviour and code of conduct.</li> </ul>	Yes
	<b>Administrative Matters</b>  The Audit Committee recommends that: <ul style="list-style-type: none"> <li>Management monitor the impact of the changeover process of leadership and reporting systems during preparation of the year end financials;</li> <li>The Municipal Council continue to encourage management to address the filling of key vacancies and at the same time address the skills shortage and succession planning;</li> <li>Council note the risk arising from the potential tax implications relating to the free housing provided to some employees; and follow up management action plans;</li> <li>The Management draw up a formal policy that reflects their performance management system approach down to all levels of the organization;</li> <li>The Municipal Council encourage Management to include the underlying cause of deviations in their summary reports to Council;</li> <li>Management must engage with Internal Audit to ensure that the systems and procedures that Management have put in place to prevent recurrence of events, as reported on the Schedule of Forensic Investigations, are adequate.</li> </ul>	Yes

*Table 185: Municipal Audit Committee Recommendations*

## APPENDIX H: LONG-TERM CONTRACTS AND PUBLIC-PRIVATE PARTNERSHIPS

<b>Long-term Contracts (Eight Largest Contracts entered into 2015/2016)</b>					
<b>R</b>					
<b>Name of Service Provider (Entity or Municipal)</b>	<b>Description of service rendered by the Service Provider</b>	<b>Start date of contract</b>	<b>Expiry date of contract</b>	<b>Project Manager</b>	<b>Contract Value</b>
INENZO WATER (PTY) LTD	UPGRADE AND EXTENSION OF THE	FEBRUARY 2016	MAY 2018	R BROWN	R 84,644,676 (INCLUDING 10%

**Long-term Contracts (Eight Largest Contracts entered into 2015/2016)**

R					
Name of Service Provider (Entity or Municipal)	Description of service rendered by the Service Provider	Start date of contract	Expiry date of contract	Project Manager	Contract Value
	WELLINGTON WASTE WATER TREATMENT WORKS TO 16ML/DAY – MECHANICAL AND ELECTRICAL INSTALLATION				CONTINGENCIES AND EXCLUDING 14% VAT)
STEFANUTTI STOCKS CIVILS (PTY) LTD	UPGRADE AND EXTENSION OF THE WELLINGTON WASTE WATER TREATMENT WORKS TO 16ML/DAY – CIVIL WORKS	FEBRUARY 2016	MAY 2018	R BROWN	R 192,015,792 (INCLUDING 7.5% CONTINGENCIES AND EXCLUDING 14% VAT)
EXEO KHOKELA CIVIL ENGINEERIG CONSTRUCTION	CONSTRUCTION OF 8ML COURTRAI RESERVOIR AND BULK WATER PIPELINE	FEBRUARY 2016	JULY 2017	A KOWALEWSKI	R 32,870,486 (INCLUDING 10% CONTINGENCIES AND EXCLUDING 14% VAT)
VAKALA CONSTRUCTION (PTY) LTD	CONSTRUCTION OF A 5ML WELVANPAS RESERVOIR AND RELATED WATER PIPELINES	APRIL 2016	JUNE 2017	A KOWALEWSKI	R 13,873,400 (INCLUDING 10% CONTINGENCIES AND EXCLUDING 14% VAT)
CONSOLIDATED POWER PROJECTS (PTY) LTD	SUPPLY AND INSTALLATION OF 66KV/11.5 KV 20 MVA POWER TRANSFORMERS AT SUID-END AND DALWEIDING SUB-STATIONS	JULY 2016	JUNE 2018	D GABRIELS	R 32,117,622 (INCLUDING 10% CONTINGENCIES AND 14% VAT)
VAKALA CONSTRUCTION (PTY) LTD	CONSTRUCTION OF NEW NEWTON-LELIEFONTEIN BOOSTER PUMP STATION, PHASE 1 (CIVIL WORKS), PAARL	JUNE 2016	MARCH 2017	A KOWALEWSKI	R 15,934,411 (INCLUDING 10% CONTINGENCIES AND 14% VAT)
XIGOMBE BUSINESS ENTERPRISES	UPGRADING OG MBEKWENI SPORTS FACILITY INCLUDING THE CONSTRUCTION OF A MULTI-PURPOSE FACILITY, TICKET OFFICE, A PERIMETER BOUNDARY WALL AND REHABILITATION OF THE SPORTS FIELDS	JUNE 2016	MAY 2017	A VAN DER MERWE	R 10,593,766 (INCLUDING 10% CONTINGENCIES AND 14% VAT)
VAKALA CONSTRUCTION (PTY) LTD	BULK SEWER TO SOUTHERN PAARL, PHASE 3	JULY 2016	MAY 2017	R BROWN	R 41,185,655 (INCLUDING 10% CONTINGENCIES, 14% VAT AND R 1.5 MILLION ESCALATION)

Table 186: Long-term Contracts

Public-Private Partnerships entered into 2015/2016					
					R`000
Name and description of project	Name of partner(s)	Initiation date	Expiry date	Project manager	Value 2015/2016
No PPP entered into during the year under review					

Table 187: Public-Private Partnerships entered into 2015/2016

## APPENDIX I: DISCLOSURES OF FINANCIAL INTEREST

Disclosure of Financial Interests		
Period 1 July 2015 to 30 June 2016		
Position	Name	Description of Financial Services
<b>(Executive) Mayor</b>	Cllr GMM van Deventer	Nil
<b>(Executive) Deputy Mayor</b>	Cllr CJ Poole	Nil
<b>Member of Executive Mayoral Committee</b>		
<b>Portfolio: Finance</b>	GC Combrink	Nil
<b>Portfolio: Planning and Economic Development</b>	Dr MDJ Smith	Nil
<b>Portfolio: Security Services and Disaster Management</b>	R Smuts	Nil
<b>Portfolio: Corporate Services</b>	Le Ntlemeza	Nil
<b>Portfolio: Social Services and Community Development</b>	Dr ND Adams	Nil
<b>Portfolio: Environmental Affairs, Open Spaces and Parks</b>	Dr LM du Toit	Le Bac Estates (Pty) Ltd
<b>Portfolio: Housing and Human Settlements</b>	WF Philander	Nil
<b>Portfolio: Public and Governmental Relations</b>	EM Kearns	Nil
<b>Portfolio: Infrastructure Services</b>	JG Rademeyer	J&M Promotions BK
<b>Portfolio: Sport, Culture and Youth Matters</b>	A Stowman	Nil
<b>Councillor</b>		
	MM Adriaanse	Nil
	AF Afrika	Nil
	Amina Allom	Nil
	CJJ Apollis	Nil
	MB Apollis	Nil
	RB Arnolds	Nil
	A Bekeer	Nil
	DS Blackenberg	Nil

<b>Disclosure of Financial Interests</b>		
<b>Period 1 July 2015 to 30 June 2016</b>		
<b>Position</b>	<b>Name</b>	<b>Description of Financial Services</b>
	LE Bolani	Nil
	AML Buckle	Turnstone Trading Pty (Ltd)
	FP Cupido	Nil
	PB Cupido	Nil
	LN Daries	Nil
	CO Davids	Nil
	AHP de Beer	Did not return form
	HR de Goede	Nil
	J de Wet	Nil
	E Gouws	Nil
	ZL Gwada	Nil
	V Hlati	Nil
	E Julius	Nil
	C Kearns	Nil
	Z Kem	Did not return form
	RA Koegelenberg	Nil
	DA Kotze	Nil
	L Landu	Nil
	JF le Roux	Nil
	SE Lumko	Nil
	S Kika-Dyson	Nil
	TC Mangena	Nil
	J Matthee	Nil
	V Mbubu	Nil
	JC Mchelm	Nil
	MC Msolo	Nil
	N Mtiki	Nil
	WJ Naude	Nil
	LW Niehaus	Nil
	Tryphina Nomana	Nil
	M Paliso	Purple Red Trading
	CJ Poole	Nil
	SC Rens	Nil
	CS Ross	Nil
	S Ross	Nil
	WE Smit	Nil
	TE Somgqeza	Nil
	MA Tshaya	Nil
	C van der Westhuizen	Nil
	RH van Nieuwenhuyzen	Nil
	H von Schlicht	Huguenot College
	GJ Witbooi	Nil
<b>Municipal Manager</b>	Mr JF Mettler	Nil

<b>Disclosure of Financial Interests</b>		
<b>Period 1 July 2015 to 30 June 2016</b>		
<b>Position</b>	<b>Name</b>	<b>Description of Financial Services</b>
<b>Chief Financial Officer</b>	Mr J Carstens	Nil
<b>Executive Managers</b>		
	<b>Corporate Services:</b> Ms A de Beer	Nil
	<b>Planning Services:</b> Mr A Adam	Nil
	<b>Community Services:</b> G Boshoff	Nil
	<b>Infrastructure:</b> Deon Louw	Nil
<b>Other S57 Officials</b>	N/A	
<i>*Financial interests to be disclosed even if they were incurred for only part of the year.</i>		

*Table 188: Disclosure of Financial Interests*

**APPENDIX J: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE**

**APPENDIX J (I): REVENUE COLLECTION PERFORMANCE BY VOTE**

Revenue Collection Performance by Vote						
R'000						
Vote Description	2014/2015	Current Year 2015/2016			2015/2016 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Executive and Council	16,297	12,953	15,023	19,668	-15.84%	-30.92%
Budget and Treasury Office	212,152	225,441	227,876	248,933	-10.42%	-9.24%
Corporate Services	21,240	4,887	96,365	98,064	1906.63%	-1.76%
Community and Social Services	3,306	16,185	16,076	16,502	-1.96%	-2.65%
Sports and Recreation	2,803	5,099	3,666	2,644	48.15%	27.88%
Public Safety	63,996	80,937	67,748	71,292	99.91%	99.89%
Housing	57,246	80,779	98,403	52,728	34.73%	46.42%
Health	10	12	0	0	100%	0%
Planning and Development	7,273	6,609	6,609	6,439	2.57%	2.57%
Road Transport	16,454	14,287	16,287	15,103	-5.71%	7.27%
Electricity	830,696	983,121	952,453	948,587	3.51%	0.41%
Water	156,418	186,114	180,672	183,857	1.21%	-1.76%
Wastewater Management/ Sewerage	124,242	132,796	154,912	154,386	-16.26%	0.34%
Waste Management and Solid Waste	96,337	130,112	38,093	36,670	71.82%	3.74%
<b>Total revenue by vote</b>	<b>1,608,470</b>	<b>1,879,332</b>	<b>1,874,183</b>	<b>1,783,652</b>	<b>5.09%</b>	<b>4.83%</b>

Table 189: Revenue Collection Performance by Vote

**APPENDIX J (II): REVENUE COLLECTION PERFORMANCE BY SOURCE**

Revenue Collection Performance by Source						
R'000						
Description	2014/2015	2015/2016			2015/2016 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	193,849	210,544	211,718	209,945	0.28%	0.84%
Property rates – penalties and collection changes	1,653	1,338	1,338	1,076	19.58%	19.58%
Service charges – electricity revenue	778,129	937,740	911,833	908,329	3.14%	0.38%
Service charges – water revenue	152,068	156,872	156,961	166,691	-6.26%	-6.20%
Service charges – sanitation revenue	60,647	79,851	80,541	79,059	0.99%	1.84%
Service charges – refuse revenue	68,000	100,314	99,821	97,465	2.84%	2.36%
Service charges – other	30	34	34	34	0%	0%
Rentals of facilities and equipment	10,450	23,480	23,447	24,435	-4.07%	-4.21%
Interest earned – external investments	13,752	10,985	13,985	19,261	-75.34%	-37.73%
Interest earned – outstanding debtors	13,702	10,931	10,968	11,151	-2.01%	-1.67%
Dividends received	15	15	15	15	0%	0%
Fines	49,704	67,454	51,233	52,716	21.85%	-2.89%
Licenses and permits	14,032	13,505	14,026	15,857	-17.42%	-13.05%
Agency services	0	0	0	0	0%	0%
Transfers recognised – operational	152,924	182,871	193,682	146,255	20.02%	24.49%
Other revenue	(30,568)	31,842	30,482	49,559	-55.64%	-62.58%
Gains on disposal of PPE	2,475	250	250	4,925	-1870%	-1870%
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>1,519,613</b>	<b>1,909,000</b>	<b>1,865,608</b>	<b>1,855,361</b>	<b>2.81%</b>	<b>0.55%</b>

Table 190: Revenue Collection Performance by Source



**APPENDIX K: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG**

Conditional Grants: excluding MIG						
R						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant	-	-	-	0%	0%	
Public Transport Infrastructure and Systems Grant	-	-	-	0%	0%	
<b>Other Specify:</b>						
Finance Management Grant	1,375	1,701	1,450	-5.45%	14.76%	
Municipal Systems Improvement Grant	930	930	930	0%	0%	
Integrated National Electrification Grant	4,300	4,508	4,508	-4.83%	0%	
Regional Bulk Infrastructure Grant	6,628	39,000	29,918	-351.39%	23.29%	
Expanded Public Works Programme	523	523	523	0%	0%	
<b>Total</b>	<b>13,756</b>	<b>46,662</b>	<b>37,329</b>	<b>-171.37%</b>	<b>20.00%</b>	

Table 191: Conditional Grants excluding MIG

**APPENDIX L: CAPITAL EXPENDITURE – NEW AND UPGRADE/RENEWAL PROGRAMMES**

**APPENDIX L (I): CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME**

<b>Capital Expenditure</b>							
<b>R`000</b>							
<b>Description</b>	<b>2014/2015</b>	<b>2015/2016</b>					
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment s Budget (after virements)</b>	<b>Actual Expenditure</b>	<b>FY + 1</b>	<b>FY + 2</b>	<b>FY + 3</b>
<b><u>Capital expenditure by Asset Class</u></b>							
<b><u>Infrastructure Total</u></b>	110,387	165,729	142,829	141,629	295,239	275,409	193,735
<b><u>Infrastructure: Road transport – Total</u></b>	48,940	21,349	42,526	41,929	7,321	4,396	7,365
Roads, pavement and bridges	47,189	21,349	42,526	41,929	7,321	4,396	7,365
Stormwater	1,751	–	–	–	–	–	–
<b><u>Infrastructure: Electricity – Total</u></b>	11,655	23,540	13,621	13,490	99,149	64,588	44,251
Generation	–	–	–	–	–	–	–
Transmission and Reticulation	11,301	21,601	12,797	12,697	96,953	64,296	43,940
Street lighting	354	1,939	824	793	2,195	292	311
<b><u>Infrastructure: Water – Total</u></b>	30,574	69,567	48,193	48,186	83,543	63,419	63,891
Dams and Reservoir	16,877	45,545	24,084	24,078	46,401	25,354	25,950
Water purification	351	120	–	–	3,500	26,059	24,834
Reticulation	13,346	23,902	24,109	24,108	33,641	12,007	13,107
<b><u>Infrastructure: Sanitation – Total</u></b>	13,134	44,273	25,674	25,356	100,603	140,607	77,598
Reticulation	–	10,668	3,223	3,223	1,550	9,155	1,100
Sewerage purification	13,134	33,605	22,451	22,133	99,053	131,452	76,498
<b><u>Infrastructure: Other – total</u></b>	6,084	7,000	12,815	12,669	4,625	2,399	630
Waste management	2,179	7,000	9,837	9,744	4,625	1,305	630

<b>Capital Expenditure</b>							
<b>R`000</b>							
<b>Description</b>	<b>2014/2015</b>	<b>2015/2016</b>					
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment s Budget (after virements)</b>	<b>Actual Expenditure</b>	<b>FY + 1</b>	<b>FY + 2</b>	<b>FY + 3</b>
Transportation	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-
Other	3,906	-	2,978	2,924	-	1,094	-
<b><u>Community Total</u></b>	<b>8,183</b>	<b>15,725</b>	<b>25,451</b>	<b>24,998</b>	<b>20,014</b>	<b>24,759</b>	<b>13,921</b>
Parks and gardens	562	1,350	860	848	724	985	1,485
Sports fields and stadia	6,830	-	16,969	16,936	-	-	-
Swimming pools	0	75	-	-	-	-	100
Community halls	-	2,634	343	336	7,664	135	142
Libraries	-	47	-	-	50	52	55
Recreational facilities	686	9,256	1,848	1,524	9,225	20,614	9,636
Fire safety and emergency	105	550	-	-	605	666	732
Security and policing	-	1,500	3,726	3,650	1,500	1,500	1,500
<b>Capital Expenditure</b>							
<b>R`000</b>							
<b>Description</b>	<b>2014/2015</b>	<b>2015/2016</b>					
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment s Budget (after virements)</b>	<b>Actual Expenditure</b>	<b>FY + 1</b>	<b>FY + 2</b>	<b>FY + 3</b>
Busses	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-
Museums and art galleries	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	550	-
Social rental housing	-	-	1,653	1,653	-	-	-
Other	-	312	51	51	246	258	271

<b>Capital Expenditure</b>							
<b>R`000</b>							
<b>Description</b>	<b>2014/2015</b>	<b>2015/2016</b>					
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment s Budget (after virements)</b>	<b>Actual Expenditure</b>	<b>Planned Capital Expenditure</b>		
					<b>FY + 1</b>	<b>FY + 2</b>	<b>FY + 3</b>
<b><u>Capital expenditure by Asset Class</u></b>	-	-	-	-	-	-	-
<b><u>Heritage assets - Total</u></b>	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b><u>Investments properties - Total</u></b>	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b><u>Other assets</u></b>	22,111	50,790	32,045	30,618	56,320	33,211	30,020
General vehicles	14,872	30	11,033	10,923	-	3,568	6,320
Specialised vehicles	-	-	-	-	-	-	-
Plant and equipment	280	6,344	1,676	1,283	2,262	1,364	1,328
Computers – hardware/equipment	4,907	1,840	3,381	3,035	1,950	2,150	2,100
Furniture and other office equipment	1,267	60	1,152	1,020	60	60	60
Abattoirs	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-
Civic Land and Buildings	-	3,050	50	50	900	940	880
Other buildings	388	26,768	9,516	9,315	31,258	713	1,011
Other land	398	150	400	320	-	-	-
Surplus Assets – (Investment or inventory)	-	-	-	-	-	-	-
Other Assets: Other	-	12,548	4,837	4,673	19,890	24,416	18,321
<b><u>Agriculture assets</u></b>	-	-	-	-	-	-	-
List subclass	-	-	-	-	-	-	-
<b><u>Biological assets</u></b>	-	-	-	-	-	-	-
Lists subclass	-	-	-	-	-	-	-

Capital Expenditure							
R`000							
Description	2014/2015	2015/2016					
	Actual	Original Budget	Adjustment s Budget (after virements)	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital Expenditure							
R`000							
Description	2012/2013	2013/2014					
	Actual	Original Budget	Adjustment s Budget (after virements)	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Intangibles</b>	2,355	500	-	-	500	500	500
Computers – software and programming	-	-	-	-	-	-	-
Other (list subclass)	-	-	-	-	-	-	-
<b>Total Capital Expenditure on assets</b>	143,036	232,743	200,325	197,245	372,073	333,879	238,176

Table 192: Capital Expenditure – New Assets Programme

**APPENDIX L (II): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME**

Capital Expenditure – Upgrade/Renewal Programme*							
R`000							
Description	2014/2015	2015/2016			Planned Capital Expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>	-	-	-	-	-	-	-
<b>Infrastructure Total</b>	66,295	121,608	107,902	107,290	208,002	220,663	161,084
<b>Infrastructure: Road transport – Total</b>	3,615	39,876	19,290	19,185	42,088	46,406	44,787
Roads, pavements and bridges	3,615	33,876	19,290	19,185	34,588	38,906	37,287
Stormwater	-	6,000	-	-	7,500	7,500	7,500
<b>Infrastructure: Electricity – Total</b>	4,635	30,857	17,241	17,132	66,049	47,746	49,665
Generation	-	-	-	-	-	-	-

<b>Capital Expenditure – Upgrade/Renewal Programme*</b>							
<b>R'000</b>							
<b>Description</b>	<b>2014/2015</b>	<b>2015/2016</b>			<b>Planned Capital Expenditure</b>		
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>FY + 1</b>	<b>FY + 2</b>	<b>FY + 3</b>
Transmission and reticulation	4,448	30,757	17,221	17,132	65,199	47,746	49,665
Street lighting	187	100	20	-	850	-	-
<b>Infrastructure: Water – Total</b>	28,314	15,649	16,690	16,658	27,140	32,415	33,283
Dams and reservoir	-	250	-	-	570	-	-
Water purification	-	400	520	516	250	250	250
Reticulation	28,314	14,999	16,170	16,142	26,320	32,165	33,033
<b>Infrastructure: Sanitation – Total</b>	29,732	23,925	53,650	53,645	72,474	94,095	33,348
Reticulation	-	4,050	13,086	13,086	1,391	5,300	9,959
Sewerage purification	29,732	19,875	40,564	40,559	71,083	88,795	23,389
<b>Infrastructure: Other – total</b>	-	11,300	1,031	671	250	-	-
Waste management	-	11,300	1,031	671	250	-	-
Transportation	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b><u>Community Total</u></b>	3,737	11,984	4,299	4,077	6,696	4,540	11,700
Parks and gardens	804	-	505	505	-	100	-
Sports fields and stadia	901	-	3,548	3,508	-	-	-
Swimming pools	21	200	83	16	-	-	1,100
Community Halls	106	-	-	-	-	-	-

<b>Capital Expenditure – Upgrade/Renewal Programme*</b>							
							<b>R`000</b>
<b>Description</b>	<b>2014/2015</b>	<b>2015/2016</b>			<b>Planned Capital Expenditure</b>		
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>FY + 1</b>	<b>FY + 2</b>	<b>FY + 3</b>
Libraries	268	-	-	-	-	-	-
Recreational facilities	93	10,384	-	-	5,096	2,140	9,000
Fire, safety and emergency	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-
Busses	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-
Museums and Art Galleries	-	-	-	-	-	-	-
Cemeteries	49	-	-	-	-	1,000	-
Social rental housing	1,494	1,400	-	-	1,600	1,300	1,600
Other	-	-	162	47	-	-	-
<b><u>Capital expenditure by Asset Class</u></b>							
<b><u>Heritage assets – Total</u></b>	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b><u>Investments properties – Total</u></b>	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b><u>Other assets</u></b>	2,336	9,503	8,539	8,440	8,230	5,780	6,610
General vehicles	743	-	0	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-
Plant and equipment	-	3,308	-	-	2,460	2,730	2,840
Computers – hardware/equipment	-	820	-	-	920	1,050	990
Furniture and other office equipment	-	-	-	-	-	-	80

<b>Capital Expenditure – Upgrade/Renewal Programme*</b>							
<b>R`000</b>							
<b>Description</b>	<b>2014/2015</b>	<b>2015/2016</b>			<b>Planned Capital Expenditure</b>		
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>FY + 1</b>	<b>FY + 2</b>	<b>FY + 3</b>
Abattoirs	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-
Civic land and buildings	173	5,000	8,235	8,230	2,900	2,000	2,100
Other buildings	1,420	375	304	211	1,950	-	600
Other land	-	-	-	-	-	-	-
Surplus Assets – (Investment or inventory)	-	-	-	-	-	-	-
Other Assets: Other	-	-	-	-	-	-	-
<b><u>Agriculture assets</u></b>							
List sub-class	-	-	-	-	-	-	-
<b><u>Biological assets</u></b>							
List sub-class	-	-	-	-	-	-	-
<b><u>Intangibles</u></b>							
Computers – software and programming	-	-	-	-	-	-	-
Other (list sub-class)	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewed assets</b>	<b>72,368</b>	<b>143,094</b>	<b>120,741</b>	<b>119,807</b>	<b>222,927</b>	<b>230,983</b>	<b>179,394</b>
<b><u>Specialised vehicles</u></b>	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-

\*The financial information for this table is included in Table 181 above.

Table 193: Capital Expenditure – Upgrade/Renewal Programme



**APPENDIX M: CAPITAL PROGRAMME BY PROJECT 2015/2016**

<b>Capital Programme by Project 2015/2016</b>					
<b>Capital Project</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>	<b>Actual</b>	<b>Variance (Act - Adj) %</b>	<b>Variance (Act - OB) %</b>
<b>Water</b>					
11 ML Newton Reservoir	23,087,719	17,330,410	17,330,409	0%	24.94%
Replace of Strawberry King Bulk Water Pipe	6,654,386	10,643,509	10,643,509	0%	-59.95%
Welvanpas WTW & Out Buildings	23,222,943	20,327,690	20,326,964	0%	12.47%
<b>Sanitation/Sewerage</b>					
Upgrade Bulk Sewer : Southern Paarl	27,616,043	25,625,022	25,625,020	0%	7.21%
Saron WWTW: Rehabilitation and Upgrading	9,890,680	19,410,905	19,406,448	0.02%	-96.21%
Wellington WWTW: Rehabilitation & Extension	24,278,074	18,916,429	18,598,284	1.68%	23.39%
<b>Electricity</b>					
Electrification Housing Projects	5,765,965	5,100,473	5,036,289	1.26%	12.65%
Network Upgrading :H/V & MV	3,000,000	3,697,367	3,697,367	0.00%	-23.25%
Upgrade Suid end Substation 66/11k	10,000,000	10,182,247	10,182,245	0%	-1.82%
<b>Housing</b>					
Water Meters and Connections Amstelhof	0	742,645	688,628	7.27%	0%
Upgrading Own Rental Stock	1,400,000	1,653,234	1,653,234	0%	-18.09%
CES 19/20 Kingston Town & Infrastructure	0	743,178	743,178	0%	0%
<b>Refuse Removal</b>					
Construction of Wellington Landfill Leachate	2,000,000	3,580,255	3,559,988	0.57%	-78.00%
Construction of Drop off Chipping & Crushing	2,500,000	4,192,769	4,192,767	0%	-67.71%
Fencing at Main Depots (Transfer Station)	0	1,489,088	1,489,088	0%	0%
<b>Economic Development</b>					
Refurbishment of Ikhwezi	532,000	66,554	66,554	0%	87.49%
Informal Trading Kiosks in Paarl CBD	500,000	173,946	173,946	0%	65.21%
Refurbishment of Arendsnes Building	150,000	51,251	51,251	0%	65.83%
<b>Sports, Art and Culture</b>					
Upgrading Weltevrede sports grounds	400,000	2,447,377	2,434,474	0.53%	-508.62%

<b>Capital Programme by Project 2015/2016</b>					
<b>Capital Project</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>	<b>Actual</b>	<b>Variance (Act – Adj) %</b>	<b>Variance (Act – OB) %</b>
Tartan Track: Daljosaphat stadium	4,102,232	16,498,098	16,498,097	0%	-302.17%
Upgrading of Mbekweni b and c sports field	350,000	869,129	869,128	0%	-148.32%
<b>Executive and Council</b>					
Sidewalks	0	70,450	70,450	0%	0%
Play park Upgrade Site Dev & Furn	0	62,865	62,865	0%	0%
Unallocated Operational Infrastructure Allocation	7,082,500	831,347	831,347	0%	88.26%
<b>Safety and Security</b>					
Medical Equipment	40,000	40,000	4,452	88.87%	88.87%
<b>Corporate Services</b>					
Office Building: Upgrading Civic Centre	4,950,000	8,231,779	8,231,779	0%	-66.30%
ICT Equipment: Computer Related (New and Rep)	2,500,000	2,897,025	2,897,025	0%	-15.88%
C/O : Vehicles and Equipment Additional	0	9,011,792	9,011,792	0%	0%
<b>Budget and Treasury Office</b>					
Operational Infrastructure Allocations	0	207,807	201,376	3.09%	0%
ICT Equipment: Notebooks for Financial Interns	75,000	75,000	75,000	0%	0%
<b>Community and Social Services</b>					
Community Hall and Facilities: Saron	989,750	175,894	175,894	0%	82.23%
ICT Equipment: Surveillance Cameras	90,000	80,376	42,336	47.33%	52.96%
C/O : Air Conditioners	0	58,573	58,573	0.00%	0.00%

Table 194: Capital Programme by Project 2015/2016

**APPENDIX N: CAPITAL PROGRAMME BY PROJECT BY WARD 2015/2016**

<b>Capital Programme by Project by Ward 2015/2016*</b>		
<b>Capital Programme</b>	<b>Wards affected</b>	<b>Works completed (Yes/No)</b>
<b>Water</b>		
11 ML Newton Reservoir	All	Yes
Replace of Strawberry King Bulk Water Pipe	All	Yes
Welvanpas WTW and Outer Buildings	All	Yes
<b>Sanitation/Sewerage</b>		
Upgrade Bulk Sewer: Southern Paarl	All	Yes
Saron WWTW: Rehabilitation and Upgrading	All	Yes
Wellington WWTW: Rehabilitation and Extension	All	Yes
<b>Electricity</b>		
Electrification Housing Projects	All	Yes
Network Upgrading :H/V and MV	All	Yes
C/O: Upgrade Suid end Substation 66/11k	All	Yes
<b>Housing</b>		
Water Meters and Connections Amstelhof	All	Yes
Upgrading Own Rental Stock	All	Yes
CES 19/20 Kingston Town & Infrastructure	All	Yes
<b>Refuse Removal</b>		
Construction of Wellington Landfill Leachate	All	Yes
Construction of Drop off Chipping & Crushing	All	Yes
C/O: Fencing at Main Depots (Transfer Station)	All	Yes
<b>Budget and Treasury Office</b>		
Operational Infrastructure Allocations	All	Yes
ICT Equipment: Notebooks for Financial Interns	All	Yes
<b>Economic Development</b>		
Refurbishment of Ikhwezi	All	Yes
Informal Trading Kiosks in Paarl CBD	All	Yes
Refurbishment of Arendsnes Building	All	Yes
<b>Sports, Art And Culture</b>		
Upgrading Weltevrede sports grounds	All	Yes
Tartan Track: Daljosaphat stadium	All	Yes
Upgrading of Mbekweni b and c sports field	All	Yes
<b>Road And Transport</b>		
Proclaimed and Main Roads Upgrades	All	Yes
Upgrade Existing Sidewalks (Drakenstein)	All	Yes
Construction of Stokery Road WTON Trans	All	Yes
<b>Executive and Council</b>		
Sidewalks	All	Yes
Play park Upgrade Site Dev and Furn	All	Yes
Unallocated Operational Infrastructure Allocation	All	Yes
<b>Corporate Services</b>		
Office Building: Upgrading Civic Centre	All	Yes
ICT Equipment: Computer Related (New and Rep)	All	Yes

<b>Capital Programme by Project by Ward 2015/2016*</b>		
<b>Capital Programme</b>	<b>Wards affected</b>	<b>Works completed (Yes/No)</b>
C/O: Vehicles and Equipment Additional	All	Yes
<b>Community and Social Services</b>		
Community Hall and Facilities: Saron	All	Yes
ICT Equipment: Surveillance Cameras	All	Yes
C/O: Air Conditioners	All	Yes
<b>Safety and Security</b>		
Medical Equipment	All	Yes

*Table 195: Capital Programme by Project by Ward 2015/2016*

## APPENDIX O: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

<b>Service Backlogs: Schools and Clinics</b>				
<b>Establishments lacking basic services</b>	<b>Water</b>	<b>Sanitation</b>	<b>Electricity</b>	<b>Solid Waste Collection</b>
<b>Schools</b>				
N/A	0*	0*	0	0
<b>Clinics</b>				
N/A	0*	0*	0	0

*Table 196: Service Backlogs – Schools and Clinics*

**APPENDIX P: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION**

<b>Service backlogs experienced by the community where another sphere of government is the service provider (whether or not the municipality acts on agency basis)</b>		
<b>Service and locations</b>	<b>Scale of backlogs</b>	<b>Impact of backlogs</b>
<b>Clinics:</b>		
General health services – Gouda	The facility is too small and is located in a semi-detached house.	Facility inadequate to serve all the people who require services and not conducive to dispensary services.
General Health services – Windmeul- Paarl	The facility is too small and cannot serve all the needs of the people in this rural farming area. No doctor. Only referrals from general health nurse.	Facility inadequate to serve all the people who require services and not conducive to dispensary services.
Mbekweni CDC Centre- Mbekweni	The facility is too small and cannot serve all the needs of the people who require general health services.	Facility inadequate to serve all the people who require services and not conducive to dispensary services.
Soetendal Clinic – Wellington	The facility is too small and cannot serve all the needs of the people who require general health services.	Facility inadequate to serve all the people who require services and not conducive to dispensary services.
<b>Housing:</b>		
Total Informal Settlement Drakenstein Municipality.	4,428	Increase in the erection of illegal structures. Overcrowding in Municipal rental stock. Scarcity of well-located land. Insufficient funding. Increase of evictions. Cause of serious social problems.
	18,904 active applications + 108 officials and workers that are not captured on the provincial database. 18,981 cancellations	
Electrification	Department Of Energy Grant Funding for electrification of 20,684 Informal and Backyard dwellers.	Grant funding has been limited to amounts sufficient to electrify +/- 450 services annually. In addition no funding has been available to address back yard dwellers who require electrical services.
<b>Licensing and Testing Centre:</b>		
N/A		
<b>Reservoirs:</b>		
N/A		
<b>Schools (Primary and High):</b>		
N/A		
<b>Sports fields:</b>		
Sports facility in Fairyland	As part of the VPUU project, the Community Services	Only one soccer field is currently available for the following

<b>Service backlogs experienced by the community where another sphere of government is the service provider (whether or not the municipality acts on agency basis)</b>		
<b>Service and locations</b>	<b>Scale of backlogs</b>	<b>Impact of backlogs</b>
	Department is currently investigating possible land for more sports facilities in Fairyland.	suburbs: Groenheuwel, Fairyland, Smarty Town and the Drommedaris Development. These clubs must travel long distances to practise and play their matches.
Soccer fields at Weltevrede Sports Complex	Drakenstein Municipality is currently busy with the upgrading of Weltevrede sports grounds. This will reduce the backlog regarding sports facilities in Wellington.	Impossible for all the clubs in Wellington to play and practice on one field.

Table 197: Service backlogs experienced by the community where another sphere of government is the service provider

## APPENDIX Q: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

<b>Declaration of loans and grants made by the municipality 2015/2016</b>				
<b>All organisations or persons in receipt of loans*/grants* provided by the municipality</b>	<b>Reason for application</b>	<b>Conditions attached to funding</b>	<b>Value 2015/2016</b>	<b>Total amount committed over previous and future years</b>
Child Welfare South Africa Western Cape	Transport, resources and stationery, clothing, banking fees, refreshments.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 3,000
Ilitha Home-based Care	Purchase equipment for children and toys for indoor and outdoor. Upgrade the centre	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 3,000
Lingelihle Educare Centre	Inside and outside equipment, kitchen utensils, blankets and mattresses.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 3,000
Miqlat NPC	Repair of toilets.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 3,000
Monte Christo Ministries	Feeding children.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 3,000
Nonkqubela Senior Service Centre	Make it comfortable for elders to use the centre.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 3,000

Paarl Darts Union	Upgrade equipment.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 3,000
Paarl Cricket Club	Re-establish cricket club and training.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Phumelela Educare Centre	Buy equipment and maintain centre.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 3,000
Angels Keepers Educare	Play equipment.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Arise and Shine for Disabled	Job creation project.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Bonokuhle After-school Care	Equipment for school and office.	Signing of an agreement – submission of financial report by end of financial year	R3,000	R 3,000
Child Welfare South Africa: Wellington	Detailed proposal. Various.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Die Afrikaanse Taalmuseum and Monumente	Upliftment of women.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Ebenezer Primary School	Purchasing of books	Signing of an agreement – submission of financial report by end of financial year	R3 ,000	R 0
FAMSA Boland: Drakenstein Area	Counselling for the community	Signing of an agreement – submission of financial report by end of financial year	R 3 ,000	R 0
First Step Academy NPC	Camps for students	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Gouda Learning Assistance And Aftercare	Purchasing of computers	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 3,000
Healing Hands	Purchase blankets, tables and chairs.	Signing of an agreement – submission of financial	R 3,000	R 3,000

		report by end of financial year		
Honey Bees	Purchase educational equipment and paint.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Soetbly Dagsorg	Purchase stove, blackboard and tables.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 3,000
Huis Andrew Murray (Programme of Badisa)	Funding for skills training and development as well as equipment.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Journey Kids Day-care	Purchase educational toys.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Khanyisa Day Care Centre	Electricity, material, sanitation equipment.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Kiddies Paradise Day Care Centre	Purchase educational equipment and food.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Kids Only Day Care Centre	Floor tiles, computer and printer, ceiling board, office chairs, baby cot, etc.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Ikamvalethu Aftercare	Office equipment and stationery.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Koinonia Youth Enterprises	Skills Development training, Life Skills Training and workshops.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Laggiesland Crèche	Purchase educational toys	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Langabuya Educare Centre	Outdoor equipment	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Loerie Entertainers Youth Development	Purchase instruments.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0



Ma's vir Wellington Bediening	Detailed proposal. Various.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Maranatha Educare	Purchase computer.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Masakhane Grassroots Educare	Pots, kitchen utensils	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Masibulele Home Educare	Outdoor play equipment, tables, chairs, mattresses, and blankets, install a shade net.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Massive Productions	Marketing, catering, hall booking, transportation, etc.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Mickey Mouse Speelgroep	To extend classroom	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Newton Dienssentrum	Construction of hall and wall.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Noncedo Care Givers	Make it comfortable for elders to use the centre	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Percy Bilton Dienssentrum	Purchase equipment	Signing of an agreement – submission of financial report by end of financial year	R3,000	R 0
Quadriplegics of Drakenstein	Provide food parcels	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Rock Community Care	Equipment for new-born babies	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Samaritan's Feet Trust	Giving educational equipment and school shoes	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0

Saron Educare Centre	Celebration of children day	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Silukhanyo Educare Centre	Purchasing resources for learners, tables, chairs, blankets, mattresses, fix gaps in ceiling	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Siyanda Home-based Educare	Fence, outdoor play area, office computer.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Thandiwe Home Care	Paving, tables, chairs and educational material	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Vukuzenzele Food Garden project	Buying agricultural tools, training	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Wellington Revival Gospel Band	Music instruments and equipment	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Wellington Society for the aged	Transport, equipment and material.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
Woman against Crime	Awareness Programme.	Signing of an agreement – submission of financial report by end of financial year	R 3,000	R 0
<i>*Loans/Grants – whether in cash or in kind</i>				

*Table 198: Declaration of loans and grants made by the Municipality 2015/2016*

## APPENDIX R: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

MFMA Section 71 returns not made during 2015/2016 according to reporting requirements	
Return	Reason return has not been properly made on due date
All returns submitted timeously.	

*Table 199: MFMA S71 returns not made during 2015/2016 according to reporting requirements*

**APPENDIX S: PRESIDENTIAL OUTCOME FOR LOCAL GOVERNMENT**

<b>Presidential outcome for Local Government</b>		
<b>Outcome/Output</b>	<b>Progress to date</b>	<b>Number or percentage achieved</b>
<b>Output: Improving access to basic services</b>	All formal households have access to basic services.	100%
Provision of Basic Services	Informal households are assessed on an annual basis and rectified the following year.	(average) 70%
<b>Output: Implementation of the Community Work Programme</b>		
EPWP: Environmental and Infrastructure Improvement Project (Solid Waste Management Project).	A Memorandum of Understanding has been concluded wherein a EPWP champion has been identified. An EPWP policy and SOP have been developed and approved by Council to guide appointments and ensure maximum job opportunities	In eight projects 1118 persons were given job opportunities via the EPW program. This surpassed the annual target of 750 and was a 76% increase year-on – year.
The Community Works Programme functions in the Municipality, but is managed on behalf of national government by an external service provider.	4,232 people were employed with the help of the Municipality.	The target allocated to the Municipality was achieved.
<b>Output: Deepen democracy through a refined Ward Committee Model</b>		
All Ward Committees are functional.	Regular ward meetings are facilitated by the Ward Councillor. Consequently, regular reports to this effect are submitted to the Speaker and Council.	219 meetings were held during the financial year.
<b>Output: Administrative and financial capability</b>		
Debt Collection and Indigent Support Policy as well as the Writing Off of Irrecoverable Debt Policy were reviewed.	These policies were approved by Council to ensure that consumers who are struggling financially can be accommodated without severe negative effects to the Municipality.	95.61% debt collection rate for 2015/2016.

*Table 200: Presidential outcome for Local Government*

**VOLUME I: ANNUAL AUDITED FINANCIAL STATEMENTS 2015/2016**

**VOLUME II: REPORT OF THE AUDITOR-GENERAL 2015/2016**



## **VOLUME III: AUDIT OUTCOME IMPROVEMENT PLAN**

**VOLUME IV: REPORT OF THE AUDIT COMMITTEE 2015/2016**



**VOLUME V: ANNUAL PERFORMANCE REPORT 2015/2016**