



DRAKENSTEIN

MUNISIPALITEIT • MUNICIPALITY • UMASIPALA

Paarl | Wellington | Gouda | Saron | Simondium

Annual Report

2017/18

This Annual Report is compiled 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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A city of excellence

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GLOSSARY

Definitions	
Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” 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.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). Such a report must include the annual financial statements as submitted to the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor-General and approved by Council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided, it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.

Definitions	
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are " <i>what we use to do the work</i> ". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Sets out municipal goals and development plans.
National Key Performance Areas	Five national key performance areas are: <ul style="list-style-type: none"> • Service delivery and infrastructure; • Economic development; • Municipal transformation and institutional development; • Financial viability and management; and • Good governance and community participation.
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are " <i>what we wish to achieve</i> ".
Outputs	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.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the

Definitions	
	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.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery and Budget Implementation Plan	Detailed plan annually approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>“(a) One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>(b) Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.”</i></p>

ACRONYMS

Acronyms	
AC	Audit Committee
ACDP	African Christian Democratic Party
AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
APC	Appeal Committee
ASB	Accounting Standards Board
ASNAPP	Agribusiness in Sustainable Natural African Plant Products
CAE	Chief Audit Executive
CBD	Central Business District
CCAP	Climate Change Adaption Plan
CFO	Chief Financial Officer
CIGFARO	Chartered Institute of Government Finance Audit and Risk Officers
CLLR	Councillor
CM	City Manager
CPIP	Capital Projects Implementation Plan
CRO	Chief Risk Officer
CSIR	Council for Scientific and Industrial Research
DA	Democratic Alliance
DCAS	Department of Cultural Affairs and Sport
DEA	Department of Environmental Affairs
DM	Drakenstein Municipality
DoA	Department of Agriculture
DoRA	Division of Revenue Act
DRDLR	Department of Rural Development and Land Reform
ECD	Early Childhood Development
EFF	Economic Freedom Fighters
EIA	Environmental Impact Assessment
EPWP	Expanded Public Works Programme
FARMCO	Fraud-and-Risk Management Committee
FD	Federation of Democrats
FEIR	Final Environment Impact Report
FRM	Fraud Risk Management
GIS	Geographic Information System
GRAP	Generally Recognised Accounting Practice
GV	General Valuation
HIV	Human Immunodeficiency Virus
HR	Human Resources

Acronyms	
IAS	Invasive Alien Species
ICOSA	Independent Civic Organisation of South Africa
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IEM	Integrated Environmental Management
IERM	Institute of Environment and Recreation Management
ILASA	Institute for Landscape Architecture in South Africa
INEP	Integrated National Electrification Funding
IOD	Injury on Duty
IRDP	Integrated Residential Development Program
IRM	Integrated Risk Management
ISAMAO	Institute of South African Municipal Accounting Officers
ISSP	Informal Settlements Support Programme
IWMP	Integrated Waste Management Plan
KFA	Key Focus Area
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LLF	Local Labour Forum
LSDF	Local Spatial Development Framework
MFMA	Municipal Finance Management Act
MGRO	Municipal Governance Review and Outlook
MIG	Municipal Infrastructure Grant
MMCs	Members of the Mayoral Committee
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
mSCOA	Municipal Standard Chart of Accounts
NEMBA	National Environmental Management: Biodiversity Act
NERSA	National Energy Regulator of South Africa
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
NQF	National Qualification Framework
PDM	Peoples Democratic Movement
PMS	Performance Management System
PMS	Pavement Management System
PPP	Public Private Partnership
RBIG	Regional Bulk Services Infrastructure Grant
RLEDF	Regional Local Economic Development Forum

Acronyms	
SAHRA	South African Heritage Resources Agency
SALGA	South African Local Government Association
SAN	Storage
SAPS	South African Police Service
SATSA	South African Tourism Association
SATSA	South African Tourism Services Association
SCADA	Supervisory Control and Data Acquisition
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SDLC	Systems Development Life-Cycle
SEAR	Sustainable Ecological and Agricultural Resource
SEDA	Small Enterprise Development Agency
SMT	Strategic Management Team
SO	Strategic Objective
SOER	State of Environment Report
SOP	Standard Operating Procedure
SPCA	Society for the Prevention of Cruelty to Animals
STATSSA	Statistics South Africa
SV	Supplementary Valuation
TASK	Tuned Assessment of Skills and Knowledge
TMP	Transportation Master Plan
TRANCRAA	Transformation of Certain Rural Areas Act, Act 94 of 1998
UIF	Unemployment Insurance Fund
UISSP	Upgrade of Informal Settlements Support Programme
VF+	Vryheidsfront Plus
VPUU	Violence Prevention through Urban Upgrading Programme
WTE	Waste-to-Energy
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works

1. EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FOREWORD

1.1 EXECUTIVE MAYOR'S FOREWORD

In 2017 Council adopted its Vision 2032 strategy in recognition of Drakenstein Municipality's secondary city status and the need to meet the needs of our rapidly changing and growing city. The Vision, which encapsulates our drive for excellence, is aligned to the Provincial Growth and Development Strategy and the National Development Plan and seeks to create an enabling environment for growth; development; employment and job creation; enhancing the quality of life of our residents; maintaining good corporate governance; and sound financial management.

Good governance entails addressing the needs of the public through consultation and communication; and being accountable to the citizens of Drakenstein as required by the Municipal Systems Act, 2000 (Act 32 of 2000). Council undertook a number of processes to achieve this goal, including establishing new ward committees; issuing monthly newsletters and press releases; holding consultative meetings with a wide range of stakeholders; and rebuilding our municipal website. Accountability is enforced through performance contracts signed by the Members of the Mayoral Committee (MMCs) and Senior Management and is monitored by the Executive Mayor and Council on a monthly basis.

The 2015/16 report from Statistics South Africa (STATSSA) indicates that the population of Drakenstein has reached 280,195 making up 71,686 households. Drakenstein's unemployment is estimated at 18.3% of the economically active population. The growth in population is accompanied by various challenges, in particular the ongoing demand for state-provided accommodation. The Municipality has a verified waiting list of 19,728 persons compared with a total waiting list of 40,977 persons who seek housing assistance. The Municipality has responded by planning and rolling out a number of projects, including the Vlakkeland project (some 2,550 mixed typology and affordability opportunities) and the Erf 16161 Development (2,078 GAP and social rental opportunities).

In order to develop a vibrant and resilient economy a number of projects have been launched to promote the industrial, financial and commercial sectors. Given the need to focus and maximise our resources five catalytic zones were identified throughout Drakenstein, namely the N1 Corridor, South City Corridor, Paarl East/West Integration Corridor, North City Corridor and the Hinterland catalytic zones, wherein development and resources will be concentrated over the next 15 years.

The Annual Report 2017/18 provides detail on various bulk infrastructure projects being undertaken to facilitate the envisioned accelerated growth. These projects are only possible through strategic partnerships with other spheres of government, the private sector and the community of Drakenstein as we cannot meet the challenges that we face on our own.

I remain grateful to Council, the Deputy Executive Mayor, the Mayoral Committee and the City Manager, all of whom continue to guide our staff, resources and operations to make Drakenstein a City of Excellence.

CLLR CONRAD POOLE
EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.2 CITY MANAGER'S OVERVIEW

The Drakenstein Municipality is a Category B municipality with powers and functions assigned in terms of Sections 155 and 156 of the Constitution of the Republic of South Africa, 1996 (local government matters referred to in Schedules 4 and 5). These powers and functions are exercised subject to Chapter 5 of the Municipal Structures Act, 117 of 1998 and Chapter 3 of the Local Government Municipal Systems Act, 32 of 2000. The municipality covers an area of 1,539 km² and consists of 33 wards. It comprises of five towns of which two, Paarl and Wellington, are the primary urban nodes.

We acknowledge the role of provincial and national government and regularly engage on platforms to share information and best practices. These platforms include but are not limited to SALGA, ISAMAO, CIGFARO, Premiers Coordinating Forum and Municipal Managers Forum.

This Annual Report and eleventh consecutive unqualified audit opinion bears testament to what can be accomplished in local government through a focussed approach on service delivery. In presenting the 2017/18 Annual Report we affirm that Drakenstein Municipality has made massive strides towards its vision of *"A city of excellence"*, which is guided by values of transparency, excellence, responsiveness, accountability, accessibility and integrity.

The vision is supported by the following strategic objectives:

- To promote proper governance and public participation;
- To ensure financial sustainability;
- To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy;
- To ensure efficient infrastructure and energy supply for all citizens;
- To facilitate sustainable economic environment through the development of related initiatives including job creation and skills development;
- To contribute to the health and safety of communities through the pro-active identification, prevention, mitigation and management of health including environmental health, fire and disaster risks; and
- To assist and facilitate with the development and empowerment of the poor and the most vulnerable that include the elderly, youth and disabled.

The various key service delivery improvements achieved during the year under review is a result of good planning and execution. Numerous important projects were completed which inter alia covered bulk sewerage, water reticulation, roads and electricity distribution. These

are providing thousands of Drakenstein residents with improved basic services, setting the tone for future economic growth and development.

The Municipality's strategic planning was also supported by risk management. The following top five risks were identified:

- Failure or inability to maintain and manage assets;
- Failure to manage and mitigate the impact of adverse environmental (drought), social, economic and other local, national and global conditions;
- Inability to manage illegal actions;
- Inability to meet land and human settlement demands; and
- Inadequate ICT infrastructure systems.

The overall financial performance of the Municipality in 2017/2018 confirms sound financial management, with the revenue increasing year on year in line with the annual target. Increased capital infrastructure investment funded through borrowing was necessary to unlock economic growth and cater for future demand.

The Capital Budget spending for the 2017/18 financial year yielded a result of 99.7% in terms of the Final Adjustments Budget. The Municipality's actual operating revenue and expenditure yielded results of 96.7% and 96.1% respectively, when compared to the Final Adjustments Budget. The 2017/18 financial year realised an operating surplus of R6.764 million as opposed to the budgeted deficit of R5.761 million of the Final Adjustments Budget. A positive variance of R12.52 million therefore materialised.

Throughout the financial year we strived to maintain a strong payment ratio by consistent and vigorous actions, including the effective implementation of the Debtors Policy. This is evident in the ability of the Municipality to fund its operations and service its debts. However, the challenges accompanied by the provision of affordable quality services in an efficient and effective manner to our residents remain.

Overall, Drakenstein Municipality remains focussed on fulfilling our vision and excelling as the largest local municipality in the Western Cape. Our greatest encouragement is the continued support and commitment of our residents and business community on all service delivery fronts.

DR JOHAN LEIBBRANDT
CITY MANAGER

1.3 MUNICIPAL OVERVIEW

Drakenstein Municipality is the second largest municipality in Western Cape, 18th top municipality in South Africa and 10th Secondary City in terms of the budget size. The Municipality is characterised by 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.

1.3.1 Vision 2032

In broad terms the vision statement expresses the type of city we envisage for the future: ***“A city of excellence.”***

1.3.2 Values

The Long-term Strategic Plan (Vision 2032) is grounded in the following values which define the character of Drakenstein Municipality and can be observed in the conduct of the leadership and employees as they perform the mandate and responsibilities bestowed upon them:

- Transparency;
- Excellence;
- Responsiveness;
- Accountability;
- Accessibility; and
- Integrity.

1.3.3 Demographics and socio-economic information

This section provides a succinct overview of the socio-economic status of Drakenstein Municipality. This profiling is important to assist the municipality when determining the optimal allocation of resources between the municipal wards and across the population, in a manner that provides and assures sustainable growth and equity.

Most importantly, the socio-economic information below compliment and inform the Integrated Development Plan (IDP) to ensure effective use of resources, improved service delivery, attract additional funding and strengthen democratic values.

1.3.3.1 Socio-Economic Status information

In 2017, the unemployment rate in Drakenstein (based on the official definition of unemployment) was 18.8%, which is an increase of 0.5 percentage points from 2016. A high unemployment rate is often associated with the number of illiterate people. Expressed as a rate, this number amounted to 23.7% of the population.

The Gini coefficient is a summary statistic of income inequality. In 2017, the Gini coefficient in the municipal area was at 0.601. The rising income inequality can be attributed to the working age population in low-skilled employment who earn low salaries.

Table 1: Socio-Economic Status

Socio-Economic Status					
Serial No.	Year	Unemployment rate	Percentage of working age population in low skilled employment	Gini coefficient	Illiterate people older than 20 years
Column Ref.	A	B	C	D	E
1	2015/16	18.1%	17.81%	0.588	24.3%
2	2016/17	18.3%	17.59%	0.587	24.5%
3	2017/18	18.8%	17.15%	0.601	23.7%

Source: IHS Markit Regional eXplorer 2018 and Quantec Research 2018

1.3.3.2 Demographic profile

The population figure drawn from Quantec Research 2018 indicates that an estimated 280,425 people reside in the Drakenstein municipal jurisdiction. In 2016, Statistics South Africa estimated a population of 280,195 in the Community Survey. A population budge creates many opportunities for growth and development. Channelled properly, it may be a source of labour for different economic sectors and also provides a market for produced goods.

The tables below provides a snapshot of Drakenstein population by gender and age distribution.

Table 2: Population Details

Population Details										
Serial No.	Age	2015/2016			2016/2017			2017/2018		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Column Ref.	A	B	C	D	E	F	G	H	I	J
1	0-4	12,658	12,401	25,059	12,164	12,955	25,119	14,398	14,241	28,639
2	5-9	10,272	10,191	20,463	12,474	11,955	24,429	13,077	13,027	26,104
3	10-14	10,132	10,045	20,177	12,553	11,887	24,440	11,573	11,539	23,112
4	15-19	12,071	12,039	24,110	10,713	11,909	22,622	10,718	10,726	21,444
5	20-29	28,012	25,228	53,240	27,127	24,885	52,012	25,808	24,947	50,755
6	30-39	18,312	18,342	36,654	20,351	20,864	41,215	24,147	23,517	47,664
7	40-49	17,676	19,073	36,749	18,608	19,020	37,628	16,992	17,661	34,653
8	50-59	12,396	13,939	26,335	14,328	15,496	29,824	11,639	13,957	25,596
9	60-69	6,227	7,737	13,964	7,295	8,181	15,476	6,387	8,243	14,630
10	70+	2,833	4,340	7,173	2,810	4,620	7,430	2,961	4,866	7,827
11	Totals	130,589	133,335	263,924	138,423	141,772	280,195	137,700	142,724	280,424

Source: Quantec Research, 2018

1.3.3.3 Household profile

The table below shows the number of households by different ethnic groups. In 2017/18, the Coloured households represented 55.13% of the total households in Drakenstein, followed by Black African and White households, accounting for 26.26% and 18.27% respectively. The Community Survey (2016) reported that Drakenstein had 71,686 households in 2016.

Table 3: Household breakdown by ethnic group

Household breakdown by ethnic group					
Serial No.	Ethnic Group	2015/2016	2016/2017	2017/2018	% share 2017/2018
Column Ref.	A	B	C	D	E
1	Black African	15,940	16,696	17,359	26.26%
2	Coloured	34,619	35,575	36,443	55.13%
3	Indian or Asian	208	217	227	0.34%
4	White	11,821	11,953	12,076	18.27%
5	Total	62,588	64,441	66,105	100.00%

Source: Quantec Research, 2018

1.3.3.4 Labour Profile

In 2017/18, the Drakenstein municipal area employed a total number of 109,861 people. The significant increase in net employment can be attributed to an increase in the number of jobs created within the manufacturing and agriculture, forestry and fishing sector. Agriculture forms the backbone of the Drakenstein economy and provides inputs for the manufacturing sector.

Table 4: Employment by sector

Employment by Sector				
Serial No.	Sector	Number of jobs		
		2015/2016	2016/2017	2017/2018
Column Ref.	A	B	C	D
1	Agriculture, forestry and fishing	16,136	15,924	18,662
2	Mining and quarrying	77	77	87
3	Manufacturing	9,178	8,949	9,257
4	Electricity, gas and water	326	338	362
5	Construction	8,929	9,302	7,320
6	Wholesale, retail trade, catering and accommodation	24,240	24,643	23,802
7	Transport, storage and communication	4,673	4,369	3,624
8	Finance, insurance, real estate and business services	15,618	15,964	17,269
9	General government	11,916	12,149	11,748
10	Community, social and personal services	16,495	16,880	17,730
11	Total	107,588	108,595	109,861

Source: Quantec Research, 2018

1.3.3.5 Economic profile

The table below indicates the municipal Gross Value Added (GVA) at basic prices. The economic sectors that contributed the most to the Drakenstein economy in 2017/18 were agriculture, forestry and fishing, manufacturing, wholesale, retail trade, catering and accommodation and Finance, insurance, real estate and business services. These sectors have been growing at satisfactory rates for the past three years.

Table 5: Economic Activity by Sector

Economic Activity by Sector				
Serial No.	Sector	R' 000 000		
		2015/2016	2016/2017	2017/2018
Column Ref.	A	B	C	D
1	Agriculture, forestry and fishing	1,206	1,337	1,409
2	Mining and quarrying	44	46	62
3	Manufacturing	2,955	3,044	3,238
4	Electricity, gas and water	487	514	564
5	Construction	1,485	1,560	1,653
6	Wholesale, retail trade, catering and accommodation	3,275	3,590	3,810
7	Transport, storage and communication	1,658	1,731	1,846
8	Finance, insurance, real estate and business services	3,942	4,218	4,555
9	General government	1,983	2,130	2,310
10	Community, social and personal services	1,551	1,647	1,792
11	Total	18,589	19,817	21,239

Source: Quantec Research, 2018

1.3.3.6 Safety and security profile

From the table below, it is evident that contact crime was a major problem in 2017. Notably, high rate of murder and drug related crimes. Poverty, parental neglect, low self-esteem, alcohol and drug abuse are all connected in explaining why people commit crime.

Table 6: Safety and Security Statistics

Safety and Security Statistics				
Serial No.	Crime	Year		
		2015	2016	2017
Column Ref.	A	B	C	D
1	Murder	96	81	130
2	Sexual offences	391	339	350
3	Drug-related crime	3,281	3,265	3,953
4	Burglary residential premises	2,125	1,913	1,919
5	Driving under the influence of alcohol or drugs	234	195	192

Source: Quantec Research, 2018

1.3.3.7 Environment

Drakenstein Municipality is situated within the unique natural environment of the Cape Floristic Region, a biodiversity hotspot and one of only six floral kingdoms found anywhere on Earth. It is important to note that the natural environment forms the basis on which our economic and social systems depend. If Drakenstein Municipality is to continue to provide a stimulating environment for residents that promotes health and wellbeing and a flourishing economic base, it is imperative that natural resources and ecosystems are utilised in a sustainable manner. While the natural environment of Drakenstein is still in a relatively good state, some indicators are showing that the current state of the environment is under threat. These threats are caused by habitat destruction, alien invasive species, pollution to the environment and climate change which all need attention. Drakenstein Municipality will continue to monitor the state of the environment and develop new responses to counter these threats in order to ensure that the unique character of the environment is preserved for future generations to come.

1.3.3.8 Broadband penetration

Broadband is an accelerator of economic and social development. The introduction of broadband technologies, including but not limited to DSL, fibre, satellite, and fixed and mobile wireless, has enabled traditional and new forms of communication to become a reality throughout the world. Broadband will enable Drakenstein Municipality to provide more services to our citizens, such as business registration, capacity-building and getting information on local matters.

1.3.3.9 Health

This Section provides a synopsis of the total Drakenstein population by gender and ethnic group living with HIV/AIDS. The high number of people living with HIV/AIDS amongst the Black African population is a cause for concern and this includes the economically active. Therefore this trend has a negative implication on the municipality's economic performance.

Table 7: Number of HIV positive people

Serial No.	Ethnic Group	Number of HIV positive people								
		2015/2016			2016/2017			2017/2018		
Column Ref.	A	B	C	D	E	F	G	H	I	J
1	Black African	3,907	5,548	9,455	4,137	5,819	9,956	4,313	5,982	10,295
2	Coloured	1,786	3,548	5,334	1,877	3,673	5,550	1,953	3,766	5,719
3	Indian or Asian	44	27	71	19	29	48	20	30	50
4	White	260	625	885	271	637	908	280	647	927
5	Total	5,997	9,748	15,745	6,304	10,158	16,462	6,566	10,425	16,991

Source: *Quantec Research, 2018*

1.4 SERVICE DELIVERY OVERVIEW

One of the objects of local government is to ensure the provision of services to communities in a sustainable manner. Basic services rendered to the community of Drakenstein Municipality is water, waste water, electricity, waste management and roads and stormwater. Other services are planning and economic development, environmental, housing, library, cemeteries, community, sport and recreation, traffic as well as fire and disaster services. These services are discussed in detail in Chapter 3 of the Annual Report.

1.4.1 Basic service delivery performance highlights

Water services invested R107.5 million in water infrastructure for the year under review. These investments were in boreholes infrastructure, replacing bulk water and water reticulation systems, reservoirs and water treatment works.

The upgrade of the Wellington and Paarl waste water treatment plants at a cost of R176.7 million was the single biggest infrastructure investment for the year under review. These plants will come into operation in the 2018/2019 financial year. Other waste water projects made up the rest for a total of R206.3 million invested in waste water infrastructure.

The replacing of 66KV electricity cable between the Dalweiding and Palmiet 66/KV substations was the biggest electricity project. This investment amounted to R62.9 million and together with other electricity projects the total investment in electricity infrastructure amounted to R145.6 million for the year under review.

The Paarl Transfer Station upgraded at a cost of R10.8 million was the only major project for waste management (refuse collections, waste disposal and recycling) services.

The biggest investment in road and stormwater infrastructure was the R49.3 million for the upgrading of the Berg River Boulevard between Lady Grey and Optenhorst Streets to a dual carriageway. This project should be completed by November 2018.

1.4.2 Basic service delivery challenges

The biggest challenge for rendering water services is to secure water during periods of drought. The current funding needs to invest in water infrastructure is R2.4 billion and this will have to be addressed in the next 10 to 15 years.

The biggest challenge for rendering waste water services is to complete the upgrade of the Paarl Waste Water Treatment Works at an estimated R236 million. The current funding needs to invest in waste water infrastructure is R1.1 billion and this will have to be addressed in the next three to 10 years.

To ensure electricity supply to Drakenstein's customers and the future developments to take place, serious investment in electricity infrastructure needs to take place. At least one 40MVA and two 20MVA new electricity substations needs to be constructed. Furthermore, the Parys, Palmiet, Denneburg, Dwarsrivier and Slot of the Paarl (five substations) needs to be upgraded from a 15MVA to a 20MVA transformer. This co-inside with the upgrade of 66KV cables to 132KV lines to cater for new demands and densification.

The remaining useful life of the Wellington Landfill Site is three years. The remaining useful life can be extended with 15 to 20 years if a new cell can be developed at an estimated cost of R60 million after obtaining the required statutory approvals. However this is not a given. The remaining useful life can also be extended with a Material Recovery Facility (MRF) and an Anaerobic Digestion (AD) plant at an estimated cost of R110 million after obtaining the necessary approvals. If not, solid waste will have to be transported to the City of Cape Town who is also running out of landfill air space.

Roads and stormwater infrastructure needs amounts to R1.1 billion. The construction of the Berg River Boulevard from Optenhorst Street to the R45 will cost an estimated R350 million. It will be a project from the Department of Transport and Public Works and will relieve the current pressure on Main Road in the Northern Paarl. The Vlakkeland Housing Project and adjoining areas needs serious investment in stormwater at an estimated cost of R128 million which is not included in amounts mentioned above.

1.4.3 Proportion of households with access to basic services

All formal households have access to electricity, water, waste water and waste management services.

All backyarders (estimated to be 9,726 households) do have access to electricity, water, waste water and waste management services on the formal site.

The 44 informal/emergency settlements (42 registered and 2 un-registered informal settlements) comprising of 5,547 structures do have access to water, waste water and waste management services. A total of 3,220 informal structures do not have access to electricity.

1.5 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:

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, future increases in tariffs would have to be benchmarked against the consumer's ability to pay. Lower tariff increases coupled with higher inflation and slower economic growth could hamper the Municipality's infrastructure investment programme.

The liquidity levels of the organisation have been managed in a fair manner, although a decline in the current assets to current liabilities ratio materialised due to the aggressive investment in bulk infrastructure that led to the short-term portion of external borrowings increasing significantly. The liquidity ratio (current assets/current liabilities) of the organisation as at 30 June 2018, was 0.95 to 1 as opposed to the ratios of 1.242 to 1 (2016/17), 1.302 to 1 (2015/16), 1.093 to 1 (2014/15) and 1.065 to 1 (2013/14) for the previous four financial years. Although the industry norm is 1 to 1, the ratio of 0.95 to 1 is acceptable when taking the following into account. The municipality must first borrow external funds to invest in bulk infrastructure that will trigger developments in Drakenstein as to grow our revenue base over the medium to long-term. The current portion of borrowings (R171 million) represents 25.2% of the current liabilities and as this decrease and our revenue base, operating surplus and cash reserves increase our liquidity ratio will improve over the medium to long-term.

The overall financial operational performance of the organisation can be considered as being finely balanced with very little room for budgetary mistakes. The Auditor-General assessed the overall financial viability of the Municipality as at 30 June 2018 as green (good).

1.5.1 Statement of Financial Performance Overview

The actual surplus of R6.76 million for the 2017/18 financial year compared with the final adjustments budget deficit of R5.76 million resulted in a positive variance of R12.52 million. The main reasons for that were savings in expenditure of R85.4 million; additional capital grants of R21.3 million; operational grants of R58.4 million not being utilised (not lost) due to slow spending; and taxes, levies and tariffs realising R31.6 million less due to mSCOA classifications effecting expenditure recognition as revenue forgone.

Table 8: Statement of Financial Performance Overview

Statement of Financial Performance Overview 2017/18						
Serial No.	Description	Original Budget	Adjustments budget	Actuals	Positive / (Negative) Variance (Column B & D)	Positive / (Negative) Variance (Column C & D)
Column Ref.	A	B	C	D	E	F
1	Grants	219,262,034	210,757,034	152,319,538	-66,942,496	-58,437,496
2	Taxes, Levies and Tariffs	1,864,091,163	1,736,235,032	1,704,609,476	-159,481,687	-31,625,556
3	Other	23,753,650	84,713,931	80,525,834	56,772,184	-4,188,097
4	Total Operating Revenue (Capital Grants Excluded)	2,107,106,847	2,031,705,997	1,937,454,848	-169,651,999	-94,251,149
5	Less: Expenditure	2,182,693,374	2,171,842,671	2,086,375,009	96,318,365	85,467,662
6	Surplus / (Deficit) (Capital Grants Excluded)	-75,586,527	-140,136,674	-148,920,161	-73,333,634	-8,783,487
7	Plus: Capital Grants	94,756,000	134,374,751	155,684,651	60,928,651	21,309,900
8	Surplus / (Deficit) (Capital Grants Included)	19,169,473	-5,761,923	6,764,490	-12,404,983	12,526,413

1.5.2 Financial viability highlights

The Capital Budget spending for the financial year yielded a result of 99.74% when compared with the Final Adjustments Budget for 2017/18. 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 Statement of Financial Performance (capital grants included) yielded a surplus of R265 thousand for the 2017/18 financial year compared with the final adjustments budget deficit of R5.761 million resulting in a positive variance of R6.026 million.

1.5.3 Financial viability 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 R59.1 million from R297.0 million as at 30 June 2017 to R356.1 million as at

30 June 2018. 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 punitive water tariffs that were introduced because of the scarcity of water due to the prolonged drought experienced in Drakenstein and the Western Cape was also a significant contributor to the increasing water debtors. 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 2017/18 financial year (before considering the provision for impairment) was 77.4 days, which is above the targeted number of 70 days, due to the increase in outstanding water debtors. The number of days for the 2016/17 financial year was 64.6 days compared with the 75.5 days as at 30 June 2016 – before taking into account the provision for doubtful debt. The Municipality's debtors' collection period in days (after impairment) increased to 47.5 days as at 30 June 2018 compared with the 37.9 days as at 30 June 2017. The Municipality's debtors' collection period in days (before impairment) increased by 12.8 days and the Municipality's debtors' collection period in days (after impairment) increased by 9.6 days during the financial year under review.

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 71.85% of total operating revenue at the end of the 2017/18 financial year. Although Council policy wise has capped the gearing ratio percentage at 50%, urgent upgrades in revenue generating bulk infrastructure to enable increased development and therefore an increased revenue base necessitated that we accelerate our capital programme. Investment in bulk infrastructure was needed, such as the upgrading of the bulk sewerage line in Southern Paarl, upgrading of the Wellington WWTW, upgrading of 66Kv electricity cable networks, construction of the Courtrai reservoir and upgrading of Berg River Boulevard, to unlock any further developments in order to attract investors that can broaden the Municipality's tax base.

In terms of future infrastructure investments, a less aggressive approach will be followed as from the 2018/19 financial year to ensure that the gearing ratio will decrease to about 67.9% in the 2018/19 financial year and to about 49.9% in accordance with the Long Term Financial Plan by the 2022/23 financial year. Although the Municipality currently generates operating budgeted cash surpluses, the Municipality envisages to start generating sustainable operating budgeted surpluses from the 2021/22 financial year to ensure that the operating budget generate sufficient cash surpluses for infrastructure investment. This approach will reduce the Municipality's dependency on external borrowings for capital infrastructure investment.

Several other initiatives are envisaged for the 2018/19 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.

1.5.4 Operating ratios

The operating ratios as depicted below compare favourably with the current industry norms. The employee cost of 27.2% of total operating expenditure (2017/18) 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 increased from 25.4% in 2016/17 due to the filling of critical vacant positions and the backpay accompanying the TASK implementation of certain posts.

Table 9: Operating Ratios

Operating Ratios		
Details	2016/17	2017/18
Employee Cost as a % of Operating Expenditure	25.4%	27.2%
Repairs and Maintenance as a % of Operating Expenditure	10.1%	12.2%
Repairs and Maintenance as a % of Carrying Value of PPE	3.7%	4.4%
Finance Charges and Depreciation as a % of Operating Expenditure	14.8%	14.9%
Finance Charges and Redemption as a % of Operating Expenditure	12.2%	13.7%

The Municipality's spending on repairs and maintenance to total operating expenditure amounts to 12.2% for the 2017/18 financial year compared with the 10.1% for the 2016/17 financial year. The ratio of repairs and maintenance to the carrying value of property, plant and equipment was 4.4% for the 2017/18 financial year and 3.7% for the 2016/17 financial year; which could be viewed as unfavourable if compared with National Treasury's norm of 7% to 8%. 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 (electricity tariffs that is regulated by NERSA excluded) with a further 31.0%, which in the current economic climate is not a proposition.

Finance charges and depreciation expenditure represent 14.9% of total operating expenditure for 2017/18 compared with the 14.8% for 2016/17. Finance charges and capital redemption represent 13.7% of total operating expenditure for 2017/18 compared with the 12.2% for 2016/17. This compares unfavourably with National Treasury's norm of 6% to 8%. However, this norm cannot be applied to a rapid growing secondary city that must invest heavily in bulk and other infrastructure to stimulate growth and development with borrowing funds when grant allocations from the National Fiscus towards Drakenstein is unfavourable. The loan

agreements with the DBSA determines that finance charges and capital redemption must be kept below 15% of total operating expenditure and the Municipality will keep it below the 15% margin.

1.5.5 Capital expenditure

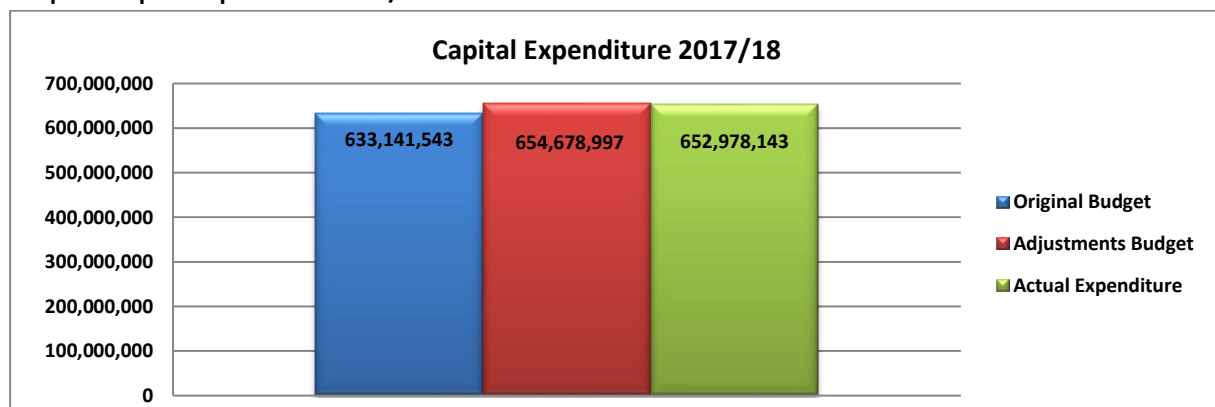
Investment in bulk and other infrastructure increased from R317 million in 2015/16 to R544 million in 2016/17, to a record amount of R652 million in the 2017/18 financial year. Actual expenditure as a percentage of the 2017/18 original budget amount to 103.13% compared with the 84.35% and 91.87% for the 2015/16 and 2016/17 financial years. Actual expenditure as a percentage of the 2017/18 final adjustments budget amount to 99.74% compared with the 98.74% and 99.68% for the 2015/16 and 2016/17 financial years. It is clear that actual investment in bulk and other infrastructure is improving year on year.

Table 10: Total Capital Expenditure

Total Capital Expenditure			
R`000			
Details	2015/16	2016/17	2017/18
Original Budget	375,837,493	592,474,442	633,141,543
Final Adjustments Budget	321,065,655	546,072,195	654,678,997
Actual Expenditure	317,052,334	544,359,708	652,978,143
Actual Expenditure as a % of Original Budget	84.35%	91.87%	103.13%
Actual Expenditure as a % of Adjustments Budget	98.74%	99.68%	99.74%

During the 2017/18 financial year additional grant allocations were received through the MIG programme, the national disaster relief programme and the provincial drought relief programme. That is the main reason why the original budget increased to R 654 million. Actual expenditure of R652.9 million as a percentage of the final adjustments budget of R654.6 million amounts to 99.74%. This is quite remarkable as depicted in Graph 1 below.

Graph 1: Capital Expenditure 2017/18



1.5.6 Municipal Standard Chart of Accounts (mSCOA)

Drakenstein Municipality had implemented mSCOA as a pilot on 1 July 2015 on version 5.3 of mSCOA and has since changed to version 5.4 on 1 July 2016 and version 6.1 on 1 July 2017. The Municipality implemented version 6.2 as from 1 July 2018 for the 2018/19 financial year.

1.6 ORGANISATIONAL DEVELOPMENT OVERVIEW

On 31 May the Municipal Council adopted the reviewed organisational structure. Additional posts were identified for current service delivery needs but also for the future growth of Drakenstein. Many posts will not be funded and will therefore only be filled when service delivery requirements change and the budget to fund the additional posts has been approved. These posts are not currently critical for service delivery. Critical vacancies will be identified within the budget envelope and filled during the 2018/19 and 2019/20 financial years.

Excellent progress was made in the 2017/18 financial year in progressively reducing the amount of positions that have not been through the job evaluation process. This has resulted in the filling of 185 permanent posts during the year under review. A contract for the appointment of a service provider that will assist in the volume of recruitment processes and improve on turnaround to fill posts has been awarded and work will commence during the 2018/19 financial year.

1.6.1 Municipal transformation and organisational development highlights

The main organisational development highlights include:

- The filling of 185 permanent vacancies;
- The implementation of a job evaluation policy and the increased progress in reviewing job descriptions and evaluating jobs;
- Ensuring all funds in relation to training and development was spent on courses identified in the WSP;
- Successfully implementing student and learner placements for Drakenstein youth; and
- An Employee/Staff Efficiency and Monitoring tool has been piloted at the Corporate Services Department. This tool is positively received by managers and officials alike and will be rolled out in phases during the 2018/19 financial year.

1.6.2 Municipal transformation and organisational development challenges

Job Evaluation and filling of critical vacancies continues to be a challenge as a result of the historical backlogs. The interventions during 2017/18 have however resulted in a meaningful

move in overcoming these challenges paving the way to further improve during the 2018/19 financial year.

1.6.3 MFMA minimum competencies

The total number of officials complying with the competencies is sixty one (61). The following categories as prescribed by the government gazette for MFMP were deemed as competent:

Table 11: Financial Competency Development - Progress Report

Financial Competency Development : Progress Report							
Serial No.	Description	(B) Total number of officials employed by municipality [Regulation 14(4)(a) and (c)]	(C) Total number officials employed by municipal entities [Regulation 14(4)(a) and (c)]	Consolidated Total of (B) and (C)	Consolidated: Competency assessments completed for (B) and (C) [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)]
Column Ref.	A	B	C	D	E	F	G
1	Financial Officials						
2	Accounting Officer	1	0	1	1	1	1
3	Chief Financial Officer	1	0	1	1	1	1
4	Senior Managers	4	0	4	4	4	3
5	Any other Financial Officials	91	0	91	85	53	53
6	Supply Chain Management Officials						
7	Heads of Supply Chain Management Units	1	0	1	1	1	1
8	Supply Chain Management Senior Managers	2	0	2	2	2	2
9	Total	100	0	100	94	62	61

1.7 AUDITOR-GENERAL REPORT

For the eleventh consecutive year, Drakenstein Municipality received an unqualified audit opinion for the 2017/18 financial year. This was achieved with in-house capacity and without the appointment of any consultants. The audit opinions received for the last 14 financial years clearly indicate an improvement in leadership and control on the matters that the Auditor-General focuses on during its audits:

1.7.1 Audited outcomes

- 2017/18: Unqualified audit opinion with other matters;
- 2016/17: Unqualified audit opinion with no other matters;
- 2015/16: Unqualified audit opinion with no other matters;
- 2014/15: Unqualified audit opinion with no other matters;
- 2013/14: Unqualified audit opinion with no other matters;
- 2012/13: Unqualified audit opinion with other matters;
- 2011/12: Unqualified audit opinion with other matters;
- 2010/11: Unqualified audit opinion with other matters;
- 2009/10: Unqualified audit opinion with other matters;
- 2008/09: Unqualified audit opinion with other matters;

- 2007/08: Unqualified audit opinion with other matters;
- 2006/07: Qualified audit opinion with other matters;
- 2005/06: Qualified audit opinion with other matters; and
- 2004/05: Qualified audit opinion with other matters.

The unqualified and qualified audit opinions have to do with the Annual Financial Statements. The other matters deal with 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 2017/18.

1.8 STATUTORY ANNUAL REPORT PROCESS

The statutory processes to follow to compile an Annual Report are depicted in the table below. The process starts in July each year with the compilation of the Annual Report and continues until the end of March the following year when Council accepts the Annual Report and the Oversight Report on the Annual Report.

Table 12: Statutory Annual Report Process

Statutory Annual Report Process		
Serial No.	Activity	Timeframe
Column Ref.	A	B
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 commence. (In-year financial reporting.)	
3	Finalise 4th 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 Request for Information and Communication of Findings.	
10	Executive 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 (MPAC) assess Draft Annual Report and issues and Oversight Report.	
13	Council considers Oversight Report.	
14	Oversight Report is made public.	
15	Oversight Report is submitted to relevant provincial departments.	
16	Commencement of Draft Budget/IDP finalisation for next financial year. Annual Report and Oversight Report to be used as input.	

2. GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 INTRODUCTION

In the quest to realise Drakenstein Municipality's vision of "*A city 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.

2.2 GOOD GOVERNANCE PERFORMANCE HIGHLIGHTS

During the reporting year the Municipality focussed on maintaining good governance and strengthening governance and oversight. Dedicated units focussed on applying professional risk management principles, anti-corruption and fraud monitoring and internal auditing functions. Political governance was strengthened by implementing a fixed monthly meeting schedule for all Section 80 Committees advising the Executive Mayor in order to ensure that matters are duly debated by public representatives prior to such matters being considered by the Mayoral Committee and/or Council.

In addition hereto an International and Intergovernmental Relations Policy were adopted by Council in order to regulate and manage external relations. This policy is supported by dedicated staff as well as duly developed operating procedures.

2.3 GOOD GOVERNANCE CHALLENGES

An assessment of King 4 principles indicated that several elements of good governance can still be improved. Over and above the Code of Conduct for councillors and staff members as contained in the Municipal Systems Act, a need has been identified for the development and adoption of a Code of Ethics Policy. This policy is in process of being developed and will be tabled to Council during the next reporting period.

The attendance of portfolio committees by members has also been identified as an area that requires improvement. In order to regulate attendance of meetings by public representatives, Council has reviewed the rules of the Committee dealing with contraventions of the Code of Conduct for Councillors in order to introduce punitive measures.


2.4 POLITICAL 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 City Manager are defined and adhered to accordingly.

The Executive Mayor, Cllr CJ Poole, assisted by the Deputy Executive Mayor and the Executive Mayoral Committee, all members of the DA, 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 him to manage the day-to-day affairs. This means that he 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 is accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in conjunction with the Deputy Executive Mayor and the Mayoral Committee.

2.4.1 Full-time Officer Bearers

Table 13: Political Structure

Political Structure		
Serial No	Designation	Functions
Column Ref.	A	B
1	 <p>Executive Mayor Cllr CJ Poole</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"> • Identify the needs of the Municipality; • Review and evaluate those needs in order of priority; • Recommend to the Municipal Council strategies, programmes and services to address priority needs through the Integrated Development Plan and the Operating and Capital Budgets, taking into account any applicable national and provincial development plans; and • Recommend or determine the best way, including partnership and other approaches, to deliver those strategies, programmes and services to the benefit of the community.

Political Structure		
Serial No	Designation	Functions
2	 <p>Deputy Executive Mayor Cllr GC Combrink</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>
3	 <p>Speaker Cllr AC Stowman</p>	<p>The Speaker of the Municipal Council:</p> <ul style="list-style-type: none"> • Presides at meetings of the Council; • 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); • Must ensure that the Council meets at least quarterly; • Must maintain order during meetings; • Must ensure compliance in Council and Council committees with the Code of Conduct set out in Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and • Must ensure that Council meetings are conducted in accordance with the rules and orders of the Council.
4	 <p>Chief Whip Cllr RA Koegelenberg</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>

2.4.2 Council

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.

Drakenstein Municipal Council consists of 33 ward councillors and 32 proportionally elected councillors. Political parties are represented through elected councillors from the DA (43), ANC (15), EFF (2), ACDP (1), VF+ (1), PDM (1), FD (1) and ICOSA (1).

2.4.2.1 Political Decision Making

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:






- The passing of by-laws;
- The approval of budgets;
- The imposition of rates and other taxes, levies and duties; and
- The raising of loans.

2.4.3 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.

Table 14: Mayoral Committee

Mayoral Committee			
Serial No.	Councillor and Portfolio	Councillor and Portfolio	Councillor and Portfolio
Column Ref.	A	B	C
1	 <p>JF le Roux Engineering Services</p>	 <p>LP Mokoena Corporate Services</p>	 <p>Adv J Miller Planning, Economic Development and Tourism</p>
2	 <p>L van Niekerk Sport, Recreation, Arts and Culture</p>	 <p>L Willemse Human Settlement and Property Management</p>	 <p>R Smuts Public Safety</p>

Mayoral Committee			
Serial No.	Councillor and Portfolio	Councillor and Portfolio	Councillor and Portfolio
Column Ref.	A	B	C
3	 <p>MA Andreas Rural Management</p>	 <p>RH van Nieuwenhuyzen Communication and IGR</p>	 <p>C Kearns Environment, Parks and Open Spaces</p>
4	 <p>F Jacobs Social Services (01/07/2017 – 24/05/2018)</p>	 <p>W Philander Social Services (22/06/2018 – 30/06/2018)</p>	

2.4.4 Portfolio Committees

Five (5) Section 80 committees are established, namely: Corporate Services, Planning and Development, Engineering 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 Mayoral Committee.

2.4.4.1 Corporate Services Portfolio Committee

The Corporate Services Portfolio Committee consists of thirteen (13) councillors under the leadership of Cllr Van Nieuwenhuyzen (MMC of Communication and Intergovernmental Relations) who held eight (8) meetings during the year under review.

Table 15: Corporate Services Portfolio Committee

Corporate Services Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings held
Column Ref.	A	B	C
1	RH van Nieuwenhuyzen	Chairperson	8
2	LP Mokoena	Vice Chairperson	
3	ND Sauerma	Committee Member	
4	JV Anderson	Committee Member	
5	A Lugqola	Committee Member	
6	MM Adriaanse	Committee Member	
7	FP Cupido	Committee Member	
8	JS Smit	Committee Member	
9	LW Niehaus	Committee Member	
10	BP Duba	Committee Member	
11	NP Mbenene	Committee Member	
12	D Mkabile	Committee Member	
13	SX Jonas	Committee Member	

2.4.4.2 Planning and Economic Development Portfolio Committee

The Planning and Economic Development Portfolio Committee consists of nine (9) councillors under the leadership of Cllr Willemse (MMC of Human Settlements and Property Management) who held seven (7) meetings during the year under review. The chairpersonship is alternated between Cllrs Willemse, Miller and Andreas.

Table 16: Planning and Economic Development Portfolio Committee

Planning and Economic Development Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings held
Column Ref.	A	B	C
1	L Willemse	Chairperson	7
2	MA Andreas	Vice Chairperson	
3	MN Mdunusie	Committee Member	
4	WDP Meyer	Committee Member	
5	J Miller	Committee Member	
6	S Ross	Committee Member	
7	EA Solomons	Committee Member	
8	M Vika	Committee Member	
9	N Zikhali	Committee Member	

2.4.4.3 Engineering Services Portfolio Committee

The Engineering Services Portfolio Committee consists of nine (9) councillors under the leadership of Cllr Le Roux (MMC of Engineering Services) who held seven (7) meetings during the year under review.

Table 17: Engineering Service Portfolio Committee

Engineering Services Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings held
Column Ref.	A	B	C
1	JF le Roux	Chairperson	7
2	RB Arnolds	Committee Member	
3	PBA Cupido	Committee Member	
4	DS Blanckenberg	Committee Member	
5	VC Booysen	Committee Member	
6	HJ Kotzé	Committee Member	
7	TC Mangena	Committee Member	
8	MD Nobula	Committee Member	
9	RH van Nieuwenhuyzen	Committee Member	

2.4.4.4 Finance Portfolio Committee

The Finance Portfolio Committee consists of nine (9) councillors under the leadership of Cllr Combrink (Deputy Executive Mayor) who held nineteen (19) meetings during the year under review.

Table 18: Finance Portfolio Committee

Finance Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings held
Column Ref.	A	B	C
1	GC Combrink	Chairperson	19
2	HJN Matthee	Committee Member	
3	HR de Goede	Committee Member	
4	F Jacobs	Committee Member	
5	C Kearns	Committee Member	
6	JF le Roux	Committee Member	
7	AM Richards	Committee Member	
8	TR Mpulanyana	Committee Member	
9	MT Klaas	Committee Member	

2.4.4.5 Community Services Portfolio Committee

The Community Services Portfolio Committee consists of fourteen (14) councillors under the leadership of Cllr Smuts (MMC for Public safety) who held six (6) meetings during the year under review. The chairpersonship is alternated between Cllrs Smuts, Van Niekerk, Kearns and Philander.

Table 19: Community Services Portfolio Committee

Community Services Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings held
Column Ref.	A	B	C
1	R Smuts	Chairperson	6
2	C Kearns	Committee Member	
3	W Philander	Committee Member	
4	LT van Niekerk	Committee Member	
5	E Gouws	Committee Member	
6	C Kroutz	Committee Member	
7	SE September	Committee Member	
8	GH Ford	Committee Member	
9	ZL Masoka	Committee Member	
10	AF Afrika	Committee Member	
11	TZ Nomana	Committee Member	
12	LV Nzele	Committee Member	
13	AW Abrahams	Committee Member	
14	MJ le Hoe	Committee Member	

2.4.5 Municipal Public Accounts 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).

The MPAC is chaired by the councillor from the ACDP, (Cllr J Matthee) and the other members consists of five DA councillors (Cllr AML Buckle, Cllr J de Wet, Cllr WE Smit, Cllr AJ van Santen and Cllr NN George) and two ANC councillors (Cllr A Bekeer and Cllr LS Sambokwe). No members from the political executive arm is a member of the MPAC. The committee met on four (4) occasions during the year under review and mainly dealt with the compilation of the Oversight Report on the 2016/17 Annual Report as well as considering and making recommendations to Council on the possible recovering or writing-off of irrecoverable debt, fruitless and wasteful expenditure as disclosed in the Annual Financial Statements.

2.4.6 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 control;
- Risk management;
- Accounting policies;
- Adequacy, reliability and accuracy of financial reporting and information;
- Annual financial statements;
- Performance management;
- Governance;
- Compliance with MFMA, DoRA and other applicable legislation;
- Issues raised by the Auditor-General and Internal Audit; and
- Monitoring and evaluation of the Internal Audit Unit.

The Audit Committee Terms of Reference is reviewed by Council annually to ensure compliance with legislation and governance best practices. The Audit Committee meets on a quarterly basis and detail regarding their recommendations to Council can be found in Appendix G of the Annual Report.

The Audit Committee consists of four members with appropriate competence and experience required to perform the duties as outlined in the Charter. Members of the Audit Committee were appointed by Council for a three (3) year term which ends on 31 July 2018. Audit Committee members are not permitted to engage in business with Council and are required to declare any conflict of interest they may have in any matters on the agenda in every meeting.

The following members served on the Audit Committee for the 2017/18 financial year:

Table 20: Audit Committee

Audit Committee			
Serial No.	Name of member	Capacity	Qualifications
Column Ref.	A	B	C
1	Mr R. Kingwill	Chairperson	Chartered Accountant
2	Dr W. Sewell	Committee Member	D. Litt et Phil: Public Management and Governance Master of Public Administration (Performance Management) B. Admin (Hons) Organisational Development
3	Mr T. Arendse	Committee Member	Chartered Accountant
4	Ms K. Montgomery	Committee Member	B.Comm: Law

Audit Committee meetings are attended by the Mayor (or the appointed representative), the Accounting Officer, Chief Audit Executive, Auditor General, Chief Risk Officer and members of the Strategic Management team. The Audit Committee conducts an annual assessment of its performance which includes a self-assessment completed by the Committee members as well as a performance assessment completed by the Accounting Officer, Mayor and the Chief Audit Executive. The outcome of the performance assessment is reported to Council annually together with an improvement plan to address areas identified for improvement.

2.4.7 Fraud and Risk Management Committee (FARMCO)

FARMCO has been established by Council to assist the Accounting Officer (City Manager) to fulfil his fraud and risk management responsibilities in accordance with prescribed legislation and corporate governance principles. This is achieved by reviewing the effectiveness of the Municipality's fraud and risk management systems, practices and procedures and providing recommendations for improvement.

The Committee is regulated by the Fraud and Risk Management Charter which stipulates that FARMCO shall meet at least four (4) times per annum in terms of a schedule of agreed meeting dates to be determined at the beginning of each financial year. FARMCO can convene further meetings to discuss urgent matters at the discretion of the FARMCO Chairperson.

In accordance to the Charter, four meetings were held on 4 August 2017, 20 October 2017, 2 March 2018 and 20 April 2018.

Matters for discussion include quarterly oversight of various risk registers, reported unethical incidents and monitoring the risk management implementation plan.

2.5 ADMINISTRATIVE GOVERNANCE

The City Manager is the 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 Strategic Management Team (SMT), which comprises of the Executive Directors of the five departments established in the new organogram. There are also four divisional managers reporting directly to the City Manager as indicated in the chart below. The SMT meet regularly on Monday mornings to discuss strategic interventions to improve service delivery and new initiatives based on feedback from political leadership, operational departments and the local community.

Figure 1: Macro Organisational Structure

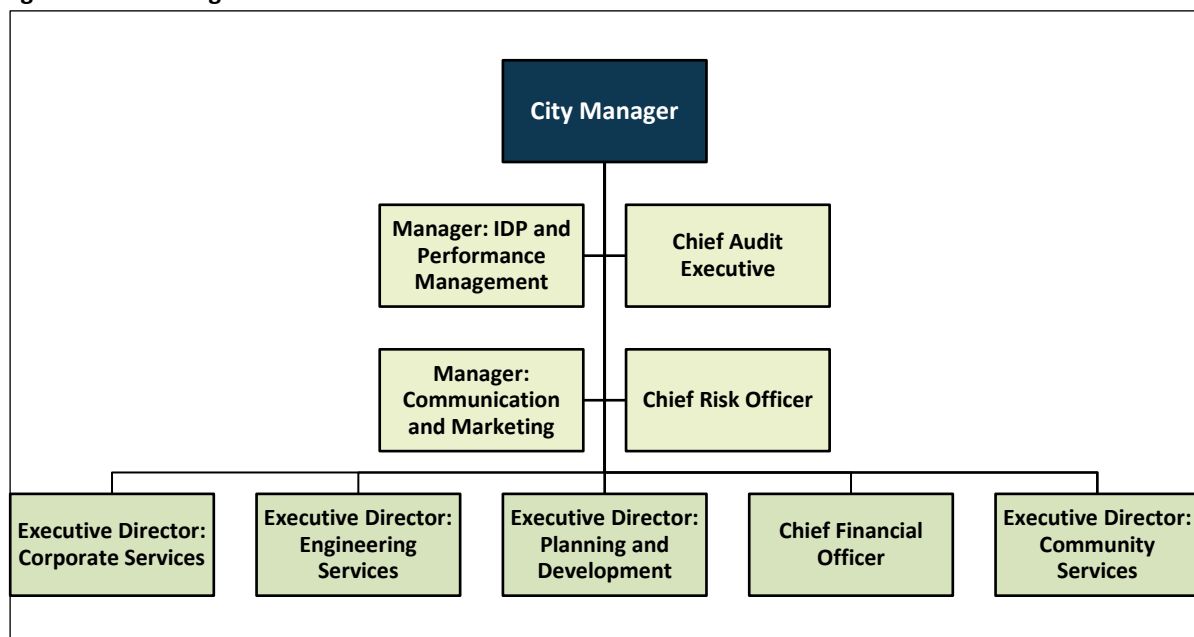


Table 21: Top Administrative Structure

Top Administrative Structure		
Serial No	Position	Functions
Column Ref.	A	B
1	 <p>City Manager Dr Johan H Leibbrandt</p>	<ul style="list-style-type: none"> • Provides an independent appraisal of the adequacy and effectiveness of the systems of internal control, risk management and governance processes; • Evaluates and contributes to the improvement of governance management processes; • Manages financial services in order to ensure financial viability, compliance and reporting; • Provides corporate services to the institution to ensure efficient support of organisational processes; • Provides and manages planning, economic development and environmental management services; • Renders integrated community services to enhance community development in general and promotes a clean and safe environment; and • Maximises infrastructure development and delivers a service to all communities of Drakenstein.
2	 <p>Corporate Services Seraj Johaar</p>	<ul style="list-style-type: none"> • Provides legal and administrative support services to the institution to facilitate proficient administrative practices and procedures; • Renders human resource management and support services to the Municipality that will sustain the optimum utilisation of the Municipality's human capital; • Provides effective and efficient information and communication technology services; • Provides comprehensive communication and intergovernmental relations services; • Coordinates and provides functional and administrative support to the political office-bearers; • Provides office management services to the Executive Mayor; and • Renders property and facilities management services.
3	 <p>Chief Financial Officer Jacques Carstens</p>	<ul style="list-style-type: none"> • Manages and controls the implementation of budget policies, systems and procedures and financial statement processes to ensure legislative compliance and sound financial management practices; • Implements and maintains revenue and credit control policies and procedures to ensure sound revenue management practices and compliance; • Ensures the recording, authorisation and proper execution of expenditure systems, procedures and transactions; and • Manages supply chain management services to ensure proper systems, procedures and control for demand, acquisition, logistics, assets and disposal management.

Top Administrative Structure		
Serial No	Position	Functions
Column Ref.	A	B
4	 <p>Planning and Development Lauren Waring</p>	<ul style="list-style-type: none"> • Manages the rendering of spatial and land use planning, surveying, valuations and building control services; • Plans, develops and implements a coherent and Integrated Framework for Local Economic Development and Tourism; • Ensures the implementation of environmental management plans, policies and procedures and ensures compliance in accordance with applicable legislation; and • Renders management and line function administrative support services.
5	 <p>Engineering Services Dirk Hattingh</p>	<ul style="list-style-type: none"> • Manages Civil Engineering Services including (water, sewerage, streets, stormwater and traffic engineering); • Manages Electrical Engineering Services; • Manages Solid Waste Services, including waste collection, disposal facilities, waste minimisation, awareness and education, waste diversion, street sweeping, community projects, area cleaning and Waste to Energy; and • Manages project and building projects / programmes.
6	 <p>Community Services Gary Boshoff</p>	<ul style="list-style-type: none"> • Manages the provisioning and maintenance/operation of parks, sport facilities and cemeteries; • Manages the rendering of protection services to ensure the safety of the community; • Provides for the development of human settlements administration and support services to address the housing needs in the area; and • Provides and manages the rendering of community development, library and information services.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.6 INTRODUCTION

Section 3 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) requires municipalities to exercise their executive and legislative authority within the constitutional system of co-operative government as stipulated in Section 41 of The Constitution which states that all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith by fostering friendly relations; assisting and supporting one another; informing one another and consulting one another on matters of common interest; coordinating their actions and legislation with one another; adhering to agreed procedures; and, avoiding legal proceedings against one another.

2.7 COOPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Drakenstein Municipality participates in a range of intergovernmental activities, both formally and informally. Key staff members participate in professional institutes that govern the interests of various fields of work. Examples of such interaction and cooperation are:

2.7.1 National Intergovernmental Structures

- Accounting Standards Board (ASB) – Public Sector Accounting Forum;
- Electricity Distribution Regulation and Tariff Setting (NERSA);
- Chartered Institute of Government Finance Audit and Risk Officers (CIGFARO);
- Institute for Landscape Architecture in South Africa (ILASA);
- Institute of Environment and Recreation Management (IERM);
- Institute of Fire and Emergency Safety of South Africa;
- Institute of Internal Auditors;
- Institute of Municipal and Licensing Officers of South Africa;
- Institute of South African Municipal Accounting Officers (ISAMAO);
- National Government SETA Skills Development Forum;
- National Municipal Managers Forum;
- National Rental Task Team;
- South African Local Government Association (SALGA); and
- South African Tourism Services Association (SATSA).

2.7.2 Provincial Intergovernmental Structures

Information and best practices are shared and interaction with the Western Cape Government and other municipalities is valuable to ensure better coordination and cooperation.

These structures provide important support and guidance to staff in maintaining and enhancement of professional work standards. Issues pertaining to service delivery and matters of common interest are discussed at the following forums:

- Accounting Standards Board (ASB) – Public Sector Accounting Forum;
- Berg River Partnership for Collaboration;
- Berg River Steering Committee;
- CFO Forum;
- Chief Audit Executive Forum;
- Chief Finance Officers’ Forum;
- Chief Risk Officers Forum;
- City of Cape Town Water Resilience Advisory Committee;
- Department of Environmental Affairs & Development Planning – WCRAAG;
- Department of Water & Sanitation Water Care Forum;
- Disaster Management Forum;
- EPWP coordinating meetings;
- Provincial IDP Managers’ Forum;
- Informal Settlements Support Programme (ISSP);
- Institute of Waste Management of South Africa;
- IPC2 Intermodal Planning Committee;
- Legislative and Constitutional Task Team;
- MIG coordinating meetings;
- Ministerial Mayors’ Forum;
- MinMay Tech Forum;
- MPRA Forum;
- Municipal Accountant Forum;
- Municipal Governance Review and Outlook (MGRO);
- Municipal Managers’ Forum;
- Municipal Planning Heads Forum;
- Premier’s Coordinating Forum;
- Provincial Affordable and Social Housing Steering Committee;
- Provincial Local Government SETA Skills Development Forum;
- Provincial Speakers’ Forum
- PSG4 Sustainable Ecological and Agricultural Resource Base (SEAR) Work Group;
- Public Participation and Communications Forum;
- Records Management Forum;
- SALGA Working Groups;
- Supply Chain Management Provincial Working Group;
- TDA Cape Town;
- Violence Prevention through Urban Upgrading (VPUU);
- Waste Management Officers’ Forum;

- Waste Minimisation Interest Group;
- Western Cape Accounting Working Committee;
- Western Cape Air Quality Officers' Forum;
- Western Cape ICT Strategic Forum;
- Western Cape Municipal Planning Heads Forum; and
- Western Cape Provincial Asset Management Forum.

2.7.3 District Intergovernmental Structures

The following are district forums in which the municipality participates in focusing on service delivery and information sharing:

- Cape Winelands Biosphere Reserve;
- Cape Winelands District CRO and CAE Forum;
- Cape Winelands Human Settlements Regional Forum;
- Cape Winelands Regional Local Economic Development Forum (RLEDf);
- Cape Winelands Skills Development Facilitators' Forum;
- Cape Winelands Waste Managers' Forum;
- Disaster Management Institute of SA;
- District Co-ordinating Forum;
- District IDP Managers' Forum;
- District Public Participation and Communications Forum;
- District SCM Forum;
- EPWP District Forum;
- Institute of Municipal Public Safety of SA;
- Municipality's Local Labour Forum; and
- Rural Development District Joint Operational Committee.

2.7.4 Municipal Entities

No municipal entities have been established within the Drakenstein Area.

2.7.5 Municipal Partnerships

Drakenstein Municipality is in partnership with the City of Neumarkt in Germany. The partnership revolves around climate change-related aspects and involves municipal development cooperation, migration and development on a local level.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.8 INTRODUCTION

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 and 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. The Audit Committee also serves as the Municipality’s Performance Audit Committee and meets quarterly. A quarterly report reflecting the Audit Committee’s recommendations relating to the areas of financial management and control, performance management, internal control, risk management and governance matters is tabled in 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.

2.9 PUBLIC MEETINGS

Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) compels municipalities 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:

- Ward committee meetings (discussed in more detail below);
- Public notices in local and regional newspapers;
- Monthly public newsletters distributed to all account holders;
- Press releases as and when required;

- Receipt and consideration of petitions and objections;
- Public IDP and consultative meetings; and
- Functioning of a municipal website, regularly updated with recent news.

Stakeholder and community engagements to determine and undertake development priorities form the cornerstone of the IDP. Needs are dynamic and by virtue of its changing nature, have to be reviewed frequently. The annual review of the IDP is a process which assist the Municipality to further enhance its service delivery outputs and outcomes and through the Performance Management System, implemented by the Municipality, it ensures that the Municipality remains accountable to the local community, the various sectors and business alike.

The Municipal Council ensures that its oversight role is sufficiently mandated by the populace voice of its local community, through fully embracing the principles of participatory democracy. This is being achieved through a well-functioning Ward Committee System, robust public participation through our various development planning processes and regular communication with the community through public meetings, community newsletters, radio and various other print and electronic media including the Municipal Website.

2.9.1 Mayoral Business Stakeholder Initiative

During the period under review, the City Manager introduced an initiative to further enhance the relationship between the Municipality and our various stakeholders, representing a vast range of sectors. This concept centres around interactions with stakeholders on strategically selected themes to ensure that the Municipality responds more efficiently and appropriately to specific service needs and to facilitate a much stronger strategic link between the perspectives of stakeholders' priorities and the municipal IDP and long-term strategy. The achievement of having a common understanding of the *status quo* of Drakenstein, the secondary city, amongst all stakeholders, is critical in creating a stable platform from which municipal planning can take place, resources prioritised and implementation monitored in a much more sensible fashion.

2.9.2 IDP/Budget Roadshows

The IDP is about determining stakeholder and community needs and priorities which need to be addressed in order to contribute to the improvement of the quality of life of residents within the Municipal Area. Various stakeholders and sectors were involved during the draft IDP development process and this process comprised of 69 IDP meetings of which 66 were ward-based IDP meetings, two sector-based engagements and one an IDP Representative Forum meeting.

2.9.3 IDP Sector Engagements

Drakenstein Municipality must play a role in ensuring integration and co-ordination between the various sectors and cross-sectoral dimensions of development, to achieve social, economic and ecological sustainability.

To ensure that municipal priorities are addressed, and in the spirit of co-operative governance, the planning process of all spheres of government must be aligned with and inform each other. This requires that municipal planning processes takes into account the legislative, policy, and strategic approaches of the line departments of national and provincial government.

Whilst the IDP is the overall strategic development plan for a municipality, prepared in terms of the Municipal System Act, Act 32 of 2000, that guide decision-making, budgeting and development in the municipality, the Spatial Development Framework (SDF) presents the long term vision of the desired spatial form of the municipality. The SDF is thus a critical component to the IDP to direct municipal and private sector spending and investment by providing spatial proposals and strategies (thus the location and nature of development) which will support economic growth and integrated human settlements.

The IDP and SDF information was interrogated in order to support the notion that the two strategic documents are aligned as required in terms of the Municipal System Act, Act 32 of 2000, Spatial Planning and Land Use Management Act, Act 16 of 2013 and the Land Use Planning Act, Act 3 of 2014.

2.10 REPRESENTATIVE FORUMS

In accordance with Section 15 of the Local Government: Municipal Planning and Performance Regulations (No. 796, 24 August 2001), Drakenstein Municipality established an IDP Representative Forum to enhance community participation in:

- The drafting and implementation of the Municipality's IDP; and
- The monitoring, measurement and review of the Municipality's performance in relation to the key performance indicators and performance targets set by the Municipality.

2.10.1 IDP Representative Forum

The participation of stakeholders in the IDP Representative Forum has been very influential in further strengthening the sectoral integration of operational and strategic planning with civil society and other spheres of government.

2.11 WARD COMMITTEES

Section 73 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) deals with the establishment of ward committees and stipulates the following:

- “(1) If a metropolitan 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.”*

Ward committees form an essential part of the public participation process and these structures are particularly useful to ensure a relationship between Councillors and ward residents. 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 purpose of ward committees are:

- To act as an advisory committee to the Ward Councillor and Council;
- To ensure two-way communication to and from the community;
- To identify ward specific needs and to refer same to the administration and Council for attention;
- To actively partake in the annual IDP ward based public meetings;
- To assist the Ward Councillor in identifying ward projects and ward capital projects;
- To identify stakeholders in the wards and to liaise with them regarding matters needing attention; and
- 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:

- Advising the Ward Councillor and Council on ward issues dealt with by Council;
- Identifying ward specific needs and referring it to the administration and Council for attention;
- Participation in the annual IDP ward based public meetings;
- The identification of operating and capital ward projects;

- Identifying stakeholders in the wards and liaising with them regarding matters needing attention; and
- Discussions on ward-related Council Agenda items and to make inputs regarding same if necessary.

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.

Table 22: Public Meetings

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
3 Sector Engagements and 66 Ward IDP Meetings held. (total of 69)	04/09/2017 to 02/10/2017	98	339	1,533	Same day, through Customer Care System, Ward Public Meetings and at following IDP Meetings
	08/04/2018 to 25/05/2018	246	693	2,254	
Municipal Public Accounts Committee (MPAC)	02/11/2017	7 x Councillors	9 x City Manager, Executive Managers, Chief Internal, Risk and other officials)	None	The MPAC reports to Council and their recommendations are contained in the Council agenda.
Municipal Public Accounts Committee (MPAC)	01/03/2018	8 x Councillors	9 x City Manager, Executive Managers, Chief Internal, Risk and other officials)	None	The MPAC reports to Council and their recommendations are contained in the Council agenda.
Municipal Public Accounts Committee (MPAC)	14/03/2018	6 x Councillors	7 x City Manager, Executive Managers, Chief Internal and other officials)	None	The MPAC reports to Council and their recommendations are contained in the Council agenda.
Municipal Public Accounts Committee (MPAC)	11/04/2018	6 x Councillors	8 x City Manager, Executive Managers, Chief Internal, Risk and other officials)	None	The MPAC reports to Council and their recommendations are contained in the Council agenda.

COMPONENT D: CORPORATE GOVERNANCE

2.12 INTRODUCTION

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.

2.13 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 Division supports the Municipality's governance structure by aligning its operations and practices, which includes the identification, assessment and mitigation of future risks, with the principles contained in the King IV Report on Corporate Governance for South Africa 2016 (King IV).

The Risk Management Division is responsible for the risk management function at Drakenstein Municipality through facilitation and advising on fraud and 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 Risk Management Policy, Strategy as well as Plan were revised.

The Risk Register, linked to key performance areas (strategic objectives) and key focus areas, was reviewed with all the departments through a facilitation process.

The ten top strategic risks identified were:

- Failure or inability to maintain and manage assets;
- Failure to communicate and liaise effectively with stakeholders;
- Failure to manage and mitigate the impact of adverse environmental (drought), social, economic and other local, national and global conditions;
- Failure to manage municipal finances effectively and ensure financial sustainability;
- Inability to maintain acceptable service standards in respect of core service delivery responsibilities;
- Inability to manage illegal actions;
- Inability to meet the human settlement demands;
- Inadequate human resource management;
- Inadequate ICT infrastructure and systems; and
- Loss of economic development opportunities and inability to grow tourism and local economy.

2.14 INTERNAL AUDIT

Internal Audit is an independent function reporting administratively to the City Manager and functionally to the Audit Committee. Internal Audit performs audits in terms of a three year strategic and one year 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 categorised in terms of audits focusing on the systems of internal control, risk management and governance processes. The prioritisation 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.

The Audit Committee assesses the performance of the Internal Audit quarterly, based on a range of key performance indicators linked to the operations of the Internal Audit function.

2.15 ANTI-CORRUPTION AND FRAUD

The Fraud and Risk Management Committee (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 and Strategy were incorporated in the Risk Management Policy.

FARMCO review the effectiveness of prevention initiatives, detection techniques as well as progress made in any forensic investigations, and thereby also function as an oversight body. Drakenstein Municipality appointed Deloitte to provide an anonymous fraud and ethics hotline service for the reporting of alleged theft, fraud and corruption.

2.16 KING IV PRINCIPLES

The 2017/18 Internal Audit Plan approved by the Audit Committee included an audit which was performed to assess the Municipality's governance structures in line with the principles contained in the King IV Report on Corporate Governance for South Africa 2016 (King IV). Areas for improvement were reported to the Accounting Officer and action plans with clear due dates and action owners were agreed to ensure that effect is given to the Principles contained in the King IV report. A follow-up audit will be conducted as soon as the due dates for action implementation expire to determine whether the necessary corrective action was taken. The Audit Committee reported to Council accordingly and emphasized the need for Council to give effect to the King IV report in its operations. A presentation was made to Council to create awareness of the King IV report in respect of the duties and responsibilities of the governing body.

2.17 SUPPLY CHAIN MANAGEMENT

The SCM Policy was reviewed during the 2017/18 financial year. Certain amendments to the SCM Policy were tabled before Council in order to improve operational efficiency. The Municipality is required to forward its SCM Policy to the Western Cape Provincial Treasury on an annual basis for scrutiny and compliance verifications against the Model SCM Policy that was issued by the National Treasury. The purpose of this exercise is to determine whether the Municipal SCM Policy deviates from the stipulations of the SCM Regulations. Drakenstein Municipality's SCM Policy complies with the regulatory framework.

2.17.1 Overview of Supply Chain Management

The Supply Chain Management functions cuts across all departments. Although governance is at its core, Supply Chain Management plays a vital role in contributing towards service delivery in a manner that is fair, equitable, transparent, competitive and cost-effective.

Specific emphasis was placed on processes associated with Supply Chain Management with the aim of creating more awareness on all levels of the organisation.

2.17.2 Bid Committees

The Municipality applies the bid committee system for procurement above R200,000 (Value Added Tax included) and for the procurement of long term contracts. The Bid Committees namely the Bid Specification Committee, the Bid Evaluation Committee and the Bid Adjudication Committee are all functioning effectively.

2.17.2.1 Bid Committees Structure

The Bid Committee members are appointed by the City Manager in line with the relevant legislation.

2.17.2.2 Awards made by the Bid Adjudication Committee

For the 2017/18 financial year the Bid Adjudication Committee made 66 awards.

2.17.2.3 Awards made by Accounting Officer

For the 2017/18 financial year the Accounting Officer made 10 awards.

2.17.2.4 Objections lodged

For the year under review a total of seven objections were lodged by aggrieved bidders. All of these objections were reported to the Accounting Officer and resolved before the end of the 2017/18 financial year.

2.17.3 Formal Quotations (Above R30,000 and below R200,000) Procurement Processes

For the year under review a total of 393 formal written price quotations were advertised of which 314 were awarded and 79 were cancelled.

2.17.4 Disposal Management

For the year under review, no movable assets were disposed of.

The following immovable assets were disposed of during the year under review:

Table 23: Immovable assets disposed

Properties sold	To	Purpose
Portion of erven 8414 and 12649, Paarl	Imperial Cago	Parking for trucks
Portion of erf 1143, Paarl	Minhil car sales	Business
Portion of erf 19544, Paarl	JP Forklift	Business
Portion of erf 10855, Wellington	Dirk Lochner Transport	Business
Portion of erf 34, Wellington	Rhodes Food Group	Business
Farm 736/0	Distell	Business
Portion of erf 34, Wellington	Wilde Trust	Business
Erf 11277, Paarl	Chapa Kazi	Residential
Portion erf 15964, Paarl	Old Apostolic Church	Church
Portion of erf 22010, Paarl	Dal Josaphat Cold rooms	Business

2.18 BY-LAWS AND POLICIES

The table below indicate the various By-Laws introduced during 2017/18 financial year:

Table 24: By-Laws introduced during 2017/18

By-Laws introduced during 2017/18						
Serial No.	Newly developed	Revised	Public Participation conducted prior to adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted (Yes/No)	Dates of publication
Column Ref	A	B	C	D	E	F
1	Amendment of By-Law 1/2008 Outdoor Advertising and Signage	28 June 2017 (Council adopted)	Yes	23 March 2017	Yes	7 July 2017

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):

- The by-laws serve before the various structures of the Council;
- The by-laws are advertised in the local media for objections or comment;

- The by-laws are open for inspection at all municipal offices and libraries; and
- 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 take immediate effect.

The following by-laws were passed in the 2017/18 financial year:

Table 25: By-Laws passed

By-Laws passed		
Serial No.	By-Law	Promulgation Status
Column Ref.	A	B
1	Amendment of By-Law 1/2008 Outdoor Advertising and Signage	7 July 2017

2.19 WEBSITE

The municipal website has been well maintained and features municipal documentation required in terms of legislation, including public policies, by-laws, supply chain documents, notices, press releases and other documents. The purpose is to inform Drakenstein residents about the affairs, achievements and initiatives of the Municipality.

Following the successful launch of a newly designed, revamped municipal website on 1 November 2017, interactive functions on the website - which will entail user-friendly methods for the public to communicate with the Municipality - are being planned.

Table 26: Municipal Website Content

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's website.	Yes/No	Publishing Date
Annual and adjustments budgets and all budget-related documents	Yes	01/07/2017 – 30/06/2018
All budget-related policies	Yes	01/07/2017 – 30/06/2018
The previous Annual Report 2016/17	Yes	04/04/2018
The Annual Report 2017/18 published / to be published	Yes	31/01/2019
All current performance agreements (2017/18) and resulting scorecards required in terms of Section 57(1)(b) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)	Yes	02/07/2018 – 06/07/2018
All service delivery agreements (2017/18)	Yes	01/07/2017 – 30/06/2018
All long-term borrowing contracts (2017/18)	Yes	29/06/2018
All Supply Chain Management Contracts above a prescribed value (above R 200,000) for 2017/18	Yes	01/07/2017 – 30/06/2018

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's website.	Yes/No	Publishing Date
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 2017/18	No	N/A
Contracts agreed in 2017/18 to which the MFMA Subsection (1) of Section 33 applies, subject to Subsection (3) of that Section	No	None concluded
Public-private partnership agreements referred to in the MFMA Section 120 made in 2017/18	No	None concluded
All quarterly reports tabled before Council in terms of the MFMA Section 52(d) during 2017/18	Yes	01/07/2017 – 30/06/2018

2.20 COMMUNICATION

Communication with the community of Drakenstein through other media has continuously improved by focussing on effective and relevant information sharing - via tailored communication channels and platforms. Such channels and platforms include: print, radio and online media; an external newsletter directed at residents; an internal newsletter directed at Council and staff; a bulk SMS system; website communication; and brand reinforcement at events through the display of branding, banners and promotional items. The Municipality launched its new social media platform, a Facebook page, successfully on 1 June 2018, with its followers growing steadily.

On 1 November 2017, the Municipality launched its new logo to external and internal audiences, as well as a municipal website with a new look and feel. Guided by a new corporate identity manual that was introduced, the Municipality continues to roll out the new logo and brand, embodying its vision of *"A city of excellence"*.

Media and communication are receiving constant attention and the Municipality responds to media enquiries on a daily basis.

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.

2.21 COMMUNITY SATISFACTION SURVEYS

During 1 February until 31 May 2018, the Municipality conducted a Customer Satisfaction Survey to establish the level of satisfaction experienced by the Municipality's customers. A link was created from the Municipality's website where residents could complete the survey in a language of their choice. The survey questionnaire comprised of 19 questions in English, Afrikaans and Xhosa. Hard copies of the survey were also distributed at Drakenstein's community centres, libraries, and municipal helpdesks. Total response was 516 across all surveys.

2.22 PUBLIC SATISFACTION WITH MUNICIPAL SERVICE DELIVERY

2.22.1 Customer Satisfaction Survey

The Municipality has once again conducted a customer satisfaction survey amongst all its residents in order to determine the perceived level of services and to enable the Municipality to actively plan and focus on the improvement of service standards where needed. This is an ongoing effort to raise the bar towards service excellence. The customer satisfaction survey turnout of 516 participants by far exceeded any previous survey of this nature conducted by the Municipality.

Table 27: Customer Satisfaction Survey 2018

Customer Satisfaction Survey 2018					
Serial No.	Surveys	Manual completion	Completed at municipal buildings	Completed on website	Total responses
Column Ref.	A	B	C	D	E
1	English	85	3	107	195
2	Afrikaans	263	0	42	305
3	IsiXhosa	14	0	2	16
4	Total	362	3	151	516

2.22.2 Complaints Management

The centralised complaints management system which was procured several years ago to improve customer care, is in process of being reviewed. As an interim measure service requests are captured and managed on an existing separate system which is currently being used by the Municipality. In the meantime other customer care information systems will be evaluated and assessed by the Municipality in order to determine the most suitable system to manage complaints and service requests throughout the Municipality. Existing access points to the system are still available and will be maintained.

In order to ensure that all residents continue to have easy access to the customer care system additional access points such as a toll free telephone number was investigated for implementation during the next reporting period. The Municipality is also in the process of developing service standards for all of its services and this will allow the Municipality to set and maintain prescribed standards. These standards will also be introduced in the next reporting period.

3. SERVICE DELIVERY PERFORMANCE

COMPONENT A: OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

3.1 INTRODUCTION

Performance management is a process that measures the implementation of the organisation's strategic objectives. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level, performance management is institutionalised through the legislative requirements of the performance management process. Performance management provides the mechanism to measure whether targets are met in line with the strategic objectives as set by the organisation.

Section 152 of the Constitution of the Republic of South Africa, 1996, deals with the objectives of local government and paves the way for performance management. The idea of a government that is accountable is important to meet the needs of Drakenstein Municipality. The democratic values and principles in terms of section 195(1) are also linked with the concept of performance management, with reference to the principles of the following, among others to:

- Promote the effective, efficient and economic use of resources;
- Ensure accountable public administration;
- Be transparent by providing information;
- Be responsive to the needs of the community; and
- Facilitate a culture of public service and accountability.

The Local Government: Municipal Systems Act (MSA) of 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) require the Integrated Development Plan (IDP) to be aligned to the municipal budget. The monitoring of organisational performance of the budget must be done against the IDP on a quarterly basis via the Service Delivery and Budget Implementation Plan (SDBIP). The report is made public after the Council has been informed of the quarterly progress against set targets.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that *"A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and*

processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players". Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, the Budget and the SDBIP.

3.1.1 Legislative Requirements

In terms of section 46(1)(a) of the Local Government: Municipal Systems Act, a municipality must prepare an Annual Performance Report (APR) for each financial year that reflects the municipality's and any service provider's performance during the financial year. The APR must furthermore indicate the development and service delivery priorities and the performance targets set by the municipality for the financial year, and based on the results indicate what corrective measures were or are to be taken to improve performance. The 2017/18 APR is attached to this Annual Report as Volume V.

3.1.2 Organisational Performance

Strategic performance assessment indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is effective, efficient and economical. Municipalities must develop strategic plans and allocate resources for implementation. Implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role players to enable them to implement corrective measures timeously as and when required.

The APR highlights the strategic performance in terms of the municipality's Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the strategic objectives of the municipality and performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act of 2000.

3.1.3 Performance Management Policy

The Municipality adopted a Performance Management (PM) Policy during 2011. The Municipality reviewed the policy during the 2017/18 financial year. The PM Policy articulates the Municipality's objectives in order to promote accountability and the overall strategy of the Municipality. Therefore, the main principles of the PM Policy are that it must be feasible in terms of the available resources to the Municipality and that the PM Policy must serve as an enabling mechanism for employees to achieve their performance objectives and targets.

Performance management has been introduced in the Local Government: Municipal Systems Act, Act 32 of 2000 (hereafter referred to as the MSA). The MSA is specific with regards to performance management. Each municipality must develop a performance management system (PMS) in order to enhance service delivery inputs in order to maximise outputs to the community. The MSA emphasise the amplified role of Council in performance management.

Legislative enactments which govern performance management in municipalities are found in various documents. As outlined in Section 40 of the MSA, Drakenstein Municipality must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and lower levels.

3.1.4 The IDP and the Budget

The Municipality has developed a long term 15 year strategy (2017/2032) for Drakenstein to realise a vision: to evolve into “*A city of excellence*” within the next fifteen years. Key facets of the vision are economic dynamism; quality of life for all; a strong well-governed brand; and financial sustainability.

The IDP 2017/2032 (inclusive of Vision 2032) details a comprehensive needs analysis and big moves, key initiatives, projects and programmes to address these challenges in partnership with other spheres of government, the private sector and civil society.

The Integrated Development Plan, together with its long-term trajectory, will be reviewed annually to accommodate changes in the municipal environment, including community priorities. In turn, the revised IDP will inform changes to the budget, key performance indicators and targets of the Municipality.

The Municipal IDP must be reviewed every year to ensure that:

- Municipalities and communities keep track of progress in implementing development projects and spending the municipal budget; and
- Communities are provided with an opportunity to review their needs and make possible changes to the priorities listed in the municipal IDP.

The IDP is the principal planning instrument that guides and informs the municipal budget. The Drakenstein Municipality’s PMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to measure the progress made in achieving the objectives as set out in the IDP.

The Five-Year Performance Framework reflects the connection between the strategic framework of the Municipality, as detailed in the previous chapter and IDP implementation through Key Performance Indicators and Targets to measure performance of the IDP for the five years.

These are annually revised in line with Section 34 of the Local Government: Municipal Systems Act, No. 32 of 2000 which compels a municipal council to review its integrated development plan annually in accordance with an assessment of its performance measurements in terms of section 41 to the extent that changing circumstances so demand.

A conducive performance management culture will ensure that the developmental objectives as construed in the IDP gets relevance in the performance agreements of senior managers and consequence implementation thereof.

3.2 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

The organisational performance is evaluated by means of a municipal scorecard (Top-Layer SDBIP). Performance objectives, as reflected in the municipal scorecard, are required to be practical, measurable and based on the key performance indicators.

The SDBIP is a tool that converts the IDP and budget into measurable criteria of how, where and when the strategies, objectives and normal business processes of the Municipality are implemented.

It also allocates responsibility to directorates to deliver the services in terms of the IDP and the budget.

MFMA Circular No. 13 is a clarification of the Municipal Budget and Reporting Regulations, Schedule A1, General Notice 393 in Government Gazette 32141 and prescribes that:

- The IDP and Budget must be aligned;
- The Budget must address the strategic priorities;
- the SDBIP should indicate what the Municipality is going to do during the next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the Budget/IDP processes.

The Top-Layer SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor, Cllr Conrad Poole on **28 June 2017** in terms of section 53(1)(c)(ii) of the Local Government: Municipal Finance Management Act of 2003. It was made public on the municipal website within five working days after approval by the Executive Mayor.

3.2.1 The Municipal Scorecard (Top-Layer SDBIP)

The municipal scorecard (Top-Layer SDBIP) consolidates service delivery targets set by Council/executive management and provides an overall picture of the performance of the Municipality as a whole, reflecting performance in its strategic priorities for the 2017/18 financial year. The scorecard is the performance evaluation tool and is used during the informal and formal performance assessment of the City Manager and executive managers. Components of the Top-Layer SDBIP include:

3.2.1.1 One-year detailed plan with the following components:

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial, measurable performance objectives in the form of targets and indicators;
- Output management objectives; and
- Level and standard of service being provided to the community.

3.2.1.2 Top-Layer KPI's were prepared based on the following:

- Key performance indicators (KPIs) for the programmes/activities identified to address the strategic objectives as documented in the IDP in co-operation with the community who identifies developmental priorities;
- KPIs identified during the IDP public participation process and KPIs that need to be reported to key municipal stakeholders; and
- KPIs to address the required national minimum reporting requirements.

3.2.2 Amendment of the Top-Layer SDBIP

The Top-Layer SDBIP was amended during the 2017/18 financial year through Council Resolution 7.3 at a Council meeting held on 28 February 2018.

3.2.3 Actual Performance

The Municipality utilises an electronic web-based, real time performance-based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the set target;
- A performance comment;

- Actions to improve the performance by the submission of corrective measures to meet the set target for the reporting interval in question, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated and provide it to the Internal Auditor and Auditor General upon request during the quarterly and annual audit testing.

3.2.4 Monitoring of the SDBIP

Municipal performance is measured as follows:

- Mid-year assessment and submission of the mid-year report to the Executive Mayor in terms of section of Section 72(1)(a) and 52(d) of the Local Government Municipal Finance Management Act to assess the performance of the Municipality during the first half of the financial year;
- Quarterly performance was subjected to an internal audit and the results of their findings were submitted to the Audit Committee; and
- Quarterly performance reports are submitted to Council for information.

3.3 INDIVIDUAL PERFORMANCE

The employee performance management system can be defined as the process through which the planned performance objectives as defined in the IDP are cascaded into the employee's Annual Performance Plans, thus allowing for the planning, coaching and monitoring, reviewing and rewarding of performance, and the enhancement of development, at the level of the individual employee. The PMS is also rolled out to all other municipal staff through a Staff Efficiency Monitoring (SEM) programme. The purpose of the SEM programme is to manage and improve efficiency by enabling a higher level of staff participation and involvement in planning, delivery and evaluation of work performance.

The SEM is a component of the PMS in Drakenstein and ensures integrated work planning, target setting, performance reporting and feedback.

This Employee Efficiency Monitoring Form will be completed by all employees not evaluated on the formal PMS. Sections 1 and 2 of the form must be completed and signed by 30 June. It is expected that both the employee and the supervisor will complete and agree to the KPIs and targets based on the individuals job description. Appraisals of all staff will take place on an annual basis. Inclusive in these employees' salary package is an annual bonus in the form of a 13th cheque. The SEM programme was piloted in the Department: Corporate Services during the year under review.

3.3.1 Executive Directors and Managers Directly Accountable to the City Manager

The Municipal Systems Act (MSA), 2000 (Act 32 of 2000) prescribes that the Municipality must enter into performance based agreements with all section 57-employees and that performance agreements must be reviewed annually and published for public interest. This process and the format are further regulated by Regulation 805 (August 2006), MSA.

The performance agreements for the section 57 appointments for the 2017/18 financial year were signed during July 2017 as prescribed. They include performance agreements for the:

- City Manager;
- Chief Financial Officer;
- Executive Director: Corporate Services;
- Executive Director: Planning and Development;
- Executive Director: Community Services; and
- Executive Director: Engineering Services.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The mid-year performance assessment for the City Manager and executive managers for the 2017/18 financial year took place on 19 January 2018. The final evaluations of the City Manager and Executive Directors for the 2017/18 financial year were conducted on 20 November 2018.

3.3.2 Other Municipal Officials

The Municipality is implementing individual performance management for employees to the level of all managers.

For purposes of evaluating the annual performance of managers and specialists, an evaluation panel constituted of the following persons must be established:

- Supervisor/Line Manager;
- Employee; and
- HR/PMS specialist.

3.4 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (TOP-LAYER)

The SDBIP results for the year under review are reflected in the Annual Performance Report attached as Volume V to the Annual Report.

COMPONENT B: BASIC SERVICES

Water, electricity, waste water and refuse removal 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 implementation of basic services in all formally established township developments as well informal settlements in the Drakenstein Area over which the Municipality have control.

3.5 WATER SERVICES

The main objective of the Water Section is to provide water services in an effective, efficient and sustainable manner in respect of service delivery and to ensure that all people in Drakenstein Municipality's Management Area have access to adequate, safe, appropriate and affordable water services, using water wisely.

Other objectives 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.

The rapid rate of urbanisation is resulting in many cities and towns in South Africa facing major challenges of providing their increasing population with adequate and sustainable water services. On top of this, extensive parts of the continent are currently water stressed and these areas struggle to reconcile the water requirements and the water resources. The year under review recorded the driest period in 200 years in the Western Cape and that created the biggest challenge so far for the water services division. Intensive water demand management and diligent personnel saved the Drakenstein area from a day zero situation and we did succeed in providing water, although at only 50 litres per person per day, until the winter rains of 2018 arrived.

Apart from providing potable water to all our urban residents, we are obliged to fulfil our other basic functions of upgrading the existing infrastructure, extending the network and to effectively maintain the existing network.

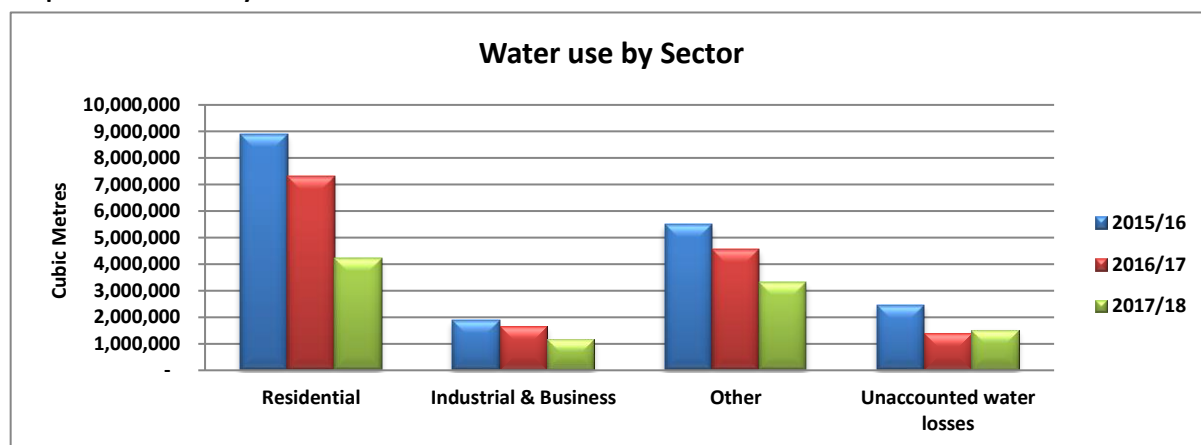
3.5.1 Service Statistics

It is clear from the table below that water use dropped significantly from the 2015/16 to 2017/18 financial year due to the drought and water restrictions implemented over the last two financial years. Residential use was the biggest contributor in water savings. Water losses decreased from 2015/16 to 2016/17 only to increase to 14.88% as at 30 June 2018. The reason for this is that total water use dropped in 2017/18 while unaccounted water losses remained the same.

Table 28: Total use of water by sector (cubic metres)

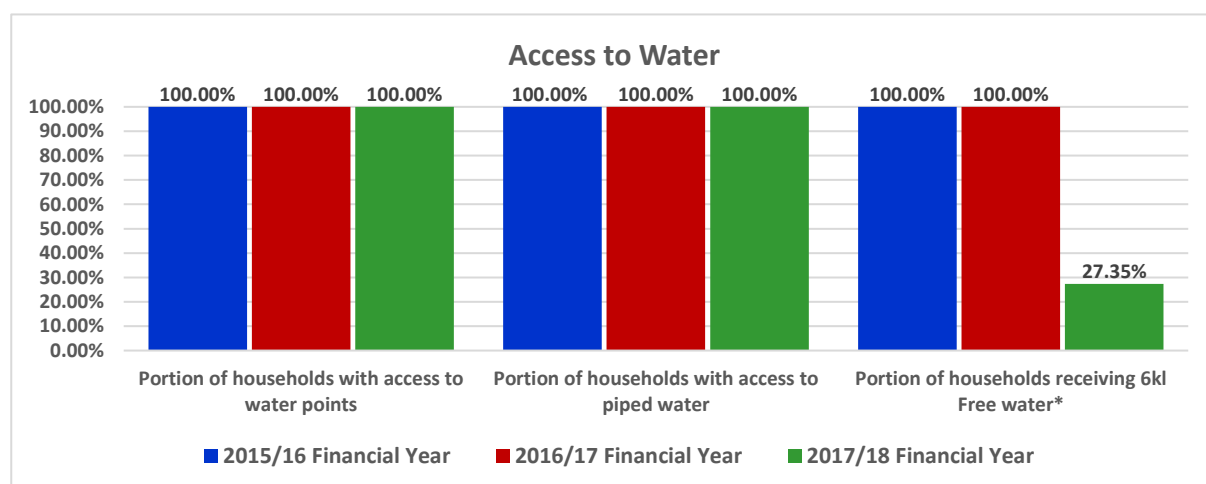
Total use of water by sector (cubic metres)							
Serial No.	Year	Residential	Industrial / Business	Other	Unaccountable Water Losses	Water Totals	% Water Losses
Column Ref.	A	B	C	D	E	F	G
1	2015/16	8,876,484	1,886,305	5,456,529	2,452,810	18,672,128	13.14%
2	2016/17	7,325,350	1,644,514	4,544,679	1,516,351	15,030,894	10.09%
3	2017/18	4,238,643	1,173,924	3,319,361	1,526,330	10,258,258	14.88%

Graph 2: Water use by Sector



In the graph below households' access to water are depicted. In the 2015/16 and 2016/17 financial years all households received 10kl of free water per month. This quota was reduced to 6kl of free water per month for all households as from 1 July 2018. As from the level 6B water restrictions introduced from 1 February 2018 only indigent households receive 6kl of free water per month.

Graph 3: Households Access to Water



Within the constraints of the budget, the Water Section performed satisfactorily. A total of 3,661 metres of water reticulation mains were upgraded in Paarl and Wellington; 228 water connections were installed in the Drakenstein Area; 316 burst pipes were repaired on reticulation networks; 2,128 water connections were repaired; 879 water meters were replaced during the year; 102 water meters were stolen and replaced by the municipality; and 2,908 water leaks on private properties were repaired during the financial year.

3.5.2 Service Delivery Levels

All formal erven in the urban areas of Drakenstein Municipality's Management Area are provided with individual water connections inside the erven (higher level of service). Communal standpipes are provided in the informal areas as a temporary emergency service. Drakenstein Municipality works towards a target of at least one (1) standpipe per twenty five (25) households.

Table 29: Water Service Delivery Levels

Water Service Delivery Levels			
Description	Households		
	2015/16	2016/17	2017/18
	Actual	Actual	Actual
	No.	No.	No.
Water: (Minimum level and above)			
Piped water inside dwelling	39,222	39,544	39,906
Piped water inside yard (but not in dwelling)	22,959	24,469	24,306
Using public tap (stand pipes)	3,321	3,709	4,882
Other water supply (within 200 m)	*407	*407	*407
Minimum Level and Above Sub-total	65,909	68,129	69,501
Water: (Below minimum level)			
Using public tap (more than 200 m from dwelling)	148	0	481
Other water supply (more than 200 m from dwelling)	*163	*163	*163
No water supply (rural)	*134	*134	*134
Below Minimum Service Level sub-total	445	297	778
Total number of households*	66,354	68,426	70,279
Minimum Service Level and Above Percentage	99.33%	99.56%	98.89%
Below Minimum Service Level Percentage	0.67%	0.44%	1.11%

**Farms which do not form part of the Municipal Water Reticulation System. Figures based on 2011 Census data. These figures can only be updated once the information per household from the detail service level rural survey on the farms becomes available.*

Table 30: Households - Water Service Delivery Levels below the minimum

Households – Water Service Delivery Levels below the minimum			
Households			
Description	2015/16	2016/17	2017/18
	Actual No.	Actual No.	Actual No.
Formal Settlements			
Total households	62,885	64,717	64,916
Households below the minimum service level	*297	*297	*297
Proportion of households below the minimum service level	0.47%	0.46%	0.46%
Informal Settlements			
Total households	3,469	3,709	5,363
Households below minimum service level	148	0	481
Proportion of households below minimum service level	4.27%	0.00%	8.97%

*Farms which do not form part of the Municipal Water Reticulation System. Figures based on 2011 Census data. These figures can only be updated once the information per household from the detail service level rural survey on the farms becomes available.

3.5.3 Capital Expenditure

The Water Services Section spent R107.5 million or 99.98% of the final adjustments budget on water infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 31: Capital Expenditure 2017/18 - Water Services

Capital Expenditure 2017/18: Water Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Boreholes Infrastructure	4,000,000	18,256,741	18,256,739	0.00%
2	Replace/Upgrade Water Reticulation Systems	23,145,852	17,837,010	17,835,383	0.01%
3	Replacement of Strawberry King Bulk Pipeline	11,061,053	14,561,053	14,561,053	0.00%
4	11 ML Newton Reservoir & Pump Station	11,128,392	14,440,012	14,440,012	0.00%
5	8 ML Courtrai Reservoir	18,500,000	14,369,711	14,369,711	0.00%
6	Welvanpas WTW & Outbuildings	21,336,035	11,905,220	11,905,219	0.00%
7	Drakenstein Rural Area: Ronwe Project	6,850,000	6,853,334	6,853,333	0.00%
8	Basic Services: Informal/Emergency Settlements	2,400,000	4,040,000	4,040,000	0.00%
9	Upgrade of WTW: Meulwater	6,500,000	2,080,990	2,080,989	0.00%
10	Other Water Infrastructure Projects	11,871,445	3,236,226	3,220,851	0.48%
11	Total Capital Expenditure	116,792,777	107,580,297	107,563,290	0.02%

3.5.4 Major Projects Implemented

During 2017/18 the following major projects were implemented:

- Probably the most eagerly anticipated project was the start of the groundwater augmentation project where borehole water would be abstracted through various boreholes and filtered to drinking water standards and then augmented into the existing water network. Through this project it was anticipated to generate at least 5 Ml per day which would allow the municipality in future to provide 25 litres per person per day should we ever get to a day zero situation. The first well field at the Boy Louw terrain will be operational by late 2018;
- Completing the Leliefontein-Newton pump station where we very innovatively also generate electricity through the use of water flow through turbines;
- Completing yet another phase (Phase 4) of the Strawberry King Bulk pipeline and preparing ourselves for executing phases 5, 6 and 7 during the 2018/19 financial year;
- Completing the first of two 8 Ml reservoirs at Courtrai as well as critical pipe work to link this reservoir to the network;
- Started with the Ronwe bulk water pipeline phase 2 through crossing the N1 National road and constructing a portion of the bulk line. Also prepared and finalised the tender for phase 3 for completion during 2018/19;
- In process of finalising phase 2 of the Welvanpas water treatment works upgrading project to a capacity of 10 Ml per day;
- In process of finalising phase 3 of the Meulwater water treatment works upgrading project to a capacity of 8 Ml per day; and
- Various other critical upgrades according to the water master plan were also completed during the year.

3.5.5 Operating Expenditure

Water services, as a trading service, generated an operating surplus of R85.3 million for the 2017/18 financial year. The surplus is used to subsidise operating expenditure of community services that do not generate revenue to sustain themselves.

Table 32: Operating Revenue and Expenditure: Water Services

Operating Revenue and Expenditure: Water Services						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-183,857,180	-232,546,947	-245,918,778	-222,134,947	-9.7%
2	Total Operating Revenue	-183,857,180	-232,546,947	-245,918,778	-222,134,947	-9.7%
3	Employee Related Costs	39,623,597	24,735,691	27,170,750	28,120,262	-3.5%
4	Impairment Losses on Financial Assets	11,932,144	5,198,021	11,698,021	30,543,080	-161.1%
5	Interest Paid	4,853,908	7,452,663	7,452,663	7,755,575	-4.1%
6	Contracted Services	10,804,106	11,778,828	15,482,095	14,446,039	6.7%
7	Depreciation and Provisions	16,839,909	19,891,757	22,572,380	19,274,985	14.6%
8	Inventory	805,889	44,217,055	18,031,006	3,758,568	79.2%
9	Operational Costs	38,920,244	36,011,797	35,444,075	32,838,996	7.3%
10	Total Operating Expenditure	123,779,797	149,285,812	137,850,990	136,737,506	0.8%
11	Operating (Surplus) / Deficit	-60,077,383	-83,261,135	-108,067,788	-85,397,441	-21.0%

3.5.6 Employee Statistics

The Water Services Section has 181 posts on the organisational structure approved by Council on 31 May 2018 of which 90 posts are frozen and 91 posts funded at year-end. The section had 91 filled posts at year-end and based on the zero number of vacancies had a 0% vacancy rate.

Table 33: Employees - Water Services

Employees: Water Services								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	3	3	1	2	2	0	0.0%
3	T12 - T14	7	8	4	4	4	0	0.0%
4	T09 - T11	10	34	19	15	15	0	0.0%
5	T06 - T08	9	30	18	12	12	0	0.0%
6	T03 - T05	55	106	48	58	58	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	84	181	90	91	91	0	0.0%

3.6 WASTE WATER (SANITATION) SERVICES

The basic functions of the Waste Water Services Section (Sanitation) are to upgrade existing sewerage infrastructure (as to meet future requirements); to extend the wastewater/sewerage network (provide higher level of service to consumers); to maintain the existing wastewater/sewerage network (ensure adequate rehabilitation and maintenance); to monitor water resources; and, to ensure the prevention of pollution thereof.

3.6.1 Service Statistics

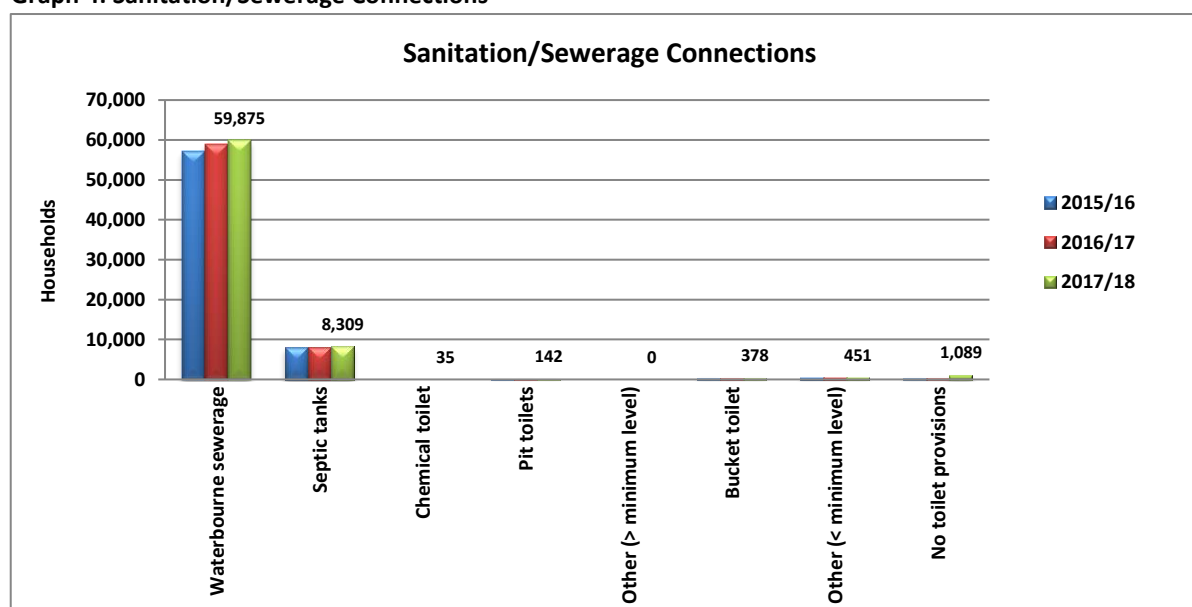
Service statistics for the year under review are listed in the table below.

Table 34: Service Statistics - Waste Water (Sanitation) Services

Waste Water (Sanitation Services)		
Description	2016/17	2017/18
	Actual Number	Actual Number
Total sewerage blockages serviced	4,080	4,300
Installation of new domestic sewer connections	228	347
Newly installed sewers/pipelines (in meter)	2,271	4,116

The graph below depicts the households' type of sanitation/sewerage connections.

Graph 4: Sanitation/Sewerage Connections



3.6.2 Service Delivery Levels

All formal erven in the urban areas of Drakenstein Municipality's Management Area are connected either to the waterborne sewer system or serviced by septic tanks or conservancy tanks inside the erven (higher level of service). Communal ablution facilities are provided in the informal areas as a temporary emergency service. Drakenstein Municipality works towards a target of at least one (1) ablution facility per five (5) households.

Table 35: Sanitation Service Delivery Levels - Households

Sanitation Service Delivery Levels			
*Households			
Description	2015/16	2016/17	2017/18
	Outcome No.	Actual No.	Actual No.
Flush toilet (connect to sewerage)	57,223	58,897	59,875
Flush toilet (with septic tank)	8,030	8,169	8,309
Chemical toilet	35	35	35
Pit toilet (ventilated)	*142	*142	*142
Other toilet provisions (above minimum service level)	0	0	0
Sub-Total: Minimum service level and above	65,430	67,243	68,361
Bucket toilet	*378	*378	*378
Other toilet provisions (below minimum service level)	*451	*451	*451
No toilet provisions (Farms)	*354	*354	*354
No toilet provisions (informal settlements)	0	0	735
Sub-Total: Below minimum service level	1,183	1,183	1,918
Total households	66,613	68,426	70,279
Minimum service level and above percentage	98.2%	98.3%	97.3%
Below minimum service level percentage	1.8%	1.7%	2.7%

**Farms which do not form part of the Municipal Sewer Drainage System. Figures based on 2011 Census data. These figures can only be updated once the information per household from the detail service level rural survey on the farms becomes available.*

Table 36: Households - Sanitation Service Delivery Levels below the minimum

Households – Sanitation Service Delivery Levels below the minimum			
Description	2015/16	2016/17	2017/18
	Actual Number	Actual Number	Actual Number
Formal Settlements			
Total Households	62,885	64,717	64,916
Households below minimum service level	1,183	1,183	1,183
Proportion of households below minimum service level	1.9%	1.8%	1.8%
Informal Settlements			
Total Households	3,728	3,709	5,363
Households below minimum service level	0	0	735
Proportion of households below minimum service level	0.0%	0.0%	13.7%

** 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.*

3.6.3 Capital Expenditure

The Waste Water Services Section spent R206.3 million or 99.99% of the final adjustments budget on waste water (sanitation) infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 37: Capital Expenditure 2017/18 - Waste Water (Sanitation) Services

Capital Expenditure 2017/18: Waste Water (Sanitation) Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Wellington WWTW: Rehabilitation & Extensions	151,032,692	142,289,267	142,289,087	0.00%
2	Paarl WWTW: Rehabilitation & Extensions	76,351,583	34,517,541	34,517,539	0.00%
3	Replace/Upgrade Sewer Systems	3,800,000	8,119,837	8,119,836	0.00%
4	Vlakkeland: Bulk Sewer Network	7,655,000	7,655,000	7,655,000	0.00%
5	Upgrade Bulk Sewer: Southern Paarl	9,902,689	5,794,876	5,794,576	0.01%
6	Basic Sewer: Informal/Emergency Settlements	700,000	2,400,225	2,400,000	0.01%
7	Refurbish/Replace Sewer Pump Stations	3,250,000	2,410,880	2,395,812	0.63%
8	Recycling of WWTW Effluent	4,003,978	1,859,182	1,859,181	0.00%
9	Hermon WWTW: Rehabilitation & Extensions	-	841,544	841,544	0.00%
10	Other Capital Projects	50,000	449,554	447,694	0.41%
11	Total Capital Expenditure	256,745,942	206,337,906	206,320,269	0.01%

3.6.4 Major Projects Implemented

- Upgrading of the Wellington Wastewater Treatment Works from a capacity of 7ML/d to 16ML/d to ensure sufficient capacity for new developments and the improvement of effluent quality to the Berg River;
- Upgrading of the Paarl Wastewater Treatment Works biological reactors oxygen transfer to aid in the biological process of biomass and eventually improve the effluent quality to the Berg River; and
- Implementation of re-use effluent at the Paarl Wastewater Treatment Works to ensure that the use of potable water for irrigation and construction be reduced and thus contributing positively towards water demand management in the drought period.

3.6.5 Operating Expenditure

Waste water (sanitation) services, as an economic service, generated an operating deficit of R30.1 million for the 2017/18 financial year. The deficit is subsidised by the surpluses of trading services.

Table 38: Operating Revenue and Expenditure: Waste Water (Sanitation) Services

Operating Revenue and Expenditure: Waste Water (Sanitation) Services						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-154,385,582	-112,919,741	-109,392,927	-106,890,350	-2.3%
2	Total Operating Revenue	-154,385,582	-112,919,741	-109,392,927	-106,890,350	-2.3%
3	Employee Related Costs	44,684,771	25,120,960	25,417,657	26,568,368	-4.5%
4	Impairment Losses on Financial Assets	5,282,991	1,645,949	1,645,949	1,645,949	0.0%
5	Interest Paid	19,229,276	29,524,516	29,524,516	30,724,535	-4.1%
6	Contracted Services	9,591,187	12,482,334	14,330,179	13,021,038	9.1%
7	Depreciation and Provisions	19,589,791	20,883,711	19,483,711	22,836,969	-17.2%
8	Inventory	2,438,243	2,586,356	1,942,393	1,713,979	11.8%
9	Operational Costs	16,638,745	41,058,332	44,839,950	40,524,910	9.6%
10	Total Operating Expenditure	117,455,004	133,302,158	137,184,355	137,035,748	0.1%
11	Operating (Surplus) / Deficit	-36,930,578	20,382,417	27,791,428	30,145,398	8.5%

3.6.6 Employee Statistics

The Waste Water (Sanitation) Services Section has 192 posts on the organisational structure approved by Council on 31 May 2018 of which 71 posts are frozen and 121 posts funded at year-end. The section had 121 filled posts at year-end and based on the zero number of vacancies had a 0% vacancy rate.

Table 39: Employees - Waste Water (Sanitation) Services

Employees: Waste Water (Sanitation) Services								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	2	1	1	1	0	0.0%
3	T12 - T14	3	11	4	7	7	0	0.0%
4	T09 - T11	8	12	8	4	4	0	0.0%
5	T06 - T08	15	57	29	28	28	0	0.0%
6	T03 - T05	81	110	29	81	81	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	108	192	71	121	121	0	0.0%

3.7 ELECTRICITY SERVICES

Drakenstein Municipality purchases bulk electricity from Eskom at six main distribution substations at voltages varying from 11.5 kV to 132 kV and with a NMD (Notified maximum demand) of 175 MVA.

Reticulation to Drakenstein Municipal consumers are at 11,500 or 400 volt mains.

The Department Electro-Technical Engineering is divided into three divisions namely:

- Operations and Maintenance: Operate and to maintain the power network;
- Planning, Design and Construction: Planning, design of power networks; and
- Energy Management and Control: Functions relating to energy efficiency.

Drakenstein supplies consumers within the borders of the demarcated municipal area. Saron, Hermon and Gouda and a few farmlands in the Wellington area are supplied by Eskom.

3.7.1 Service Statistics

The table below depicts the number of households that Drakenstein Municipality supplies electricity to. It shows a slight increase from year to year. Households with no electricity connections are slowly but surely decreasing from year to year and at the end of the year under review 3,220 households (6.8%) in informal settlements had no access to electricity within Drakenstein's electricity distribution area. The exact number of households that Eskom supply electricity to, are unknown.

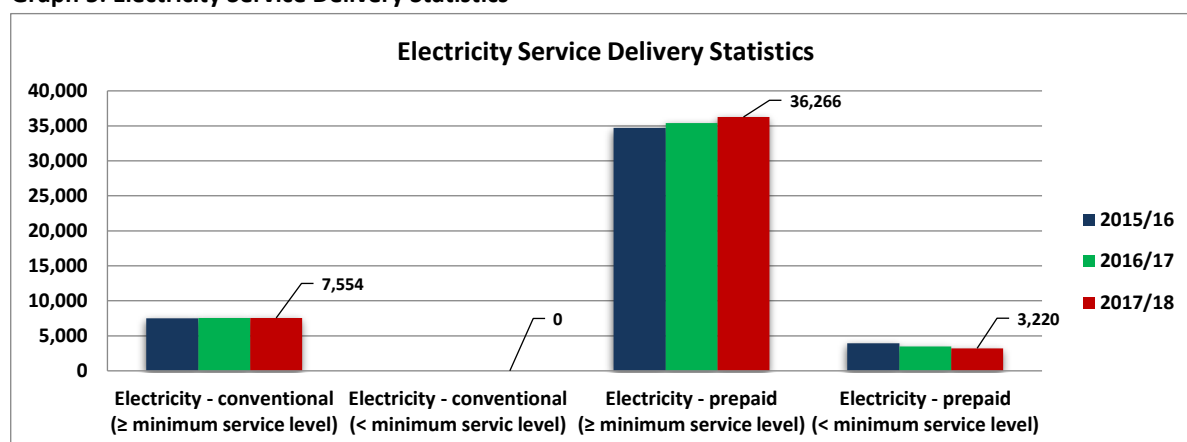
Table 40: Electricity Service Delivery Levels - Households

Electricity Service Delivery Levels			
Households			
Description	2015/16	2016/17	2017/18
	Actual No.	Actual No.	Actual No.
Electricity – conventional (min. service level)	7,507	7,533	7,554
Electricity – prepaid (min. service level)	34,704	35,380	36,266
Sub-Total: Minimum service level and above	42,211	42,913	43,820
Electricity (< min. service level)	0	0	0
Electricity – prepaid (<min. service level)	3,918	3,502	3,220
Other energy sources	0	0	0
Below minimum service level sub-total	0	0	0
Total number of households	46,129	46,415	47,040
Minimum service level and above percentage	91.5%	92.5%	93.2%
Below minimum service level percentage	8.5%	7.5%	6.8%

Note: Estimated figures of Eskom electricity provision within Drakenstein is unknown.

The same statistics as in the table above is depicted in the graph below. It is clear that the vast majority of electricity connections are through pre-paid electricity connections.

Graph 5: Electricity Service Delivery Statistics



From the table below it is clear that 3,220 households (62.2%) in informal settlements do not have access to electricity. Drakenstein Municipality has budgeted more than R10 million of its own funds for the 2018/19 financial year to eradicate these backlogs due to the fact that the INEP grant allocations do not suffice to eradicate backlogs and to cater for new low cost housing projects.

Table 41: Electricity Service Delivery Levels below the minimum - Formal & Informal Settlements

Electricity Service Delivery Levels below the minimum			
Formal & Informal Settlements			
Description	2015/16	2016/17	2017/18
	Actual No.	Actual No.	Actual No.
Formal Households			
Formal households with electricity	40,956	41,242	41,867
Formal households without electricity	0	0	0
Totals: Formal households	40,956	41,242	41,867
Formal households with minimum and above service level	100.0%	100.0%	100.0%
Formal households below minimum service level	0.0%	0.0%	0.0%
Informal Households			
Informal households with electricity	1,255	1,671	1,953
Informal households without electricity	3,918	3,502	3,220
Total: Informal households	5,173	5,173	5,173
Informal households with minimum and above service level	24.3%	32.3%	37.3%
Informal households below minimum service level	75.3%	67.7%	62.2%

3.7.2 Service Delivery Levels

Service delivery levels are required to be performed within time limits as set by NRS 047.

To facilitate the process, the Electro-Technical Services Division has a 365 days, 24 hour Call Centre facility. This call centre will receive all electricity and other emergency type of calls from the public and initiate the required actions required to remedy the complaints.

In addition the Control Centre will initiate a SMS information service to affected wards within the municipal area where service repairs will be affected for periods longer than 30 minutes. Social media messages on a Facebook site are used as an additional information platform during prolonged incidents.

3.7.3 Capital Expenditure

The Electricity Services Section spent R145.6 million or 99.91% of the final adjustments budget on electricity infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 42: Capital Expenditure 2017/18 - Electricity Services

Capital Expenditure 2017/18: Electricity Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Replace Existing 66 Kv Cables	51,430,966	62,973,953	62,972,664	0.00%
2	Network Extension/Upgrading HV/MV	9,571,640	20,303,261	20,300,941	0.01%
3	Upgrade Suid End Substation	-	19,661,212	19,660,855	0.00%
4	Electrification : Housing Projects	8,288,772	10,452,251	10,354,851	0.93%
5	N1 Substation 132/66/11kv	-	6,374,522	6,374,521	0.00%
6	Upgrading of BRB North	4,783,685	5,180,049	5,180,049	0.00%
7	Street/Public Lighting	1,782,354	4,209,655	4,209,425	0.01%
8	Network Extension/Upgrading LV	-	2,890,621	2,890,620	0.00%
9	New Infrastructure Parys Substation	18,983,033	2,853,255	2,853,255	0.00%
10	Building Electricity Depot	-	2,045,119	2,044,902	0.01%
11	Transformer Oil Catchment Areas	-	1,798,949	1,798,949	0.00%
12	Kliprug Substation 132/11Kv	-	1,753,984	1,753,983	0.00%
13	Establish New Control Centre	1,500,000	1,488,469	1,486,957	0.10%
14	Fencing of Substations	-	1,430,279	1,430,279	0.00%
15	Other Capital Projects	1,320,000	2,356,621	2,329,717	1.14%
16	Total Capital Expenditure	97,660,450	145,772,200	145,641,968	0.09%

3.7.4 Major Projects Implemented

- Replace existing 66kV cables: The first phase of replacing the existing 66kV cables between Dalweiding and Palmiet 66/11kV substations has been completed at the end of the 2017/18 financial year at a cost of R62.9 million. The second phase of the project

between Palmiet and Parys 66/11kV substations has been scheduled to be completed by the end of March 2019 for a budgeted amount of R70 million;

- Network extension/Upgrading HV/MV: The upgrading of feeder cables between Meulwater and Ou Tuin 11kV switching stations and replacing of redundant ring feed cables in the CBD and informal areas near Mpumelelo Street has been completed at a cost of R20.3 million;
- Upgrade Suid End Substation: Suid End 66/11kV substation was upgraded in order to create additional capacity for future development. Three 66/11kV 15 MVA transformers have been replaced and upgraded to 66/11kV 20 MVA transformers to have a 30 MVA firm supply at a cost of R19.6 million;
- Electrification housing projects: Two informal settlement projects were completed in the 2017/18 financial year of which 282 structures have been provided with electricity at a cost of R10.3 million. Network upgrading was phased in over a number of years in order to create spare capacity for future growth in the low cost housing areas;
- N1 substation 132/66/11kV: The project is still in the planning phase for the construction of a proposed 132kV overhead line from Eskom Safari 132/66/11kV substation to the proposed Fraaigelegen 132/66/11kV substation in order to create spare capacity for future development in the Wemmershoek area;
- Upgrading of BRB North: The multi-year project for upgrading the dual carriageways of Berg River Boulevard is phased in over a number of years. The upgrading includes replacing the existing street lights with new technology type LED's to reduce power consumption; and
- Street/Public lightning: The first section of street lights in Klein Drakenstein Road has been replaced with new technology type LED's to reduce power consumption and improve the existing lux levels.

3.7.5 Operating Expenditure

Electricity services, as a trading service, generated an operating surplus of R165.2 million for the 2017/18 financial year. The surplus is used to subsidise operating expenditure of community services that do not generate revenue to sustain themselves.

Table 43: Operating Revenue and Expenditure: Electricity Services

Operating Revenue and Expenditure: Electricity Services						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-1,075,467,786	-1,050,476,451	-1,058,394,712	-1,039,890,468	-1.7%
2	Total Operating Revenue	-1,075,467,786	-1,050,476,451	-1,058,394,712	-1,039,890,468	-1.7%
3	Employee Related Costs	62,803,166	40,375,924	48,361,725	48,635,700	-0.6%
4	Impairment Losses on Financial Assets	7,872,865	14,900,835	14,228,870	14,900,835	-4.7%
5	Interest Paid	42,968,138	40,793,703	46,891,079	42,451,756	9.5%
6	Contracted Services	28,030,750	18,765,042	30,707,966	39,725,248	-29.4%
7	Depreciation and Provisions	37,433,283	47,312,380	40,700,380	40,700,336	0.0%
8	Inventory	2,407,360	4,311,400	2,066,155	1,738,799	15.8%
9	Operational Costs	696,765,006	681,780,550	692,436,541	686,449,749	0.9%
10	Total Operating Expenditure	878,280,568	848,239,834	875,392,716	874,602,423	0.1%
11	Operating (Surplus) / Deficit	-197,187,218	-202,236,617	-183,001,996	-165,288,045	-9.7%

3.7.6 Employee Statistics

The Electricity Services Section has 243 posts on the organisational structure approved by Council on 31 May 2018 of which 92 posts are frozen and 151 posts funded at year-end. The section had 139 filled posts at year-end and based on the number of vacancies (12) had a 7.9% vacancy rate.

Table 44: Employees - Electricity Services

Employees: Electricity Services								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	1	0	1	1	0	0.0%
2	T15 - T17	1	7	3	4	4	0	0.0%
3	T12 - T14	6	23	8	15	13	2	13.3%
4	T09 - T11	28	57	25	32	29	3	9.4%
5	T06 - T08	21	48	12	36	32	4	11.1%
6	T03 - T05	67	107	44	63	60	3	4.8%
7	T01 - T02	2	0	0	0	0	0	0.0%
8	Total	126	243	92	151	139	12	7.9%

3.8 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL AND RECYCLING)

Sustainable waste management is of utmost importance as the practise of disposal needs to be continuously changed with waste minimisation and diversion initiatives. The main objective of this section is to manage waste in compliance to its license conditions and national norms and standards.

Public open spaces in high density areas are more than often used as illegal dumping sites. Although basic refuse collection services are delivered in these areas, the increase in informal structures and the presence of backyard dwellers, contribute to waste not being disposed of in the appropriate manner. A lack of environmental, sanitation and waste awareness often influence the way communities manage their waste.

3.8.1 Service Statistics

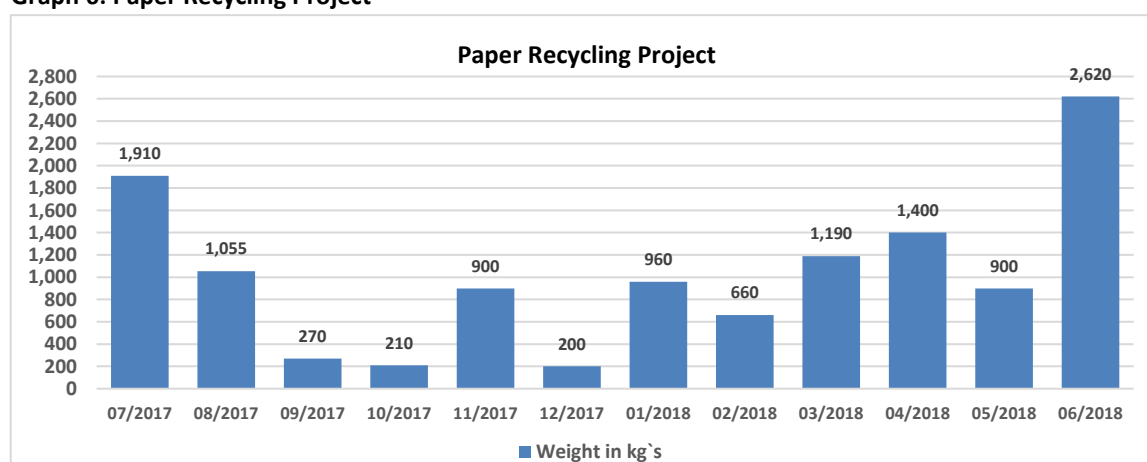
High density areas and informal settlements receive a door-to-door black bag collection service at least once per week. This service is performed by means of the EPWP programme as these areas are often inaccessible to the refuse trucks because of limited space between dwellings, illegal overhead power connections and presence of backyarders.

Hazardous household waste such as asbestos and fluorescent lighting are collected and stored at the Wellington Disposal Facility, before it is transported and safely disposed of at Vissershok.

The Swap Shops in the lower socio- economic income areas, are operating well, contributing to waste being diverted. Swap shops in Plankies, Bovlei and Mbekweni are monthly increasing their totals.

Waste recycling statistics in kg are depicted in the graph below.

Graph 6: Paper Recycling Project



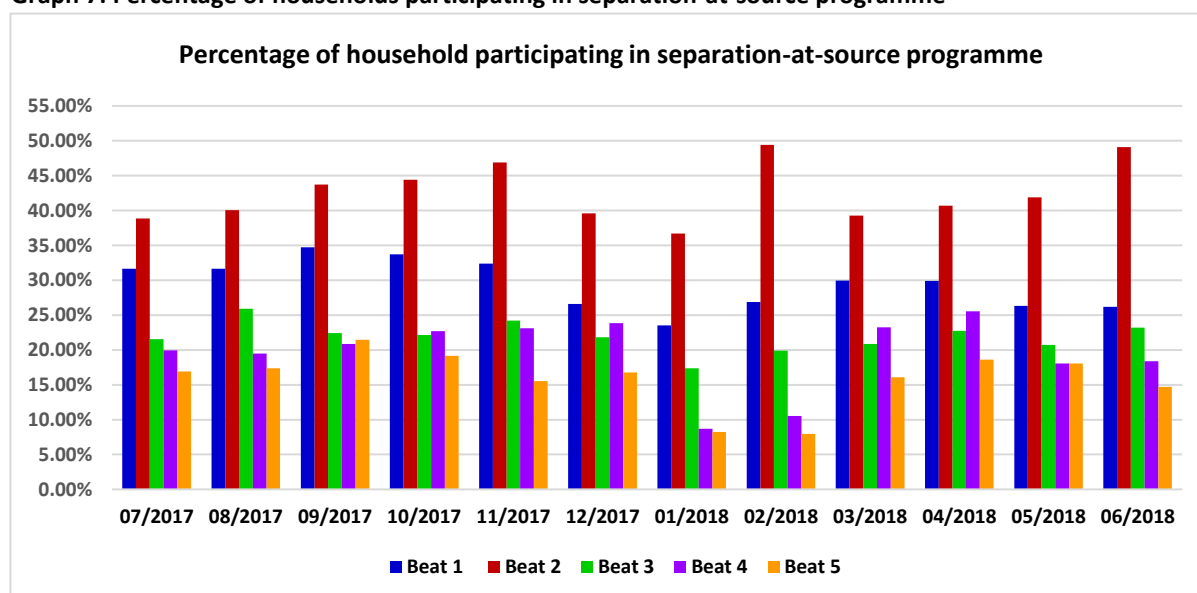
Households' participation in the separation-at-source programme for the five active beats are depicted in the table below.

Table 45: Percentage of households participating in separation-at-source programme

Percentage of households participating in separation-at-source programme						
Serial No.	Month / Year	Beat 1	Beat 2	Beat 3	Beat 4	Beat 5
Column Ref.	A	B	C	D	E	F
1	07/2017	31.65%	38.86%	21.53%	19.92%	16.92%
2	08/2017	31.66%	40.06%	25.89%	19.48%	17.37%
3	09/2017	34.72%	43.74%	22.44%	20.88%	21.47%
4	10/2017	33.69%	44.41%	22.14%	22.69%	19.17%
5	11/2017	32.38%	46.89%	24.22%	23.12%	15.55%
6	12/2017	26.58%	39.58%	21.80%	23.83%	16.75%
7	01/2018	23.51%	36.69%	17.37%	8.71%	8.23%
8	02/2018	26.88%	49.39%	19.90%	10.52%	7.94%
9	03/2018	29.93%	39.27%	20.86%	23.25%	16.10%
10	04/2018	29.88%	40.68%	22.73%	25.54%	18.63%
11	05/2018	26.32%	41.86%	20.74%	18.08%	18.04%
12	06/2018	26.18%	49.08%	23.22%	18.40%	14.72%

The same statistics as in the table above are depicted in the graph below.

Graph 7: Percentage of households participating in separation-at-source programme



3.8.2 Service Delivery Levels

In the table below the solid waste removal statistics, where Drakenstein render the service, is depicted. No services are rendered below the minimum service level.

Table 46: Solid Waste Removal Service Delivery Levels

Solid Waste Removal Service Delivery Levels			
Description	2015/16	2016/17	2017/18
	Actual Number	Actual Number	Actual Number
Solid Waste Removal (Minimum level and above)			
Removed at least once a week (bins)	*34,295	*34,688	*35,448
Removed at least once a week (black bags)	*4,525	*4,798	*5,186
Sub-Total: Minimum service level and above	*38,820	*39,486	*40,634
Minimum service level and above percentage	100%	100%	100%
Solid Waste Removal: (Below minimum level)			
Removed at least once a week	0	0	0
Removed less frequently than once a week	0	0	0
No rubbish disposal	0	0	0
Sub-Total: Below minimum service level	0	0	0
Below minimum service level percentage	0%	0%	0%
Total number of households	*38,820	*39,486	*40,634

**Indicating service points*

3.8.3 Capital Expenditure

The Waste Management Services Section spent R15.5 million or 98.99% of the final adjustments budget on waste management infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 47: Capital Expenditure 2017/18 - Waste Management (Refuse Collection, Waste Disposal and Recycling)

Capital Expenditure 2017/18: Waste Management (Refuse Collection, Waste Disposal and Recycling)					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Paarl Transfer Station (Upgrade/Parking/Entrance)	-	10,881,452	10,881,450	0.00%
2	Bulk and Other Refuse Containers and Bins	-	2,387,856	2,236,518	6.34%
3	Rehabilitation of Wellington Landfill Site	-	1,552,945	1,552,945	0.00%
4	Other Capital Projects	-	929,043	921,743	0.79%
5	Total Capital Expenditure	-	15,751,296	15,592,656	1.01%

3.8.4 Major Projects Implemented

- Upgrading of the weighbridge area at Paarl Refuse Transfer Station, whereby a second weighbridge was installed to ease traffic flow at a cost of R10.8 million. A new control room was also constructed;
- Wheelie bins were purchased to ensure sufficient supply for consumers and eradicate any backlogs;
- Recycling igloos and pole bins were purchased and placed throughout the municipal area;
- Rehabilitation of redundant waste disposal facilities: In compliance to legislation the redundant sites at Hermon, Gouda and Saron were rehabilitated and now have a future use. Future use options include sporting facilities, drop-offs for waste minimisation and small business opportunities in the rural areas;
- Construction of the Solid Waste Administration building: This building showcases the first “green” building of the Municipality, featuring various sustainability initiatives which are monitored online in order to detect and mitigate excessive water and energy consumption;
- To the delight of the workers, the mess buildings were upgraded in order to extend water and energy efficiency;
- A number of waste minimisation projects were implemented, and others continued, in order to minimise the waste stream being disposed at the Wellington Disposal Facility. These included the shredding of garden waste, crushing of builder’s rubble and on-going separation-at-source programme in selected wards. The chipped garden waste was used on the berms of the landfill to combat erosion during the rainy season. Crushed material is being used on internal roads at the facility and as covering material;
- The Solid Waste Section was able to expand its waste minimisation initiatives to businesses and schools. Twenty five schools and 33 businesses have implemented waste minimisation projects and the number is continuously increasing; and
- A successful waste awareness campaign was held during Recycling Week, involving different stakeholders of the recycling industry, schools, NGO’s and municipal departments.

3.8.5 Operating Expenditure

Solid waste services, as an economic service, generated an operating deficit of R8.5 million for the 2017/18 financial year. The deficit is subsidised through the surpluses generated by trading services.

Table 48: Operating Revenue and Expenditure: Solid Waste Removal Services

Operating Revenue and Expenditure: Solid Waste Removal Services						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-140,820,624	-130,305,950	-130,562,448	-127,445,076	-2.4%
2	Total Operating Revenue	-140,820,624	-130,305,950	-130,562,448	-127,445,076	-2.4%
3	Employee Related Costs	39,364,463	39,386,266	51,955,534	52,642,362	-1.3%
4	Impairment Losses on Financial Assets	10,039,208	2,800,551	2,800,551	2,800,551	0.0%
5	Interest Paid	3,656,763	4,747,334	4,747,334	4,940,289	-4.1%
6	Contracted Services	9,160,760	18,825,560	15,465,712	10,139,068	34.4%
7	Depreciation and Provisions	4,676,258	5,455,119	2,240,119	5,413,751	-141.7%
8	Inventory	2,279,419	1,956,001	1,518,377	1,182,578	22.1%
9	Operational Costs	43,633,084	49,903,347	66,900,420	58,869,972	12.0%
10	Total Operating Expenditure	112,809,955	123,074,178	145,628,047	135,988,570	6.6%
11	Operating (Surplus) / Deficit	-28,010,669	-7,231,772	15,065,599	8,543,494	-43.3%

3.8.6 Employee Statistics

The Waste Management (Refuse Collection, Waste Disposal and Recycling) Services Section has 341 posts on the organisational structure approved by Council on 31 May 2018 of which 159 posts are frozen and 182 posts funded at year-end. The section had 158 filled posts at year-end and based on the number of vacancies (24) had a 13.2% vacancy rate.

Table 49: Employees - Waste Management (Refuse Collection, Waste Disposal and Recycling)

Employees: Waste Management (Refuse Collection, Waste Disposal and Recycling)								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	0	0	0	0	0	0.0%
2	T15 - T17	2	4	1	3	2	1	33.3%
3	T12 - T14	2	3	0	3	0	3	100.0%
4	T09 - T11	1	4	0	4	2	2	50.0%
5	T06 - T08	33	9	3	6	3	3	50.0%
6	T03 - T05	127	321	155	166	151	15	9.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	166	341	159	182	158	24	13.2%

3.9 HOUSING

The Human Settlements Division of the municipality is located in the Department: Planning and Development. It consist of three sections, namely Housing Projects; Housing Administration; and Rural Development and Evictions.

3.9.1 Housing Projects

The Housing Projects section is primarily responsible for the development of new housing opportunities and the upgrade of informal settlements. During the year, 51 houses were constructed (target was 46) and handed over to beneficiaries.

Although the housing targets were met and above average success rate for serviced sites achieved, the adjustment to smaller than regular targets set during the year were attributed to various factors:

- Delays experienced with the Provincial appointment of two contractors for the implementation of the Vlakkeland Housing Project. Site establishment occurred late in November 2017 and with the looming builders' holidays, limited site activities occurred. Actual construction, therefore, only commenced in February/March 2018; and
- Slow progress in house sales in the Mountain Ridge Erf 16161 GAP/Affordable Housing project being developed by ASLA. It therefore implied a decrease in production of more sites, hence the target could not be reached.

Achievements/important events during the year include:

- Commencement of the Vlakkeland Housing Development which will deliver in excess of 2,550 housing opportunities;
- Commencement with the planning for the upgrade of twelve informal settlements;
- Submissions of funding applications for basic services for various informal settlements to the Provincial Department of Human Settlements;
- Delivery of houses at Lantana/Kolbe, Siyazama and Kingston Town informal settlements projects;
- Handover of title deeds to beneficiaries of different housing projects;
- The commencement of the installation of basic services for the Schoongezicht Emergency Housing site which will provide opportunities for persons being evicted and other emergencies; and
- Two housing roadshows were presented during the year: One on affordable housing hosted by the Executive Mayor and Provincial Minister of Human Settlements and the second roadshow with Military Veterans, focusing on possible housing programs and subsidies available to them.

3.9.2 Housing Administration

The Housing Administration Section is responsible for the management and maintenance of over 3,000 rental units, the management of the housing demand data base (i.e. the waiting list for housing opportunities) and maintenance of basic services to informal settlements.

During the financial year, the section undertook upgrading maintenance and repairs to municipal rental stock (installation of steel staircases, replacement of stair rails, and painting of flats) in wards 5, 20, 21, 24, 25, 26 and 27.

The following projects were successfully completed.

Table 50: Housing Projects - Management & Maintenance

Projects	Comments
Grysbok Fire Disaster (9 December 2017)	<ul style="list-style-type: none">• Cleaning of the area, relocation of 14 tenants and their families to the chalets at New Orleans Park;• Relocation of informal settlement residents at Spooky Square to the Paarl Multi-Purpose Centre; and• Erection of 42 temporary structures for the fire victims as well as relocating them back to the site.
Die Blouhuis relocation	<ul style="list-style-type: none">• Interim relocation of the 44 evicted families affecting over 150 persons to municipal recreation site, New Orleans Park on 11 April 2018. Emergency housing is to be provided during the 2018/19 financial year.

Challenges

- Housing Demand for 19,728 low cost houses;
- Forty two (42) registered informal settlements and two (2) unregistered informal settlements comprising of 5,547 structures and housing 11,856 people;
- High Rate of eviction applications;
- Sustainable provision of quality basic services to informal settlement needs to be prioritised and funding secured;
- Vandalism and theft of basic services infrastructure in the informal settlements; and
- Gang violence and crime is increasing daily and workers are threatened when performing their duties.

3.9.3 Housing Pipeline

Annually, a pipeline of projects is presented to the Mayoral Committee for approval. These projects are then submitted to the Provincial Department of Human Settlements, who in turn link it to a business plan. The business plan for the 2017/18 financial year is indicated in the table below.

Table 51: Housing Pipeline Projects

Housing Pipeline Projects		
Project	Description	Progress for 2017/2018
Vlakkeland Housing Development.	Development of 2,556 housing opportunities over multiple financial years.	Project implementation started.
Chester Williams (139 opportunities).	Upgrade of informal settlement.	Feasibility planning commenced.
Lovers Lane (168 opportunities).	Upgrade of informal settlement.	Feasibility planning commenced.
Dignified Informal Sites (360 opportunities).	Upgrade of 12 informal settlements	Feasibility planning commenced.
Paarl East IRDP Project.	Greenfields development catering for 600 opportunities.	Feasibility planning commenced.
Simondium.	Development of 300 to 400 opportunities.	Feasibility planning commenced and land acquisition negotiations.
Erf 557.	Council approved proposed mixed development to cater for 500 opportunities.	Project initiation document prepared for funding submission.
Title Deed Restoration Project.	Address the historical backlog of title deeds within Drakenstein.	Progress slow due to a number of factors mostly out of municipal control.

3.9.4 Housing Statistics

The following services were successfully rendered in the Housing Administration Division.

Table 52: Housing Statistics

Housing Statistics		
Description	Totals	Remarks
New applications captured on the WCHDDb.	864	Daily capturing of new applications within 5 days.
Housing allocations.	10	New allocations to Council rental units – next qualified applicants on the waiting list.
Transfers of rental units.	197	Successfully attended to in cases where the tenant passed on, etc.
Exchanges.	6	Tenants agreements and medical reasons.
Deed of sales issued to beneficiaries/tenants.	70	A & D Project, Mbekweni B & C Project.
Renewal of lease agreements.	460	Annual renewals.
Surveys conducted in informal settlements areas.	5	PA Camp, OR Tambo, Joe Williams, Chester Williams, Bokmakierie informal settlements.
Successful demolishing of illegal structures.	11	Illegal erections of structures and land invasion.
Grysbok Chicago (disaster) fire victims.	47	Each fire victim was provided with a complete structure and the size was 6m x 3m.
Issue of starter kits for fire victims.	36	Informal structures were destroyed during a fire.

3.9.5 Capital Expenditure

The Housing Services Section spent R30.7 million or 100% of the final adjustments budget on bulk and internal infrastructure projects needed for housing projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 53: Capital Expenditure 2017/18 - Housing Services

Capital Expenditure 2017/18: Housing Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Vlakkeland Project: Bulk Stormwater & Sewerage	10,000,000	22,178,163	22,178,162	0.00%
2	Vlakkeland Intersection Upgrade	-	4,749,438	4,749,437	0.00%
3	Kingston Town Infrastructure Services	1,100,000	1,042,960	1,042,960	0.00%
4	Amstelhof: Water Meters & Connections	1,000,000	1,000,000	1,000,000	0.00%
5	Housing Disaster Tents	-	475,912	475,911	0.00%
6	Paarl East Housing Offices Extensions	8,000,000	467,385	467,385	0.00%
7	Land Acquisitions & Bulk Services	400,000	400,000	400,000	0.00%
8	Upgrading of Own Rental Stock	1,600,000	275,399	275,398	0.00%
9	Other Capital Projects	-	119,695	119,098	0.50%
10	Total Capital Expenditure	22,100,000	30,708,952	30,708,351	0.00%

3.9.6 Operating Expenditure

Housing services, a Schedule 4 of the Constitution of the Republic of South Africa functional area of concurrent national and provincial legislative competence, generated an operating deficit of R30.3 million for the 2017/18 financial year. The deficit is subsidised through surpluses of trading services. It remains an underfunded mandate from National and Provincial Government.

Table 54: Operating Revenue and Expenditure: Housing Services

Operating Revenue and Expenditure: Housing Services						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-43,214,135	-112,863,663	-93,230,663	-54,487,169	-41.6%
2	Total Operating Revenue	-43,214,135	-112,863,663	-93,230,663	-54,487,169	-41.6%
3	Employee Related Costs	19,181,536	20,087,445	20,103,494	20,136,229	-0.2%
4	Impairment Losses on Financial Assets	8,524,776	-	-	10,919,388	#DIV/0!
5	Interest Paid	2,584,933	3,355,650	3,355,650	3,492,037	-4.1%
6	Contracted Services	14,195,832	11,544,658	78,705,138	12,762,034	83.8%
7	Depreciation and Provisions	20,501,357	11,098,450	11,098,450	29,165,284	-162.8%
8	Inventory	117,025	237,689	381,709	424,056	-11.1%
9	Operational Costs	48,043,771	103,362,295	13,979,557	7,917,161	43.4%
10	Total Operating Expenditure	113,149,230	149,686,187	127,623,998	84,816,189	33.5%
11	Operating (Surplus) / Deficit	69,935,095	36,822,524	34,393,335	30,329,020	-11.8%

3.9.7 Employee Statistics

The Housing Services Section has 145 posts on the organisational structure approved by Council on 31 May 2018 of which 69 posts are frozen and 76 posts funded at year-end. The section had 76 filled posts at year-end and based on the zero number of vacancies had a 0% vacancy rate.

Table 55: Employees - Housing Services

Employees: Housing Services								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	2	0	0	0	0	0	0.0%
2	T15 - T17	4	8	3	5	5	0	0.0%
3	T12 - T14	4	4	1	3	3	0	0.0%
4	T09 - T11	20	35	21	14	14	0	0.0%
5	T06 - T08	13	36	19	17	17	0	0.0%
6	T03 - T05	31	62	25	37	37	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	74	145	69	76	76	0	0.0%

3.10 FREE BASIC SERVICES AND INDIGENT SUPPORT

The provision of free basic services in Drakenstein Municipality is regulated by the Customer Care, Credit Control, Debt Collection and Indigent Support Policy. The free basic services are funded through the Equitable Share allocation to the municipality in the Division of Revenue Act. The free basic services are provided to consumers based on qualifying criteria set out in the Customer Care, Credit Control, Debt Collection and Indigent Support Policy. This criteria is reviewed annually to enable the provision of free basic services to all consumers who are eligible. For the 2017/18 financial year the free basic services were provided to qualifying pensioners and disabled persons earning less than two times the state grant plus 20%, to all unemployed consumers and to employed consumers earning less than R4,000 per month.

3.10.1 Access to free basic services

Until February 2017 all consumers in Drakenstein Municipality received 6 kl of water free per month. This practise was changed by Council as a result of the drought conditions where only the qualifying indigent consumers are provided with 6 kl of free water per month. In addition to the free water, all indigent consumers on a monthly basis receive 100 units of free electricity, free refuse removal service, free sanitation services and free property rates to the extent of the value of the service.

3.10.2 Free basic services per basic service

The statistics of the free basic services delivered per service to consumers for the 2017/18 are depicted in the table below. Notable is that Drakenstein provided free services to the amount of R129.5 million compared with the R120.8 million equitable share received from the National Fiscus during the year under review. Fortunately, the shortfall of R8.7 million also meant that the debtors' book did not grow with the same amount and the Municipality did not have to make any provision for the same amount towards the impairment of bad debt.

Table 56: Free basic services delivered per service

Free basic services delivered per service			
Serial No.	Service	Number of Consumers	Rand Value Provided
Column Ref.	A	B	C
1	Property Rates and Rentals	9,233	30,282,021
2	Refuse Removal and Sanitation	19,030	48,752,435
3	Water	19,030	10,671,680
4	Electricity	18,860	39,861,600
5	TOTAL		129,567,736

COMPONENT C: ROAD TRANSPORT

3.11 ROADS AND STORMWATER

In accordance with the principles of Key Performance Area 4: Physical Infrastructure and Services as well as Key Focus Area 26 relating to Transport, Traffic Engineering, Roads and Stormwater, the activities of this section focuses on the development and maintenance of infrastructure for the conveyance of people and goods in all its forms. Further functions include the installation and maintenance of regulatory items to effectively safeguard residents and users of the infrastructure as well as the maintenance and installation of infrastructure to mitigate risk resulting from adverse weather conditions.

3.11.1 Transport

The Integrated Public Transport Network whereby the transport of people can be addressed has been completed by the Cape Winelands District Municipality as a sub-section to the regional IPTN. This report will be work shopped in the next financial year for consideration by Council on the way forward.

At present the main means of public transport are Minibus Taxis for local commuting and train and bus for long distance travel.

3.11.2 Traffic Engineering

The Traffic Engineering Section is responsible for the maintenance of all traffic light installations, traffic signage, road markings as well as directional and tourism signage as may be required.

Planning for the installation of additional traffic signals at crucial problematic intersections is done on a continuous basis to be implemented as the provision of the required budget is affected. On provincial roads, the installation of traffic signals is done in collaboration with the Provincial Department of Transport.

The section also determines whether traffic calming installations are warranted and installs the infrastructure as determined in accordance with available budget.

The section performed very well during the year. In total about 5,000 square metres of general road markings were maintained in Paarl; eight raised intersections and pedestrian crossings were constructed; 16 speed bumps were installed; and, 232 intersections, 2,388 parking spaces, 1,389 stop and yield signs and 224 pedestrian crossings were painted.

3.11.3 Roads

The function of the roads section is to attend to the upgrade of the existing roads and streets, to extend and improve the network, and maintain all classes of roads.

The Pavement Management System has been upgraded and will be utilised to determine the required actions in preventative maintenance of the network in order to reduce the need for major reconstruction of streets. Where reconstruction of streets are required, the planning is done timeously to inform future budgets.

Provincial main roads are maintained and upgraded in collaboration with the Provincial Department of Transport whereby that department provides 80% of funding required. This figure is to reduce to 70% in future increasing the Municipality's contribution.

The Integrated Transport Plan through which planning for the development of the road network is done, must be updated to make provision for future road development planning in support of the various levels of development in accordance with the Spatial Development Framework.

3.11.3.1 Roads Statistics

The bulk of the upgrading of the Berg River Boulevard North to a dual carriageway road continued with completion date estimated to be during November 2018; a total of 10,059 meters of streets were resealed; 9,387 potholes were repaired; and 13,737 m² of tarring work was done.

The Roads Section performed very well during the year. Upgrading of old historic roads which had deteriorated to a very bad state was upgraded to paved roads by internal work teams. In Saron approximately 2 km of gravel road was upgraded to a paved standard through the application of EPWP principles utilising a private contractor through the tender system.

Table 57: Gravel Road Infrastructure

Gravel Road Infrastructure				
Kilometres				
Year	Total Gravel Roads	New Gravel Roads Constructed	Gravel Roads Upgraded to Tar Roads	Gravel Roads Graded / Maintained
2015/16	43.75	0.00	2.50	41.25
2016/17	41.25	0.00	2.00	39.25
2017/18	38.85	0.00	2.60	38.85

Table 58: Asphalted 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
2015/16	507.77	0.00	0.65	22.30	507.77
2016/17	507.77	0.00	0.30	22.50	507.77
2017/18	507.77	0.00	0.40	10.06	507.77

3.11.4 Stormwater Drainage

The Stormwater Section is responsible for the maintenance of the stormwater network, including all pipelines (± 350 km), manholes, catch pits and rivers and streams (± 40 km).

Within the budgetary constraints, the system must be kept free of obstructions in order to mitigate possible flooding during high intensity downpours. Drought situations, as was experienced, exacerbated the problem of blocked drains in that normal scouring of the dust and sand inevitably entering the system does not take place. The section endeavours to clean the complete system at least twice annually, with quarterly actions at known hotspots. Irresponsible littering is a major cause of blocked drains.

3.11.4.1 Stormwater Statistics

Upgrading of the aging pipe stormwater system is required in many instances. Where pipes have deteriorated to such an extent that they need replacing, the upgrading is done by sliplining the pipelines instead of replacing the pipelines. This work is done in situ with no need for excavation, thereby reducing the negative effect of construction work on the residents and their movements. The cost of this method is dramatically less than conventional replacement of pipes, thereby enabling more rehabilitation work within the limited budget available.

Using slip lining 1,831 m of pipelines of varying diameters were upgraded. All 350 km of the system was cleaned at least twice; 8,281 manholes were cleaned; 594 blockages attended to; 1,280 repairs to installations undertaken; and 41 sinkholes repaired.

Taking cognisance of the limited resources, the section performed very well.

Table 59: Stormwater Infrastructure

Stormwater Infrastructure				
Kilometres				
Year	Total Stormwater measures	New Stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2015/16	355.27	0.000	0.000	355.27
2016/17	355.27	0.000	6.000	355.27
2017/18	355.27	0.000	1.831	355.27

3.11.5 Capital Expenditure

The Roads and Stormwater Section spent R65.0 million or 99.96% of the final adjustments budget on roads and stormwater infrastructure projects (traffic engineering included) for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 60: Capital Expenditure 2017/18 - Roads & Stormwater (Traffic Engineering Included)

Capital Expenditure 2017/18: Roads & Stormwater (Traffic Engineering Included)					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Upgrade Berg River Boulevard	47,729,649	49,394,998	49,394,998	0.00%
2	Upgrade Gravel Roads & Stormwater Systems	12,500,000	7,929,578	7,929,574	0.00%
3	Upgrade Proclaimed & Main Roads	3,000,000	2,919,108	2,919,074	0.00%
4	Upgrade Sidewalks/Centre Islands	615,000	2,300,545	2,300,465	0.00%
5	Traffic Lights/Calming	1,400,000	911,939	911,938	0.00%
6	Construction of Van der Stel Street	4,000,000	593,777	593,777	0.00%
7	Other Capital Projects	550,000	996,528	972,097	2.45%
8	Total Capital Expenditure	69,794,649	65,046,473	65,021,923	0.04%

3.11.6 Major Projects Completed

- The bulk works of the upgrading of Berg River Boulevard between Lady Grey and Optenhorst Streets to a dual carriageway was carried out at a cost of R49.3 million (total project value R102.3 million) with an expected completion date in November 2018. This is a single phase in the larger development of main road infrastructure to alleviate traffic congestion and provide free movement to all modes of transport;
- The first phase of upgrading of 2.4 km of streets in Saron from gravel to paved standard including stormwater systems at a cost of R7.9 million. This project was executed on

Expanded Public Works principles whereby, in line with the approach of Drakenstein, local residents are given the opportunity for gainful employment and training in civil engineering disciplines;

- Stormwater systems over a length of 1.8 km were upgraded by the installation of slip linings, thereby innovatively utilizing a construction method at a lower cost compared to normal replacement of pipelines; and
- The long awaited construction of Van der Stel Street between Abattoir Street and Klein Drakenstein Road was given a kick start with the tender award for the project to be constructed during 2018/19.

3.11.7 Operating Expenditure

Roads and stormwater services, as a community service, generated an operating deficit of R142.4 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 61: Operating Revenue and expenditure: Roads and Stormwater Services

Operating Revenue and Expenditure: Roads and Stormwater Services						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-20,190,792	-538,003	-1,185,003	-685,768	-42.1%
2	Total Operating Revenue	-20,190,792	-538,003	-1,185,003	-685,768	-42.1%
3	Employee Related Costs	27,127,285	29,396,832	31,981,033	32,330,077	-1.1%
4	Impairment Losses on Financial Assets	-	-	-	-	#DIV/0!
5	Interest Paid	15,359,306	19,938,801	19,938,801	20,749,207	-4.1%
6	Contracted Services	20,593,644	22,940,859	23,346,342	24,307,833	-4.1%
7	Depreciation and Provisions	41,832,617	38,674,966	40,074,966	41,437,748	-3.4%
8	Inventory	1,314,636	1,748,117	1,527,402	1,392,466	8.8%
9	Operational Costs	28,287,113	23,240,389	26,643,420	22,955,216	13.8%
10	Total Operating Expenditure	134,514,601	135,939,964	143,511,964	143,172,546	0.2%
11	Operating (Surplus) / Deficit	114,323,809	135,401,961	142,326,961	142,486,778	0.1%

3.11.8 Employee Statistics

The Roads and Stormwater Services Section has 262 posts on the organisational structure approved by Council on 31 May 2018 of which 97 posts are frozen and 165 posts funded at year-end. The section had 165 filled posts at year-end and based on the zero number of vacancies had a 0% vacancy rate.

Table 62: Employees - Roads and Stormwater Services

Employees: Roads and Stormwater Services								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	3	1	2	2	0	0.0%
3	T12 - T14	2	6	4	2	2	0	0.0%
4	T09 - T11	6	17	11	6	6	0	0.0%
5	T06 - T08	18	42	17	25	25	0	0.0%
6	T03 - T05	36	194	64	130	130	0	0.0%
7	T01 - T02	97	0	0	0	0	0	0.0%
8	Total	160	262	97	165	165	0	0.0%

3.12 INTRODUCTION

The Planning and Economic Development Directorate includes Building Control, Land Surveys, Land Use Management, Spatial Planning, Heritage, Environmental Development and Economic Development. The Department is responsible for sustainable and pro-active planning and compliance monitoring of the natural and built environment and also deals with new Housing Projects and Environmental Management. The Department facilitates physical, social and economic development and growth.

3.13 PLANNING SERVICES

Planning Services deals with spatial planning, GIS, heritage, building control, land use planning and surveying matters.

3.13.1 Section: Spatial Planning

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

3.13.1.1 Sub-Section: Spatial Planning

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.

3.13.1.2 Sub-Section: Heritage

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

3.13.1.3 Sub-Section: GIS

The main purpose of the GIS Section is to provide and maintain Geographic Information System services and products for the department, 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.

3.13.2 Section: Building Control

Municipalities are obliged by law to manage the way in which land within their areas of jurisdiction are used and how buildings are erected. The Land Use Planning and Survey Section deals with the use of land and the Building Control Section deals with building activities, which entails new buildings, additions and alterations to existing buildings and temporary structures.

All municipalities are obliged by law to administer the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977), the regulations embodied in the act and the South African Standard Code of Practice (SANS 10400 for the application of the regulations). The purpose thereof is to ensure that buildings are designed and built in such a manner that people can live, work and play in a healthy and safe built environment.

The National Building Regulations require that no person may erect, alter, add on or convert a building without the prior approval of the local authority.

Building plans are assessed against the requirements of the regulations, as well as against any other applicable legislation, and consist of 23 sections in the SANS 10400, that deal with various aspects of a building.

Once building plans are approved, Council's building inspectors carry out three compulsory inspections:

- The inspection of all foundation trenches and the positioning of the building on-site;
- The inspection of all new drainage installations; and
- On completion of a building a final inspection is carried out as no building may be occupied without an occupation certificate. Prior to the issuing of the occupation certificate, the building inspector ensures compliance with the structural aspects, fire installation, health requirements, electrical installation, roads and stormwater requirements, drainage installation, energy efficiency of the structure and compliance with the approved building plan.

Furthermore, it is the responsibility of the building inspector to address illegal structures, unsafe structures, be a witness in court cases on behalf of Council, implement legal action when required, control building rubble, enhance public safety, assist the general public and professionals, etcetera with information on building control issues and performs all administrative tasks associated with his/her day to day functions.

Local authorities act in the interest of the owner when carrying out the compulsory inspections and have no financial or any other interest in such buildings. For this reason, the owner of a building must appoint his own clerk of works to inspect and control the quality and workmanship

of his building. There is thus no obligation on the Council's building inspectors to control the quality of workmanship and materials, but the owner must be informed by Council of poor quality workmanship and/or materials when observed.

3.13.2.1 Building Control Statistics

A total of 1,581 building plan applications, for various types of projects, have been submitted for consideration over the year under review. This amounts to a total of 1,067,920 m² of potential development area with an estimated value of R1.75 billion.

A total of 1,846 building plan applications were approved during this period with a total development area of 793,875 m² with a total value of R2.6 billion. The approved building plans include applications received during previous financial years, of which the amendments required were not addressed by the applicants during the year of submission.

Table 63: Applications for Land Use Development

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Building Environment	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Planning applications received	67	20	85	11	1,667	1,581
Determination made in year of receipt	62	6	56	5	1,244	1,846
Determination made in following year	-	-	-	-	139	673
Applications withdrawn	-	-	-	-	-	-
Applications outstanding at year end	5	14	29	6	423	27

Over the past 12 months the municipal Building Inspectors were responsible for carrying out 1,948 building inspections throughout the Municipality. These include commencement (foundation) inspections, drainage inspections, completions as well as Certificate of Occupation inspections.

Furthermore, a total of 231 complaints from the public were dealt with at an average of 19.25 complaints per month.

3.13.2.2 Major Projects Completed

On 1 July 2017, the Building Control Section rolled out a new initiative, together with the Provincial Department of Economic Development and Tourism's red tape reduction programme, whereby applicants can submit building plan applications via an online web portal.

This portal allows the applicant (owner, professional, developer, etc.) to capture, upload documentations and drawings as well as track applications in real time.

An On-Premise module was upgraded to allow for the electronic distribution, technical assessment, commenting and the approval of building plan applications.

A building plan application on receipt is assessed for completeness of the application and an invoice is generated and provided to the applicant for payment and provision of any outstanding information. Once confirmation of payment is received, the application is circulated electronically to all the relevant municipal departments/sections. Once all comments are received, the Building Control Officer, as appointed by Council, makes recommendations regarding the applications, based on input received from the departments/sections.

These recommendations are then considered and an outcome given by the delegated official, being the Manager Building Control.

As with all new electronic systems, technical difficulties were experienced which required attention from time to time. The technical consultants and the Building Control staff are working hand in hand to resolve issues to ensure that the systems run smoothly at all times.

3.13.3 Section: Land Use Planning and Surveying

The Land Use Planning and Surveying Section is responsible to ensure the orderly and sustainable development and management of the built environment within the Drakenstein Municipality area, through creating an enabling environment in order to give effect to the municipality's vision of creating "*A city of excellence*".

Land-use planning refers to a wide range of activities that direct the future use of land and manage the current use thereof: to ensure the optimal use of land within a political, social, cultural, environmental and economic context.

The section is mainly 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), as well as farm subdivisions, urban subdivisions and exempted subdivisions. The section is furthermore responsible for the scrutinizing of building plans for compliance with zoning parameters and site dimensions, as well as attending to illegal land uses.

The most important instruments used in land use management is the zoning scheme and the by-law on municipal land use planning. In order to comply with the provisions of new planning legislation, a new single zoning scheme for the whole of the Drakenstein Municipality area has been developed and adopted by Council that will replace the four existing zoning schemes currently in operation in the Municipality area. It is expected that the zoning scheme will be promulgated and come into operation early in the 2018/2019 financial year. It is however

important to mention that the section is also in process of updating its electronic GIS based zoning data, as part of the zoning scheme project. It is envisaged that these datasets will in future be integrated into Drakenstein's GIS and business processes.

In addition to the adoption of the zoning scheme, the section is also currently in the process of amending and refining the Drakenstein By-Law on Municipal Land Use Planning. The purposes of these amendments are to facilitate, streamline application procedures, reduce red tape, as well as shortening the application processes. The amended by-law will be promulgated early in the 2018/2019 financial year.

3.13.3.1 Service Statistics

Table 64: Service Statistics - Land Use Planning & Surveying

Service Statistics – Land Use Planning and Surveying		
Applications	2016/17	2017/18
Simultaneous rezoning and subdivision (inclusive of township establishment)	15	20
Rezoning	13	11
Consent Uses	33	20
Temporary Departures	1	5
Amendment of Conditions of Approval	11	23
Farm Subdivisions	1	1
Urban Subdivisions	13	44
Exempted Subdivisions	44	22
Consolidations	5	3
Home Owners Association Constitution approval / amendments	1	7
Zoning determinations	0	2
Site Development plan approvals	1	1
House Shops	14	19
Departures	4	2
Departures as part of Building Plan approvals	196	186

3.13.3.2 Major Projects Completed

- **Zoning Scheme:** A new single zoning scheme for the whole of the Drakenstein municipal area has been developed and adopted by Council that will replace the four existing zoning schemes currently in operation in the municipal area. It is expected that the zoning scheme will be promulgated and come into operation early in the 2018/2019 financial year.
- **Drakenstein Spatial Development Framework (SDF):** The annual 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 Sub-Section in August 2017. The annual review of the SDF was approved by Council on 31 May 2018, as

the spatial core component of the IDP, with the main priority being to guide new investment, give effect to the priorities as stated in the IDP and to identify priority areas for strategic intervention.

- Local Spatial Development Framework for Klapmuts: This local framework will deliver a spatial vision for the Klapmuts area which will be able to respond to future development changes and pressures. Phase 1 entailed the completion of the status quo report. Phase 2 entailed the development of the draft framework which addresses spatial structuring elements, a conceptual development framework, spatial development strategies, land use management and institutional arrangements. Phase 2 was completed in June 2018 and will now follow formal processes for support and approval by the relevant structures.
- Local Spatial Development Framework for the Klein Drakenstein Road and Lady Grey Street: The study area for the framework comprises the Paarl CBD, the CBD interface with the Berg River, sections of the Arboretum and adjacent erven, the Huguenot Station area and the Klein Drakenstein Road area. The first phase entailed setting out the “status quo” in relation to spatial matters concerning the study area. Phase 2 entailed the development of a draft framework, including spatial development and land use management strategies, guidelines and supportive programmes and projects to address key challenges and opportunities in the area. Various public engagement processes accompanied these two phases. This framework will be showcased as part of a deep dive session of the Planning Africa Conference to be held in October 2018.
- Identification of Land for Cemetery Purposes Study: Phase 2 - Master Development Potential Plan for Farm 1341/0: The South African Heritage Resources Agency (SAHRA), owner of Farm 1341/0 Paarl, provided the Municipality with permission to proceed with on-site ground truthing activities, after the required permit was granted. The specialist studies were finalised and a Master Development Potential Plan was developed which proposed various land uses for the property. The Master Development Potential Plan, which strikes a balance between municipal land requirements and the preservation of heritage on-site, was approved by Council on 20 March 2018. The said plan has been presented to SAHRA and a decision is now awaited which will pave the way forward for all parties involved.
- Drakenstein Mountain Slope Policy: This planning policy will provide a means to guide and manage certain types of development on mountain slopes, but it will also provide a unique opportunity to connect the public with nature and create social and economic opportunities, where applicable. Phase 1 of the project is completed which entailed the mapping and analysis of various specialist studies. The policy will be finalised in the 2018/2019 financial year.

- Identification of Vacant Municipal Land for Development Study: The Spatial Planning Sub-Section embarked on a project to identify vacant Municipal owned land within the Drakenstein Municipal area for development. The project entails the identification of land for residential, crèche, business, industrial, church and other related community uses per ward. The aim of the project is to develop a pro-active approach in dealing with land requests, thus promoting the use of land in a holistic manner rather than dealing with land requests on an ad-hoc manner. The identification and mapping stages of the project have been completed and have been presented to the Mayoral Committee (MAYCO). A first priority was the support of land for emergency housing purposes. A total of nine (9) sites were identified and presented to MAYCO for emergency housing purposes. MAYCO approved two (2) sites to be utilized for emergency housing purposes on 20 September 2017. These two sites are Portion of Erf 606 Gouda (Ward 31) and Farm 527/19 Paarl (Ward 32).
- Ou Tuin Precinct Study: The Municipality initiated a project to study all the major forced removal areas within the Municipality, starting with the Ou Tuin precinct. The focus of the project is to identify the history of the area, boundaries of the area, interviewing members of the original community, identify and grade remnants of the original precinct and identify opportunities for commemoration, redress or celebration. These processes have been concluded in June 2018 for the Ou Tuin precinct. Further public participation will commence after consideration of the draft document by the Mayoral Committee.
- Heritage Photographic Competition 2017: Heritage month is an opportunity to celebrate the diversity and heritage of South Africa. The Heritage Sub-section initiated an annual photography competition to raise awareness on heritage within the municipal area and afford residents, young and old, the opportunity to visually display their understanding of heritage. The competition was open to primary, secondary and amateur photographers and the prizes are unique cultural heritage experiences which help to foster a better understanding of the heritage around us. The competition was a huge success based on the submissions received, which culminated in a prize ceremony on 28 September 2017.
- Road map for the devolution of heritage competency: Drakenstein Municipality is engaging in a process with Heritage Western Cape to devolve certain provincial heritage competencies towards the Municipality in terms of the National Heritage Resources Act, Act 25 of 1999. The road map for this process was approved by the Mayoral Committee on 20 September 2017, which outlines the legislative framework, inventory, resources, personnel, advisory committee and administrative processes to be followed.

3.13.4 Capital Expenditure

The Planning Services Department spent R132.5 thousand or 99.74% of the final adjustments budget on office furniture infrastructure for the year under review.

Table 65: Capital Expenditure 2017/18 - Planning Services

Capital Expenditure 2017/18: Planning Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Office Furniture	-	132,854	132,534	0.24%
2	Intangible Assets: Software & Licences	250,000	-	-	#DIV/0!
3	Total Capital Expenditure	250,000	132,854	132,534	0.24%

3.13.5 Operating Expenditure

Planning services, as a community service, generated an operating deficit of R30.4 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 66: Operating Revenue and Expenditure: Planning Services

Operating Revenue and Expenditure: Planning Services						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-6,212,500	-8,482,174	-6,603,110	-5,176,091	-21.6%
2	Total Operating Revenue	-6,212,500	-8,482,174	-6,603,110	-5,176,091	-21.6%
3	Employee Related Costs	19,565,868	29,045,832	31,090,519	29,567,741	4.9%
4	Impairment Losses on Financial Assets	-	-	-	-	#DIV/0!
5	Interest Paid	-	-	-	-	#DIV/0!
6	Contracted Services	8,421,841	6,993,189	6,273,356	5,340,765	14.9%
7	Depreciation and Provisions	123,578	654,272	654,272	227,816	65.2%
8	Inventory	331,571	437,293	464,701	325,817	29.9%
9	Operational Costs	1,172,738	470,824	484,579	186,424	61.5%
10	Total Operating Expenditure	29,615,596	37,601,410	38,967,427	35,648,563	8.5%
11	Operating (Surplus) / Deficit	23,403,096	29,119,236	32,364,317	30,472,473	-5.8%

3.13.6 Employee Statistics

The Planning Services Division has 88 posts on the organisational structure approved by Council on 31 May 2018 of which 17 posts are frozen and 71 posts funded at year-end. The section had 52 filled posts at year-end and based on the number of vacancies (19) had a 26.8% vacancy rate.

Table 67: Employees - Planning Services

Employees: Planning Services								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	3	2	0	2	2	0	0.0%
2	T15 - T17	11	15	5	10	9	1	10.0%
3	T12 - T14	19	20	9	11	7	4	36.4%
4	T09 - T11	10	28	0	28	21	7	25.0%
5	T06 - T08	2	14	2	12	8	4	33.3%
6	T03 - T05	0	9	1	8	5	3	37.5%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	45	88	17	71	52	19	26.8%

3.14 ECONOMIC GROWTH (INCLUDING TOURISM AND MARKET PLACES)

The purpose of the Economic Growth and Tourism Division is to provide an enabling and conducive environment to grow the economy in order to create sustainable jobs and eradicate poverty. The division consists of two sub-sections namely Economic Growth and Tourism.

Our Tourism Section's function is to provide the relevant strategic tourism pillars to promote Drakenstein as a major tourist destination of choice in the Cape Winelands where visitors can explore the scenic natural beauty and still experience vintage as a way of life.

The Economic Growth Section focuses on developing enabling policies and strategies, which inform the implementation of key initiatives, projects and programmes to grow the economy in our area. In January 2017, the unit embarked on a process to develop an Integrated Economic Development Strategy, which will become one of the key strategic plans that will give effect to the implementation of intervention to achieve the Municipality's Vision 2032, i.e. for Drakenstein to evolve into "*A city of excellence*" within the next fifteen years. Council adopted the Integrated Economic Growth Strategy Framework in June 2018, which forms the foundation of a more integrated approach to respond to the socio-economic challenges of our Municipality.

3.14.1 Economic Growth

The Integrated Economic Strategy Framework adopted by Council in June 2017 highlights four key strategic pillars on which our economic vision is based namely:

- A diversified economy;
- Thriving small business sector;
- Providing skills for the future; and
- Building strong institutions

The Division has already commenced with the implementation of key initiatives to address each pillar as highlighted above.

3.14.1.1 Economic Growth Environment

The strategic interventions we focused on included:

- Provision of suitable critical infrastructure to small and informal businesses to grow SMMEs in Drakenstein;
- Building strategic partnerships with the private sector and other spheres of Government to implement key skills development initiatives so that the unemployed can access meaningful employment;
- Facilitate access to finance for small businesses through the Cape Winelands District Entrepreneurial Seed fund;
- Facilitate an enabling policy environment to ensure the growth of the Second Economy; and
- Positioning Drakenstein as a preferred destination to host world-class sports and leisure events in the Cape Winelands.

3.14.1.2 Economic Growth Achievements

Below are some of the highlights we achieved during the 2017/18 financial year:

- The provision of a Business Hive in Fairyland, which forms part of the VPUU safe node area to service small and informal businesses in the area;
- A partnership with Imperial Cargo Ltd, a JSE listed company, to provide training of twenty (20) matriculants to become long-distance heavy vehicle drivers;
- Completed the occupation of the Arendsnes Business Hive where five small businesses were afforded the opportunity to gain access to subsidised business spaces within the Wellington CBD;

- Implemented an online unemployment database to support the Expanded Public Works Programme's recruitment process;
- The implementation of a Contractor Development Programme in collaboration with the Western Cape Department of Public Works and Transport to upskill emerging contractors that are registered on the Municipality's supplier database; and
- The establishment of an Agreement with WESGRO, the official Tourism, Trade and Investment Promotion Agency for Cape Town and Western Cape to promote the film, media and gaming sectors in Drakenstein.

The Division's ongoing projects for the next financial year include the completion of the Integrated Economic Growth Strategy which will underpin all Drakenstein's Big Move projects to achieve sustainable economic excellence; the ongoing roll out of targeted interventions in the Informal Sector; conducting a Skills Development survey to determine the demand and supply of relevant skills to grow the Drakenstein economy; and, the implementation of a Supplier Development Programme as the second phase of the Contractor Development Programme for a period of three years.

3.14.1.3 Economic Growth Challenges

- Capacity challenges because of unfilled vacancies to perform critical tasks;
- Limited access to economic data sources;
- Lack of integrated LED planning and implementation;
- Lack of sufficient built infrastructure to facilitate access to trading spaces;
- Too much red tape which prevents the acceleration of sustainable economic growth in the municipality;
- Vandalism of economic infrastructure built to enable economic growth; and
- External economic shocks because of the lack of a diversified economy.

3.14.1.4 EPWP Job Creation

The Expanded Public Works Program is a program designed in order to provide temporary work opportunities for the unemployed in order to make them more employable in the formal job market. The Municipality obtains a conditional grant from the National Department of Public Works and tops up this grant to reach more beneficiaries. Since 2016, the EPWP grant allocation increased by 228% from R1,400,000 to R4,400,000 due to better quality reporting and by exceeding the targets set by Provincial Government. As a result 500 more job opportunities are created each financial year.

The following table depicts the number of EPWP Projects and the number of jobs created through EPWP projects over the last three financial years.

Table 68: Job creation through EPWP Projects

Job creation through Expanded Public Works Programme (EPWP) Projects		
Details	Number of EPWP Projects	Number of Jobs created through EPWP Projects
2015/16	8	1,118
2016/17	8	1,600
2017/18	19	1,309

3.14.2 Tourism and Market places

The Tourism landscape is changing in Drakenstein as we continuously reassess the destination's regional position as a preferred destination of choice in Cape Winelands. During 2017/18 the destination marketing services of the Drakenstein Local Tourism Association, our implementation partner in Tourism marketing, improved their social marketing offering and attended two international marketing platforms to market destination Drakenstein to our traditional core markets in the United Kingdom and the Netherlands respectively. We will be able to assess the impact of these interventions during the 2018/19 tourist season.

South Africa has experienced an overall decline in tourism arrivals and this of course had a knock-on effect in Drakenstein. Some of the major reasons of this decline include the effect that destination South Africa experienced because of the impact of the drought, more specifically the "Day Zero" messaging and of course the challenges in respect of unchanged visa restrictions, continued crime and safety messaging aimed at our traditional markets.

With this in mind, the Municipality will focus its interventions on diversifying its tourism product range through the provision of sufficient tourism infrastructure that will further unlock the Sports and Adventure Tourism potential in our area. Work has already commenced to position Drakenstein as the Cycling Hub of South Africa and we are already experiencing signs of early growth through the number of cycling events our destination hosted in the area.

3.14.2.1 Tourism Achievements

Below are some of the highlights we achieved during the 2017/18 financial year:

- Provision of financial support to develop an Integrated Arts and Crafts Route in collaboration with Drakenstein Local Tourism Association which focused on integrating emerging Arts and craft enterprises onto a mainstream Arts and Crafts Route;
- Hosted the first "Women in Tourism Train" in collaboration with Metrorail on Women's Day last year to promote rail tourism as an alternative means of transport and to showcase our destination's hidden treasures on that day;
- Supported thirteen events, four of which were community based events to ensure geographical spread and community beneficiation; and

- Served as host municipality to the National Department of Tourism to implement a Wine Service training programme where thirty previously disadvantaged students were identified to be trained as Sommeliers to service the hospitality industry.

3.14.2.2 Tourism Challenges

- Capacity challenges because of unfilled vacancies to perform critical tasks;
- Limited access to relevant tourism economic data sources;
- The negative impact of the existing tourism flows on the destination;
- Lack of sufficient Tourism signage to enhance the visitor experience;
- Too much red tape which prevents the acceleration of Tourism as a priority sector in the Municipality;
- Lack of support for the establishment of community tourism products to accelerate Tourism transformation and expand the tourism offering in Drakenstein; and
- Lack of distinct brand differentiation to articulate Drakenstein's unique tourism offering

3.14.3 Capital Expenditure

The Economic Growth Division spent R1.1 million or 99.57% of the final adjustments budget on economic growth, tourism and market places infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 69: Capital Expenditure 2017/18 - Economic Growth (Tourism & Market Places Included)

Capital Expenditure 2017/18: Economic Growth (Tourism & Market Places Included)					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Informal Trading Kiosks	1,077,812	801,763	801,352	0.05%
2	Buildings Refurbishment of Arendsnes Business Hi	-	164,114	159,760	2.65%
3	Lantana Business Park	-	92,189	92,189	0.00%
4	Other Capital Projects	300,000	44,568	44,568	0.00%
5	Total Capital Expenditure	1,377,812	1,102,634	1,097,869	0.43%

3.14.4 Major Projects Completed

- Completion of the first phase of the Integrated Arts and Crafts Route in collaboration with Drakenstein Local Tourism Association which focused on integrating emerging arts and craft enterprises onto a mainstream Arts and Crafts Route;
- Concluding the WESGRO Agreement to promote the Film Sector which will enhance the Film Tourism offering of our destination; and

- Successful roll-out of the three year Wine Service training programme in collaboration with the National Department of Tourism.

3.14.5 Operating Expenditure

Economic growth and tourism services, as a community service, generated an operating deficit of R9.9 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 70: Operating Revenue and Expenditure: Economic Growth and Tourism

Operating Revenue and Expenditure: Economic Growth and Tourism						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-	-60,294	-160,294	-96,200	-40.0%
2	Total Operating Revenue	-	-60,294	-160,294	-96,200	-40.0%
3	Employee Related Costs	2,692,775	2,525,555	2,933,461	3,084,879	-5.2%
4	Impairment Losses on Financial Assets	608,719	-	-	-	#DIV/0!
5	Interest Paid	-	-	-	-	#DIV/0!
6	Contracted Services	1,721,709	1,884,603	5,326,894	4,512,655	15.3%
7	Depreciation and Provisions	354,739	547,808	547,808	164,800	69.9%
8	Inventory	73,859	36,793	73,381	91,350	-24.5%
9	Operational Costs	3,159,492	3,007,686	2,276,600	2,235,552	1.8%
10	Total Operating Expenditure	8,611,293	8,002,445	11,158,144	10,089,236	9.6%
11	Operating (Surplus) / Deficit	8,611,293	7,942,151	10,997,850	9,993,036	-9.1%

3.14.6 Employee Statistics

The Economic Growth Division has 14 posts on the organisational structure approved by Council on 31 May 2018 of which 5 posts are frozen and 9 posts funded at year-end. The section had 7 filled posts at year-end and based on the number of vacancies (2) had a 22.2% vacancy rate.

Table 71: Employees - Economic Growth (including Tourism and Market Places)

Employees: Economic Growth (including Tourism and Market Places)								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	0	0	0	0	0	0.0%
2	T15 - T17	1	3	0	3	2	1	33.3%
3	T12 - T14	3	1	1	0	0	0	0.0%
4	T09 - T11	0	7	3	4	3	1	25.0%
5	T06 - T08	0	3	1	2	2	0	0.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	5	14	5	9	7	2	22.2%

3.15 RURAL DEVELOPMENT

Drakenstein Municipality has 33 wards of which nine (27.3%) are considered as rural. The Municipality strives to alleviate poverty in rural areas through human resource development and the implementation of sustainable socio-economic development programmes.

On 27 June 2018 Council approved the Rural Development Strategy for Drakenstein Municipality in which Vision 2032 for Rural Development is being quoted as: *“A sustainable rural economy through partnership and innovation”*. The core focus of the Rural Development Strategy is to facilitate change in our citizens’ environments to enable the poor to earn more, invest in themselves and their communities and to contribute towards maintenance of key infrastructure.

The Drakenstein economy is driven by the following sectors:

- Agriculture;
- Wholesale and Retail;
- Tourism; and
- Finance.

The strategy proposes a ward-based approach to rural development in the nine rural wards of Drakenstein, linked to the IDP of the Municipality. It furthermore suggests that rural development should be practiced holistically through a programme approach and managed in partnership with national, provincial and local partners (triad approach).

The Rural Development Division intends to bring about targeted sustainable interventions in the rural communities of Drakenstein through:

- Skills development, targeting the youth and women;
- Facilitating access to financial assistance for rural learners to further their studies; and
- Establishing food security within the rural hinterland.

The division was actively involved during the 2017/18 financial year in the following projects:

3.15.1 Transformation Process in Saron

The Department of Rural Development and Land Reform (DRDLR) are the delegated authority facilitating the transfer of land, held in trust by the Minister, to the communities of the respective Transformation of Certain Rural Areas Act, Act 94 of 1998 (TRANCRAA) areas. Currently awaiting appointment of facilitator by DRDLR to implement the Process Plan to conclude the transformation process in Saron.

3.15.2 Vlakkeland Small Farmers

The Municipality is required to ensure that Vlakkeland (Erven 8381 to 8397), Paarl is vacant from farming activities once the proposed housing project planning and development commences. Jubilee has been appointed by the Provincial Government to find alternative land for the relocation of the Vlakkeland Small Farmers. Farm Halfgewaagd, Erf 585 and Erf 607 in Gouda were identified as suitable alternative land parcels. Draft layout plan compiled by the Department of Agriculture after a botanical report was obtained from Cape Nature. Workshop to be arranged in the mere future with small farmers to interrogate proposed model for implementation.

3.15.3 Grey Water Project

The Grey Water Household Food Garden Initiative can be based on the assumption that all people in South Africa should be able to access food in sufficient quantity and quality to meet their basic nutritional needs and preserve their health on a daily basis with dignity. The right to food is an element of all other civil, political, economic, social and cultural rights. The fact entails that the State must play an important role to ensure that South African citizens have access to food in sufficient quantities and quality through a food and nutrition security policy and strategy.

In consultation with Agribusiness in Sustainable Natural African Plant Products (ASNAPP) two rural schools, Groenberg- and Simondium Primary, have been identified for possible implementation of the grey water initiative during 2018/19 financial year.

3.15.4 New Orleans Park Portable Vegetable Garden Project

The Department of Agriculture (DOA) allocated portable vegetable gardens to 14 families in New Orleans Park to produce vegetables in a sustainable way to enhance food security. These families are part of the “Blouhuis” group who was evicted and relocated temporarily to the park in April 2018 until the Schoongezicht site is ready for occupation. The DOA is going to train the group to optimally produce vegetables at a small scale for household consumption. Each garden comes with already planted vegetables and a gardening tool kit to assist the group to effectively maintain their gardens.

3.15.5 Saron: One Household One Hectare (OHOH) Project

The DRDLR identified the Saron community as beneficiaries in this initiative based on the OHOH model. Project approved by National Department of Rural Development and Land Reform with a budget of R5.7 million for production inputs, tractor, truck, gardening tools, irrigation system and fencing.

3.15.6 Blueberry Incubator Project

ASNAPP was approached by the Department of Agriculture to assist in giving more black farmers the opportunity to get access to the production of blueberries. Intent is to expand the blackberry industry in South Africa to ±5,000 hectares. ASNAPP requested Drakenstein Municipality to avail ±20 hectare of land for implementation of initiative to introduce six entrepreneurs with a passion for agriculture to the production of blueberries. A portion of Erf 585 in Gouda was initially identified, pending feasibility. Provision in budget of Rural Development Division for funds to be spent during 2018/19 financial year.

3.15.7 Allocation of JoJo tanks to rural schools in Drakenstein

The harvesting of rainwater is one of the cheapest ways to acquire water, but the purchasing of water tanks is a problem for rural schools as most of them are so-called “no-school fee” institutions. The Rural Development division approached JoJo South Africa, requesting for the donation of JoJo tanks to schools in the nine rural wards of Drakenstein Municipality. JoJo South Africa confirmed on 26 June 2018 that the donation of 9 x 5,000 litre tanks to rural schools in Drakenstein has been approved. The Rural Development division intends to make further requests for more donations in future to address the shortfall in the first phase of this initiative.

3.15.8 Evictions

Drakenstein Municipality has over 2,400 farms/agricultural allotments and, as a result, experience an abnormal high rate of farm evictions, causing it to become one of the national hotspots in the country.

3.15.8.1 Summary of Prevention of Illegal Eviction and Unlawful Occupation of Land (PIE) Data Base

- Total cases registered = 640;
- Total cases finalised = 355;
- Total cases pending in courts = 272; and
- Total notices issued = 9

3.15.8.2 Summary of Finalised Cases

- Total court orders = 226;
- Order through settlement = 69; and
- Struck off court roll = 60

3.15.8.3 Summary of Extension of Security of Tenure Act (ESTA) Data Base

- Total cases registered = 516;
- Total cases finalised = 202;
- Total cases pending in courts = 158; and
- Total notices issued = 156

3.15.8.4 Summary of Finalised Cases

- Total eviction orders granted = 134;
- Cases withdrew = 20;
- Struck off court roll = 32; and
- No court orders made = 16

In April 2018 two facilitators were appointed on a 12 month contract by the Human Settlements Department (DHS) via funding allocated by DHS to undertake socio-economic surveys in all pending cases in progress to ensure better planning in provisioning of emergency housing for potential evictees. A draft report was submitted to Senior Manager: Human Settlements on 26 June 2018.

COMPONENT E: COMMUNITY AND SOCIAL SERVICES

3.16 INTRODUCTION

This part of the report deals with the library services rendered during the year under review. It also reports on services rendered at cemeteries, crematoria, community halls, facilities, Thusong centres and services rendered to child care, aged care and social programmes.

3.17 LIBRARY SERVICES

The Library and Information Service's main objective for 2017/18 was to reach as many learners as possible, by actively collaborating with schools in the respective communities. Library staff organised meetings with school principals and attended parent meetings to inform the parents of all the services libraries offered with special focus on literacy and mathematics.

During February, World Read Aloud Day was celebrated globally. Reading in general and reading aloud specifically, correlates positively to literacy and success in school. It builds foundational learning skills, introduces and reinforces vocabulary, and provides a joyful activity that is mostly free, cooperative, and often collaborative. Read Aloud is beneficial to children when they hear pronunciations and helps with decoding words in context but they can also experience the development and completion of a well-plotted story. More than 650 people attended the Read Aloud sessions between the age of six months and 70 years. Children gained more confidence and their articulation of words improved whilst reading out aloud, according to the teachers.

3.17.1 Service Statistics

Drakenstein has 93,206 library members and all libraries accounted for 1,080,915 library visits during the year under review. A total of 614,047 library items were circulated and ICT computer usages amounted to 64,052 times.

Table 72: Service Statistics for Libraries

Service Statistics for Libraries 2017/18					
Programme	Q1	Q2	Q3	Q4	Full Year
Displays	196	195	178	187	756
Storytelling Sessions	262	219	199	236	916
Reading Programmes	94	92	73	113	372
Book Education, Library Orientation, Class Visits and Bibliographic Instruction	258	241	307	261	1,067
Library Centred Activities	63	57	37	32	189
Holiday Programme Activities	40	45	19	37	141

Service Statistics for Libraries 2017/18					
Programme	Q1	Q2	Q3	Q4	Full Year
Community and Outreach Programmes	137	114	88	141	480
Book Discussions, Book Talks and Book Clubs	65	62	50	80	257
Literacy Sessions facilitated	651	853	687	688	2879
ICT computer usages	18,923	14,338	15,315	15,476	64,052
Learner support	5,244	2,884	3,639	4,888	16,655
Circulation	171,280	143,448	138,894	160,425	614,047
Membership	89,696	91,239	91,944	93,206	93,206
New members added	1679	805	1808	619	4,911
Total library visits	310,473	239,412	259,154	271,876	1,080,915
Library space usage	134	366	386	479	1,365
Library stock			Province	Own	Total
			220,292	57,122	277,414

3.17.2 Service delivery levels

Drakenstein Library and Information Services consist of 18 library sites (from Saron to Simondium) and provides informational, recreational and internet services to the residents.

3.17.3 Capital expenditure

The Library Services Section spent R3.1 million or 99.69% of the final adjustments budget on library services infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 73: Capital Expenditure 2017/18 - Library Services

Capital Expenditure 2017/18: Library Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Upgrading of Libraries	2,982,456	2,966,459	2,957,091	0.32%
2	Other Capital Projects	-	158,643	158,382	0.16%
3	Total Capital Expenditure	2,982,456	3,125,102	3,115,473	0.31%

3.17.4 Major Projects Completed

The planning of a new library for the Groenheuwel area is finalised. This is a joint project with VPUU NPC, Western Cape Provincial Library Services and Drakenstein Municipality. The completion of the project envisaged to be June 2019.

3.17.5 Operating Expenditure

Library services, as a subsidised service, generated an operating deficit of R2.6 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services. This remain an underfunded mandate from the Provincial Department of Library Services.

Table 74: Operating Revenue and Expenditure: Library Services

Operating Revenue and Expenditure: Library Services						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-15,149,157	-16,007,707	-16,007,707	-15,995,031	-0.1%
2	Total Operating Revenue	-15,149,157	-16,007,707	-16,007,707	-15,995,031	-0.1%
3	Employee Related Costs	14,636,476	15,347,397	15,768,229	15,768,916	0.0%
4	Impairment Losses on Financial Assets	-	-	-	-	#DIV/0!
5	Interest Paid	-	-	-	-	#DIV/0!
6	Contracted Services	1,107,677	1,131,124	1,211,592	1,120,586	7.5%
7	Depreciation and Provisions	495,873	1,045,728	573,228	400,239	30.2%
8	Inventory	298,686	207,178	338,671	445,092	-31.4%
9	Operational Costs	918,114	1,604,884	993,293	859,677	13.5%
10	Total Operating Expenditure	17,456,826	19,336,311	18,885,013	18,594,510	1.5%
11	Operating (Surplus) / Deficit	2,307,669	3,328,604	2,877,306	2,599,479	-9.7%

3.17.6 Employee Statistics

The Library Services Section has 132 posts on the organisational structure approved by Council on 31 May 2018 of which 41 posts are frozen and 91 posts funded at year-end. The section had 72 filled posts at year-end and based on the number of vacancies (19) had a 20.9% vacancy rate.

Table 75: Employees - Library Services

Employees: Library Services								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	0	0	0	0	0	0.0%
2	T15 - T17	0	2	0	2	1	1	50.0%
3	T12 - T14	0	2	2	0	0	0	0.0%
4	T09 - T11	10	34	23	11	11	0	0.0%
5	T06 - T08	45	67	16	51	47	4	7.8%
6	T03 - T05	11	27	0	27	13	14	51.9%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	67	132	41	91	72	19	20.9%

3.18 CEMETERIES AND CREMATORIA

Drakenstein Municipality has 14 cemeteries of which four are still active. With the high number of dormant cemeteries a heavy burden is placed on Parys Cemetery especially from the overflow from Wellington and Simondium. The Cemeteries Section created more burial space (30 graves) in Simondium by narrowing the cemetery road. Apart from the Parys Cemetery, the other three active cemeteries with reasonable space are located in Gouda (55km from Paarl), Saron (73km from Paarl) and Hermon (43km from Paarl).

3.18.1 Service Statistics

During the year under review 1,364 burials took place at an average of 114 burials per month. In Parys Cemetery alone there were 1,021 burials. Drakenstein Municipality does not have a municipal crematorium. The focus however has shifted to above-ground densification and a project of R6,000,000 has been identified for the development of a crypts system for the next financial year.

3.18.2 Service delivery levels

The aim is to maintain cemeteries every 6 to 8 weeks. This includes horticultural maintenance and minor grave maintenance.

3.18.3 Capital expenditure

The Cemeteries Section spent R388 thousand or 100% of the final adjustments budget on cemetery services infrastructure projects for the year under review.

Table 76: Capital Expenditure 2017/18 - Cemeteries & Crematoria

Capital Expenditure 2017/18: Cemeteries & Crematoria					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Development of Existing Cemetery	1,650,000	388,286	388,286	0.00%
2	Total Capital Expenditure	1,650,000	388,286	388,286	0.00%

3.18.4 Major Projects Completed

The section has purchased a digger loader to assist with grave digging in the active cemeteries.

3.18.5 Operating Expenditure

Cemeteries services, as a community service, generated an operating deficit of R6.7 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 77: Operating Revenue and Expenditure: Cemeteries Services

Operating Revenue and Expenditure: Cemeteries Services						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-2,361,944	-2,283,477	-1,951,745	-2,663,474	36.5%
2	Total Operating Revenue	-2,361,944	-2,283,477	-1,951,745	-2,663,474	36.5%
3	Employee Related Costs	6,491,347	6,716,920	8,050,720	8,309,440	-3.2%
4	Impairment Losses on Financial Assets	-	-	-	-	#DIV/0!
5	Interest Paid	-	-	-	-	#DIV/0!
6	Contracted Services	322,980	446,572	393,148	316,549	19.5%
7	Depreciation and Provisions	468,425	743,920	328,920	263,226	20.0%
8	Inventory	82,317	148,986	57,001	58,021	-1.8%
9	Operational Costs	569,439	801,044	897,007	447,772	50.1%
10	Total Operating Expenditure	7,934,508	8,857,442	9,726,796	9,395,008	3.4%
11	Operating (Surplus) / Deficit	5,572,564	6,573,965	7,775,051	6,731,534	-13.4%

3.18.6 Employee Statistics

The Cemeteries Services Section has 44 posts on the organisational structure approved by Council on 31 May 2018 of which 19 posts are frozen and 25 posts funded at year-end. The section had 25 filled posts at year-end and based on the zero number of vacancies had a 0% vacancy rate.

Table 78: Employees - Cemeteries and Crematoria

Employees: Cemeteries and Crematoria								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	0	1	0	1	1	0	0.0%
3	T12 - T14	0	0	0	0	0	0	0.0%
4	T09 - T11	1	3	2	1	1	0	0.0%
5	T06 - T08	3	7	4	3	3	0	0.0%
6	T03 - T05	20	33	13	20	20	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	24	44	19	25	25	0	0.0%

3.19 COMMUNITY HALLS, FACILITIES AND THUSONG CENTRES

The Community Development Section manages two town halls, eight community halls, two Multi-Purpose Thusong Centres and 21 public ablution facilities. The Multi-Purpose 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.

3.19.1 Service Statistics

The total number of people that accessed services from the Paarl East Thusong Centre is 29,257 and the total number for Mbekweni Thusong Centre is approximately 250 people. The facilities are open for hire and service statistics are being developed for these new facilities. Other relevant information include the number of functions at the halls and Thusong Centres as reflected below.

Table 79: Town Halls, Community Halls and Thusong Centres

Town Halls, Community Halls and Thusong Centres		
Serial No	Facility	Number of Functions
1	Paarl Town Hall	54
2	Wellington Town Hall	113
3	Huguenot Community Hall	168
4	Fairyland Community Hall	154
5	Mbekweni Community Hall	117
6	Colibri Community Hall	125
7	Safmarine Community Hall	4
8	Simonduim Community Hall	52
9	Gouda Community Hall	128
10	Saron Community Hall	38
11	Paarl-East Thusong Service Centre	816
12	Mbekweni Thusong Service Centre	423

3.19.2 Service delivery levels

The Halls are used frequently and this has an impact on the standard times of readiness in terms of minimum quality standards required at such facilities. The current staff shortages also impact on the turnaround times for readiness. Upgrades at halls and Thusong Centres will ensure that services delivery will improve.

3.19.3 Capital expenditure

The Community Development Section spent R9.8 million or 99.85% of the final adjustments budget on community halls infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 80: Capital Expenditure 2017/18 - Community Halls, Facilities and Thusong Centres

Capital Expenditure 2017/18: Community Halls, Facilities and Thusong Centres					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Community Halls and Facilities : Simondium	-	6,040,175	6,025,565	0.24%
2	Community Halls and Facilities : Saron	-	3,841,114	3,841,113	0.00%
3	Other Capital Projects	-	7,368	7,368	0.00%
4	Total Capital Expenditure	-	9,888,657	9,874,046	0.15%

3.19.4 Major Projects Completed

The Saron Community Hall and the Simondium Community Hall were completed during the year under review and were officially opened in October 2017 and December 2017 respectively.

3.19.5 Operating Expenditure

Community halls, facilities and Thusong centres, as a community service, generated an operating deficit of R9.2 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 81: Operating Revenue and Expenditure: Community Halls, Facilities and Thusong Centres

Operating Revenue and Expenditure: Community Halls, Facilities and Thusong Centres						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-	-542,686	-542,686	-489,325	-9.8%
2	Total Operating Revenue	-	-542,686	-542,686	-489,325	-9.8%
3	Employee Related Costs	-	4,793,421	5,349,082	5,434,903	-1.6%
4	Impairment Losses on Financial Assets	-	-	-	-	#DIV/0!
5	Interest Paid	-	-	-	-	#DIV/0!
6	Contracted Services	-	1,052,876	1,531,661	1,229,075	19.8%
7	Depreciation and Provisions	-	434,587	434,587	526,902	-21.2%
8	Inventory	-	386,408	546,658	642,326	-17.5%
9	Operational Costs	-	3,701,926	2,383,141	1,929,566	19.0%
10	Total Operating Expenditure	-	10,369,218	10,245,129	9,762,771	4.7%
11	Operating (Surplus) / Deficit	-	9,826,532	9,702,443	9,273,446	4.4%

3.19.6 Employee Statistics

The Community Halls, Facilities and Thusong Centres Services Section has 83 posts on the organisational structure approved by Council on 31 May 2018 of which 32 posts are frozen and 51 posts funded at year-end. The section had 51 filled posts at year-end and based on the zero number of vacancies had a 0% vacancy rate.

Table 82: Employees - Community Halls, Facilities and Thusong Centres

Employees: Community Halls, Facilities and Thusong Centres								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	0	1	0	1	1	0	0.0%
3	T12 - T14	0	0	0	0	0	0	0.0%
4	T09 - T11	0	3	3	0	0	0	0.0%
5	T06 - T08	5	10	5	5	5	0	0.0%
6	T03 - T05	39	69	24	45	45	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	44	83	32	51	51	0	0.0%

3.20 CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES

The Community Development Section is responsible for poverty relief initiatives, support to vulnerable groups, including youth, gender, the elderly, the disabled, street people and the early childhood development (ECD) sector. It also manages the Mayoral Ward Projects in the 33 wards and the distribution of the Grant in Aid Funds.

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

- To facilitate the registration of ECD's with the National Department of Social Services, with all stakeholders in the sector, located within the Drakenstein Municipal Area. This process included mobilising all stakeholders both local and provincial to participate in workshops aimed in recognising the challenges and unblocking red tape and bureaucratic bottlenecks;
- To facilitate training for ECD practitioners on the needs that were identified by the ECD Forum as priority training needs. Training focused on training for ECD practitioners. Other training also focused on health and sanitation training for ECD practitioners within the context of the drought;
- To renovate and upgrade the ECD facilities. Permission was granted to construct an ECD facility in the Fairyland/Groenheuwel area and the construction of this facility has started;
- The ECD skills course on Health and Hygiene in the context of the current drought situation was attended by 97 participants. The second skills workshop on the 1st thousand days of development held with the ECD sector was attended by 34 people;
- The Gender Commission also facilitated workshops with the Gender Forum on Gender Awareness and the role of women in society; and
- Support to the Elderly Forum consisted of quarterly meetings with the sector and logistical and financial assistance in the programmes and projects of the Elderly Forum. This included the Provincial Elderly Games held at the Dal Josaphat Stadium and World Day of Prevention of Elderly Abuse.

The section also facilitated various skills development workshops for the unemployed youth, which included plastering, carpentry, hairdressing, 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 participants from Saron and Gouda.

3.20.1 Service Statistics

Some service statistics are:

- The Community Development Section held 2 meetings per quarter with the ECD Forums of Mbekweni, Paarl and Wellington;
- The ECD skills course on Health and Hygiene in the context of the current drought situation was attended by 97 participants;
- The second skills workshop on the 1st thousand days of development held with the ECD sector was attended by 34 people;
- The Community Development Section held quarterly meetings with the Gender Forum and facilitated 2 workshops which was attended by 19 and 22 participants per workshop respectively;
- The Gender month programme was also managed by the Community Development Section and similarly the 16 Days of Activism against women and child abuse programme is managed; and
- The Community Development Section held quarterly meetings with the Elderly Forum with support of transport for the Elderly Forum in the Drakenstein municipal area to attend the Golden Games.

3.20.2 Service delivery levels

The Community Development Section plans and executes two meeting per quarter with the ECD Forums of Wellington, Paarl and Mbekweni. The meetings addresses the service needs of the different ECD Forums. The section also plans to facilitate two skills development workshops for the sector.

The section also holds quarterly meetings with the Gender Forum and facilitates two empowerment workshops. One workshop focuses on human rights and the other focuses on gender empowerment.

The section plans to hold quarterly meetings with the Elderly Forum to address the needs of the Elderly in the Drakenstein municipal area.

3.20.3 Capital expenditure

The Community Development Section spent R1.1 million or 96.4% of the final adjustments budget on child care, aged care and social infrastructure projects for the year under review.

The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 83: Capital Expenditure 2017/18 - Child Care, Aged Care & Social Programmes

Capital Expenditure 2017/18: Child Care, Aged Care & Social Programmes					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	VPUU Project Infrastructure	1,000,000	706,932	706,932	0.00%
2	Upgrade/Equipment Soup Kitchens	190,000	123,240	123,212	0.02%
3	ECD Infrastructure	500,000	103,969	103,969	0.00%
4	Multi Purpose Center Paarl East & Mbekweni	195,286	139,769	102,455	26.70%
5	Upgrade/General Equipment Community Squares	147,708	106,382	100,933	5.12%
6	Other Capital Projects	-	8,240	8,240	0.00%
7	Total Capital Expenditure	2,032,994	1,188,532	1,145,741	3.60%

3.20.4 Major Projects Completed

An Arts and Culture Forum was established with the Arts and Culture representatives of the ward committees. A draft plan of action for the Arts and Culture Forum was developed and implementation commenced during the 2017/18 financial year. This included quarterly meetings with the sector and engagement with the DCAS provincial department to facilitate the participation of the arts and culture sector in provincial initiatives.

The Drakenstein Youth Forum was established in 2017 with members of the ward committees responsible for the Youth Sector. The major achievement was the skills training provided to unemployed youth on Hairdressing, Carpentry, Plastering and Waiter Training.

Two engagements were held with the Elderly 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 Josaphat Stadium. The elderly also has several service benefits that can be accessed, including reduced tariffs for water and electricity.

The Disabled Peoples Forum was also established in 2017. The major engagements included workshops for the disabled to mainstream the challenges of disabled within the Drakenstein Municipality and evaluate the Drakenstein municipal facilities in terms of being disabled friendly.

The Community Development Section also supported the Street Peoples Forum through support to the stakeholders working with street people. This consisted of meetings with

stakeholders working with and supporting street people. The Forum drafted an information leaflet on street people, which was distributed in the Drakenstein municipal area.

3.20.5 Operating Expenditure

Child care, aged care and social programmes, as a community service, generated an operating deficit of R9.4 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 84: Operating Revenue and Expenditure: Child Care, Aged Care & Social Programmes

Operating Revenue and Expenditure: Child Care, Aged Care & Social Programmes						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue		-	-	-	0.0%
2	Total Operating Revenue	-	-	-	-	0.0%
3	Employee Related Costs		3,900,058	5,600,743	5,881,518	-5.0%
4	Impairment Losses on Financial Assets		-	-	-	0.0%
5	Interest Paid		-	-	-	0.0%
6	Contracted Services		104,024	517,514	375,482	27.4%
7	Depreciation and Provisions		720,427	720,427	941,510	-30.7%
8	Inventory		3,533,418	3,124,858	2,029,683	35.0%
9	Operational Costs		105,540	255,610	177,594	30.5%
10	Total Operating Expenditure	-	8,363,467	10,219,152	9,405,786	8.0%
11	Operating (Surplus) / Deficit	-	8,363,467	10,219,152	9,405,786	-8.0%

3.20.6 Employee Statistics

The Child Care, Aged Care and Social Programmes Section has 7 posts on the organisational structure approved by Council on 31 May 2018 of which 1 post is frozen and 6 posts funded at year-end. The section had 6 filled posts at year-end and based on the zero number of vacancies had a 0% vacancy rate.

Table 85: Employees - Child Care, Aged Care and Social Programmes

Employees: Child Care, Aged Care and Social Programmes								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	0	0	0	0	0	0.0%
2	T15 - T17	0	0	0	0	0	0	0.0%
3	T12 - T14	2	1	1	0	0	0	0.0%
4	T09 - T11	2	4	0	4	4	0	0.0%
5	T06 - T08	0	0	0	0	0	0	0.0%
6	T03 - T05	0	2	0	2	2	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	5	7	1	6	6	0	0.0%

COMPONENT F: ENVIRONMENTAL PROTECTION

3.21 INTRODUCTION

The natural environment supports all life on earth but it is currently under severe threat due to human activities which are causing unprecedented climate change, habitat loss, alien species invasions and excessive pollution which have a significant impact on the health and functioning of our ecosystems. If we are to continue to prosper and develop in a sustainable manner, it is vitally important that we take active measures to protect the environment. While environmental protection is the responsibility of all municipal line departments, Drakenstein Municipality has a dedicated Environmental Management Division that plays a coordinating role between various departments in order to ensure that residents have access to a clean and healthy environment. In addition to this, Drakenstein Municipality has adopted an environmental policy that commits to the full implementation of integrated environmental management (IEM) throughout the organisation.

3.22 ENVIRONMENTAL MANAGEMENT (INCLUDING POLLUTION CONTROL)

The Environmental Management Division is placed within the Planning and Development Department. The Environmental Management Division consists of three sections including, Environmental Planning and Sustainability; Environmental Management Systems Monitoring and Compliance; as well as Natural Resource Management. The divisions' service delivery focus is to ensure that residents enjoy an environment that is safe, not harmful to their well-being and is protected for future generations by protecting and enhancing the Municipality's natural assets and by ensuring that our natural resources are utilised sustainably.

The Environmental Planning and Sustainability Section plays a proactive role in planning for sustainable development through several initiatives including the development of the Environmental Management Framework, the development of the Climate Change Adaptation Plan, the publication of the State of Environment Report and by commenting on development applications.

The Environmental Management Systems Monitoring and Compliance Section plays an active role in monitoring threats to the environment and ensuring compliance with environmental legislation. These goals are achieved through the implementation of the municipal Environmental Management System, performing Environmental Management Inspector duties, responding to environmental pollution incidents, managing environmental emergency incidents in accordance with Section 30 of the National Environmental Management Act 107 of 1998, and executing the air quality management and noise control functions.

The Natural Resource Management Section plays an active role in the management of natural resources by implementing projects aimed at improving the water quantity and quality of the Berg River, developing the Alien Invasive Species Strategy, developing management plans for municipal conservation areas and conducting environmental awareness campaigns with schools and the public in general.

3.22.1 Service Statistics

Table 86: Environmental Management - Service Statistics

Environmental Management Service Statistics	
Description	Number
Environmental Education and Awareness Events	37
Environmental Applications commented on	11
Land Use Applications commented on	12
Noise Exemptions issued	2
Noise Complaints attended to	3
Air Pollution Incidents attended to	4
Pollution Incidents attended to	5

3.22.2 Capital Expenditure

The Environmental Management Division spent R305.3 thousand or 100% of the final adjustments budget on environmental management infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 87: Capital Expenditure 2017/18 - Environmental Management (Pollution Control Included)

Capital Expenditure 2017/18: Environmental Management (Pollution Control Included)					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Upgrading of Paarl Mountain Reserve	250,000	238,174	238,174	0.00%
2	Upgrading of Garden & Camping Areas	50,000	47,169	47,168	0.00%
3	Buildings Paarl Mountain Reserve: Additions to Abluti	-	19,959	19,959	0.00%
4	Total Capital Expenditure	300,000	305,302	305,301	0.00%

3.22.3 Major Projects Completed

- Climate Change Adaptation Plan: The Drakenstein Climate Change Adaptation Plan (CCAP) was developed during 2018 and the plan highlights the Municipality's climate change responses for implementation in the municipal area. The CCAP addresses the Municipality's vulnerabilities in areas of concern including water quality, water security, flooding, infrastructure, land use planning, spatial planning and fire risk. The CCAP also

addresses how municipal departments should adjust their operations in order to respond to the impacts of climate change as well as maximising on the opportunities presented. The CCAP creates a coordinated response to climate change within Drakenstein Municipality by emphasising the work that has already been done in terms of climate change adaptation and the CCAP also offers a structure through which current interventions can be further strengthened, supported and improved. The CCAP encourages collaboration between stakeholders and outlines the various roles and responsibilities that can enhance this more effective approach towards reducing Drakenstein's climate vulnerability. An action plan is included in the CCAP which lists the actionable items to be implemented by various municipal departments going forward. The Environmental Management Division will drive the implementation of the action plan and will be responsible for the updating of the CCAP as required.

- Alien Invasive Vegetation Strategy: Invasive Alien Species (IAS) pose a major threat to local biodiversity, ecosystem services and economic prosperity. The National Environmental Management: Biodiversity Act, 10 of 2004 (NEMBA) and the Alien and Invasive Species Regulations of 2014 place an obligation on municipalities to develop invasive species monitoring, control and eradication plans for land under their control. These plans are required because appropriate alien clearing efforts require several millions of rand over several decades and it is crucial to ensure that funds are spent where they are most needed. If alien clearing is undertaken in an ad-hoc manner, and no funds are secured for follow up treatments, the alien species will return rapidly and the initial investment in clearing would have been wasted. In order to determine where Drakenstein Municipality should focus resources for alien clearing, it was necessary to develop an alien invasive vegetation strategy. Drakenstein Municipality already has a detailed invasive species monitoring, control and eradication plan for the Paarl Mountain Nature Reserve, so the strategy looked at the other municipal sites that require attention. The strategy considered 10 municipal owned sites that are large enough to require an invasive species monitoring, control and eradication plan. A consultant was appointed to gather the relevant data for the sites in order to determine the extent of current alien invasions and the environmental sensitivity of the sites. A multi-criteria decision making analysis was performed in order to prioritise the sites for alien clearing. Detailed invasive species monitoring, control and eradication plans will now be completed for the prioritised properties and costs for implementation will be determined with the Management Unit Control Plan Tool which has been developed by the Council for Scientific and Industrial Research (CSIR).
- State of Environment Report: The State of Environment Report (SOER) was completed during 2018. The purpose of the SOER is to summarize the current state of the natural environment so that the key human impacts on the environment can be highlighted. This information is used to identify actions that need to be implemented in order to improve

the state of the environment. The proposed management responses listed in the SOER are to be captured in the following IDP so that budget can be obtained for the implementation thereof. The 2018 SOER highlighted the importance of implementing the Climate Change Adaptation Plan, developing and implementing management plans for Municipal properties of biodiversity value, securing budget for the implementation of the Air Quality Management Plan and implementing projects for improving the quantity and quality of water in the Berg River.

- **Mbekweni Improvement Project:** The Mbekweni Improvement project ran over a period of two months and was concluded in June 2018. The project aimed at addressing the pollution problem in a portion of the Berg River emanating from different sources within Mbekweni. The project area was divided into two manageable portions and one EPWP “champion” and nine EPWP workers were assigned to each area making up a total of 20 EPWP personnel in total. The project included two components whereby clean-up teams were allocated specific areas which they were responsible for cleaning. Parallel to the clean-up initiatives, the “champion” conducted an assessment of the current services in the area to make sure they are utilised by the residents as well as undertaking door-to-door awareness initiatives.

3.22.4 Operating Expenditure

Environmental management services (pollution control included), as a community service, generated an operating deficit of R1.8 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 88: Operating Revenue and Expenditure: Environmental Management (Pollution Control Included)

Operating Revenue and Expenditure: Environmental Management (Pollution Control Included)						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue		-	-	-	0.0%
2	Total Operating Revenue	-	-	-	-	0.0%
3	Employee Related Costs		1,156,666	1,210,359	1,271,426	-5.0%
4	Impairment Losses on Financial Assets		-	-	-	0.0%
5	Interest Paid		-	-	-	0.0%
6	Contracted Services		950,423	950,929	456,091	52.0%
7	Depreciation and Provisions		-	-	-	0.0%
8	Inventory		137,705	137,705	29,242	78.8%
9	Operational Costs		86,866	126,269	62,812	50.3%
10	Total Operating Expenditure	-	2,331,660	2,425,262	1,819,572	25.0%
11	Operating (Surplus) / Deficit	-	2,331,660	2,425,262	1,819,572	-25.0%

3.22.5 Employee Statistics

The Environmental Management Division has 18 posts on the organisational structure approved by Council on 31 May 2018 of which 14 posts are frozen and 4 posts funded at year-end. The section had 3 filled posts at year-end and based on the number of vacancies (1) had a 25.0% vacancy rate.

Table 89: Employees: Environmental Management

Employees: Environmental Management								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	0	0	0	0	0	0.0%
2	T15 - T17	0	1	1	0	0	0	0.0%
3	T12 - T14	2	10	7	3	2	1	33.3%
4	T09 - T11	1	6	6	0	0	0	0.0%
5	T06 - T08	0	1	0	1	1	0	0.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	4	18	14	4	3	1	25.0%

3.23 BIODIVERSITY AND LANDSCAPE (INCLUDING OPEN SPACES)

Biodiversity is maintained by the Nature Conservation Section under the auspices of the Parks Section. The Environmental Management Section does the spatial environmental planning. The Parks Section also contributes to this function through the clearing of invasive alien vegetation, fire management and management of protected areas.

3.23.1 Service Statistics

Tree planting was limited due to the drought which was experienced. The Trees Section could subsequently only water 1,750 trees for the year under review.

Trees were however donated to the community at the Drommedaris Housing Development as part of the sustainability strategy whereby the new house owners took direct responsibility for the planting and aftercare of the trees they received.

In total 600 new trees were planted and donated, inclusive of indigenous and Mediterranean species suitable to the local climatic conditions. Tree planting also contributes to the reduction of the municipal carbon footprint.

Invasive alien plants (IAPs) pose a direct threat not only to South Africa's biological diversity, but also to water security, the ecological functioning of natural systems and the productive use of land. The eradication of invasive alien plants was limited to the Paarl Mountain Nature Reserve and forms part of the Invasive Alien Plant Strategy. For the year under review, 421 hectares IAP's were eradicated and 24 kilometres firebreak, which includes follow-up sites.

3.23.2 Service delivery levels

Eradication projects are based on best practice standards as dictated by Working for Water, a national initiative by the Department of Environmental Affairs.

Tree watering has taken place within the stipulations of Water Restrictions Level 6B by using treated effluent water on street trees.

3.23.3 Capital expenditure

The Nature Conservation Section had no capital projects for the year under review.

Table 90: Capital Expenditure 2017/18 - Biodiversity & Landscape (Open Spaces Included)

Capital Expenditure 2017/18: Biodiversity & Landscape (Open Spaces Included)					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	No Capital Projects	-	-	-	#DIV/0!
2	Total Capital Expenditure	-	-	-	#DIV/0!

3.23.4 Major Projects Completed

For the 2017/18 financial year, 421 hectares alien vegetation clearing and 24 kilometres firebreaks were cleared on Paarl Mountain Nature Reserve. A total of 600 trees were planted in WC023 during the reporting period.

3.23.5 Operating Expenditure

Biodiversity and landscaping, as a community service, generated an operating deficit of R18.5 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 91: Operating Revenue and Expenditure: Biodiversity and Landscaping

Operating Revenue and Expenditure: Biodiversity and Landscaping						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-	-	-	-	#DIV/0!
2	Total Operating Revenue	-	-	-	-	#DIV/0!
3	Employee Related Costs	-	14,808,669	16,297,376	16,873,458	-3.5%
4	Impairment Losses on Financial Assets	-	-	-	-	#DIV/0!
5	Interest Paid	-	-	-	-	#DIV/0!
6	Contracted Services	-	1,296,220	1,655,294	1,201,412	27.4%
7	Depreciation and Provisions	-	-	-	-	#DIV/0!
8	Inventory	-	391,261	490,866	341,631	30.4%
9	Operational Costs	-	91,992	341,992	125,276	63.4%
10	Total Operating Expenditure	-	16,588,142	18,785,528	18,541,776	1.3%
11	Operating (Surplus) / Deficit	-	16,588,142	18,785,528	18,541,776	-1.3%

3.23.6 Employee Statistics

The Biodiversity and Landscaping Section has 60 posts on the organisational structure approved by Council on 31 May 2018 of which 17 posts are frozen and 43 posts funded at year-end. The section had 43 filled posts at year-end and based on the zero number of vacancies had a 0% vacancy rate.

Table 92: Employees - Biodiversity and Landscaping

Employees: Biodiversity and Landscaping								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	0	0	0	0	0	0	0.0%
3	T12 - T14	1	1	0	1	1	0	0.0%
4	T09 - T11	0	2	2	0	0	0	0.0%
5	T06 - T08	8	14	6	8	8	0	0.0%
6	T03 - T05	34	43	9	34	34	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	43	60	17	43	43	0	0.0%

COMPONENT G: SECURITY AND SAFETY

3.24 INTRODUCTION

This part of the report deals with the traffic, licensing, law enforcement, and fire and disaster management services rendered for the year under review.

3.25 TRAFFIC, LICENSING AND LAW ENFORCEMENT

During 2017/18, 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, red and yellow line offences, illegal number plates and driving under the influence of alcohol – all of the aforementioned contributed to a high accident rate;
- Corrective measures taken inter alia include selective law enforcement on safety belts, cell phones, number plates and public transport;
- The construction of our public transport impoundment facility was completed;
- 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;
- A municipal court will be introduced to deal with all municipal bylaw and traffic offences;
- An anti-land invasion unit was approved by Council on 31 May 2018 and the unit will be phased in during the 2018/19 financial year; and
- An additional 10 Traffic Officers were appointed as from 01 April 2018 to deal with traffic offences.

3.25.1 Service Statistics

Table 93: Traffic, Licensing and Law Enforcement Service Data

Traffic, Licensing and Law Enforcement Service Data		
Details	2016/17 Actual	2017/18 Actual
Number of road traffic accidents during the year	3,938	3,428
Number of by-law infringements attended	2,932	3,212
Number of traffic officers in the field on an average day	5 – Early Shift 5 – Late Shift = 10 officers per day	8 – Early Shift 8 – Late Shift 16 = 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	10 – Testing Station 8 – Early Shift 8 – Late Shift = 26 officers per day

3.25.2 Service Delivery levels

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 to make Drakenstein “A city of excellence”.

3.25.3 Capital Expenditure

The Traffic section spent R621.8 thousand or 97.75% of the final adjustments budget on traffic, licensing and law enforcement services infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 94: Capital Expenditure 2017/18 - Traffic, Licensing and Law Enforcement

Capital Expenditure 2017/18: Traffic, Licensing and Law Enforcement					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Vehicle Impound Facility	-	494,170	494,169	0.00%
2	Buildings: Upgrading of Traffic Building	200,000	116,139	101,850	12.30%
3	Furniture & Office Equipment	-	25,820	25,820	0.00%
4	Total Capital Expenditure	200,000	636,129	621,839	2.25%

3.25.4 Major Projects Completed

The completion of the Vehicle Impound Facility for the impoundment of public transport vehicles (taxis and busses).

3.25.5 Operating Expenditure

Traffic, licensing and law enforcement, as a community service, generated an operating surplus of R13.1 million for the 2017/18 financial year. The surplus is subsidising other community services running at a loss.

Table 95: Operating Revenue and Expenditure: Traffic, Licensing and Law Enforcement

Operating Revenue and Expenditure: Traffic, Licensing and Law Enforcement						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue		-75,247,854	-85,739,642	-107,630,724	25.5%
2	Total Operating Revenue	-	-75,247,854	-85,739,642	-107,630,724	25.5%
3	Employee Related Costs		23,047,342	25,592,762	26,427,491	-3.3%
4	Impairment Losses on Financial Assets		49,375,323	57,558,771	62,784,378	-9.1%
5	Interest Paid		182,087	182,087	189,488	-4.1%
6	Contracted Services		7,545,444	8,313,344	4,010,959	51.8%
7	Depreciation and Provisions		342,054	342,054	113,268	66.9%
8	Inventory		314,388	437,103	458,699	-4.9%
9	Operational Costs		493,149	769,798	533,919	30.6%
10	Total Operating Expenditure	-	81,299,787	93,195,919	94,518,201	-1.4%
11	Operating (Surplus) / Deficit	-	6,051,933	7,456,277	-13,112,523	-275.9%

3.25.6 Employee Statistics

The Traffic, Licensing and Law Enforcement Section has 318 posts on the organisational structure approved by Council on 31 May 2018 of which 187 posts are frozen and 131 posts funded at year-end. The section had 96 filled posts at year-end and based on the number of vacancies (35) had a 26.7% vacancy rate.

Table 96: Employees - Traffic, Licensing and Law Enforcement

Employees: Traffic, Licensing and Law Enforcement								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts	Number of Approved	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	1	0	1	1	0	0.0%
2	T15 - T17	0	7	3	4	2	2	50.0%
3	T12 - T14	1	4	1	3	0	3	100.0%
4	T09 - T11	35	188	134	54	45	9	16.7%
5	T06 - T08	13	63	27	36	15	21	58.3%
6	T03 - T05	25	55	22	33	33	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	74	318	187	131	96	35	26.7%

3.26 FIRE AND DISASTER MANAGEMENT

3.26.1 Fire Services

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 immediately with targeted predetermined response 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 Paarl, Wellington, Mbekweni and Saron.
- Professional Fire-Fighter Training: The Drakenstein Municipality is accredited as a Fire Training Centre and provides professional firefighting 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 firefighting personnel in order to provide a professional service to the communities we serve. During the reporting period, 87 Fire Service Officials received continuous 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 to make communities safer. The Municipality trained 53 community members from the aforementioned areas. The implementation of the public and life safety 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 1,937 children from primary and pre-primary schools were recipients of the Fire and Life Safety Programme: Stop, Drop and Roll, Learn Not to Burn and Crawl Low Under Fire. These programmes are 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 fire fighters responded to rescue and medical incidents, chemical incidents, and other special services calls such as flooding and etcetera.

- **Fire Safety:** This section focuses on risk, and building inspections, in compliance with the National Building Regulations and the Building Standards Act, and related by-laws.

3.26.1.1 Service Statistics

Table 97: Fire Service Data

Fire Service Data		
Detail	2016/17 Actual	2017/18 Actual
Total fires attended to in the year	824	1,056
Total of other incidents attended to in the year	16	47
Average turnout time – urban areas (minutes)	10-12	10-12
Average turnout time – rural areas	20	20
Firefighters in post at year end	61	69
Total fire appliances at year end	11	11
Average number of appliances on the road during the year	9	8

The following training was conducted and attended by fire service personnel:

Table 98: Fire Safety – Activities/Inspections

Fire Safety Activities / Inspections		
Description	2016/17	2017/18
Fire safety inspections	1,027	1,098
Inspections of overgrown erven and property	1,879	1,973
Lectures and demonstrations	65	97
Buildings plans scrutinised and approved	1,692	1,946
Events Management and risk visits	79	87

Table 99: Fire Fighter Training

Fire Fighter Training		
Description	Number of Officials Attended	
	2016/17	2017/18
Confined Space Rescue	4	6
Incident command and control 300	6	9
Fire service instructor Course	2	2
Incident Command System 100 and 200	24	16
Practical Pump Operations and Driving	8	9
Hazmat Operations Challenge	2	12
Swift water rescue course	2	5
Advanced Fire Safety Course	1	1
Daily drills and instruction per shift	21	22
Breathing Apparatus refresher course	36	44
Compressor Operator Course	12	9

3.26.1.2 Service Delivery levels

- Conducting of 48 fire risk building inspections per annum in our municipal area focusing on compliance to fire safety requirements as legislatively required; and
- Conducting of 42 continuous professional fire fighter training sessions as prescribed by SANS 10090.

As an accredited training centre, a serious focus is placed on continuous professional fire fighter training for our own firefighters as well as neighbouring fire services. The table above indicates the number of training activities and programmes that were conducted over the past year. Our aim is to become a Fire Training Academy of excellence providing quality training and skills development.

3.26.2 Disaster management

This 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 2017/18, 651 blankets and 392 food parcels were handed out. Shack fires remain a challenge and in order to reduce the occurrence thereof the Fire Service engaged in a pilot project, which involved the installation of 52 smoke alarms in informal settlements.

3.26.2.1 Service Delivery levels

The fire service aims to attend to all emergencies within the prescribed attendance times as indicated in Table 57 above.

3.26.3 Capital Expenditure

The Fire & Disaster Section only spent R5,543 or 1.77% of the final adjustments budget on fire and disaster infrastructure projects for the year under review. The capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 100: Capital Expenditure 2017/18 - Fire & Disaster Management

Capital Expenditure 2017/18: Fire & Disaster Management					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Disaster Management Control Room	-	282,449	-	100.00%
2	Other Capital Projects	-	30,715	5,543	81.95%
3	Total Capital Expenditure	-	313,164	5,543	98.23%

3.26.4 Major Projects Completed

Pilot project: Installation of 52 smoke alarms in New Beginnings and Lovers Lane informal settlement areas

3.26.5 Operating Expenditure

Fire and disaster management services, as a community service, generated an operating deficit of R36.1 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 101: Operating Revenue and Expenditure: Fire and Disaster Management Services

Operating Revenue and Expenditure: Fire and Disaster Management						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-370,173	-350,734	-350,734	-382,255	9.0%
2	Total Operating Revenue	-370,173	-350,734	-350,734	-382,255	9.0%
3	Employee Related Costs	29,633,969	28,624,274	29,078,200	28,840,889	0.8%
4	Impairment Losses on Financial Assets	-	-	-	-	#DIV/0!
5	Interest Paid	-	-	-	-	#DIV/0!
6	Contracted Services	728,696	795,727	799,530	732,606	8.4%
7	Depreciation and Provisions	505,174	967,477	967,477	696,199	28.0%
8	Inventory	135,825	90,420	116,700	117,172	-0.4%
9	Operational Costs	5,025,616	6,485,116	6,455,033	6,181,050	4.2%
10	Total Operating Expenditure	36,029,280	36,963,014	37,416,940	36,567,916	2.3%
11	Operating (Surplus) / Deficit	35,659,107	36,612,280	37,066,206	36,185,662	-2.4%

3.26.6 Employee Statistics

The Fire and Disaster Management Section has 176 posts on the organisational structure approved by Council on 31 May 2018 of which 92 posts are frozen and 84 posts funded at year-end. The section had 84 filled posts at year-end and based on the zero number of vacancies had a 0% vacancy rate.

Table 102: Employees - Fire and Disaster Management

Employees: Fire and Disaster Management								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts	Number of Approved	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	0	0	0	0	0	0.0%
2	T15 - T17	2	3	0	3	3	0	0.0%
3	T12 - T14	11	12	7	5	5	0	0.0%
4	T09 - T11	65	35	32	3	3	0	0.0%
5	T06 - T08	4	113	44	69	69	0	0.0%
6	T03 - T05	0	13	9	4	4	0	0.0%
7	T01 - T02	3	0	0	0	0	0	0.0%
8	Total	86	176	92	84	84	0	0.0%

COMPONENT H: SPORT AND RECREATION

3.27 INTRODUCTION

Sport and Recreation Section's mandate is to maintain holiday resorts, sport facilities and to coordinate recreation activities.

3.27.1 Holiday Resorts

Drakenstein Municipality has three resorts. The Orleans Resort is situated in Paarl, Antoniesvlei Resort in Wellington and Saron Resort in Saron. The Antoniesvlei Resort is the only resort that closes for the off-season (May to September). The Orleans Resort and Saron Resort is open to the public all year round. The swimming pool at Saron Resort and the Splash pool at Orleans Resort however are closed for off-season maintenance from May to September.

3.27.1.1 Service Statistics

The statistics available is sporadic and incomplete and will not add value to this report. The section will implement a system and control which would allow for population of this section in the next Annual Report.

3.27.1.2 Service Delivery levels

The resorts are maintained as and when required.

3.27.2 Sport Grounds and Swimming Pools

Sports fields and halls in Drakenstein were prepared for 2,849 events/games for the year under review. The following table provides a comparison between 2015/16, 2016/17 and 2017/18 of the different sports codes' utilisation of the facilities.

3.27.2.1 Service Statistics

Table 103: Sport codes utilisation of sport facilities

Code	2015/16	2016/17	2017/18	Number of fields
Rugby	1,132	1,077	281	21
Cricket	364	351	137	12
Soccer	559	697	106	13
Cycling	3	8	1	1
Hockey	22	16	8	4

Code	2015/16	2016/17	2017/18	Number of fields
Athletics	26	76	45	4
Netball	612	511	25	14
Other Events (Including 38 Park runs in the Arboretum)	131	134	101	-

Please note: Significant variance in 2017/18 numbers are due to:

- The drought during which all facilities were closed for sport activities because of the condition of the sport fields; and
- The Booking Officer being off-sick and no events were captured. She has since resigned and a new person has been appointed.

3.27.2.2 Service Delivery levels

Service delivery levels not to what is desired or expected due to lack of water and resources (staff and equipment).

3.27.3 Capital Expenditure

The Sport and Recreation Section spent R16.3 million or 99.80% of the final adjustments budget on sport and recreation infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 104: Capital Expenditure 2017/18 - Holiday Resorts, Sport Facilities and Swimming Pools

Capital Expenditure 2017/18: Holiday Resorts, Sport Facilities and Swimming Pools					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Upgrading of Mbekweni B&C Sportfields	4,706,009	4,645,888	4,645,887	0.00%
2	Pelikaan Park: Upgrade Facility	2,000,000	3,378,575	3,378,574	0.00%
3	Upgrading Swimming Pool and Equipment	1,200,000	2,578,929	2,578,929	0.00%
4	Upgrading of Faure Street Sport Stadium	4,337,545	1,985,243	1,985,243	0.00%
5	Development of De Kraal Sport Complex	10,400,000	1,931,233	1,931,232	0.00%
6	Upgrade Newton Sport Facility	2,000,000	741,374	741,374	0.00%
7	New/ Upgrade of Existing Sport Facilities	500,000	497,745	497,745	0.00%
8	Other Capital Projects	2,115,000	590,628	557,516	5.61%
9	Total Capital Expenditure	27,258,554	16,349,615	16,316,500	0.20%

3.27.4 Major Projects Completed

Various capital projects were undertaken by Community Services during the 2017/18 financial year. Most of the projects were multi-year projects which will be completed in 2018/19.

- Upgrading Of Mbekweni B & C Sports Field: This multi-year project is currently underway. Phase II of the works include upgrading of ablution facilities at the grandstand, access control with ticket office and parking area. Additional items to be done include upgrading of tennis courts and cricket nets;
- Pelican Park: Upgrade Facility: This multi-year project is currently underway. This phase includes the construction of a boundary wall, new ablution facilities and upgrading of existing facilities;
- Upgrading Swimming Pools and Equipment: Various components of the swimming pool infrastructure have been upgraded, including pool pumps and piping, ablution facilities and showers, as well as minor building upgrades;
- Upgrading of Faure Street Sport Stadium: The project entailed the construction of a new perimeter fence, replacement of waterproofing and construction of new ticket office entrance;
- De Kraal Sporting Facility: This multi-year project includes the construction of a new stormwater system, removal of trees, bulk earthworks, construction of boundary wall and new ticket offices. The proposed sporting infrastructure will be completed in the 2018/19 year; and
- Upgrade Newton Sport Facility: This multi-year project consists of the construction of new pavilions for the existing rugby fields.

3.27.5 Operating Expenditure

Holiday resorts, sport facilities and swimming pools services, as a community service, generated an operating deficit of R68.1 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 105: Operating Revenue and Expenditure: Holiday Resorts, Sport Facilities and Swimming Pools

Operating Revenue and Expenditure: Holiday Resorts, Sport Facilities and Swimming Pools						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-4,748,502	-3,270,310	-3,270,310	-2,474,913	-24.3%
2	Total Operating Revenue	-4,748,502	-3,270,310	-3,270,310	-2,474,913	-24.3%
3	Employee Related Costs	38,466,130	36,008,390	39,467,086	40,144,464	-1.7%
4	Impairment Losses on Financial Assets	11,582	-	-	-	#DIV/0!
5	Interest Paid	-	-	-	-	#DIV/0!
6	Contracted Services	7,713,429	7,742,986	10,646,145	9,505,422	10.7%
7	Depreciation and Provisions	6,759,818	5,228,939	3,321,316	2,822,264	15.0%
8	Inventory	744,835	1,146,617	1,118,715	1,573,756	-40.7%
9	Operational Costs	14,333,084	18,465,110	19,022,755	16,613,145	12.7%
10	Total Operating Expenditure	68,028,878	68,592,042	73,576,017	70,659,051	4.0%
11	Operating (Surplus) / Deficit	63,280,376	65,321,732	70,305,707	68,184,139	-3.0%

3.27.6 Employee Statistics

The Sport and Recreation Section has 511 posts on the organisational structure approved by Council on 31 May 2018 of which 261 posts are frozen and 250 posts funded at year-end. The section had 218 filled posts at year-end and based on the number of vacancies (32) had a 12.8% vacancy rate.

Table 106: Employees - Sport and Recreation

Employees: Sport and Recreation								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts	Number of Approved	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	4	0	4	4	0	0.0%
3	T12 - T14	0	1	1	0	0	0	0.0%
4	T09 - T11	5	13	1	12	4	8	66.7%
5	T06 - T08	40	97	43	54	42	12	22.2%
6	T03 - T05	180	395	215	180	168	12	6.7%
7	T01 - T02	0	1	1	0	0	0	0.0%
8	Total	226	511	261	250	218	32	12.8%

3.28 INTRODUCTION

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).

3.29 EXECUTIVE AND COUNCIL SUPPORT

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 CJ Poole, and the Council elected in August 2016 have made substantial strides towards implementing the revised vision of Drakenstein, “A city of excellence” throughout the operations of Council and the administration in the year under review.

3.29.1 Service Statistics

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 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 electronic devices to Councillors and the procurement of an electronic system generating reports to the Portfolio Committees, the Mayoral Committee and Council.

Table 107: Service Statistics for the Executive and Council

Council and Committee Structures	No. of meetings
Mayoral Committee	24
Special Mayoral Committee	4
Council	11
Special Council	6
Special Confidential Council	1
Corporate Services Portfolio Committee	8
Community Services Portfolio Committee	6
Finance Portfolio Committee	19
Infrastructure Services Portfolio Committee	7
Planning and Economic Development Portfolio Committee	7
Municipal Public Accounts Committee (MPAC)	4
Appeals Committee	5
Audit Committee	6
Fraud and Risk Management Committee	4
Budget Steering Committee	3

3.29.2 Service Delivery levels

All agendas are in terms of the approved standard operating procedures of Administration distributed at least three calendar days before a meeting and in the case of minutes within five working days after the meeting was held.

3.29.3 Capital Expenditure

The Executive and Council section spent R3.6 million or 91.41% of the final adjustments budget on executive and council infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 108: Capital Expenditure 2017/18 - Executive and Council

Capital Expenditure 2017/18: Executive & Council Support					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Ward Capital Projects	4,620,000	3,555,785	3,227,433	9.23%
2	Operational Infrastructure Allocations	10,218,379	224,472	217,868	2.94%
3	Furniture and Office Equipment	-	194,148	187,709	3.32%
4	Total Capital Expenditure	14,838,379	3,974,405	3,633,010	8.59%

3.29.4 Major Projects Completed

The issue of electronic devices to all councillors can be regarded as a major project completed.

3.29.5 Operating Expenditure

Executive and Council generated an operating deficit of R15.1 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 109: Operating and Expenditure: Executive and Council

Operating Revenue and Expenditure: Executive and Council						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-22,705,932	-22,558,235	-22,558,235	-22,159,939	-1.8%
2	Total Operating Revenue	-22,705,932	-22,558,235	-22,558,235	-22,159,939	-1.8%
3	Employee Related Costs	22,467,285	54,569,924	66,863,979	64,590,179	3.4%
4	Impairment Losses on Financial Assets	-	-	-	-	#DIV/0!
5	Interest Paid	-	-	-	-	#DIV/0!
6	Contracted Services	2,924,751	2,491,380	4,535,928	4,454,031	1.8%
7	Depreciation and Provisions	526,294	165,773	165,773	195,679	-18.0%
8	Inventory	4,996,486	5,723,199	812,449	529,171	34.9%
9	Operational Costs	-22,484,630	5,673,847	1,220,468	751,353	38.4%
10	Total Operating Expenditure	8,430,186	68,624,123	73,598,597	70,520,414	4.2%
11	Operating (Surplus) / Deficit	-14,275,746	46,065,888	51,040,362	48,360,474	-5.3%

3.29.6 Employee Statistics

The Executive and Council Support Section has 23 posts on the organisational structure approved by Council on 31 May 2018 of which 5 posts are frozen and 18 posts funded at year-end. The section had 18 filled posts at year-end and based on the zero number of vacancies had a 0% vacancy rate.

Table 110: Employees - Executive and Council Support

Employees: Executive and Council Support								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts	Number of Approved	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	8	0	0	0	0	0	0.0%
3	T12 - T14	5	0	0	0	0	0	0.0%
4	T09 - T11	0	2	1	1	1	0	0.0%
5	T06 - T08	0	16	1	15	15	0	0.0%
6	T03 - T05	0	5	3	2	2	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	13	23	5	18	18	0	0.0%

3.30 FINANCIAL SERVICES

The major key performance area is the focus on long-term 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 2017/18 financial year (before the provision for bad debt impairment) was 77.4 days, which is above the targeted number of 70 days. This is due to the increase in water debt as a result of the implementation of punitive water tariffs. The debtors' payment period for the 2016/17 financial year was 64.6 days compared with the 75.5 days as at 30 June 2016. The debtors' payment period in days (after the provision for bad debt impairment) increased to 47.5 days as at 30 June 2018 compared with the 37.9 days as at 30 June 2017. The debtors' payment period in days (before impairment) increased by 12.8 days and the debtors' payment period in days (after impairment) increased by 9.6 days during the financial year under review.

The ratios in terms of the collection of revenue have regressed overall and 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.

3.30.1 Service Statistics

Table 111: Debt Recovery

Serial No.	Debt Recovery						
	R'000						
	Revenue Service	2016/17			2017/18		
		Billed	Collected	% Collection Rate	Billed	Collected	% Collection Rate
Column Ref.	A	B	C	D	E	F	G
1	Property Rates	223,459	221,285	99.02%	253,204	247,936	97.92%
2	Electricity	829,659	828,729	99.88%	839,740	836,512	99.61%
3	Water	148,383	147,236	99.22%	267,938	215,361	80.38%
4	Sanitation	66,856	65,988	98.70%	84,358	82,363	97.63%
5	Refuse	66,975	66,280	98.96%	82,956	81,809	98.61%
6	Other	89,342	88,490	99.05%	72,244	69,727	96.51%
7	Totals	1,424,674	1,418,008	99.53%	1,600,439	1,533,708	95.83%

3.30.2 Service Delivery levels

Service delivery levels are determined in the Standard Operating Procedures for every service rendered by this section. These standards are incorporated as key performance indicators in the Service Delivery and Budget Implementation Plan, thereby ensuring measurement and compliance to the set service standards.

3.30.3 Capital Expenditure

The Financial Services Department spent R1.1 million or 98.32% of the final adjustments budget on financial services infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 112: Capital Expenditure 2017/18 - Financial Services

Capital Expenditure 2017/18: Financial Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Intangible Assets: Software and Licences	-	496,744	496,744	0.00%
2	Security Equipment : Cashier Points (Drakenstein)	-	327,294	322,458	1.48%
3	Other Capital Projects	-	337,955	323,232	4.36%
4	Total Capital Expenditure	-	1,161,993	1,142,434	1.68%

3.30.4 Major Projects Completed

A budget module was procured for improved budgeting purposes. Security at cashier points was improved and office furniture was procured for the administration.

3.30.5 Operating Expenditure

Financial Services, as a support service, generated an operating surplus of R182.4 million for the 2017/18 financial year. The surplus, due to property rates revenue, is subsidising other community services operating at a loss.

Table 113: Operating Revenue and Expenditure: Financial Services (Procurement Services Excluded)

Operating Revenue and Expenditure: Financial Services (Procurement Services Excluded)						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-285,670,585	-251,023,578	-251,216,800	-250,532,643	-0.3%
2	Total Operating Revenue	-285,670,585	-251,023,578	-251,216,800	-250,532,643	-0.3%
3	Employee Related Costs	40,462,335	48,295,264	44,276,507	44,133,512	0.3%
4	Impairment Losses on Financial Assets	8,991,891	6,217,615	19,523,385	29,411,212	-50.6%
5	Interest Paid	425,971	-	-	7,708,536	#DIV/0!
6	Contracted Services	7,245,599	7,103,249	4,454,422	3,945,755	11.4%
7	Depreciation and Provisions	1,812,583	2,942,004	4,942,004	444,723	91.0%
8	Inventory	1,105,332	1,462,197	1,940,049	1,659,155	14.5%
9	Operational Costs	19,337,755	-13,601,268	-7,055,410	-19,219,482	-172.4%
10	Total Operating Expenditure	79,381,466	52,419,061	68,080,957	68,083,411	0.0%
11	Operating (Surplus) / Deficit	-206,289,119	-198,604,517	-183,135,843	-182,449,232	-0.4%

3.30.6 Employee Statistics

The Financial Services Department (Procurement Services Division excluded) has 224 posts on the organisational structure approved by Council on 31 May 2018 of which 78 posts are frozen and 146 posts funded at year-end. The section had 131 filled posts at year-end and based on the number of vacancies (15) had a 10.3% vacancy rate.

Table 114: Employees - Financial Services (Procurement Services Excluded)

Employees: Financial Services (Procurement Services Excluded)								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	4	4	0	4	4	0	0.0%
2	T15 - T17	6	8	0	8	7	1	12.5%
3	T12 - T14	6	17	1	16	8	8	50.0%
4	T09 - T11	6	14	4	10	9	1	10.0%
5	T06 - T08	54	103	41	62	57	5	8.1%
6	T03 - T05	47	78	32	46	46	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	123	224	78	146	131	15	10.3%

3.31 HUMAN RESOURCE SERVICES

The Human Resources (HR) Division was capacitated with additional critical posts with the review that was adopted by Council on 31 May 2018. All posts that have been identified as critical vacancies will be filled during 2018/19.

The HR Division has focussed on speeding up the TASK evaluation process by benchmarking generic posts. We also focussed on filling critical vacant positions by advertising in bulk and placing internal advertisements. The other focus at HR for the 2017/18 financial year was to review and write HR related policies. A five year Employment Equity Plan, Succession Planning and Talent Management Policy and TASK Policy are among the newly drafted and reviewed policies.

HR played a vital role in terms of the Extended Public Works Programme by creating all appointed EPWP employees on the HR/Payroll system.

The Municipality has complied with the Employment Equity Act (EEA) by ensuring that the Employment Equity Report was prepared and electronically submitted to the Department of Labour on 15 January 2018. The Workplace Skills Plan and Annual Report were also submitted on 30 April 2018.

A total number of 253 employees were appointed during this financial year. This number includes the appointment of 68 seasonal workers. The Municipality is committed to the principles of the employment equity legislation and will continue to strive to appoint suitably qualified applicants while ensuring that the workforce is representative of the clients it serves.

We pride ourselves with contributing positively to the “*A city of excellence*” vision by also introducing a tool for monitoring progress and staff performance. This tool was successfully piloted in the Corporate Services Department and it not only assist with work performance, but enhances communication, coaching and mentoring skills.

3.31.1 Service Statistics

Table 115: Service Statistics for Human Resources Services

Submission Date	To	Document
30 April annually	LGSETA	Workplace Skills Plan
30 April annually	LGSETA	Annual Training Report
01 October annually	Department of Labour	Employment Equity Report
Monthly	Dep. of Local Government	Municipal Finance Management Programme Report

3.31.2 Service Delivery levels

In the previous report (2016/17) HR indicated that its performance was compromised by the significant backlog in job descriptions and job evaluations. Since then, benchmarking was implemented to speed up the TASK evaluation process and a lot of staff has been trained to write job descriptions as per the prescribed format. The Procurement Services Unit is in a process of finalising the appointment of a service provider that will assist with job descriptions and recruitment and selection processes.

Service delivery has also been compromised by the current HR/Payroll system that is in place. The system delays work progress, it is sometime down and its accuracy and data integrity are questionable. HR has worked tirelessly and against all odds to ensure that service delivery takes place even if it meant manual intervention. Management has resolved to replace the current system with an effective and user friendly system. The process to replace Resource Link as a module of the SOLAR system started in this financial year (2017/18) and the change to the new system is set to take place on 28 February 2019 Thereafter consideration to further roll out other modules and applications like online application of leave to non-computer users will be considered.

Time Keeper System which is a system that assist managers and supervisors to keep track of the movements of employees in buildings have also posed some challenges but all of these will be addressed with the replacement of the current system.

3.31.3 Capital Expenditure

The Human Resources Division spent R90.2 thousand or 22.60% of the final adjustments budget on human resource infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information. Due to the transition to a new human resources software system that seamlessly must integrate with the financial system, the time and attendance system project was placed in abeyance until the new human resources software system is in place.

Table 116: Capital Expenditure 2017/18 - Human Resource Services

Capital Expenditure 2017/18: Human Resources					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	ICT Equipment: Time & Attendance System	-	247,847	-	100.00%
2	Other Capital Projects	-	151,538	90,260	40.44%
3	Total Capital Expenditure	-	399,385	90,260	77.40%

3.31.4 Major Projects Completed

Organisational structure review and Talent Management and Succession Planning Policy and benchmarking of general worker positions were the major projects completed during the year under review.

3.31.5 Operating Expenditure

Human resource services, as a support service, generated an operating deficit of R13.2 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 117: Operating Revenue and expenditure: Human Resource Services

Operating Revenue and Expenditure: Human Resource Services						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-1,753,064	-1,679,033	-1,805,033	-2,059,507	14.1%
2	Total Operating Revenue	-1,753,064	-1,679,033	-1,805,033	-2,059,507	14.1%
3	Employee Related Costs	7,233,046	8,874,212	11,279,721	11,699,601	-3.7%
4	Impairment Losses on Financial Assets	-	-	-	-	0.0%
5	Interest Paid	-	-	-	-	0.0%
6	Contracted Services	2,654,722	3,026,095	2,889,326	3,180,292	-10.1%
7	Depreciation and Provisions	159,334	168,325	168,325	235,954	-40.2%
8	Inventory	134,291	228,071	306,099	301,149	1.6%
9	Operational Costs	280,529	-1,756,490	-983,797	-62,714	93.6%
10	Total Operating Expenditure	10,461,923	10,540,213	13,659,674	15,354,281	-12.4%
11	Operating (Surplus) / Deficit	8,708,859	8,861,180	11,854,641	13,294,774	-12.1%

3.31.6 Employee Statistics

The Human Resources Division has 67 posts on the organisational structure approved by Council on 31 May 2018 of which 14 posts are frozen and 53 posts funded at year-end. The section had 30 filled posts at year-end and based on the number of vacancies (23) had a 43.4% vacancy rate.

Table 118: Employees - Human Resources

Employees: Human Resources								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts	Number of Approved	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	0	0	0	0	0	0.0%
2	T15 - T17	7	4	0	4	4	0	0.0%
3	T12 - T14	0	7	1	6	3	3	50.0%
4	T09 - T11	11	16	1	15	12	3	20.0%
5	T06 - T08	5	27	10	17	9	8	47.1%
6	T03 - T05	0	13	2	11	2	9	81.8%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	24	67	14	53	30	23	43.4%

3.32 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

During 2017/18 the ICT Division made significant progress to improve governance and service delivery to user departments. Two initiatives were completed in terms of the ICT Strategic Plan:

- Integrated Audit and Risk Solution; and
- Implementing security upgrades through a new firewall.

The following were the high-level achievements:

- Improved management of the access of service providers to the internal network;
- Improvement of various management practices and internal controls;
- Update of technology for wireless links;
- Migration of databases to a newer release;
- Approval of the ICT Project Management and System Development Life Cycle Methodologies; and
- Together with the Communications Section, the Development of a new Website.

The Senior Manager Information and Communication Technology is responsible for the effective management and functional supervision of the following three sections:

- ICT Governance and Administration;
- Information Systems; and
- ICT Operations and Support.

3.32.1 ICT Governance and Administration

The section is responsible for the:

- Administration of the ICT Division;
- Processing of financial data;
- Technical management of the processes related to the SOLAR financial system; and
- Development and implementation of governance mechanisms and controls for the management of information and communication technology.

In the year under review, measures were taken to improve the management and control of the use of information and communication technology and tighten the controls for the processing of financial data. In this regard, most of the ICT policies were adopted by Council in March 2017. However, it became apparent during implementation that a review of all policies are required, mostly to make it more aligned with the organisational culture of the

Municipality. Therefore, a new umbrella policy was developed and was adopted by the ICT Steering Committee.

Furthermore, part of the mechanisms put in place to streamline the use of information technology is the review of the ICT Steering Committee Terms of Reference. The City Manager approved the terms of reference at the end of June 2018. During the year, however, the focus of the ICT Steering Committee moved towards addressing strategic matters of the use of ICT in service delivery.

It was also the first year in which an IDP based development of the five-year ICT Strategic Plan was undertaken. In this regard, responsibility of business and enabling initiatives were allocated to the structure and person responsible for the function. This ensures better planning, control over and management of implementation of ICT related initiatives.

The head of the section, due to the nature of his expertise in the field of Corporate Governance of ICT, took part in the following:

- Assisted Berg River and Overberg (district) Municipalities in the development and implementation of ICT related policies;
- Assisted the National Department of Planning, Monitoring and Evaluation in responding to an independent audit;
- Assisted the National Department of Public Service and Administration in the development of the review of the Public Administration Corporate Governance of ICT Policy and an ICT Planning Guideline;
- Addressed three international workshops on the implementation of the Corporate Governance of ICT from a King IV perspective;
- Addressed an African Association for Public Administration and Management (AAPAM) seminar on the impact of the 4th industrial revolution on the Corporate Governance of ICT; and
- Addressed the Western Cape Municipal ICT Managers Forum on the concept of Enterprise Architecture.

3.32.2 Information Systems

Information Systems are primarily responsible for:

- Business process redesign and optimisation;
- Management of current databases and business application systems developed in-house;
- Development and maintenance of an Enterprise Architecture in Business Application Systems; and
- Strategic oversight of municipal GIS.

Operationally the section provides continuous support for the development, enhancement and maintenance of more than 200 application systems and databases throughout the Municipality.

From a strategic point of view, the financial year:

- Saw the approval of the Systems Development Life cycle (SDLC) Framework. The implementation and compliance of the SDLC Framework should lead to standardisation, ownership of key business processes and a reduced risk of fruitless-and-wasteful expenditure; and
- Conducted a high-level review of mission critical systems to assess whether the system meets the Municipality's business requirements. There were nine critical system assessed on a scale of 1 (Meet the business needs), 2 (Partially meet the business needs) and 3 (Do not meet the business needs). The results were:
 - ✓ Five systems met the business needs;
 - ✓ One system partially met the business needs; and
 - ✓ Three systems did not meet the Business needs.

The three systems that did not meet the business needs have either already been replaced or are in the process of being replaced. The one system that partially met the business needs has been earmarked for improvement.

3.32.3 Service Statistics

Some interesting statistics from Information Systems:

- Completed more than 85 Ad-hoc SQL scripted queries;
- Amended more than 67 internal Application systems;
- Migrated 36% of the Application systems to the newer SQL 2016 environment. This upgrade should assist with performance issues, latest technologies and business continuity; and
- Developed the Staff Efficiency Monitoring (SEMs) application system. The purpose is to monitor the work performance of non-management staff. The system is currently in phase two of the development.

3.32.4 Operations and Support

This section is responsible for:

- Planning, implementing and managing the ICT operations environment;
- Providing facilities to ensure the secure and optimal availability of all ICT infrastructure, telecommunications systems and data;
- ICT service desk and support function; and
- All ICT hardware deployed within Drakenstein Municipality resides under this section.

All ICT service infrastructure are currently hosted in a server room with a backup site to ensure continuity of service. This includes:

- Five host servers that houses the virtual server farm consisting of 110 virtual servers;
- 60 Tb storage unit containing all data that is generated and stored;
- Core network node that provides connectivity to 54 sites using 109 switches and 32 wireless links;
- Voice over internet protocol to all connected offices;
- Firewall and connectivity to the internet service provider; and
- Backup equipment with off-site storage and data replication.

Currently there are 955 users connecting to the network using the various systems. These users are supported from the ICT service desk. Support is provided online as well as through physical intervention. During the period under review, a total of 1,584 calls were resolved.

With the growth in the number of users, the Internet link capacity was increased from 12Mb/s to 100Mb/s. In line with this, the technology utilised for the Drakenstein web site was updated to facilitate new functionality and is now hosted in a virtual centre. Furthermore, ICT Security was vastly improved with the implementation of the new Fortinet firewall. This solution is regularly updated and provides the latest security. It provides both intrusion detection and intrusion prevention functionality.

3.32.5 Capital Expenditure

The ICT Division spent R4.3 million or 96.09% of the final adjustments budget on ICT infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 119: Capital Expenditure 2017/18 - Information and Communication Technology (ICT) Services

Capital Expenditure 2017/18: Information and Communication Technology (ICT) Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	ICT Equipment: Computer Related	3,000,000	3,196,156	3,081,727	3.58%
2	ICT Equipment: Communication Network (Optic Fibre)	2,150,000	793,018	749,739	5.46%
3	Intangible Assets: Software and Licences	750,000	389,383	389,381	0.00%
4	Other Capital Projects	20,000	106,826	89,373	16.34%
5	Total Capital Expenditure	5,920,000	4,485,383	4,310,220	3.91%

3.32.6 Major Projects Completed

- A replacement firewall was procured and implemented. This was necessary to improve security around ICT with the serious increase in cyber-attacks. Apart from better security, the system also offers additional functionality and improved reporting when compared to the old unit;
- As part of the ICT hardware replacement program, a new host for our Virtual sever environment was acquired and installed. With the continued growth, and increase in capacity in computer requirements it is inevitable;
- ICT migrated several Drakenstein Municipality databases from obsolete and outdated platforms such as MS SQL 2005, 2008 and 2012 to the newer and latest MS SQL 2016 environments; and
- Developed the Staff Efficiency Monitoring application. The application will impact all municipal supervisors who need to document the efficiency of their staff.

3.32.7 Operating Expenditure

Information and communication technology services, as a support service, generated an operating deficit of R11.1 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 120: Operating Revenue and Expenditure: Information and Communication Technology (ICT) Services

Operating Revenue and Expenditure: Information and Communication Technology (ICT) Services						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-	-	-	-	#DIV/0!
2	Total Operating Revenue	-	-	-	-	#DIV/0!
3	Employee Related Costs	2,311,355	7,050,207	7,291,476	7,341,907	-0.7%
4	Impairment Losses on Financial Assets	43,422	-	-	-	#DIV/0!
5	Interest Paid	-	-	-	-	#DIV/0!
6	Contracted Services	908,904	1,347,818	981,087	797,535	18.7%
7	Depreciation and Provisions	3,234,401	3,016,488	3,016,488	4,231,763	-40.3%
8	Inventory	82,068	206,422	147,366	144,051	2.2%
9	Operational Costs	3,127,914	-565,965	-950,459	-1,418,387	-49.2%
10	Total Operating Expenditure	9,708,064	11,054,970	10,485,958	11,096,869	-5.8%
11	Operating (Surplus) / Deficit	9,708,064	11,054,970	10,485,958	11,096,869	5.8%

3.32.8 Employee Statistics

The ICT Division has 15 posts on the organisational structure approved by Council on 31 May 2018 of which 1 post is frozen and 14 posts funded at year-end. The section had 12 filled posts at year-end and based on the number of vacancies (2) had a 14.3% vacancy rate.

Table 121: Employees - Information and Communication Technology (ICT) Services

Employees: Information and Communication Technology (ICT) Services								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts	Number of Approved	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	0	4	0	4	4	0	0.0%
3	T12 - T14	3	3	0	3	2	1	33.3%
4	T09 - T11	3	7	0	7	6	1	14.3%
5	T06 - T08	1	1	1	0	0	0	0.0%
6	T03 - T05	4	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	11	15	1	14	12	2	14.3%

3.33 PROPERTY SERVICES

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 while 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.

The main objective of the section is however, to administer Council's property portfolio and to ensure that the Municipality's property transactions are well administered, which include the lease or hire of immovable assets, the granting or obtaining of rights in properties as well as the alienation or acquisition thereof.

3.33.1 Service Statistics

Table 122: Properties sold

Properties sold	To	Purpose
Portion of erven 8414 and 12649, Paarl	Imperial Cargo	Parking for trucks
Portion of erf 1143, Paarl	Minhil car sales	Business
Portion of erf 19544, Paarl	JP Forklift	Business
Portion of erf 10855, Wellington	Dirk Lochner Transport	Business
Portion of erf 34, Wellington	Rhodes Food Group	Business
Farm 736/0	Distell	Business
Portion of erf 34, Wellington	Wilde Trust	Business
Erf 11277, Paarl	Chapa Kazi	Residential
Portion erf 15964, Paarl	Old Apostolic Church	Church
Portion of erf 22010, Paarl	Dal Josaphat Cold rooms	Business

Table 123: Properties leased

Properties leased	To	Purpose
Portion of erf 589, Mbekweni	Hamba Vangeli	Fitness Centre
Erven 10841, 11164, 8574 Paarl	Anytime Investments / Pukkah Properties	Parking
Rent office erf 6136, Paarl	Kingdom Ministries	Church
Erf 8058, Wellington	R Alexander	Gardening
Erf 33035, Paarl	Paarl canoe Club	Clubhouse
Erf 8518, Paarl	Paulus Joubert Primary and Secondary Schools	Sports grounds
Erven 2014 and 12682, Wellington	Wamakersvallei Training Centre	Training Centre
Erf 936, Simondium	Rural Development Forum	Offices
Room C erf 2689, Mbekweni	NS 64 Business Enterprises	Business
Portion of erf 4916, Paarl	Paarl Trailer Hire	Business
Erf 5810, Wellington	Lollipop Educare	ECD
Erf 1297, Wellington	Curious Monkeys	ECD
Room A erf 2689, Mbekweni	University of Cape Town	Educational
Portion of Erf 585, Gouda	BKB	Auction camp

3.33.2 Service Delivery levels

Service delivery levels are determined in the Standard Operating Procedures for every service rendered by this section. These standards are incorporated as key performance indicators in the Service Delivery and Budget Implementation Plan, thereby ensuring measurement and compliance to the set service standards.

3.33.3 Capital Expenditure

The Property Services Section spent R6.0 million or 99.90% of the final adjustments budget on municipal property infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 124: Capital Expenditure 2017/18 - Property Services

Capital Expenditure 2017/18: Property Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Buildings: Upgrade Wellington Office	1,000,000	2,476,073	2,470,036	0.24%
2	Buildings: Upgrading of Civic Centre	700,000	1,659,376	1,659,375	0.00%
3	Buildings Civic Centre: Office Alterations all Floors	1,000,000	721,040	721,038	0.00%
4	Canoe House Paarl	-	910,595	910,595	0.00%
5	Other Capital Projects	3,100,000	260,297	260,296	0.00%
6	Total Capital Expenditure	5,800,000	6,027,381	6,021,340	0.10%

3.33.4 Major Projects Completed

Table 125: Capital and Maintenance Projects

Capital and Maintenance Projects	
Project Description	Rand
Steel fencing at Civic Centre Paarl	44,158
Floor tiles to stoep at Wamakers	31,632
Thatch roof repairs: Heemkring building	150,380
Aluminium and rubber tread nosing	105,650
Exterior painting of Paarl Museum	56,155
Partition alteration on 1 st floor	59,151
Interior painting of Heemkring building	42,570
Repairs to bar fencing at parking	6,999
Replace gate motor at court parking	12,990
Replace shade netting at Paarl	41,103
Fire wall partition Civic Centre	82,285
Fire Detection system Paarl Civic	1,200,000
Upgrade electrical wiring Wellington Civic	1,900,000

Capital and Maintenance Projects	
Project Description	Rand
Upgrade HVAC Paarl Civic (Multi-year)	1,850,000
Upgrade 1 st floor cabling Civic Centre (Multi-year)	1,600,000
Office alterations first floor	1,000,000
Waterproofing Council Chamber Roof	400,000

3.33.5 Operating Expenditure

Property services, as a community service, generated an operating deficit of R33.7 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 126: Operating Revenue and Expenditure: Property Management Services

Operating Revenue and Expenditure: Property Management Services						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	-3,292,467	-77,497	-77,497	-61,131	-21.1%
2	Total Operating Revenue	-3,292,467	-77,497	-77,497	-61,131	-21.1%
3	Employee Related Costs	6,795,931	5,403,587	5,751,663	5,844,851	-1.6%
4	Impairment Losses on Financial Assets	-	-	-	-	#DIV/0!
5	Interest Paid	-	-	-	-	#DIV/0!
6	Contracted Services	3,516,013	4,613,037	5,530,437	5,294,608	4.3%
7	Depreciation and Provisions	11,986,427	8,519,015	6,519,015	14,232,173	-118.3%
8	Inventory	437,093	414,229	469,217	421,324	10.2%
9	Operational Costs	2,979,716	7,272,251	12,271,932	8,018,981	34.7%
10	Total Operating Expenditure	25,715,180	26,222,119	30,542,264	33,811,937	-10.7%
11	Operating (Surplus) / Deficit	22,422,713	26,144,622	30,464,767	33,750,806	-10.8%

3.33.6 Employee Statistics

The Property Services Section has 63 posts on the organisational structure approved by Council on 31 May 2018 of which 13 posts are frozen and 50 posts funded at year-end. The section had 24 filled posts at year-end and based on the number of vacancies (26) had a 52.0% vacancy rate.

Table 127: Employees Property Services

Employees: Property Services								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts	Number of Approved	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	12	0	0	0	0	0	0.0%
2	T15 - T17	4	2	0	2	1	1	50.0%
3	T12 - T14	3	4	0	4	3	1	25.0%
4	T09 - T11	1	29	10	19	8	11	57.9%
5	T06 - T08	1	12	3	9	5	4	44.4%
6	T03 - T05	0	16	0	16	7	9	56.3%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	21	63	13	50	24	26	52.0%

3.34 LEGAL SERVICES

Legal Services within the Municipality supports the Council and Administration with legal advice and support. The organisational structure of the Legal Services Section has been reviewed and now incorporates immovable property transactions which are governed in terms of the Asset Transfer Regulations. For this purpose the majority of the staff in the former Facilities and Property Administration Section, have been moved to Legal Services. Two additional legal advisors have been appointed. With this additional capacity the section is able to have a wider impact in order to protect the interests of the Municipality.

The administrative support of the section is currently performed by one permanent staff member.

3.34.1 Service Statistics

The following statistics reflect activities in the Legal Services Section in respect of litigation matters:

Table 128: Service Statistics - Legal Services

Category of litigation matters	Total cases registered
Eviction Cases	103
Evictions lodged out of municipal property	4
Litigation against Drakenstein	9
Litigation initiated by Drakenstein	2

3.34.2 Service Delivery levels

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.

External legal service providers who provide a wide spectrum of general 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.

3.34.3 Capital Expenditure

The Legal Services Section had no capital expenditure projects for the year under review.

Table 129: Capital Expenditure 2017/18 - Legal Services

Capital Expenditure 2017/18: Legal Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	No Capital Projects	-	-	-	#DIV/0!
2	Total Capital Expenditure	-	-	-	#DIV/0!

3.34.4 Major Projects Completed

In view of the nature of the service, being an internal legal support service, no capital projects were undertaken.

3.34.5 Operating Expenditure

Legal services, as a support service, generated an operating deficit of R409,164 for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 130: Operating Revenue and expenditure: Legal Services

Operating Revenue and Expenditure: Legal Services						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue		-	-	-	#DIV/0!
2	Total Operating Revenue	-	-	-	-	#DIV/0!
3	Employee Related Costs		226,153	409,956	408,257	0.4%
4	Impairment Losses on Financial Assets		-	-	-	#DIV/0!
5	Interest Paid		-	-	-	#DIV/0!
6	Contracted Services		-	-	-	#DIV/0!
7	Depreciation and Provisions		741	741	321	56.7%
8	Inventory		-	1,900	230	87.9%
9	Operational Costs		5,966	4,066	356	91.2%
10	Total Operating Expenditure	-	232,860	416,663	409,164	1.8%
11	Operating (Surplus) / Deficit	-	232,860	416,663	409,164	-1.8%

3.34.6 Employee Statistics

The Legal Services Section has 36 posts on the organisational structure approved by Council on 31 May 2018 of which 5 posts are frozen and 31 posts funded at year-end. The section had 26 filled posts at year-end and based on the number of vacancies (5) had a 16.1% vacancy rate.

Table 131: Employees - Legal Services

Employees: Legal Services								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts	Number of Approved	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	1	0	1	1	0	0.0%
2	T15 - T17	0	7	1	6	5	1	16.7%
3	T12 - T14	1	2	2	0	0	0	0.0%
4	T09 - T11	0	12	1	11	10	1	9.1%
5	T06 - T08	0	10	1	9	6	3	33.3%
6	T03 - T05	1	4	0	4	4	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	2	36	5	31	26	5	16.1%

3.35 RISK MANAGEMENT

The Risk Management Division consist of two main functions, the Integrated Risk Management section (IRM) as well as the Fraud Risk Management section (FRM).

The IRM section is responsible for the risk management function at Drakenstein Municipality through a process of facilitation and providing advice to all stakeholders.

The FRM section is based on four pillars, Prevention, Detection, Investigation and Feedback with regards to lessons learned.

3.35.1 Service Statistics

A Fraud and Risk Management Committee (FARMCO) meeting, providing an oversight over the division's function, is scheduled for each quarter of the financial year and took place as scheduled.

A total of twenty six Risk Champions were nominated from current employment and formally appointed. Training was provided by a representative of the Governance Department of Provincial Government.

One annual risk identification and assessment workshop was performed for each of the five directorates and four divisions reporting to the City Manager.

Furthermore, four quarterly risk assessment updates were performed with the above directorates and divisions.

3.35.2 Service Delivery levels

All of the Division's service levels were fully complied with.

3.35.3 Capital Expenditure

The Risk Management Division spent R30,194 or 100% of the final adjustments budget on risk management infrastructure projects for the year under review.

Table 132: Capital Expenditure 2017/18 - Risk Management Services

Capital Expenditure 2017/18: Risk Management Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Other Capital Projects	-	30,195	30,194	0.00%
2	Total Capital Expenditure	-	30,195	30,194	0.00%

3.35.4 Major Projects Completed

Risk management software (BarnOwl) was procured and implemented.

Risk Champions were identified, appointed and received training on risk management principles and on the BarnOwl software.

3.35.5 Operating Expenditure

Risk management services, as a support service, generated an operating deficit of R1.9 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 133: Operating Revenue and Expenditure: Risk Management Services

Operating Revenue and Expenditure: Risk Management Services						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue		-	-	-	#DIV/0!
2	Total Operating Revenue	-	-	-	-	#DIV/0!
3	Employee Related Costs		1,323,801	1,790,933	1,786,067	0.3%
4	Impairment Losses on Financial Assets		-	-	-	#DIV/0!
5	Interest Paid		-	-	-	#DIV/0!
6	Contracted Services		644,559	611,128	50,480	91.7%
7	Depreciation and Provisions		-	-	-	#DIV/0!
8	Inventory		11,719	11,719	10,602	9.5%
9	Operational Costs		92,184	92,184	60,224	34.7%
10	Total Operating Expenditure	-	2,072,263	2,505,964	1,907,373	23.9%
11	Operating (Surplus) / Deficit	-	2,072,263	2,505,964	1,907,373	-23.9%

3.35.6 Employee Statistics

The Risk Management Division has six posts on the organisational structure approved by Council on 31 May 2018 of which zero posts are frozen and six posts funded at year-end. The section had four filled posts at year-end and based on the number of vacancies (2) had a 33.3% vacancy rate.

Table 134: Employees - Risk Management

Employees: Risk Management								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts	Number of Approved	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	1	1	0	1	1	0	0.0%
3	T12 - T14	1	2	0	2	2	0	0.0%
4	T09 - T11	1	3	0	3	1	2	66.7%
5	T06 - T08	0	0	0	0	0	0	0.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	3	6	0	6	4	2	33.3%

3.36 PROCUREMENT SERVICES

The Supply Chain Management Division resorts under the direct supervision of the Chief Financial Officer.

3.36.1 Service Statistics

For the 2017/18 financial year, a total of 16,502 purchase orders were generated that amounted to R904,068,506. The total value of deviations from the official procurement process decreased with 38.7% from the previous financial year from R100,382,533 to R61,580,135

3.36.2 Service Delivery levels

Service delivery levels are determined in the Standard Operating Procedures for every service rendered by this section. These standards are incorporated as key performance indicators in the Service Delivery and Budget Implementation Plan, thereby ensuring measurement and compliance to the set service standards.

3.36.3 Capital Expenditure

The Supply Chain Management Division spent R2.7 million or 99.38% of the final adjustments budget on supply chain management infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 135: Capital Expenditure 2017/18 - Procurement Services

Capital Expenditure 2017/18: Procurement Services					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Buildings: New Stores	1,500,000	2,620,546	2,618,531	0.08%
2	Other Capital Projects	-	104,978	89,977	14.29%
3	Total Capital Expenditure	1,500,000	2,725,524	2,708,508	0.62%

3.36.4 Major Projects Completed

The project relating to the New Stores Building is still in the planning phase where after construction is anticipated to commence in the 2019/20 financial year.

3.36.5 Operating Expenditure

Procurement services generated an operating deficit of R17.2 million for the 2017/18 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 136: Operating Revenue and Expenditure: Procurement Services

Operating Revenue and Expenditure: Procurement Services						
Serial No.	Description	2016/17 Actual Results	2017/18			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue		-	-	-	0.0%
2	Total Operating Revenue	-	-	-	-	0.0%
3	Employee Related Costs		11,206,528	12,760,412	12,877,896	-0.9%
4	Impairment Losses on Financial Assets		-	-	-	0.0%
5	Interest Paid		205,517	205,517	456,615	-122.2%
6	Contracted Services		281,326	404,826	573,226	-41.6%
7	Depreciation and Provisions		178,629	3,393,629	3,058,659	9.9%
8	Inventory		169,506	215,306	229,620	-6.6%
9	Operational Costs		92,651	157,351	37,572	76.1%
10	Total Operating Expenditure	-	12,134,157	17,137,041	17,233,588	-0.6%
11	Operating (Surplus) / Deficit	-	12,134,157	17,137,041	17,233,588	0.6%

3.36.6 Employee Statistics

The Procurement Services Division has 63 posts on the organisational structure approved by Council on 31 May 2018 of which 16 posts are frozen and 47 posts funded at year-end. The section had 43 filled posts at year-end and based on the number of vacancies (4) had an 8.5% vacancy rate.

Table 137: Employees - Procurement Services

Employees: Procurement Services								
Serial No.	Job Level	2016/17	2017/18					
		Number of Employees	Number of Posts	Number of Frozen Posts	Number of Approved	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	0	0	0	0	0	0.0%
2	T15 - T17	17	1	0	1	1	0	0.0%
3	T12 - T14	13	5	0	5	4	1	20.0%
4	T09 - T11	4	21	7	14	11	3	21.4%
5	T06 - T08	1	27	8	19	19	0	0.0%
6	T03 - T05	1	9	1	8	8	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	37	63	16	47	43	4	8.5%

4. ORGANISATIONAL DEVELOPMENT PERFORMANCE

COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE

4.1 INTRODUCTION

One of HR's responsibilities or functions is to ensure that employees are looked well after and that their morale is boosted on a continuous basis. The following programmes were implemented in the 2017/18 financial year:

- Employee Wellness;
- Women's Day;
- Employee Excellence Awards;
- Christmas decorations;
- Tekkie Day;
- Mandela Day; and
- Employee Assistance Program which is taking place on daily basis.

4.2 TOTAL EMPLOYMENT

The Municipality has embarked on a re-structuring process to ensure that the structure is in line with the strategic objectives of the Municipality. Some of the posts are on the critical list hence we have embarked on advertising and filling vacancies in bulk; based on the identified critical vacancy list. The total number of employees at the end of June is 1,826 and we have filled 253 positions in the financial year 2017/18. This includes new appointments and appointing temporarily personnel into permanent positions.

4.2.1 Employee Totals per GFS Classification

The total number of employees (1,826) at the end of the 2017/18 financial year is depicted per GFS classification or functional area in the table below. The organisational structure approved by Council on 31 May 2018 provides for 3,521 posts taking Drakenstein's future growth into consideration. Taking the number of frozen posts (1,402) into consideration, means that 2,119 post are funded of which 293 posts or 13.8% were vacant at year-end. Care will be taken, that employee related costs do not exceed the target of 30% of the total operating expenditure budget. Currently it stands at 27.7% at the end of the 2017/18 financial year.

Table 138: Total Employees per GFS Classification

Total Employees per GFS Classification								
Serial No.	Description of Departments/Divisions	2016/17	2017/18					
		Number of Employees	Number of Approved Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	Water Services	84	181	90	91	91	0	0.0%
2	Wastewater (Sanitation) Services	108	192	71	121	121	0	0.0%
3	Electricity Services	126	243	92	151	139	12	7.9%
4	Waste Management	166	341	159	182	158	24	13.2%
5	Housing	74	145	69	76	76	0	0.0%
6	Roads and Stormwater	160	262	97	165	165	0	0.0%
7	Planning Services	45	88	17	71	52	19	26.8%
8	Economic Growth	5	14	5	9	7	2	22.2%
9	Library Services	67	132	41	91	72	19	20.9%
10	Cemeteries and Crematoria	24	44	19	25	25	0	0.0%
11	Community Halls, Facilities & Thusong Centres	44	83	32	51	51	0	0.0%
12	Child Care, Aged Care & Social Programmes	5	7	1	6	6	0	0.0%
13	Environmental Management	4	18	14	4	3	1	25.0%
14	Biodiversity and Landscaping	43	60	17	43	43	0	0.0%
15	Traffic, Licensing and Law Enforcement	74	318	187	131	96	35	26.7%
16	Fire and Disaster Management	86	176	92	84	84	0	0.0%
17	Sport and Recreation	226	511	261	250	218	32	12.8%
18	Executive and Council Support	13	23	5	18	18	0	0.0%
19	Financial Services	123	224	78	146	131	15	10.3%
20	Human Resources	24	67	14	53	30	23	43.4%
21	ICT Services	11	15	1	14	12	2	14.3%
22	Property Services	21	63	13	50	24	26	52.0%
23	Legal and Administrative Services	2	36	5	31	26	5	16.1%
24	Risk Management	3	6	0	6	4	2	33.3%
25	Procurement Services	37	63	16	47	43	4	8.5%
26	Other	134	209	6	203	131	72	35.5%
26	Total	1,709	3,521	1,402	2,119	1,826	293	13.8%

4.2.2 Employee Vacancy Rate per Occupational Level

The Municipality has filled a significant number of critical vacancies across all departments in the 2017/18 financial year and is currently in the process of filling identified and approved critical vacancies. The vacancy rate for management and supervisors depicted in the table below was 17.6% of funded positions for this category compared to the vacancy rate of 13.8% for the organisation as a whole as depicted in the table above.

Table 139: Employee Vacancy Rate per Occupational Level

Vacancy Rate per Occupational Level 2017/18								
Serial No. Column Ref.	Designation	2016/17	2017/18					
		Number of Employees	Number of Approved Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
	A	B	C	D	E	F	G	H
1	City Manager	1	1	0	1	1	0	0.0%
2	CFO	1	1	0	1	1	0	0.0%
3	Section 57 Managers	4	4	0	4	4	0	0.0%
4	Senior Management	42	72	13	59	53	6	10.2%
5	Professionally qualified and experienced specialists and middle management	78	226	100	126	91	35	27.8%
6	Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	236	454	146	308	261	47	15.3%
7	Total	362	758	259	499	411	88	17.6%

4.2.3 Employee Turnover rate

Based on the number of employees of 1,826 at year-end and the terminations of 69 for the year under review, the turnover rate is 3.7% which is significantly less than the previous two financial years.

Table 140: Turnover Rate

Turnover Rate			
Details	Number of Employees at year-end	Number of Terminations during the year	Turnover Rate*
2015/16	1,711	98	5.7%
2016/17	1,698	91	5.3%
2017/18	1,826	69	3.7%

4.3 EMPLOYMENT EQUITY

The Employment Equity status of the Municipality is submitted on monthly basis to the Local Labour Forum, where both unions SAMWU and IMATU are present. The employer component is also represented at that forum. An Annual Employment Equity Report is submitted to the Department of Labour on an annual basis.

4.3.1 Employment Equity Targets/Actuals by Race Classification

Based on the 1,826 employees in service (Column D) and the employment equity **funded posts** targets by race (Column C) at year end; the employment equity targets by race as depicted in

the table below are African (63.6%), Coloured (99.0%), Indian (175%), Whites (90.4%) and the **funded posts** target achieved 86.2%.

Table 141: Employment Equity Targets / Actuals by Race Classification

Employment Equity Targets / Actuals by Race Classification						
Race Classification	2017/18					
	Overall Target	Frozen Posts	Funded Posts	Actuals at Year-End	Target Achieved (D/A*100)	Target Achieved (D/C*100)
Column Reference	A	B	C	D	E	F
African	1,156	417	739	470	40.6%	63.6%
Coloured	1,641	412	1,229	1,217	74.1%	99.0%
Indian	4	0	4	7	175.0%	175%
Whites	720	574	146	132	18.3%	90.4%
Totals	3,521	1,403	2,118	1,826	51.8%	86.2%

4.3.2 Employment Equity Targets/Actuals by Gender Classification

Based on the 1,826 employees in service (Column D) and the employment equity **funded posts** targets by gender classification (Column C) at year end; the employment equity targets by gender classification as depicted in the table below are Male (122.5%), Female (53.4%) and the **funded posts** target achieved 86.2%.

Table 142: Employment Equity Targets / Actuals by Gender Classification

Employment Equity Targets / Actuals by Gender Classification						
Gender Classification	2017/18					
	Overall Target	Frozen Posts	Funded Posts	Actuals at Year-End	Target Achieved (D/A*100)	Target Achieved (D/C*100)
Column Reference	A	B	C	D	E	F
Male	1,759	830	1,006	1,232	70.0%	122.5%
Female	1,762	573	1,112	594	33.7%	53.4%
Totals	3,521	1,403	2,118	1,826	51.8%	86.2%

4.3.3 Employment Equity by Race and Gender within Occupational Levels

The overall number of employees by race and gender within the occupational levels at year-end are depicted in the table below.

Table 143: Number employees by Race and Gender within the Occupational Levels

Number of Employees by Race and Gender within the Occupational Levels											
Occupational Level Description	Male					Female					Grand Totals
	A	C	I	W	Total	A	C	I	W	Total	
Top management	0	2	0	3	5	0	0	0	1	1	6
Senior management	2	13	0	18	33	5	11	0	4	20	53
Professionally qualified and experienced specialists and mid-management.	7	40	1	14	62	6	15	1	7	29	91
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents.	25	130	0	34	189	14	47	0	11	72	261
Semi-skilled and discretionary decision making	106	386	2	13	507	64	202	2	19	287	794
Unskilled and defined decision making.	161	269	1	5	436	80	102	0	3	185	621
Total Employees	301	840	4	87	1,232	169	377	3	45	594	1,826

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.4 INTRODUCTION

The Municipality embarked on a re-structuring process in the second semester of the financial year. Bulk advertisement was also the focus of the financial year, where a number of critical vacancies were filled. This involved ensuring that graded job descriptions are in place, hence the Municipality embarked on a benchmarking process to speed up the TASK evaluation process. Twelve (12) employees were also trained to ensure that there is enough skill to run the TASK process. The Municipality is also tackling the issue of retaining and attracting critical and scarce skills. Council therefore adopted a Talent Management and Succession planning policy on 27 June 2018.

4.4.1 Policies

There is a drive to review/write new or additional HR policies. The policies listed in the table below were adopted by Council.

Table 144: HR Policies and Plans

HR Policies and Plans			
Serial No.	Name of Policy	Reviewed/ New	Date adopted by Council or comment on failure to adopt
Column Ref.	A	C	D
1	Reviewed Smoking Policy	Yes	27 July 2017
2	Amendment to the education, training and development policy to provide for the payment of membership fees to professional bodies	Yes	24 August 2017
3	Job Evaluation Policy	Yes	24 August 2017
4	Reviewed Recruitment and Selection Policy	Yes	29 November 2017
5	Substance Abuse Policy	Yes	31 January 2018
6	Travelling and Subsistence Policy	Yes	31 May 2018
7	Mayoral Bursary policy	Yes	27 June 2018
8	Education Training and Development Policy	Yes	27 June 2018
9	Leave Policy	Yes	27 June 2018
10	Acting, Additional and Secondment Allowance Policy	Yes	27 June 2018
11	Overtime Policy	Yes	27 June 2018
12	Private Work Policy	Yes	27 June 2018
13	Talent management and Succession Planning Policy	Yes	27 June 2018

4.4.2 Sick Leave

The next two tables depict the sick leave information per department and occupational levels.

4.4.2.1 Sick Leave per Department/ Division

The following sick leave per Department/Division was taken in the 2017/18 financial year as depicted in the table below. The Department of Community Services (45.46%) and Engineering Services (35.55%) were the main contributors to sick leave as a percentage of total sick leave days taken.

Table 145: Sick Leave per Department/Division

Department/Division	Number of Sick Leave Days Taken	Percentage of Total Sick Leave Days Taken
Office of the City Manager	14	0.08%
Risk Management Division	6	0.04%
Communication and Marketing Division	70	0.41%
Internal Audit Division	88	0.51%
IDP and Performance Management Division	12	0.07%
Department of Planning & Development Services	602	3.52%
Department of Financial Services	1,573	9.19%
Department of Engineering Services	6,082	35.55%
Department of Corporate Services	885	5.17%
Department of Community Services	7,778	45.46%
Total	17,110	100.00%

4.4.2.2 Sick Leave per Occupational Level

From the table below it is clear that the semi-skilled occupational level (45.15%) and unskilled occupational level were the main contributors to sick leave as a percentage of total sick leave days taken.

Table 146: Sick Leave per Occupational Level

Occupational Level	Number of Sick Leave Days Taken	Percentage of Total Sick Leave Days Taken
Top Management	17	0.10%
Senior Management	239	1.40%
Professionally qualified	611	3.57%
Skilled technical	1,937	11.32%
Semi-skilled	7,725	45.15%
Unskilled	6,581	38.46%
Total	17,110	100.00%

4.4.3 Injuries

The number of injury leave days taken during the year under review amounts to 1,140 working days and the 188 employees involved represents 10.3% of the total employees (1,826) in employment as at 30 June 2018.

Table 147: Number of injuries on duty

Type of Injury	Number of Injury Leave Days Taken	Number of Employees Taking Injury Leave	Average Injury Leave Days / Employee	*Percentage of total employees using injury leave
Required basic medical attention only	174	96	1.81	5.3%
Temporary total disablement	966	92	10.50	5.0%
Permanent disablement	0	0	0	0.0%
Total	1,140	188	6.06	10.3%
<i>*Based on the total number of employees (1,826) as at 30 June 2018</i>				

4.4.3.1 Injuries per Department

Table 148: Injuries per Department

Department	No of injuries
Engineering Services	118
Community Services	57
Planning and Development	3
Financial Services	6
Corporate Services	3
Office of the City Manager	1
Total	188

4.4.3.2 Injuries per Occupational Level

Table 149: Injuries per Occupational Level

Occupational Level	No of injuries
Unskilled	86
Semi-skilled	74
Skilled	26
Professional	1
Senior Management	1
Total	188

4.4.3.3 Cost of Injuries

The total cost due to injuries amounts to R545,658.84 for the year under review.

4.4.3.4 Cost of Injuries per Department

The cost of injury leave is depicted per Department in the table below. The two Departments with the most employees, Engineering Services and Community Services, have the highest cost of injuries monetary values.

Table 150: Cost of Injuries per Department

Department	Cost of Injuries (R)
Engineering Services	296,765.16
Community Services	204,124.16
Planning and Development	1,464.18
Financial Services	35,353.82
Corporate Services	6,951.52
Total	544,658.84

4.4.4 Suspensions

During the 2017/18 financial year a total of 11 disciplinary hearings were completed of employees who were placed on precautionary suspension pending disciplinary investigations for their alleged involvement in cases of serious misconduct. Six out of the eleven hearings completed were of employees who were suspended during the 2016/17 financial year and their hearings carried on into 2017/18. The disciplinary hearing of one employee suspended during 2017/18 could not be completed and will be finalised during 2018/19.

4.4.4.1 Suspensions per Department

The six employees placed on precautionary suspension during 2017/18 comprise of three employees from the Engineering Services Department, two from the Planning and Development Department and one employee from the Community Services Department.

4.4.4.2 Suspensions per Occupational Level

The suspended employees represent one employee from senior management, three semi-skilled and two unskilled employees.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 INTRODUCTION

In line with the National Skills Strategy, Drakenstein Municipality continuously pursue investing towards a skilled and capable workforce that shares in, and contributes to, the benefits and opportunities of economic expansion and an inclusive growth path.

This is envisaged through the below programmes implemented during 2017/18:

4.5.1 Skills Matrix

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

Table 151: Skills Matrix

Skills Matrix							
Management Level	Gender	Number of skilled employees required and actual as at 30 June 2018					
		Learnerships		Skills programmes and other short courses		Total	
		Actual 2018	Target	Actual 2018	Target	Actual 2018	Target
CM and S57	Female	-	-	-	-	-	-
	Male	2	2	-	-	2	2
Councillors, Senior Officials and Managers	Female	11	11	68	68	79	79
	Male	30	30	67	67	97	97
Technicians and Associate Professionals	Female	0	0	4	4	4	4
	Male	11	11	77	77	88	88
Professionals	Female	9	9	11	11	20	20
	Male	13	13	3	3	16	16
Sub-Totals	Female	20	20	83	83	103	103
	Male	56	56	147	147	203	203
Total		76	76	230	230	306	306

4.5.2 Skills Development – Training Provided

The table below indicates the skills areas and learning programmes the employees undertook in the year under review.

Table 152: Skills Development - Training Provided

Sector Priority	Skills Areas	Learning Programmes
Infrastructure and service delivery	<ul style="list-style-type: none"> Infrastructure Asset and Maintenance Labour Intensive Construction Electricity Reticulation Water Services Roads 	<ul style="list-style-type: none"> ORHVS; Small Plant Operator Training; High Angle Rescue; Roadwork Construction Learnership NQF2; Roadwork Construction Supervision Learnership NQF3; Basic First Aid Course L2-3; Confined Space Course; Construction Regulations Workshop; Basic Rigging and Slings; Roadwork Flagging; Spiking Gun Course; Medium Voltage Application; High Tension & Medium Voltage Switching, Digger Loader Operator; Truck Mounted Crane; Water and Waste Water Process Controller Learnership NQF2&3; Chain saw Course; Handling & Storage of Chlorine; Horticulture Learnership NQF2; and Environmental Practice NQF2.
Financial Viability	<ul style="list-style-type: none"> Property Valuation; Audit and Procurement; Municipal Finance; and Accounting Technicians. 	<ul style="list-style-type: none"> Internal Audit Technician Learnership; Municipal Finance Management; Local Government Accounting Certificate NQF3; and Local Government Advanced Accounting Certificate NQF4.
Community Based Participation and Planning	<ul style="list-style-type: none"> IDP; LED; Ward Committees; and Urban Planning. 	<ul style="list-style-type: none"> Customer-Care Excellence; and Vehicle Examiner Training.
Management and Leadership	<ul style="list-style-type: none"> Municipal Leadership Development 	<ul style="list-style-type: none"> Basic and Advance Supervisory Training; Diversity and Change Management.
AET and Foundational Learning	<ul style="list-style-type: none"> AET 	<ul style="list-style-type: none"> AET L1-4; and Driver Training.
Workplace Committee Training	<ul style="list-style-type: none"> LLF Training; OEDTDP; and OHS. 	<ul style="list-style-type: none"> Health & Safety Representative Training; and NC & ND OEDTDP.

4.5.3 Skills Development – Budget Allocation

The table below indicates that a total amount of R1,609,033 was allocated to the workplace skills plan interventions. An amount of R1,574,509 was spent equating to 97.85% of budgeted expenditure.

Table 153: Skills Development - Budget Allocation

Financial Year	Allocated Budget	Actual Expenditure	% Expenditure
2017/2018	R1,609,033	R1,574,509	97.85%
2016/2017	R1,757,500	R1,753,064	99.75%

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

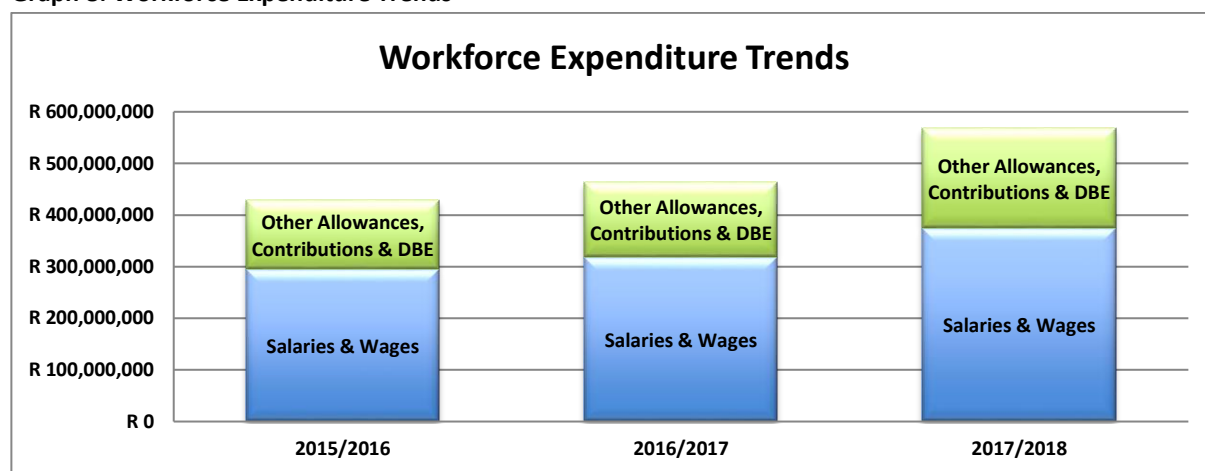
4.6 INTRODUCTION

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. 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. 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 city 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.

4.6.1 Personnel Expenditure

Drakenstein's workforce expenditure of R567.4 million, depicted in the table below, accounted for 27.2% of the total actual operating expenditure of R2.05 billion for the 2017/18 financial year.

Graph 8: Workforce Expenditure Trends



The total workforce expenditure of R567.4 million included R23.4 million of provisions for defined benefit plan (DBP) expenses as required by the SA Standards of GRAP, after taking into account R18.1 million worth of actuarial gains for post-employment healthcare benefits. The 2016/17 workforce expenditure of R462.4 million accounted for 25.4% of the total actual operating expenditure. This included R2.9 million of provisions for defined benefit plan (DBP) expenses. The 2015/16 workforce expenditure of R427.6 million accounted for 25.1% of the

total actual operating expenditure. This included R10.9 million of provisions for defined benefit plan (DBP) expenses. It is clear from the above that the total workforce expenditure as a percentage of the total actual operating expenditure has fluctuated over the last three financial years from 25.1% to 25.4% to 27.2%. This percentage is well within National Treasury's norm of 25% to 40% and will steadily rise over the next few years to Drakenstein's target of about 30%.

4.6.2 Personnel Expenditure per Line Item

The breakdown of personnel expenditure per line item for the 2016/17 and 2017/18 years is depicted in the table below. Salaries and wages have increased with R55.6 million or 17.5% and other allowances and contributions have increased with R28.8 million or 20.5% due to the filling of critical vacant positions during 2017/18. The filling of the critical vacant positions and temporally employed positions (253 during the year under review) had a significant impact on the provision for defined benefit expenditure that increased with R20.5 million or 698.3% based on the required SA GRAP Accounting Standards. The finalisation of job descriptions and related TASK grading's also had an impact on the total employee related costs' increase of R105.0 million or 22.7% for the year under review.

Table 154: Personnel Expenditure per Line Item

Personnel Expenditure per Line Item					
Serial No.	Description	2016/17 Actual Expenditure	2017/18 Actual Expenditure	Variance Amount	Variance %
Column No.	A	B	C	D	E
1	Salaries and wages	318,688,655	374,345,318	55,656,663	17.5%
2	Salaries and wages	318,688,655	374,345,318	55,656,663	17.5%
3	Other allowances and contributions	140,820,350	169,634,468	28,814,118	20.5%
4	Social contributions - UIF, pension, medical aid and etcetera	69,533,909	79,982,268	10,448,359	15.0%
5	Travel, accommodation, subsistence and other allowances	14,229,529	19,426,054	5,196,525	36.5%
6	Housing benefits and allowances	5,665,485	5,801,042	135,557	2.4%
7	Overtime payments	28,095,812	36,635,911	8,540,099	30.4%
8	Acting allowance	1,141,412	1,807,657	666,245	58.4%
9	Shift allowance	1,660,671	1,784,874	124,203	7.5%
10	Standby allowance	8,440,995	9,786,264	1,345,269	15.9%
11	Night shift allowance	1,959,299	2,266,488	307,189	15.7%
12	Cellular phone allowance	1,011,552	1,488,998	477,446	47.2%
13	Workmens compensation	2,199,757	2,632,679	432,922	19.7%
14	Contribution to leave reserve	5,950,236	7,393,775	1,443,539	24.3%
15	Provision for performance bonus	931,693	628,458	-303,235	-32.5%
16	Defined benefit expenditure	2,942,354	23,488,529	20,546,175	698.3%
17	Post employment health care benefits	675,270	15,351,479	14,676,209	2173.4%
18	Ex gratia pension benefits	-610,260	72,236	682,496	111.8%
19	Long service awards	2,877,344	8,064,814	5,187,470	180.3%
20	Total employee related costs	462,451,359	567,468,315	105,016,956	22.7%

4.7 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.

5. FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

5.1 INTRODUCTION

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 budget and the final adjustments budget.

5.2 FINANCIAL SUMMARY

Drakenstein Municipality generated an overall operating surplus of R6,674,489 for the year under review as depicted in the table below. More information on the revenue collection performance by vote and by source is included in **Appendix J** of the annual report.

Table 155: Financial Summary

Financial Summary							
Serial No.	Description	2016/2017	2017/18			Positive / (Negative) % Variance	
		Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Column Ref.	A	B	C	D	E	F	G
1	Financial Performance						
2	Property rates	239,118,875	248,065,913	246,446,736	245,517,386	-1.03%	-0.38%
3	Service charges	1,436,459,940	1,477,404,074	1,376,007,709	1,314,085,747	-11.05%	-4.50%
4	Investment revenue	22,070,191	21,340,000	21,340,000	21,664,829	1.52%	1.52%
5	Transfers recognised – operational	158,678,744	219,262,034	210,757,034	152,319,538	-30.53%	-27.73%
6	Other own revenue	161,080,622	141,034,826	177,154,518	204,664,384	45.12%	15.53%
7	Total Revenue (excluding capital transfers and contributions)	2,017,408,372	2,107,106,847	2,031,705,997	1,938,251,884	-8.01%	-4.60%
8	Employee costs	452,967,579	543,308,597	567,514,037	567,468,315	4.45%	-0.01%
9	Remuneration of Councillors	26,328,161	29,091,494	29,461,662	28,062,166	-3.54%	-4.75%
10	Depreciation	177,608,684	190,506,431	188,506,431	186,526,978	-2.09%	-1.05%
11	Finance charges	93,989,644	119,635,859	125,733,235	124,741,177	4.27%	-0.79%
12	Materials and bulk purchases	635,415,938	674,838,413	650,360,436	634,739,390	-5.94%	-2.40%
13	Transfers and grants	472,070	6,890,531	11,443,262	10,531,922	52.85%	-7.96%
14	Other expenditure	616,401,331	618,422,049	598,823,608	535,102,097	-13.47%	-10.64%
15	Total expenditure	2,003,183,408	2,182,693,374	2,171,842,671	2,087,172,045	-4.38%	-3.90%
16	Surplus (Deficit)	14,224,964	-75,586,527	-140,136,674	-148,920,162	97.02%	6.27%
17	Transfers recognised – capital	65,440,162	94,756,000	134,374,751	155,684,651	64.30%	15.86%
18	Contributions recognised – capital and contributed assets	0	0	0	0	0.00%	0.00%
19	Surplus (Deficit) after capital transfers and contributions	79,665,126	19,169,473	-5,761,923	6,764,489	-64.71%	-217.40%
20	Share of surplus/(deficit) of associate	0	0	0	0	0.00%	0.00%
21	Surplus (Deficit) for the year	79,665,126	19,169,473	-5,761,923	6,764,489	-64.71%	-217.40%
22	Capital expenditure and fund sources						
23	Transfers recognised – capital	65,440,162	84,347,367	121,979,339	121,969,703	44.60%	-0.01%
24	Public contributions and donations	0	0	0	0	0.00%	0.00%
25	Borrowing	453,019,188	508,794,176	477,033,716	475,935,304	-6.46%	-0.23%
26	Internally generated funds	25,900,359	40,000,000	55,665,942	55,073,136	37.68%	-1.06%
27	Total sources of capital funds	544,359,708	633,141,543	654,678,997	652,978,143	3.13%	-0.26%

Financial Summary							
Serial No.	Description	2016/2017	2017/18			Positive / (Negative) % Variance	
Column Ref.		Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	A	B	C	D	E	F	G
28	Financial position						
29	Total current assets	629,321,480	708,140,289	678,787,804	643,243,173	-9.16%	-5.24%
30	Total non-current assets	4,983,484,426	5,569,529,527	5,993,434,320	5,874,329,752	5.47%	-1.99%
31	Total current liabilities	539,341,698	511,244,638	497,695,809	679,423,412	32.90%	36.51%
32	Total non-current liabilities	1,313,051,086	1,717,329,556	1,799,593,902	1,655,409,655	-3.61%	-8.01%
33	Community wealth/ Equity	3,760,413,122	4,049,095,624	4,374,932,413	4,182,739,859	3.30%	-4.39%
34	Cash flows						
35	Net cash from (used) operating	207,244,351	241,685,298	264,319,908	279,176,109	15.51%	5.62%
36	Net cash from (used) investing	-535,102,084	-574,436,209	-709,691,891	-656,248,951	14.24%	-7.53%
37	Net cash from (used) financing	292,433,194	377,737,023	377,737,023	316,892,236	-16.11%	-16.11%
38	Cash/cash equivalents at the year end	-35,424,540	44,986,112	-67,634,960	-60,180,606	-233.78%	-11.02%
39	Cash backing/surplus reconciliation						
40	Cash and investments available	289,280,521	185,974,801	293,901,516	229,099,916	23.19%	-22.05%
41	Application of cash and investments	-	-	-	-	0.00%	0.00%
42	Balance – surplus (shortfall)	289,280,521	185,974,801	293,901,516	229,099,916	23.19%	-22.05%
43	Asset Management						
44	Asset register summary (WDV)	5,048,816,268	5,473,413,223	5,909,060,000	5,872,944,960	7.30%	-0.61%
45	Depreciation and asset impairment	176,974,632	190,506,431	190,506,431	224,704,385	17.95%	17.95%
46	Renewal of existing assets	181,089,000	72,569,738	118,521,300	108,768,253	49.88%	-8.23%
47	Repairs and maintenance	218,285,000	181,607,473	276,101,176	284,849,634	56.85%	3.17%

5.3 FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES

In the table below the operating expenditure performance by GFS Classification is depicted. Drakenstein Municipality has spent R2.087 billion on operating activities and it represents 95.62% of the original approved budget and 96.1% of the final adjustments budget.

Table 156: Financial Performance of Operating Expenditure by GFS Classification

Financial Performance of Operational Expenditure by GFS Classification							
Serial No.	Description	2016/2017	2017/2018			Positive / (Negative) % Variance	
Column Ref.		Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
1	Operating Cost						
2	Water	129,489,450	144,105,764	129,526,212	128,900,031	-10.55%	-0.48%
3	Wastewater (Sanitation)	141,129,280	150,938,131	143,326,131	141,087,997	-6.53%	-1.56%
4	Electricity	878,280,567	881,873,031	862,163,846	857,040,739	-2.82%	-0.59%
5	Waste Management	112,809,955	145,478,011	139,486,271	128,617,501	-11.59%	-7.79%
6	Component A: Sub-total	1,261,709,253	1,322,394,937	1,274,502,460	1,255,646,268	-5.05%	-1.48%
7	Roads	134,514,601	220,717,615	254,711,619	254,909,326	15.49%	0.08%
8	Planning	38,226,889	25,096,577	29,361,955	28,042,567	11.74%	-4.49%
9	Environmental Protection	7,864,510	943,564	998,823	977,321	3.58%	-2.15%
10	Component B: Sub-total	180,606,001	246,757,756	285,072,397	283,929,213	15.06%	-0.40%
11	Community and Social Services	34,138,337	36,437,039	36,917,753	33,477,126	-8.12%	-9.32%
12	Sport and Recreation	68,707,979	79,135,796	84,900,602	80,863,917	2.18%	-4.75%
13	Security and Safety	111,078,254	36,361,651	37,529,680	36,220,094	-0.39%	-3.49%
14	Housing	113,149,229	148,006,800	125,952,819	84,354,548	-43.01%	-33.03%
15	Health	-	-	-	-	0.00%	0.00%
16	Component C: Sub-total	327,073,800	299,941,286	285,300,854	234,915,685	-21.68%	-17.66%
17	Corporate Policy Offices & Other	233,794,355	313,599,395	326,966,960	312,680,880	-0.29%	-4.37%
18	Component D: Sub-total	233,794,355	313,599,395	326,966,960	312,680,880	-0.29%	-4.37%
19	Total Expenditure	2,003,183,408	2,182,693,374	2,171,842,671	2,087,172,046	-4.38%	-3.90%

5.4 GRANT PERFORMANCE

5.4.1 Grants received and its performance

Drakenstein utilised R308.0 million or 1.89% less than the R314.0 million allocated in the original budget. During the year under review several additional grants were allocated by National and Provincial Government leading to a final adjustments budget of R387.5 million of which 79.49% was spent. Drakenstein committed grant expenditure with regard to the Disaster Relief and Drought Relief grant funding totalling R41.6 million of which R32.2 million was rolled-over to the 2018/19 financial year. These roll-overs have to do with the water borehole project to secure water during drought seasons. The project will be completed in the first half of the 2018/19 financial year.

Table 157: Operating Transfers and Grants

Operating Transfers and Grants							
Serial No.	Description	2016/17	2017/18			Positive / (Negative) % Variance	
		Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Column Ref.	A	B	C	D	E	F	G
1	National Government:	165,539,659	164,536,000	178,547,032	178,547,028	8.52%	0.00%
2	Equitable share	106,240,000	120,821,000	120,821,000	120,821,000	0.00%	0.00%
3	Municipal Infrastructure Grant (MIG)	33,541,999	35,709,000	48,709,000	48,709,000	36.41%	0.00%
4	Finance Management Grant (FMG)	1,475,002	1,550,000	1,550,000	1,550,000	0.00%	0.00%
5	Electrification Grant (INEP) (Roll Over)	-	-	1,011,032	1,011,032	#DIV/0!	0.00%
6	Electrification Grant (INEP)	4,052,952	4,000,000	4,000,000	3,999,996	0.00%	0.00%
7	Regional Bulk Services Infrastructure Grant (RBIG)	17,871,837	-	-	-	#DIV/0!	#DIV/0!
8	Expanded Public Works Grant (EPWP)	2,357,869	2,456,000	2,456,000	2,456,000	0.00%	0.00%
9	Provincial Department:	66,673,982	147,803,000	207,349,000	127,522,051	-13.72%	-38.50%
10	Library Personnel	22,606,025	19,041,000	19,041,000	19,081,343	0.21%	0.21%
11	Housing	16,741,548	75,764,000	65,764,000	5,405,362	-92.87%	-91.78%
12	Community Development Workers	162,581	111,000	111,000	68,719	-38.09%	-38.09%
13	Provincial Management Grant	-	-	255,000	255,000	#DIV/0!	0.00%
14	Proclaimed Roads	19,903,001	42,647,000	42,647,000	42,647,000	0.00%	0.00%
15	Mandela Route	-	-	100,000	85,000	#DIV/0!	-15.00%
16	Impound Facilities	5,081,877	-	-	-	#DIV/0!	#DIV/0!
17	Vlakkeland Infrastructure (In-kind)	-	-	27,500,000	23,626,323	#DIV/0!	-14.09%
18	Vlakkeland Housing	-	10,000,000	10,000,000	26,927,599	169.28%	169.28%
19	Sport Grant	1,558,958	-	-	-	#DIV/0!	#DIV/0!
20	Capacity Building Grant	-	-	66,000	-	#DIV/0!	-100.00%
21	Disaster Relief Grant	-	-	26,845,000	5,229,040	#DIV/0!	-80.52%
22	Drought Relief Grant	-	-	14,780,000	4,136,416	#DIV/0!	-72.01%
23	Waste Water Grant	500,000	-	-	-	#DIV/0!	#DIV/0!
24	LG Graduate Intern Grant	119,993	-	-	-	#DIV/0!	#DIV/0!
25	Capacity Building Grant	-	240,000	240,000	60,249	-74.90%	-74.90%
26	District Municipality:	-	-	-	-	#DIV/0!	#DIV/0!
27	None	-	-	-	-	#DIV/0!	#DIV/0!
28	Other grant providers:	1,753,064	1,679,033	1,679,033	2,014,109	19.96%	19.96%
29	Traning Grant	1,753,064	1,679,033	1,679,033	2,014,109	19.96%	19.96%
30	Total Operating Transfers and Grants	233,966,706	314,018,033	387,575,065	308,083,188	-1.89%	-20.51%

5.4.2 Grants received from sources other than DoRA

Grants received during the year under review from sources other than the Division of Revenue Act (DoRA) amounted to R153.1 million compared with the R61.5 million of the 2016/17 financial year.

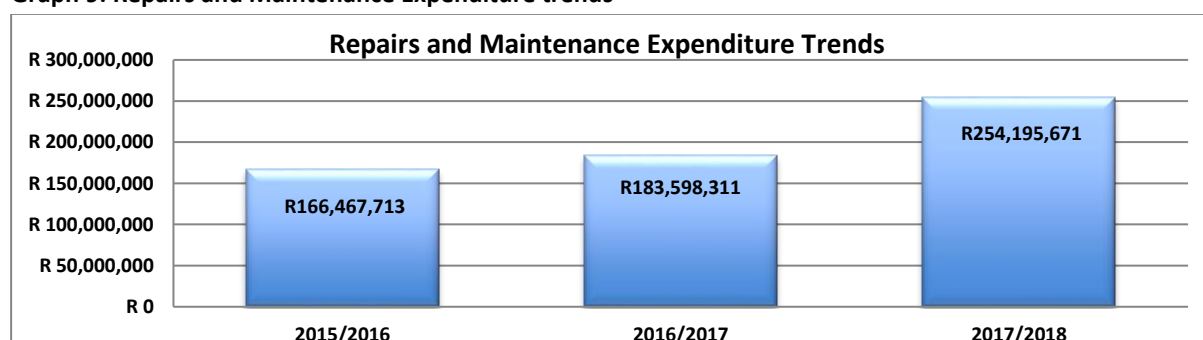
Table 158: Grants received from sources other than the Division of Revenue Act (DoRA)

Grants received from sources other than Division of Revenue Act (DORA)					
Serial No. Column Ref.	Description A	Actual Grant 2016/17 B	2017/18		
			Actual Grants Received C	Municipal Contribution D	Date Grant terminates E
1	Library Personnel	15,083,000	19,041,000	-	30/06/2018
2	Housing	24,200,000	5,126,009	-	30/06/2018
3	Community Development Workers	113,000	111,000	-	30/06/2018
4	Traning Grant	1,582,500	783,150	-	30/06/2018
5	Proclaimed Roads	19,903,000	42,646,800	-	30/06/2018
6	Vlakkeland Basic Services (In-Kind)	-	23,626,323	-	30/06/2018
7	Vlakkeland	-	19,800,000	-	30/06/2019
8	Mandela Route	-	100,000	-	30/06/2018
9	Disaster Relief	-	26,845,000	-	30/06/2019
10	FMG Western Cape	-	255,000	-	30/06/2018
11	Drought Relief	-	14,780,000	-	30/06/2019
12	Waste Water Grant	500,000	-	-	30/06/2018
13	LG Graduate Intern Grant	120,000	-	-	30/06/2018
14	Capacity Building Grant	60,000	-	-	30/06/2018
15	Foreign Governments/Development Aid Agencies	-	-	-	N/A
16	Total Grants Received	61,561,500	153,114,282	-	

5.5 REPAIRS AND MAINTENANCE EXPENDITURE

From the chart below, it can be seen that the investment in repairs and maintenance has substantially increased from R166.4 million in 2015/16 to R183.5 million in 2016/17 and to R254.1 million for the 2017/18 financial year. The repairs and maintenance costs of R254.1 million represents 12.14% of the total operating expenditure of R2.093 billion for the year under review.

Graph 9: Repairs and Maintenance Expenditure trends



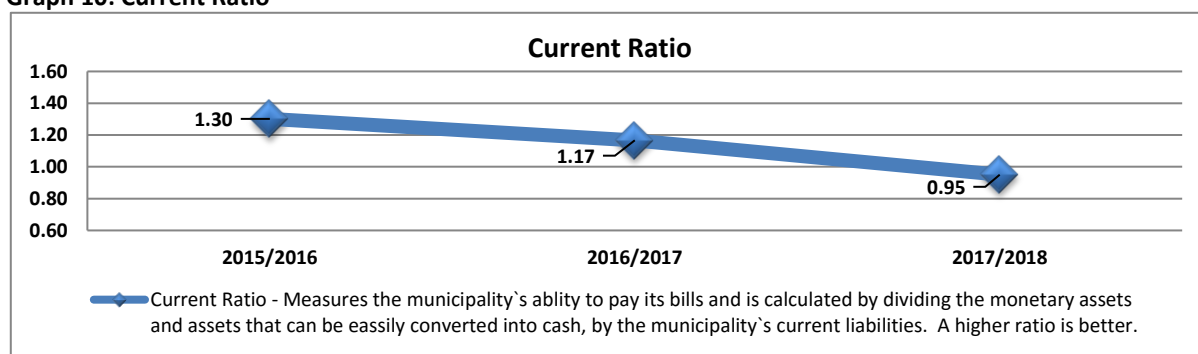
5.6 FINANCIAL RATIOS

The following section reflects the key financial ratios.

5.6.1 Current Ratio

The Current Ratio represents the ability of the Municipality's current assets to service its current liabilities. This ratio shows a downwards trend over the three years under review and the Municipality had a ratio of 0.95:1 in the 2017/2018 financial year. It has to be noted that Drakenstein has to invest in income generating bulk infrastructure and that this can only be done through taking up long term borrowings due to insufficient grants received from the national fiscus. This ratio increases significantly to 1.26:1 if the current portion of long-term borrowings to be financed from the new financial year's revenue is taken out of consideration.

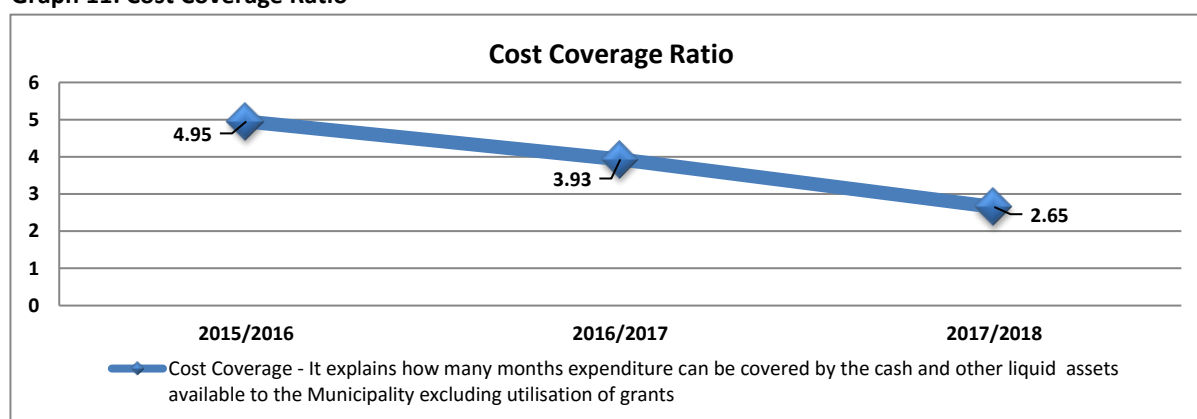
Graph 10: Current Ratio



5.6.2 Cost Coverage Ratio

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 shows a downward trend from the 2015/2016 financial year to the 2016/2017 financial year and to the current 2.65 times coverage for the 2017/2018 year. This ratio is still within the norm of between 1 month and 3 months.

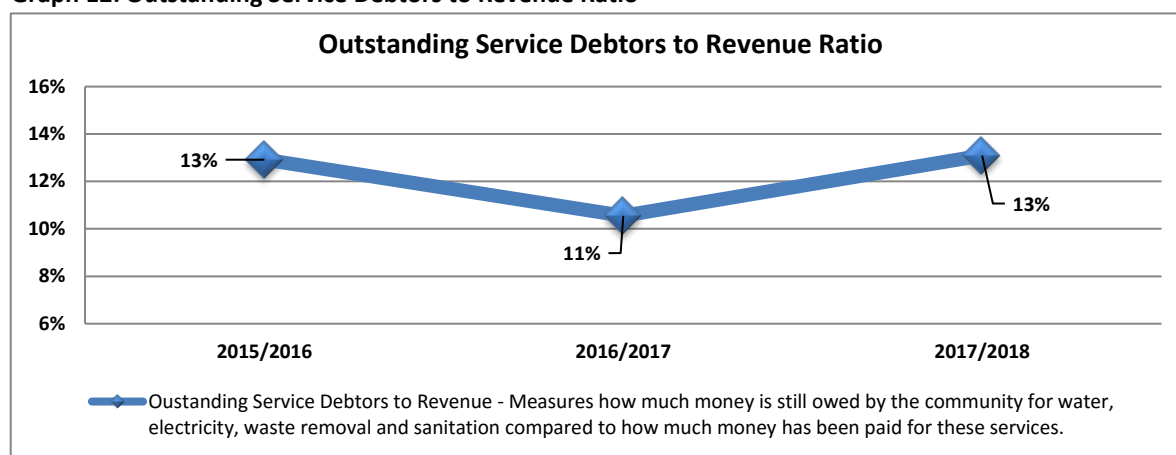
Graph 11: Cost Coverage Ratio



5.6.3 Outstanding Service Debtors to Revenue Ratio

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 increased from 2016/2017 to 2017/2018, which, although not ideal is still manageable. The punitive water tariffs imposed during the 2017/18 financial year is a major contributing factor.

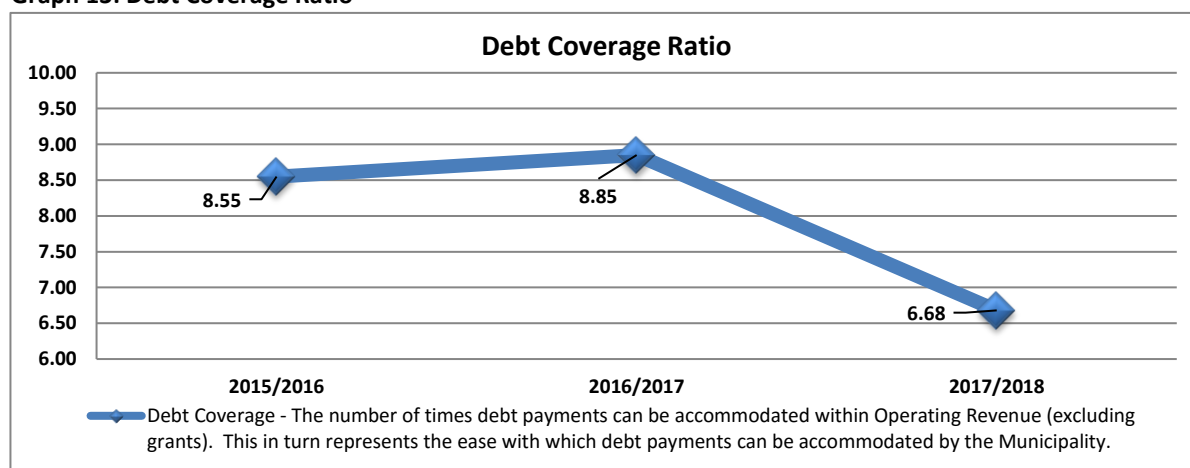
Graph 12: Outstanding Service Debtors to Revenue Ratio



5.6.4 Debt Coverage Ratio

This ratio shows a decrease from the 2016/17 year to just over 6.68 times at the end of the 2017/18 financial year. The low debt coverage ratio is due to the significant external borrowings taken up to finance bulk infrastructure investments. Based on the total interest and redemption repayable that may not be more than 15% of total operating expenditure, the debt coverage ratio may not go below 6.68 and the Municipality has scaled down on external borrowings for the 2018/19 financial year to keep the ratio above 6.68 and to reduce the gearing ratio that is also affected by external borrowings.

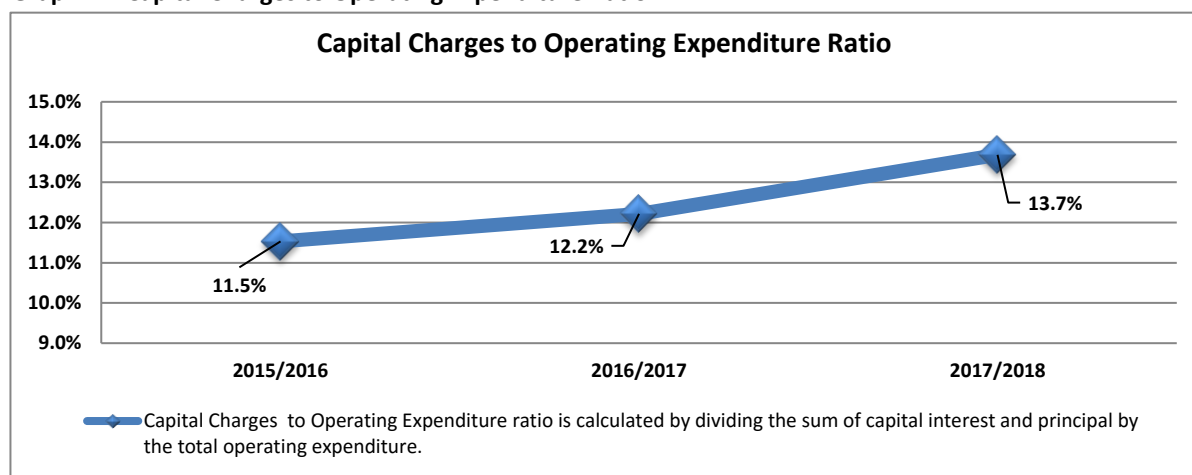
Graph 13: Debt Coverage Ratio



5.6.5 Capital Charges to Operating Expenditure Ratio

This ratio indicates the percentage that capital charges (interest and redemption on external borrowings) make out of the total operating expenditure. This is an indication of how geared the organisation is. The ratio has increased from 12.2% in 2016/17 to 13.7% in 2017/18 and it must be kept below 15%.

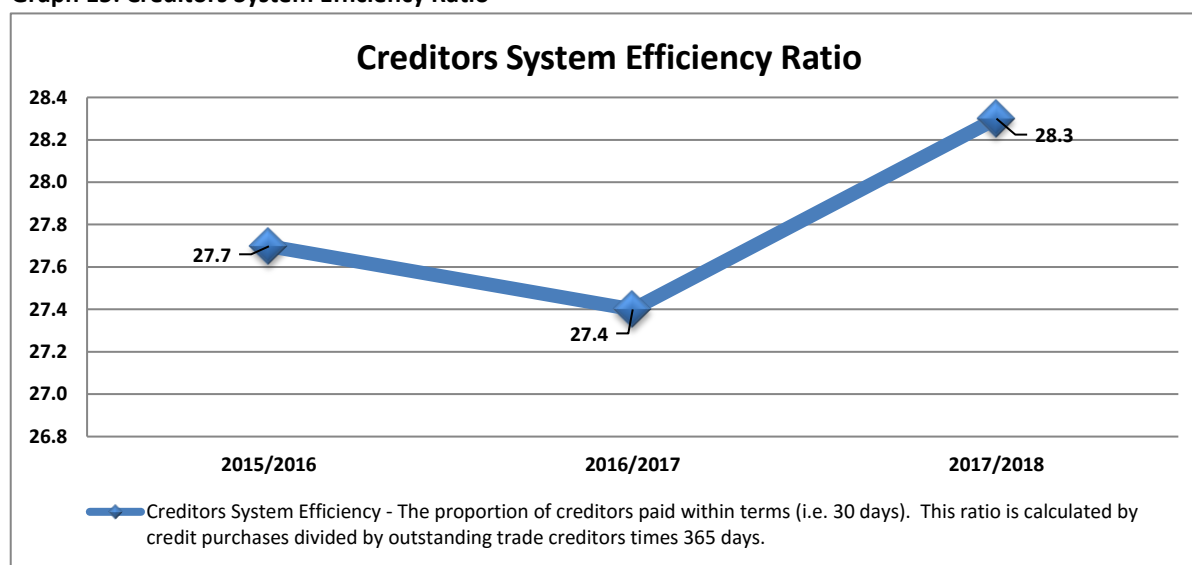
Graph 14: Capital Charges to Operating Expenditure Ratio



5.6.6 Creditors System Efficiency Ratio

The creditors' payment period has remained stable below the norm of 30 days from 27.7 days in 2015/16, 27.4 days in 2016/17 up till the 28.3 days in the 2017/18 financial year. The legislated payment period in terms of Section 65 of the MFMA is 30 days and the organisation is thus operating within the norm.

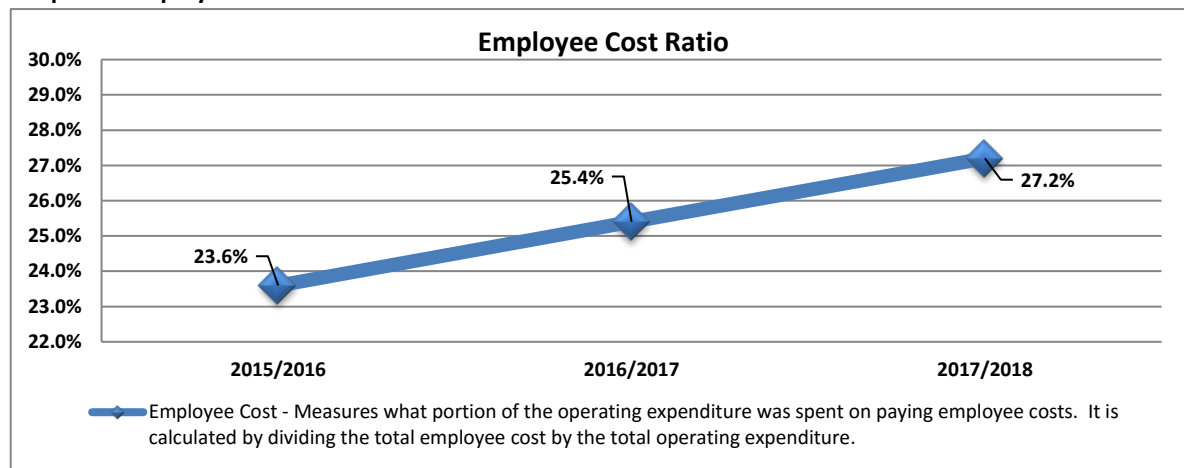
Graph 15: Creditors System Efficiency Ratio



5.6.7 Employee Cost Ratio

This ratio represents the percentage employee cost compared to the total expenditure of Council. This ratio has increased significantly during the year under review due to appointments made in critical vacant positions. The ratio for 2017/18 of 27.2% is well within the norm of 25% to 40% of the industry.

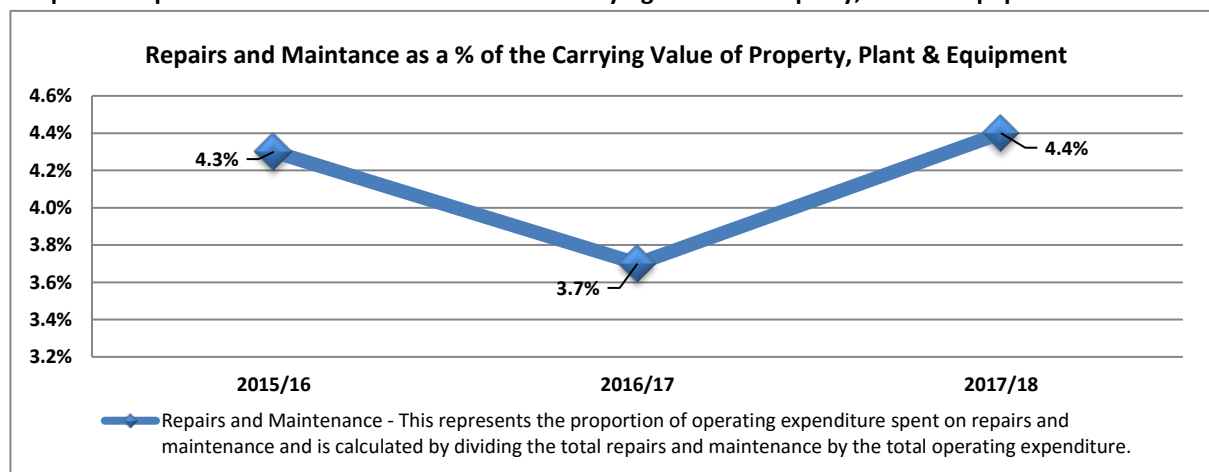
Graph 16: Employee Cost Ratio



5.6.8 Repairs and Maintenance as a Percentage (%) of the Carrying Value of Property, Plant and Equipment

Repairs and maintenance as a percentage (%) of the carrying value of property, plant and equipment increased from the 2016/17 financial year with 0.7% to 4.4% for the 2017/18 financial year, which indicates that more money is being spent on the maintenance of capital assets. This is still well below the unreachable norm of 8% set by National Treasury for a municipality investing heavily in new and replacement infrastructure.

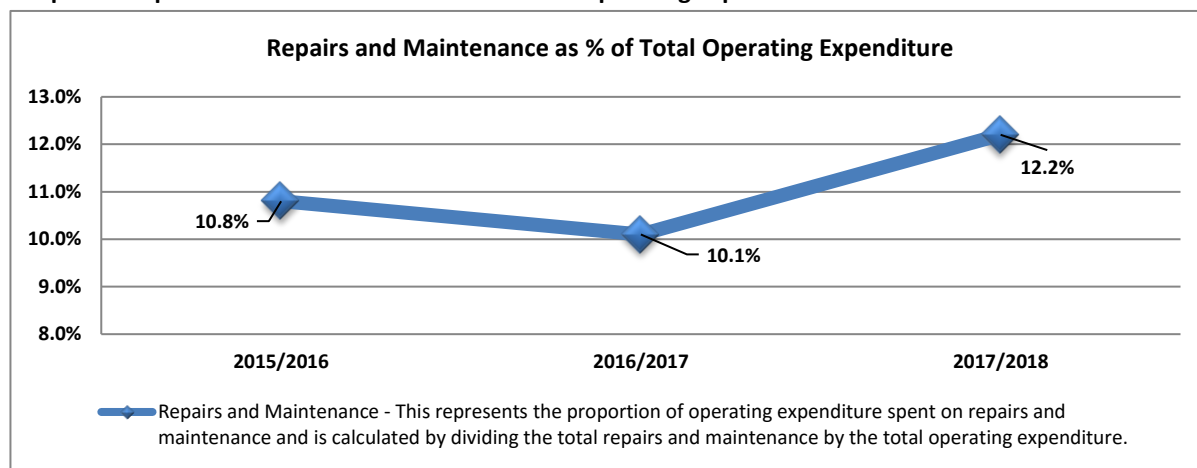
Graph 17: Repairs and Maintenance as a % of the Carrying Value of Property, Plant & Equipment



5.6.9 Repairs and Maintenance Ratio as a % of Total Operating Expenditure

The percentage amount of repairs and maintenance shows a significant increased trend from 10.1% in the 2016/17 financial year to 12.2% in the 2017/18 financial year, which clearly indicates that more money is being spent on the maintenance of capital assets. This is above and better than the norm of 10% of the National Treasury. This clearly indicate that the norm of 8% in paragraph 5.6.8 above is not realistic.

Graph 18: Repairs and Maintenance as a % of Total Operating Expenditure



COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.7 INTRODUCTION

As depicted in Graph 1 in the report, R652.9 million or 99.74% of the final capital adjustments budget amount of R654.6 million was spent during the year under review. More information on the type of infrastructure spent will now be discussed below.

5.8 CAPITAL EXPENDITURE

The following three tables depict the information on capital spent on basic services, social services and operational services.

5.8.1 Capital Expenditure on Basic Services Infrastructure

An amount of R560.3 million was invested in basic services infrastructure (electricity, water, waste water, refuse, roads and stormwater) which represents 99.95% of the R560.5 million allocated for basic services infrastructure in the final adjustments budget.

Table 159: Capital Expenditure on Basic Services Infrastructure

Capital Expenditure on Basic Services Infrastructure							
Serial No.	Description	Actual 2016/17	2017/18				
			Original Budget	Final Adjustments Budget	Actual Expenditure	% Variance Between Column C & E	% Variance Between Column D & E
Column Ref.	A	B	C	D	E	F	G
1	Basic Services Infrastructure	466,630,829	551,006,464	560,572,709	560,299,796	-1.69%	0.05%

5.8.2 Capital Expenditure on Social Infrastructure

An amount of R41.2 million was invested in social infrastructure which represents 98.19% of the R42.0 million allocated for social infrastructure in the final adjustments budget.

Table 160: Capital Expenditure on Social Infrastructure

Capital Expenditure on Social Infrastructure							
Serial No.	Description	Actual 2016/17	2017/18				
			Original Budget	Final Adjustments Budget	Actual Expenditure	% Variance Between Column C & E	% Variance Between Column D & E
Column Ref.	A	B	C	D	E	F	G
1	Social Infrastructure	37,349,697	43,604,170	42,011,546	41,253,201	5.39%	1.81%

5.8.3 Capital Expenditure on Operational Infrastructure

An amount of R51.2 million was invested in operational infrastructure which represents 98.27% of the R52.0 million allocated for operational infrastructure in the final adjustments budget.

Table 161: Capital Expenditure on Operational Infrastructure

Capital Expenditure on Operational Infrastructure							
Serial No.	Description	Actual 2016/17	2017/18				
			Original Budget	Final Adjustments Budget	Actual Expenditure	% Variance Between Column C & E	% Variance Between Column D & E
Column Ref.	A	B	C	D	E	F	G
1	Operational Infrastructure	40,379,183	38,530,909	52,094,742	51,245,147	-33.00%	1.63%

5.9 CAPITAL EXPENDITURE SOURCES OF FINANCE

The funding sources of capital expenditure are depicted in the table below.

Table 162: Capital Expenditure - Funding Sources 2017/2018

Capital Expenditure – Funding Sources 2017/2018							
Serial No.	Description	2016/17	2017/18			Positive / (Negative) % Variance	
		Actuals	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Column Ref.	A	B	C	D	E	F	G
1	External loans	453,019,187	508,794,176	477,317,170	475,935,304	-6.19%	-0.29%
2	Public contributions and donations	-	-	-	-	0.00%	0.00%
3	Grants and subsidies	65,440,162	84,347,367	121,979,339	121,969,703	44.62%	-0.01%
4	Other	25,900,359	40,000,000	55,665,942	55,073,136	39.16%	-1.06%
5	Total	544,359,708	633,141,543	654,962,451	652,978,143	3.45%	-0.30%
6	Percentage of Finance						
7	External loans	83.2%	80.4%	72.9%	72.9%	-9.3%	0.0%
8	Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Grants and subsidies	12.0%	13.3%	18.6%	18.7%	39.8%	0.3%
10	Other	4.8%	6.3%	8.5%	8.4%	34.5%	-0.8%
11	Capital Expenditure						
12	Water and Sanitation	315,616,751	373,538,719	313,918,203	313,883,560	-15.96%	-0.01%
13	Electricity	89,870,819	97,660,450	145,772,200	145,641,968	49.26%	-0.09%
14	Housing	1,952,633	22,100,000	30,708,952	30,708,351	38.95%	0.00%
15	Roads and stormwater	67,895,159	69,994,649	65,046,473	65,021,923	-7.07%	-0.04%
16	Other	69,024,346	69,847,725	99,516,623	97,722,341	42.48%	-1.80%
17	Total	544,359,708	633,141,543	654,962,451	652,978,143	3.45%	-0.30%
18	Percentage of Expenditure						
19	Water and Sanitation	48.5%	59.0%	47.9%	48.1%	-18.8%	0.3%
20	Electricity	10.7%	15.4%	22.3%	22.3%	44.3%	0.2%
21	Housing	1.0%	3.5%	4.7%	4.7%	34.3%	0.3%
22	Roads and stormwater	19.2%	11.1%	9.9%	10.0%	-10.2%	0.3%
23	Other	20.7%	11.0%	15.2%	15.0%	37.7%	-1.5%

5.9.1 Grants

Grants, as depicted in the table above, amounted to R121.9 million or 18.7% of the total capital expenditure of R652.9 million for the year under review. This is significantly more than the R65.4 million or 12.0% of the total capital expenditure of R544.3 million for the 2016/17 financial year.

5.9.2 Own Revenue from CRR

Own revenue, as depicted in the table above, amounted to R55.1 million or 8.4% of the total capital expenditure of R652.9 million for the year under review. This is significantly more than the R25.9 million or 4.8% of the total capital expenditure of R544.3 million for the 2016/17 financial year.

5.9.3 External Borrowings

Notable is that Drakenstein had to finance the investment into moveable and immovable infrastructure mainly through external borrowings of R475.9 million or 72.9% of the total capital expenditure of R652.9 million for the year under review. The external borrowings taken up in the 2016/17 financial year amounted to R453.0 million or 83.2% of the total capital expenditure of R544.3 million for the 2016/17 financial year. These investments significantly affect Drakenstein's gearing ratio that will be discussed in paragraph 5.9.3.1 below.

5.9.3.1 Gearing Ratio

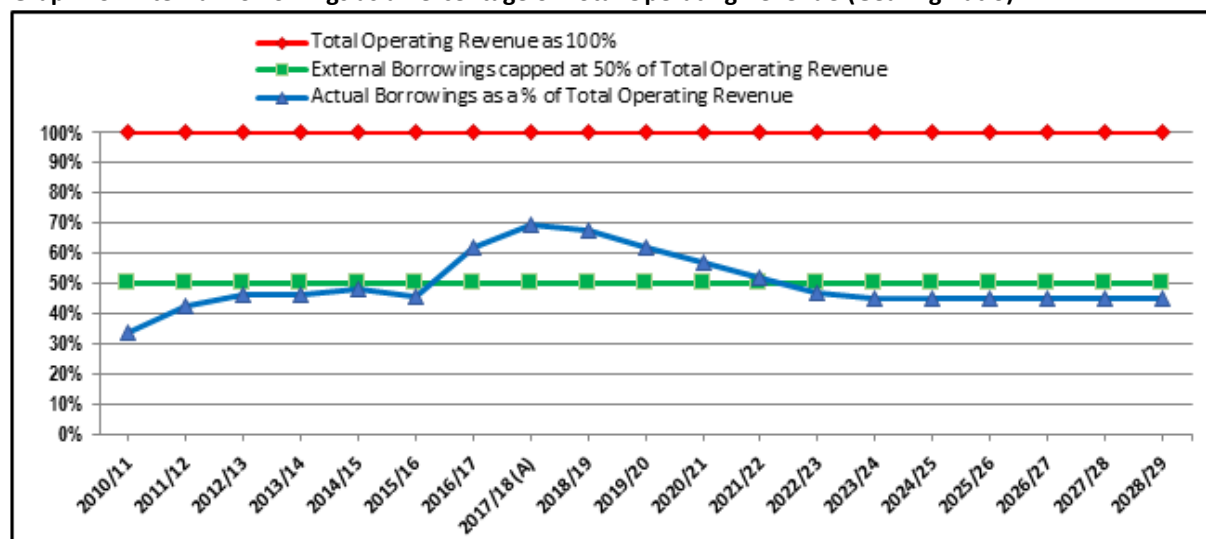
Drakenstein Municipality is experiencing unprecedented pressure from developers who want to develop in Drakenstein and these developments put pressure on our bulk infrastructure services, which needs to be upgraded to ensure service delivery. Additional to these developments are the Vlakkeland Catalytic Housing Project (2,556 housing opportunities) and the Mountain Ridge Erf 16161 GAP / Affordable Housing Project with about another 1,500 housing opportunities. Drakenstein therefore had to invest in bulk infrastructure and the intensive investment programme started towards the end of the 2015/16 financial year.

From the table above it is clear that significant amounts of money was invested in bulk infrastructure. During the 2016/17 and 2017/18 financial years; investment in water and sanitation infrastructure amounted to R315.6 million and R313.8 million respectively; investment in electricity infrastructure amounted to R89.8 million and R145.6 million respectively; and investment in roads and stormwater infrastructure amounted to R67.8 million and R65.0 million respectively.

The external loans taken up for the last two financial years amounted to R928.9 million leaving Drakenstein Municipality with external borrowing debt R1.504 billion at the end of the 2017/18 financial year. The gearing ratio stood at 71.85% at year-end as depicted in the graph

below. In terms of future infrastructure investments, a less aggressive approach will be followed as from the 2018/19 financial year to ensure that the gearing ratio will decrease to about 67.9% in the 2018/19 financial year and further decrease to about 49.9% by the 2022/23 financial year.

Graph 19: External Borrowings as a Percentage of Total Operating Revenue (Gearing Ratio)



Source: Drakenstein Municipality 2017/2022 Integrated Development Plan (IDP) (2018/2019 Review)

5.9.3.2 Expansion of Tax Base

The investment in bulk infrastructure that led to the high gearing ratio, was to be ready when the new developments start using our municipal services. Drakenstein has to be ready to provide electricity and water and to receive raw sewerage through our bulk sewerage supply lines to our Wellington and Paarl Waste Water Treatment Works. Developments along the R301 from the N1 to Drakenstein Prison, between the R301 and Denneboom Road near the tollgate, Vlakkeland Catalytic Housing Project and the Mountain Ridge Erf 16161 GAP/ Affordable Housing Project will over the next ten years expand our tax base with about 14,000 low, medium and high income housing opportunities. This will significantly increase our tax base and future revenue streams.

5.10 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Table 163: Capital Spending of Five Largest Capital Projects

Capital Expenditure of Five Largest Capital Projects						
Row No.	Name of project	Current year			% Variance	
		Original Budget	Adjustments Budget	Actual Expenditure	Original Budget	Adjustments Budget
Column Ref.	A	B	C	D	E	F
1	Wellington WWTW: Rehabilitation & Extent	151,032,692	142,289,267	142,289,087	5.79%	0.00%

5.11 BASIC SERVICES AND INFRASTRUCTURE BACKLOGS

The Engineering Services Department render the core of basic services to the community. The Department is responsible for the supply of water, waste water, electricity and waste management services to the community.

5.11.1 Service Backlogs

The basic services backlogs are depicted in the table below. Drakenstein Municipality supply basic water, waste water and waste management services to all its residents within the urban areas. Electricity is supplied to all Drakenstein's residents by the Municipality and Eskom together. Some estates are supplied with a bulk electricity connection and the home owners associations do their own internal electricity reticulation.

About 3,220 structures in the informal settlements do not have access to electricity. The Municipality embarked on a programme from 2018/2019 to electrify these structures within the next three years.

Table 164: Basic Services Backlogs

Service Backlogs as at 30 June 2018
Households (HHs)

Row Number	Basic Service	Service Level Above Minimum Standard		Service Level Below Minimum Standard	
		No. of HHs	% of HHs	No. of HHs	% of HHs
Column Reference	A	B	C	D	E
1	Water	70,279	98.9%	*778	1.1%
2	Waste Water	70,279	97.3%	*1,918	2.7%
3	Electricity	43,820	93.1%	**3,220	6.9%
4	Waste Management	***40,634	100.0%	0	0.0%
<i>*Include farms which do not form part of the municipal water reticulation system.</i> <i>**Structures in informal settlements with no access to electricity.</i> <i>***Number of service points.</i>					

5.11.2 MIG Expenditure on Service Backlogs

The MIG allocations of R42.7 million were spent as depicted in the table below.

Table 165: Municipal Infrastructure Grant (MIG) Expenditure on 2017/18 Service Backlogs

Municipal Infrastructure Grant (MIG) * Expenditure 2017/2018 on Service Backlogs							
Serial No.	Details	Original Budget	Adjustments Budget	Actuals	Positive / (Negative) % Variance		Major conditions applied by donor (continue below if necessary)
					Original Budget	Adjustments Budget	
Column Ref.	A	B	C	D	E	F	G
1	Infrastructure – Road transport	-	-	-	0.00%	0.00%	N/A
2	Roads, pavements and bridges	-	-	-	0.00%	0.00%	N/A
3	Stormwater	-	-	-	0.00%	0.00%	N/A
4	Infrastructure – Electricity	367,692	367,692	367,692	0.00%	0.00%	Yes
5	Generation	-	-	-	0.00%	0.00%	N/A
6	Transmission and Reticulation	-	-	-	0.00%	0.00%	N/A
7	Street lighting	367,692	367,692	367,692	0.00%	0.00%	Yes
8	Infrastructure – Water	11,432,280	27,526,979	27,526,979	140.78%	0.00%	Yes
9	Dams and Reservoirs	11,432,280	27,526,979	27,526,979	140.78%	0.00%	Yes
10	Water purifications	-	-	-	0.00%	0.00%	N/A
11	Reticulation	-	-	-	0.00%	0.00%	N/A
12	Infrastructure – Sanitation	9,064,402	9,210,279	9,210,279	1.61%	0.00%	Yes
13	Reticulation	-	-	-	0.00%	0.00%	N/A
14	Sewerage purification	9,064,402	9,210,279	9,210,279	1.61%	0.00%	Yes
15	Infrastructure – Other	-	-	-	0.00%	0.00%	N/A
16	Waste Management	-	-	-	0.00%	0.00%	N/A
17	Transportation	-	-	-	0.00%	0.00%	N/A
18	Gas	-	-	-	0.00%	0.00%	N/A
19	Other specify	5,706,009	5,645,888	5,645,887	-1.05%	0.00%	Yes
20	PMU	1,000,000	1,000,000	1,000,000	0.00%	0.00%	Yes
21	Sport	4,706,009	4,645,888	4,645,887	-1.28%	0.00%	Yes
22	Total	26,570,383	42,750,838	42,750,837	60.90%	0.00%	Yes

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT

5.12 INTRODUCTION

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 framework, the municipality must:

- Conduct its cash management and investments; and
- Invest surplus cash that is not immediately required for expenditure purposes. 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, the National Treasury and Provincial 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.

5.13 CASH FLOW

Cash received from debtors has increased from the previous year, indicating an effective implementation of the Debtors' Policy. The cash available has decreased due to the investment of roll-over funds of the previous year in property, plant and equipment.

Table 166: Cash Flow Outcomes

Cash Flow Outcomes				
Description	2016/17	Current Year 2017/18		
	Audited Outcome R'000	Original Budget R'000	Final Budget R'000	Actual Outcome R'000
Cash Flow from operating activities				
Receipts	1,739,541	1,915,230	1,929,951	1,856,075
Ratepayers and other	1,476,941	1,648,004	1,671,902	1,499,527
Government – Operating	225,883	182,601	168,161	183,161
Government – Capital	0	57,546	58,809	134,667
Interest	36,702	27,064	31,064	38,705
Dividends	15	15	15	15

Cash Flow Outcomes				
Description	2016/17	Current Year 2017/18		
	Audited Outcome R'000	Original Budget R'000	Final Budget R'000	Actual Outcome R'000
Payments	-1,532,297	-1,673,545	-1,665,631	-1,576,898
Suppliers and employees	-1,438,307	-1,583,700	-1,569,166	-1,441,625
Finance charges	-93,990	-89,109	-95,729	-124,741
Transfers and Grants	0	-736	-736	-10,532
Net cash from (used) operating activities	207,244	241,685	264,320	279,176
Cash flow from investing activities				
Receipts	894	264	264	911
Proceeds on disposal of PPE	0	250	250	0
Decrease (Increase) in non-current debtors	0	0	0	0
Decrease (Increase) other non-current receivables	637	14	14	911
Decrease (Increase) in non-current investments	257	0	0	0
Payments	-535,102	0	0	0
Capital assets	-535,102	-574,700	-709,956	-657,160
Net cash from (used) investing activities	-535,102	-574,436	-709,692	-656,249
Cash flow from financing activities				
Receipts	421,078	509,841	509,841	477,731
Borrowing long term/refinancing	416,296	506,922	506,922	474,982
Increase / (decrease) in consumer deposits	3,855	2,919	2,919	2,012
Increase / (decrease) in lease liability	927	0	0	737
Payments	-132,104	-132,104	-132,104	160,840
Repayment of borrowing	-132,104	-132,104	-132,104	160,840
Net cash from (used) financing activities	292,433	377,737	377,737	316,891
Net increase/(Decrease) in cash held	-35,424	44,986	-67,634	-60,181
Cash/cash equivalents at the beginning of the year	324,705	140,989	361,536	289,281
Cash/cash equivalents at the end of the year	289,281	185,975	293,902	229,100

5.14 BORROWINGS

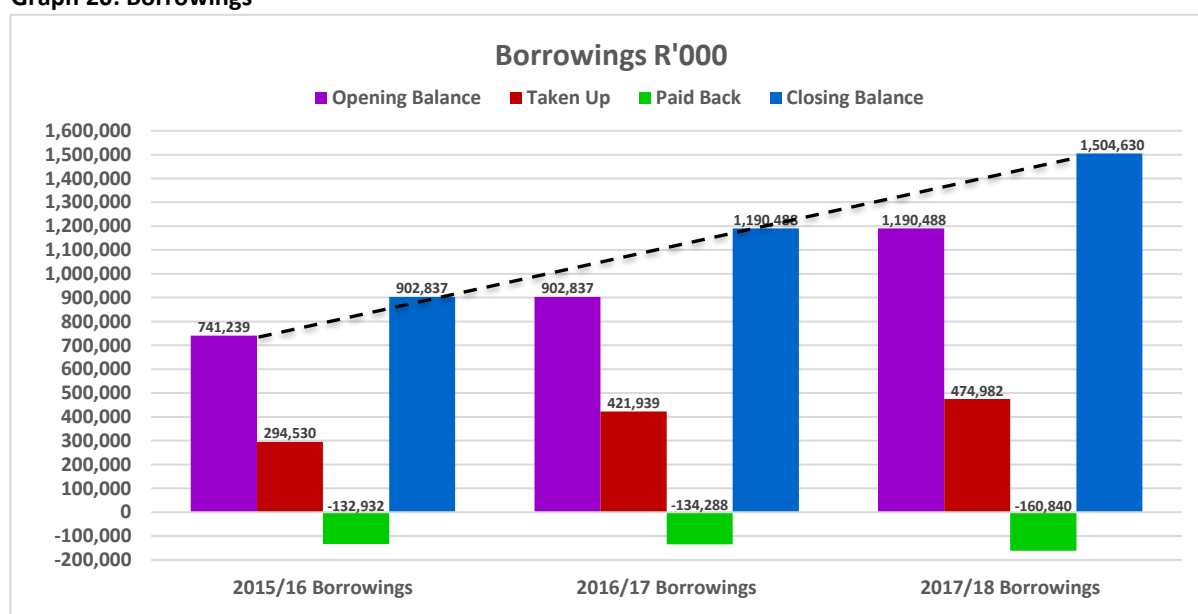
The application of the Municipality's Investment Policy aims to gain the optimal return on investments, without incurring undue risks, during those periods when cash revenue is not needed for capital or operational purposes, whereas the Borrowing Policy aims to gain the lowest interest rate on external borrowings.

During the year under review external loans to the amount of R474,982 million was taken up to finance much needed bulk infrastructure to stimulate growth and development. It needs to be mentioned that Drakenstein Municipality receives the lowest amount of MIG allocations of all secondary cities in South Africa. During the year R160,840 million of principle debt was repaid and therefore the R1,190,488 million of annuity loans as at 30 June 2017 grew with R314,142 million to R1,504,630 million at year-end.

Table 167: Actual Borrowings

Actual Borrowings as at 30 June 2018			
R'000			
Annuity Loans	2015/16	2016/17	2017/18
Opening balance of annuity loans	741,239	902,837	1,190,488
Taken up during the year	294,530	421,939	474,982
Less: Redeemed during the year	(132,932)	(134,288)	(160,840)
Closing Balance of Annuity Loans	902,837	1,190,488	1,504,630

Graph 20: Borrowings



5.15 INVESTMENTS

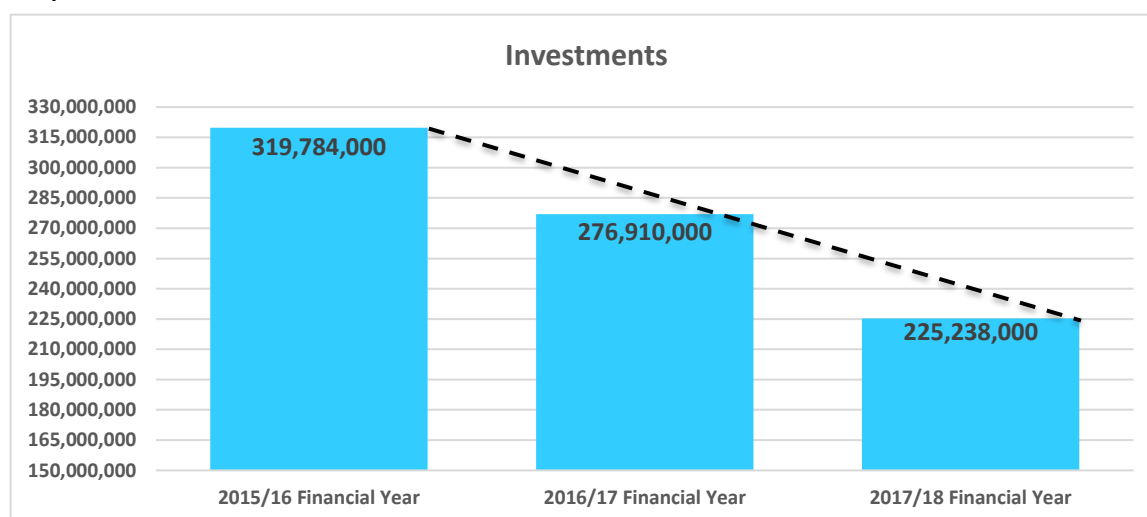
Investments have decreased since the previous financial year, whereas borrowings have increased due to the increased investment in infrastructure. The Municipality is nearing its point of gearing saturation and will thus have to seek other sources of finance in future, such as government grants, or will need to revise its investment in infrastructure going forward. Fortunately current investment in revenue generating bulk infrastructure will unlock and attract the expected growth in housing and other developments in Drakenstein over the next

ten to fifteen years. The gearing ratio is projected to come down to about 40% in ten years from now.

Table 168: Municipal Investments

Municipal Investments			
R'000			
Instrument	2015/16	2016/17	2017/18
	Actual	Actual	Actual
Listed Corporate Bonds	393	132	132
Deposits – Bank	319,391	276,778	225,106
Guaranteed Endowment Policies (sinking)	0	0	0
Municipal Bonds	0	0	0
Other	0	0	0
Total Municipal Investments	319,784	276,910	225,238

Graph 21: Investments



5.16 PUBLIC PRIVATE PARTNERSHIPS

In prior years the Municipality started with a Public Private Partnership process with a private party, Interwaste, to establish a proposed Waste-to-Energy Facility with the objective of pursuing an alternative integrated waste management solution other than only landfilling at the Wellington landfill site. On 31 May 2018 the Council of the Drakenstein Municipality took the decision to terminate the proposed Wellington Waste-to-Energy Project due to an outcry from organisations and the local community. This decision could lead to huge tariff increases if the waste has to be transported to other landfill sites outside the borders of Drakenstein Municipality.

COMPONENT D: OTHER FINANCIAL MATTERS

5.17 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Division consists out of the following sections which covers all elements as required by the Municipal Supply Chain Management Regulations:

5.17.1 Demand Management, Acquisitions and Logistics

This section deals with procurements up to a value of R200,000 (VAT included) as well as the management of the Municipal Stores.

5.17.2 Compliance, Risk, Performance and Reporting

This section deals with the compliance to SCM processes, reporting on SCM actions as required by legislation as well as assessing risk areas within the SCM environment.

5.17.3 Tender Evaluations and Contract Management

This section deals with procurements above the value of R200,000 (VAT included). It furthermore deals with contract management and implementation in conjunction with user departments.

5.18 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.

Table 169: GRAP Compliance List

Reference	Topic
GRAP Framework	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

Reference	Topic
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
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
IFRS 4	Insurance contracts
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 Reporting
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 Standards of
ASB Guide 1	Guideline on accounting for public private partnerships
GRAP Framework	Framework for the preparation and presentation of financial statements
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements

Reference	Topic
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors

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.

6. AUDITOR-GENERAL AUDIT FINDINGS

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 2018. The Auditor-General performed their audit during the months of July to November 2018 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 2018.

COMPONENT A: AUDITOR-GENERAL OPINION ON 2017/18 FINANCIAL YEAR

6.1 AUDITOR-GENERAL REPORT FOR 2017/18

In the tables below the Auditor-General's opinion on the 2017/18 annual financial statements and other legal and regulatory matters are discussed.

6.1.1 Auditor-General report on the 2017/18 financial statements

Drakenstein Municipality for the 2017/18 annual financial statements received an unqualified audit opinion. No material non-compliance issues on the annual financial statements were received.

Table 170: Auditor-General Report on 2017/18 Financial Performance

Auditor-General Report on 2017/18 Financial Performance	
Description	Opinion
Audit report status	Unqualified audit opinion
Material non-compliance issues	Remedial action taken
None	Not applicable

6.1.2 Auditor-General report on other legal and regulatory matters

No material findings was identified on the audit of pre-determined objectives. However, material non-compliance was identified in Procurement and Contract management. The Municipality is still in a dispute with the Auditor-General on this matter as disclosed in Note 42.3 of the Annual Financial Statements attached hereto as Volume IV to the Annual Report.

Table 171: Auditor-General Report on 2017/18 Other Matters

Auditor-General Report on 2017/18 Other Matters	
Description	Conclusion
Annual Performance Report	No material findings
Other material non-compliance with legislation	Remedial action taken
Procurement and contract management	Irregular expenditure of R46,299,919

6.1.2.1 Predetermined objectives

Drakenstein Municipality received no material findings on the audit of pre-determined objectives as reported in the Annual Performance Report attached as Volume V to the Annual Report.

6.1.2.2 Compliance with legislation

Drakenstein Municipality had to disclose irregular expenditure of R16.9 million on the expansion award for the upgrade and extension of the Wellington Waste Water Treatment Works to 16ML/day: Mechanical and Electrical Installation Contract CES 07/2015 as well as R29.3 million on the expansion award for the upgrade and extension of the Wellington Waste Water Treatment Works to 16ML/day: Civil Works Contract CES 08/2015 for similar work done at the Paarl Waste Water Treatment Works. The expansions were awarded by management about ten months after the original award. The Auditor-General could find no fault with the quality of the work done, but ruled that the additional work should have followed an open bidding process.

With regard to the dispute, the relevant inter-governmental dispute mechanisms and/or any other avenues will be implemented, which could result in an alteration of the disclosure in terms of section 126(5) of the MFMA. The outcome of this process will determine if further investigation is required.

6.1.2.3 Internal control

Drakenstein Municipality's internal control findings was limited to the internal control deficiencies that led to the irregular expenditure finding due to an alleged incorrect supply chain process followed.

6.2 CONCLUDING COMMENT

The Auditor-General therefore gave Drakenstein Municipality an unqualified audit opinion with no material findings on pre-determined objective findings but with one material non-compliance irregular expenditure finding.

COMPONENT B: AUDITOR-GENERAL OPINION FOR 2016/17 FINANCIAL YEAR

6.3 AUDITOR-GENERAL REPORT FOR 2016/17

In the tables below the Auditor-General's opinions on the 2016/17 annual financial statements and other legal and regulatory matters are discussed.

6.3.1 Auditor-General report on the 2016/17 annual financial statements

Drakenstein Municipality for 2016/17 annual financial statements received an unqualified audit opinion. No material non-compliance issues on the annual financial statements were received.

Table 172: Auditor-General Report on 2016/17 Financial Performance

Auditor-General Report on 2016/17 Financial Performance	
Description	Opinion
Audit report status	Unqualified audit opinion
Material non-compliance issues	Remedial action taken
None	Not applicable

6.3.2 Auditor-General report on other matters

The Auditor-General identified no material findings on other matters as set out in the table below and as reported in their Audit Report attached as Volume I to the 2016/2017 Annual Report.

Table 173: Auditor-General Report on 2016/17 Other Matters

Auditor-General Report on 2016/17 Other Matters	
Description	Conclusion
Annual Performance Report	No material findings
Other material non-compliance with legislation	Remedial action taken
None	No material findings

6.3.2.1 Pre-determined objectives

The Auditor-General identified no material findings on the pre-determined objectives as reported in the Annual Performance Report attached as Volume V to the 2016/2017 Annual Report.

6.3.2.2 Compliance with legislation

The Auditor-General identified no material findings on legal matters as no findings were reported in the Auditor-General's Audit Report attached as Volume I to the 2016/2017 Annual Report.

6.3.2.3 Internal control

No significant internal control deficiencies were identified on internal control matters as no findings were reported in the Auditor-General's Audit Report attached as Volume I to the 2016/2017 Annual Report.

6.4 CONCLUDING COMMENT

The Auditor-General therefore gave Drakenstein Municipality an unqualified audit opinion with no material findings on pre-determined objectives and compliance with key legislation.

7. ANNEXURES

ANNEXURE A: COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Table 174: Councillors, Committees allocated 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
					%	%
Abrahams, Alvina Wilhelmina		√	Community Services	Proportional	96	100
Adriaanse, Miriam Maria			Corporate Services	Ward 24	88	100
Afrika, Amelda Felicity		√	Community Services	Proportional	85	50
Anderson, Joan Felicity		√	Corporate Services	Ward 26	96	100
Andreas, Margaretha Aletta	√		Local Labour Forum	Proportional	88	100
Arnolds, Ruth Belldine		√	Engineering Services	Ward 7	73	71
Bekeer, Abraham		√	MPAC	Proportional	96	100
Bester, Theunis Gerhardus		√	Engineering Services	Ward 19	100	0
Blanckenberg, Derrick Solomon		√	Engineering Services	Ward 16	73	71
Booyesen, Vanessa Charmaine		√	Engineering Services	Ward 27	92	100
Buckle, Albertus Marthinus Loubser		√	MPAC	Ward 18	92	100
Combrink, Gert Cornelius	√		Financial Services	Proportional	96	100
Cupido, Felix Patric		√	Planning & Econ. Dev.	Ward 22	96	100
Cupido Patricia Beverly Ann		√	Engineering Services	Ward 20	100	0
De Goede, Hendrik Ruben		√	Financial Services / LLF	Proportional	96	100
De Wet, Jo-Ann		√	MPAC	Ward 14	96	100
Duba, B		√	Corporate Services	Proportional	73	14
Ford, Geoffrey Harry		√	Community Services	Ward 31	96	100
George, Nonkumbulo Nancy		√	MPAC	Proportional	88	100
Gouws, Eva		√	Community Services	Ward 21	88	100
Jacobs, Frances	√		Community Services	Ward 23	100	0
Jonas, Sweetness Xoliswa		√	Corporate Services / APC	Proportional	61	100
Kearns, Christephine	√		Financial Services	Ward 10	92	100
Klaas, Moses Thembile		√	Financial Services	Proportional	77	50
Koegelenberg, Renier Adriaan	√		APC / LLF	Proportional	96	100
Kotze, Hendrik Jacobus		√	Engineering Services	Ward 2	92	100
Kroutz, Calvin		√	Community Services	Ward 1	100	0
Landu, Linda		√	Appeal Committee	Proportional	81	100
Le Hoe, Marthinus Jacobus		√	Community Services	Proportional	85	50
Le Roux, Jacobus Francois	√		Engineering Services	Proportional	92	100
Lugqola, Anathi		√	Corporate Services	Proportional	100	0
Mangena, Tembikile Christopher		√	Engineering Services	Ward 9	81	60
Masoka, Zolani Livingstone		√	Community Services	Proportional	96	100
Matthee, Hendrik Johannes Nicolaas		√	Financial Services	Ward 17	81	100
Matthee, Joseph		√	MPAC	Proportional	96	100

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
					%	%
Mbenene, Ndilleka Primrose	√		Community Services	Ward 5	69	50
Mdunusie, Minah Nontombi		√	Planning & Econ. Dev.	Proportional	100	0
Meyer, Willem Pieter Daniel		√	Planning & Econ. Dev.	Proportional	100	0
Miller, Johan	√		Planning & Econ. Dev.	Ward 4	96	100
Mkabile, Nkomfa Deon		√	Corporate Services	Proportional	50	38
Mpulanyana, Thuso Reginald		√	Finance Services	Proportional	100	0
Mokoena, Liphaphathi Patricia	√		Corporate Services / LLF	Proportional	96	100
Niehaus, Lodewyk Wilfred		√	Corporate Services	Ward 15	77	100
Nobula, Mncedisi Daniel		√	Engineering Services	Ward 12	88	67
Nqoro / Nomana, Tryfhina Zukiswa		√	Community Services	Ward 6	88	67
Nzele, Lawrence Vuyani		√	Community Services	Ward 32	96	0
Philander, Wendy Felecia		√	Financial Services	Proportional	96	100
Poole, Conrad James	√		Executive Mayor	Proportional	100	0
Rens, Samuel Colin		√	Appeal Committee	Proportional	77	67
Richards, Abdul Moutie		√	Financial Services	Proportional	100	0
Ross, Soudah		√	Planning & Econ. Dev.	Ward 13	85	100
Sambokwe, Ludia Sindiswa		√	MPAC	Proportional	81	80
Sauerman, Nicolaas Daniël		√	Corporate Services	Proportional	88	100
September, Sharon Elizabeth		√	Community Services	Ward 33	96	100
Smit, Johannes		√	Corporate Services	Ward 30	100	0
Smit, Wilhelmina Elizabeth		√	MPAC	Ward 3	96	100
Smuts, Rean	√		Community Services	Proportional	92	100
Solomons, Elizabeth Aletta		√	Planning & Econ. Dev.	Proportional	96	100
Stowman, Aidan Charles	√		Appeal Committee	Ward 11	96	100
Van Niekerk, Laurichia Tylia	√		Community Services	Ward 25	96	100
Van Nieuwenhuyzen, Reinhardt H	√		Corporate Services / APC	Ward 28	96	100
Van Santen, Aletta Johanna		√	MPAC	Proportional	96	100
Vika, Mandisa		√	Planning & Econ. Dev.	Proportional	73	71
Willemse, Lorraine	√		Planning & Econ. Dev.	Ward 29	92	100
Zikhali, Nomonde		√	Planning & Econ. Dev.	Ward 8	96	0

ANNEXURE B: COMMITTEES AND COMMITTEE PURPOSES

Table 175: Committees (other than Mayoral Committee) and purposes of committees

Committees (other than Mayoral/Executive Committee) and purposes of Committees	
Municipal Committees	Purpose of committee
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"> • Internal financial control; • Risk management; • Performance management; and • Effective governance.
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"> • 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; and • To consider any other matter of a disciplinary nature relating to Councillors and make a recommendation to Council.

ANNEXURE C: SECOND AND THIRD TIER ADMINISTRATIVE STRUCTURE

Table 176: Second and Third-tier Structure

Second- and Third-tier Structure	
Department	Executive Manager/Manager
Office of the City Manager	City Manager (Dr JH Leibbrandt)
Division: Communication and Marketing	Manager: Communication and Marketing (R Geldenhuys)
Division: Risk Management	Chief Risk Officer (GJ Dippenaar)
Division: IDP and Performance Management	Manager: IDP and Performance Management (FA Qebanya)
Division: Internal Audit	Chief Audit Executive (RJ Jaftha)
Division: Internal Audit	Manager: Internal Audit (D Korabie)
Division: Internal Audit	Manager: Performance Audit (N Magongo)
Financial Services	
Department: Financial Services	Chief Financial Officer (J Carstens)
Section: Strategic Financial Planning and Support	Manager: Strategic Financial Planning (Vacant)
Section: Financial Technical Advisory Services	Financial Accounting Research Expert (I Engelmohr)
Division: Supply Chain Management	Manager: Supply Chain Management (H Vergotine)
Division: Revenue and Expenditure	Senior Manager: Revenue and Expenditure (NG Keketsi)
Section: Expenditure	Manager: Expenditure (DM Pikinini)
Section: Revenue	Manager: Revenue (AC Abrahams)
Division: Budget, Assets and Financial Reporting	Senior Manager: Budget, Assets and Financial Reporting (C Lategan)
Section: Financial Systems	Head: Financial Systems (Vacant)
Section: Budget Control and Cost Accounting	Manager: Budget Control and Cost Accounting (KS Fredericks)
Section: Assets and Insurance Management Services	Manager: Assets and Insurance Management (L Theron)
Section: Fin. Statements, Reporting & Cash Management	Manager: Fin. Statements, Reporting & Cash Management (A Viola)
Corporate Services	
Department: Corporate Services	Executive Director: Corporate Services (S Johaar)
Division: Human Resource Management	Manager: Human Resource (N Matolengwe)
Section: HR Administration & Recruitment & Selection	Head: HR Admin. & Recruitment & Selection (T van der Westhuizen)
Section: Training and Development	Head: Training and Development (M Sibeko)
Section: Labour Relations, Employee Wellness and OHS	Head: Labour Relations, Employee Wellness and OHS (P la Grange)
Section: Organisational Efficiency	Head: Organisational Efficiency (K Begbie)
Division: Legal and Administrative Services	Senior Manager: Legal and Administrative Services (AV Marais)
Section: Legal Services	Manager: Legal Services (Vacant)
Section: Administrative Services	Manager: Administrative Services (F Goosen)
Section: I&IGR and CRM (Political Office Support)	Manager: I&IGR and CRM and Political Office Support (LL Nojozi)
Division: Information Communication and Technology	Senior Manager: Information Communication and Technology (F Theron)
Section: ICT Operation and Support	Manager: Operation and Support (J Bredell)
Section: MIS/Systems	Manager: MIS/System (I Claims)
Section: ICT Governance and Administration	Manager: ICT Governance and Administration (A Coetsee)
Planning and Development	
Department: Planning and Development	Executive Director: Planning and Development (L Waring)
Division: Planning Services	Senior Manager: Planning Services (D Delaney)
Section: Land Use Planning and Surveying	Manager: Land Use Planning and Surveying (HG Strijdom)
Section: Building Control	Manager: Building Control (F Toyer)
Section: Spatial Planning and Heritage	Manager: Spatial Planning and Heritage (A Shortles)

Second- and Third-tier Structure	
Department	Executive Manager/Manager
Division: Economic Growth and Tourism	Senior Manager: Local Economic Growth and Tourism (C Phillips)
Section: Economic Growth	Manager: Economic Growth (F Sitzer)
Section: Tourism	Senior Tourism Officer (Vacant)
Division: Environmental Management	Manager: Environmental Management (Vacant)
Section: Natural Resource Management	Senior Environmental Officer (Vacant)
Section: Environmental Management Systems, Monitoring and Compliance	Senior Environmental Officer (Vacant)
Section: Planning and Sustainability	Senior Environmental Officer (Vacant)
Division: Housing Projects and Technical Support	Senior Manager: Housing Projects (F Rhoda)
Section: Rural Development	Manager: Rural Development (T Cloete)
Section: Housing Projects	Manager: Housing Projects (C Jacobs)
Section: Housing Technical Support	Manager: Technical Support (Vacant)
Community Services	
Department: Community Services	Executive Director: Community Services (G Boshoff)
Division: Parks, Sports and Cemeteries	Senior Manager: Parks, Sport and Cemeteries (E Saayman)
Section: Parks	Manager: Parks (P Bolton)
Section: Cemeteries and Resorts	Manager: Cemeteries and Resorts (R Fourie)
Section: Sports and Recreation	Manager: Sports and Recreation (Y Tsolo)
Section: Programmes, Projects & SP Maintenance	Manager: Programme and Projects (E McKay)
Division: Public Safety	Senior Manager: Public Safety (V Petersen)
Section: Traffic, Law Enforcement and Licensing	Manager: Traffic Services (J Cornelissen)
Section: Fire, Rescue and Disaster Management	Manager: Fire Services (D Damons)
Section: Municipal Law Enforcement and Security	Manager: Municipal Law Enforcement and Security (Vacant)
Division: Community Development & Library & Information Services	Senior Manager: Development and Library Services (Vacant)
Section: Community Development	Manager: Community Development (J Rhoda)
Section: Library and Information Services	Manager: Library and Information Services (L Thomas)
Division: Rental Stock and Support Services	Senior Manager: Rental Stock and Support Services (Vacant)
Section: Rental Stock	Manager: Rental Stock (U Johanneson)
Section: Operations Support and Demand Administration	Manager: Operations Support and Demand Administration (Vacant)
Engineering Services	
Department: Engineering Services	Executive Director: Engineering Services (D Hattingh)
Division: Civil Engineering Services	Senior Manager: Civil Engineering Services (W Pretorius)
Section: Roads, Stormwater & Traffic Eng. Services	Manager: Roads, Stormwater and Traffic Engineering Services (CM Lotz)
Section: Infrastructure Management	Manager: Infrastructure Management (L Pienaar)
Section: Water Services	Manager: Water Services (AA Kowalewski)
Section: Waste Water Services	Manager: Wastewater Services (RM Brown)
Division: Technical Support and Project Management	Senior Manager: Technical Support & Project Management (P Pansegrouw)
Section: EPWP	Manager: EPWP (Vacant)
Section: Funding, Application and Reporting	Head: Funding, Application and Reporting (Vacant)
Section: Project Management	Manager: Project Management (R Sauls)
Division: Electro Technical Services	Senior Manager: Electro Technical Services (W Albertyn)
Section: Operations and Maintenance	Manager: Operations and Maintenance (M Fredericks)
Section: Planning and Customer Services	Manager: Planning and Customer Services (Vacant)
Section: Electrical Engineering Efficiency Management	Manager: Electrical Engineering Efficiency Management (Vacant)
Division: Solid Waste and Landfill Management	Senior Manager: Solid Waste and Landfill Management (MT Serfontein)

Second- and Third-tier Structure	
Department	Executive Manager/Manager
Section: Solid Waste and Functional Management	Manager: Solid Waste and Functional Management (Vacant)
Section: Solid Waste Operational Management	Manager: Solid Waste Operational Management (S Frans)
Section: Waste Disposal Facilities	Senior Engineering Technician Waste, Disposal and Facilities (Vacant)
Division: Facilities and Mechanical Management	Senior Manager: Facilities and Mechanical Manager (Vacant)
Section: Fleet Management and Maintenance	Manager: Fleet Management and Maintenance (FW Nieuwoudt)
Section: Building Projects and Maintenance	Manager: Building Projects and Maintenance (K Wyngaard)
Section: Corporate Facilities and Projects	Manager: Corporate Facilities and Projects (N Marais)

ANNEXURE D: FUNCTIONS OF MUNICIPALITY

Table 177: Municipal Functions

Municipal Functions		
Municipal Functions	Function applicable to Municipality	
	Yes	No
Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), Schedule 4, Part B functions:		
Air pollution	√	
Building regulations	√	
Child care facilities	√	
Electricity and gas reticulation	√	
Firefighting services	√	
Local tourism	√	
Municipal airports		√
Municipal planning	√	
Municipal health services		√
Municipal public transport		√
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.	√	
Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), Schedule 5, Part B functions:		
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	√	

ANNEXURE E: WARD REPORTING

Please take into account the following when examining the Annual Report of 2017/18. The table below includes IDP Meetings that took place during the period.

Table 178: Functionality of Ward Committees

Ward 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
1	WARD COUNCILLOR	Yes	6	6	2
	Cllr C Kroutz				
	WARD COMMITTEE MEMBERS				
	Mrs Nonthembelani Sidubulekana				
	Mrs Wilna Elizabeth Rabe				
	Mr Charles Abrahams				
	Mrs Brenda Maureen Carelse				
	Mrs Anna Eliza Januarie				
	Mr Joshwin Pietersen				
	Mr Dolf Marang				
	Mr Dawid Nicholas Gertse				
	Ms Carlin Christelle Goosen				
	Mr Francois Brown				
2	WARD COUNCILLOR	Yes	6	6	1
	Cllr HJ Kotze				
	WARD COMMITTEE MEMBERS				
	Mrs Christine Van Wyk				
	Mr Herman Ehlers				
	Mr Stephan Landsberg				
	Mrs Marinda Ehlers				
	Mrs Marlene Weyers				
	Mrs Sybil Kotzé				
	Mr Hennie Engelbrecht				
	Mr Daan Aggenbach				
	Mrs Petro Botha				
	Mr Niel Schoeman				
3	WARD COUNCILLOR	Yes	5	5	1
	Cllr WE Smit				
	WARD COMMITTEE MEMBERS				
	Mr Abel Mentoer				
	Ms Magrieta Futhwa				
	Mr Gavin Andrews				
	Mr Tshepang Shayne Hlapisi				
	Ms Janine Nontas				
	Mr Nicolaas Geldenhuys				

Ward 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 Damon Mintoor				
	Mr Bennie Roberts				
	Mr Johannes Van Zyl Smit				
	Mr Toit Wessels				
4	WARD COUNCILLOR	Yes	4	4	1
	Cllr J Miller				
	WARD COMMITTEE MEMBERS				
	Mrs Amanda Du Toit				
	Mr Carel Hendrick Stander				
	Mrs Maria Elizabeth Jacoba Kotze				
	Mrs Amarie le Roux				
	Mrs Anrita Schreuder				
	Mr Ernest Derek Taylor				
	Mr Ronald Brand				
	Mr Johannes Frederick Kotze				
5	WARD COUNCILLOR	Yes	1	1	1
	Cllr P Mbenene				
	WARD COMMITTEE MEMBERS				
	Mrs Nozuko Joyce Magwaza				
	Mr Nkululeko Sydwell Xaba				
	Mrs Evelin Pietersen				
	Mrs Charlene Davids				
	Mr Mthutuzeli Ngece				
	Ms Nosicelo Bobelo/Tyasi				
	Ms Brobretha Lucrecea Rooi				
	Mrs Nomthandazo Roselina Cetywayo/Landu				
	Mrs Christeleen Ephraim				
	Ms Ann Visagie				
6	WARD COUNCILLOR	Yes	6	6	3
	Cllr TZ Nomana/Nqoro				
	WARD COMMITTEE MEMBERS				
	Ms Yolanda Magqazana				
	Mr Khaya Joel				
	Mr Sindile Msebenzi				
	Mr Anele Gidion Maki				
	Mr Nicholas Sandise Goso				
	Mr Zuko Abednego Xhaso				
	Mr Mziwonke Diko				
	Ms Sisanda Primrose Qelo				
	Ms Nontando Patience Booi				
	Mr Nceba Mpilswana				

Ward 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
7	WARD COUNCILLOR	Yes	3	3	1
	Cllr RB Arnolds				
	WARD COMMITTEE MEMBERS				
	Mr Hendry Joseph				
	Mr Eric Dampies				
	Mrs Anneline Isaacs				
	Mrs Saromeo Oliphant				
	Ms Christina Albertus				
	Mr Davey Simonse				
	Mr s Monica Ryan				
	Mr David Geduld				
	Ms Bellmordene Robson				
	Mrs Elmorie Julies				
8	WARD COUNCILLOR	Yes	5	5	3
	Cllr N Zikhali				
	WARD COMMITTEE MEMBERS				
	Ms Nonzoliso Giqwa				
	Mr Mputumi Pal Foreman				
	Ms Bulelwa Sylvia Gxowa				
	Mrs Shiela Witbooi				
	Mr Sinokolo Melvin Godlo				
	Ms Nonceba Doreen Mphepeto				
	Ms NO Johnson				
	Mr Mbulelo Mcimbi				
	Ms Ntomboxolo Godongwana				
	Mr M Ngontsolo				
9	WARD COUNCILLOR	Yes	1	1	2
	Cllr TC Mangena				
	WARD COMMITTEE MEMBERS				
	Ms Esteline Thandiwe Xayimpi				
	Ms Sandisiwe Cynthia Martins				
	Mr Vuyo Bulani				
	Ms Ntasa Adoro				
	Mrs Nomakhwezi Siko				
	Mr Mongezi Dlwathi				
	Ms Nozuko Grace Ngqolobe				
	Mr Lubabalo Skeyi				
	Mrs Noncithakalo Tayitayi				
	Mr Monwabisi Vunguvungu				
10	WARD COUNCILLOR	Yes	6	6	2
	Cllr C Kearns				
	WARD COMMITTEE MEMBERS				

Ward 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 Jovan Cupido				
	Mr Berend Boltman				
	Mrs Audrey Mackay				
	Ms Jocelyn Legolie				
	Mr Henrich Appollis				
	Mr Christiaan Abrahams				
	Mr Grant Theo Williams				
	Ms Lauren Hendricks				
	Mr Williams Kearns				
	Mrs Martha Mitchell				
11	WARD COUNCILLOR	Yes	5	5	2
	Cllr AC Stowman				
	WARD COMMITTEE MEMBERS				
	Mr Karel Jacobs				
	Ms Samantha Maarman				
	Mr Henry Jacobs				
	Ms Aimee Edna Stowman				
	Mr Willem Johannes Mettler				
	Ms Rafeeqah Abrahams				
	Mr Randall Africa Manuel				
	Ms Leandra Smith				
	Mrs Sindiswa Daphney Allah				
12	WARD COUNCILLOR	Yes	4	4	3
	Cllr M Nobula				
	WARD COMMITTEE MEMBERS				
	Mr Zolile William Mafila				
	Mr Monwabisis Lawrence Lolwana				
	Ms Lityshia Kwili				
	Mrs Elda Matobs Mtose				
	Mrs Gladys Maseng				
	Mr Charles Mzimkhulu Mtiya				
	Mrs Noluthando Hazel Rasmeni				
	Ms Nonzaliseko Mateta				
	Mrs Masentle Lakaje				
	Mr Dumile Conana				
13	WARD COUNCILLOR	Yes	3	3	1
	Cllr S Ross				
	WARD COMMITTEE MEMBERS				
	Mr Rashud Hendrikse				
	Mrs Angelique Mamani				
	Ms Veronica Koopman				
	Ms Delie Abels				

Ward 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
	Mrs Muneebah Jannicke				
	Mrs Juliana Tessa Demas				
	Ms Marlene Fredericks				
	Ms Angelina Solomon				
	Ms Sonia Falmer				
	Mrs Wilhelmina Fourie				
14	WARD COUNCILLOR	Yes	3	3	4
	Cllr J de Wet				
	WARD COMMITTEE MEMBERS				
	Mrs Nomathumeka Fakwa				
	Mr Ayanda Ringane				
	Mr David Linee				
	Mrs Rosette Warries				
	Mr Kelvin Festus				
	Ms Goergelene Kermis				
	Mrs Nokubonga Majola				
	Mr Mlindeli Wiseman Ntunja				
	Ms Brenda von Willingh				
	Mrs Cynthia Philander				
15	WARD COUNCILLOR	Yes	5	5	1
	Cllr LW Niehaus				
	WARD COMMITTEE MEMBERS				
	Ms Christina Elizabeth Niehaus				
	Mr Willem Serdyn				
	Mrs Maria Whitehead				
	Mrs Elsje Anne Kruger				
	Mr Louis Herold Louw				
	Mrs CA Louw				
	Mr Ludwig Thiar				
	Mr E. Mouton				
	Ms M. Haasbroek				
	Mrs Em-Em Zaayman				
16	WARD COUNCILLOR	Yes	10	10	3
	Cllr D Blanckenberg				
	WARD COMMITTEE MEMBERS				
	Mrs Hazl Ngcanga				
	Mr Phumthumile Ntshayi				
	Ms BJ Mbenenge				
	Mr Mlungiseleli Ndara				
	Ms Nolu Thando Maseti				
	Mr Sakhele Tasana (John Mcimbi)				
	Mr Sabelo Gili				

Ward 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 Micheal Madubela				
	Mr Khalima Frans				
	Mr Lumkile Stokkies Matywywa				
17	WARD COUNCILLOR	Yes	7	7	1
	Cllr H Matthee				
	WARD COMMITTEE MEMBERS				
	Mrs Beatrice Kachu				
	Ms Orechia Appolis				
	Mr Faried Williams				
	Mr Johannes Heyns				
	Mr Thomas Spies				
	Mr Claude Van Zyl				
	Ms Mina Kock				
	Mrs Annelize Van Rooyen				
	Mrs Hendrik Johannes Venter				
	Ms Denisia Smith				
18	WARD COUNCILLOR	Yes	6	6	1
	Cllr AML Buckle				
	WARD COMMITTEE MEMBERS				
	Mrs Karen Barnard				
	Mrs Debinique Williams				
	Mrs Johanna Schweidler				
	Mr Phillip Johannes Visser				
	Mr Jean-Claude Le Cordeur				
	Mr Jerry Swarts				
	Mrs Nozizwe Zicina Mosala				
	Mr Jean Pierre Joubert				
	Mr Petrus Pietersen				
	Mr HED Du Plessis				
19	WARD COUNCILLOR	Yes	6	6	3
	Cllr T Bester				
	WARD COMMITTEE MEMBERS				
	Mr H.J Du Toit				
	Mr Christiaan Jacobus Visser				
	G. Stofberg				
	Mrs JE Swanepoel				
	Mr PF Swanepoel				
	Mr AV Harris				
	Mr Willem Esterhuizen				
	Mrs Varushka Smith				
	Mr Johannes Andrews				
	Ms Johanna Jacoba du Toit				

Ward 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
20	WARD COUNCILLOR	Yes	4	4	2
	Cllr P Cupido				
	WARD COMMITTEE MEMBERS				
	Mr Marshall Alexander				
	Ms Jennifer Botha				
	Ms Alida Meyer				
	Mr Curtley Fisher				
	Mr Aubrey Adams				
	Ms Alecia Francke				
	Mrs Elliose Daniels				
	Mr Eden Watts				
	Mrs Lenie Borings				
	Mrs Rochelle Bam				
21	WARD COUNCILLOR	Yes	4	4	1
	Cllr E Gouws				
	WARD COMMITTEE MEMBERS				
	Mrs Margaret Wildschut				
	Mr Johnley Muller				
	Mrs Rosaline Rossouw				
	Mrs CC Diedericks				
	Mrs Mary-Ann Leon				
	Ms Cherie Williams				
	Ms Alima Ficks				
	Ms Marinda Paulse				
	Mr Isak John de Kok				
	Ms Marlene Fisher				
22	WARD COUNCILLOR	Yes	4	4	2
	Cllr F Cupido				
	WARD COMMITTEE MEMBERS				
	Mr Steven Frolicks				
	Mr Peter Simon Daniels				
	Mrs Mary Alexander				
	Ms Lenise Speelman				
	Mr Grahams Rooks				
	Mrs Cheryl Bothma				
	Ms Rozanne Botha				
	Mr Auben Nomdoe				
	Mr D Arendse				
	Mrs Esmeralda Solomon				
23	WARD COUNCILLOR	Yes	6	6	4
	Cllr F Jacobs				
	WARD COMMITTEE MEMBERS				

Ward 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
	Mrs Cathleen Van Reenen				
	Mrs Ruth Williams				
	Mrs Elizme Du Toit				
	Mrs Jacoba Isobel Heunis				
	Mr Leslie Watson				
	Mr Nicholaas Petrus Smit				
	Mrs Susanna Marx				
	Mr Sammy Petersen				
	Mr John Williams				
	Ms Nicole Heugh				
24	WARD COUNCILLOR	Yes	5	5	3
	Cllr MM Adriaanse				
	WARD COMMITTEE MEMBERS				
	Mr Kervin Patrick Bowers				
	Ms Rachel Andrews				
	Mr Jonathan Fredericks				
	Mrs Brysina Kruger				
	Mrs Selma Jolanda Claasen				
	Mr Edward John Rudolf				
	Mrs Anthia Caren Claasen				
	Mr Micheal Solomon Nathan				
	Ms Elizabeth Windvogel				
	Mrs Mina Scheepers				
25	WARD COUNCILLOR	Yes	6	6	4
	Cllr L van Niekerk				
	WARD COMMITTEE MEMBERS				
	Mr Mark Andrew Lackay				
	Ms Christolene Vries				
	Mr JL Fillies				
	Ms Sheila September				
	Ms Rachel Kroutz				
	Mr Edgar Arendse				
	Mr John De Kock				
	Mrs Frangelene Jantjies				
	Mr Francisco Karloof Naude				
	Mrs Regina Cupido				
26	WARD COUNCILLOR	Yes	4	4	8
	Cllr J Anderson				
	WARD COMMITTEE MEMBERS				
	Mrs Sarah Theresa Links				
	Ms Chante Leigh Hendricks				
	Mr Warie Retief				

Ward 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 Carmelita Liebenberg				
	Mrs Catherine Williams				
	Ms Monique Booysen				
	Ms Serine Pauline Sheldon				
	Mrs Du Blanche Krautz				
	Ms Selma Crotz				
	Mr Anthony Esau La Douce				
27	WARD COUNCILLOR	Yes	5	5	4
	Cllr V Booysen				
	WARD COMMITTEE MEMBERS				
	Mrs Karin Hendricks				
	Mr Johannes Daniels				
	Mr Maans Brown				
	Ms Fredricka Evelina Philander				
	Ms Wilhelmina Hendricks				
	Mrs Magdalena Botha				
	Mr Karools Isaacs				
	Mrs Doreen Kilowan				
	Ms Gwendolene Davids				
	Mrs Angela Brown				
28	WARD COUNCILLOR	Yes	2	2	2
	Cllr RH van Nieuwenhuyzen				
	WARD COMMITTEE MEMBERS				
	Mr Tom Cowie				
	Mr Sidney Johannes				
	Ms Angelique Milly Stevens				
	Ms Katrina Adams				
	Mrs Dina Magrieta Johnson				
	Mr Japie H Arendse				
	Mr Johannes Muller				
	Mrs Cecillia Mitchell				
	Mr John-Hilton Stevens				
	Mrs Regina Abrahams/Moses				
29	WARD COUNCILLOR	Yes	6	6	1
	Cllr L Willemse				
	WARD COMMITTEE MEMBERS				
	Mr Nicholaas Mettler				
	Mrs Sonia Appollis				
	Mr Dawid Mandla Futhwa				
	Mr Henry Minnaar				
	Mr Stephen Abrahams				
	Mr Basil Arendse				

Ward 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 Jonathan Liebenberg Mrs Marjorie Zyster Mr Avron Appollis Mr William Moses Walters				
30	WARD COUNCILLOR Cllr J Smit WARD COMMITTEE MEMBERS Ms Maria Regina Carolus Ms Sophia Evelyn Wessels Ms Suzette Nicolene Scholtz Ms Christina Johanna Visagie Ms Sophie Pauline Visagie Mr Daniel Andreas Kotze Mr John Jacob Peters Mrs Anna Aletta De Vries Ms Chandre Blaauws Mr Marcello Serfontein	Yes	2	2	1
31	WARD COUNCILLOR Cllr G Ford WARD COMMITTEE MEMBERS Mr Desmond Boois Mr Zandisile Killion Cekiso Mr Mziwabantu Wilfred Cekiso Mrs Charlotte Morkel Mr A Coetzee Mrs Elsabe Cedras Ms Alida Palele Ms Joan Adams Mrs Christelle Samuels Mr Klaas Nicky Morkel	Yes	2	2	1
32	WARD COUNCILLOR Mr L.V Nzele WARD COMMITTEE MEMBERS Ms Margaret Joubert Mr Victor Mouton Mr Xolile Qebe Mr Desmond Phakamisa Mbotyi Ms Sebatatso Binca Mrs Bettie Cupido Mrs Nomathandazo Tshona Mrs Nomampodomise Gladys Sampo Mr Mfundo Mbilini	Yes	7	7	4

Ward 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
	Mrs Nonceba Moloinyane				
33	WARD COUNCILLOR	Yes	3	3	4
	Mrs S September				
	WARD COMMITTEE MEMBERS				
	Mr Edgar Lewis				
	Mrs Reginia Hanekom				
	Mr Manfred Sampson				
	Mrs Hayzel Scheffers				
	Mr Adonis Lombaard				
	Ms Gazelle Wendy Leo				
	Ms Maria Magdalena Lewies				
	Mrs Rensia Hendricks				
	Ms Katy Van Wyk				
	Ms Marilyn Abrahams				

ANNEXURE F: WARD INFORMATION

Table 179: Ward - Capital Projects

All Wards				
Ten Largest Capital Projects for the 2017/18 Financial Year (Full list in Appendix N)				
Serial No.	Project Name and Detail	Starting Date	End Date	Rand Value
Column Ref.	A	B	C	D
1	Wellington WWTW: Rehabilitation & Extent	1 July 2017	30 June 2018	142,289,087
2	Replace Existing 66KV Cables Between	1 July 2017	30 June 2018	62,972,664
3	Upgrading of BRB North	1 July 2017	30 June 2018	49,394,998
4	Upgrade and Extensions to Paarl WWTW	1 July 2017	30 June 2018	34,517,539
5	Housing Delivery: Stormwater & Sewerage	1 July 2017	30 June 2018	22,178,162
6	Network Extension/Upgrading HV/MV	1 July 2017	30 June 2018	20,300,941
7	Upgrade Suid End Substation 66/11Kv	1 July 2017	30 June 2018	19,660,855
8	Boreholes Infrastructure	1 July 2017	30 June 2018	18,256,739
9	Replace/Upgrade Water Reticulation Systems	1 July 2017	30 June 2018	17,835,383
10	Replacement of Strawberry King Bulk Pipeline	1 July 2017	30 June 2018	14,561,053
None of the ten largest capital projects were allocated to a specific ward. Capital projects benefited more than one ward. See Appendix N.				

Table 180: Basic Service Provision

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	69,501	68,361	43,820	40,634*	
Households without minimum service delivery	778	1,918	3,220	0	
Total households*	70,279	70,279	47,040	40,634	
Houses completed in year					51
Shortfall in housing units					25,662
*Indicating service points					

Table 181: Top four Service Delivery Priorities

Top four Service Delivery Priorities (Highest priority first)		
No.	Priority name and detail	Progress during 2017/18
1	Housing	51 houses provided
2	Electricity	6.62% electricity losses
3	Skills development	Entrepreneurs skills development program implemented
4	Job creation	1,600 work opportunities created

ANNEXURE G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

Table 182: Municipal Audit Committee Recommendations

Municipal Audit Committee Recommendations		
Meeting Date	Recommendations during 2017/18	Adopted by Council on
24/08/2017	Internal Audit: <ul style="list-style-type: none"> The organisational structure of Internal Audit remains adequate and independent; Internal Audit reports submitted to the Audit Committee were noted and the Internal Audit Reports for the quarter under review were completed as planned; The quarterly assessment of performance information was carried out by Internal Audit. The completeness and accuracy of the Portfolios of Evidence continues to improve towards consistent achievement of clearly defined organisational and individual performance outcomes; and Management is again advised to act timeously on the recommendations made by Internal Audit in their reports. 	31/10/2017
	Risk Management: <ul style="list-style-type: none"> The Audit Committee noted that risk management continues to be the focus area of the Strategic Management Team; The Audit Committee noted that there has been further progress to identify and articulate the key strategic risks facing the municipality and that the Strategic Management Team will be preparing appropriate strategies to mitigate these risks; and The combined Risk and Fraud Prevention Policies have been presented to the Fraud and Risk Management Committee and will be tabled for Council approval by the management team. 	
	Annual Financial Statements: <ul style="list-style-type: none"> The Audit Committee noted that the draft annual financial statements were presented to the committee prior to submission for audit as requested; Changes were proposed to the Finance team which needed to be amended prior to submission of the annual financial statements to the Auditor-General for audit; The impact of mSCOA was taken into account in submission of the annual financial statements; and Consideration be given to having a separate Audit Committee meeting to discuss draft financial statements in the future. 	
	Audit Committee and Internal Audit Charters: <ul style="list-style-type: none"> That Council note that the Internal Audit Charter has been reviewed and has been presented to the Audit Committee for approval; and The Audit Committee Charter has been accepted by the Audit Committee and will be submitted to Council for approval. 	
12/12/2017	Internal Audit: <ul style="list-style-type: none"> The organisational structure of Internal Audit remains adequate and independent; 	28/02/2018

Municipal Audit Committee Recommendations		
Meeting Date	Recommendations during 2017/18	Adopted by Council on
	<ul style="list-style-type: none"> Internal Audit Reports submitted to the Audit Committee were noted and the Internal Audit Reports for the quarter under review were completed as planned; The quarterly assessment of performance information was carried out by Internal Audit. The completeness and accuracy of the Portfolios of Evidence continues to improve towards consistent achievement of clearly defined organisational and individual performance outcomes; and Management is again advised to act timeously on the recommendations made by Internal Audit in their reports. <p>Risk Management:</p> <ul style="list-style-type: none"> That Council note that risk management continues to be the focus area of the Strategic Management Team. <p>General:</p> <ul style="list-style-type: none"> The monitoring of indigent water consumption requires urgent attention especially in light of the drought conditions; The conflict of accountability in respect of outstanding municipal accounts at Saron/Gouda requires resolution and is being addressed by Management; and The vacancies in the Cash Office have been raised as a concern and the Audit Committee has been assured by Management that they are dealing with this matter. Progress will be monitored by the Audit Committee. 	
28/02/2018	<p>Internal Audit:</p> <ul style="list-style-type: none"> The organisational structure of Internal Audit remains adequate and independent; Internal Audit Reports submitted to the Audit Committee were noted and the Internal Audit Reports for the quarter under review were completed as planned; The quarterly assessment of performance information was carried out by Internal Audit. The completeness and accuracy of the Portfolios of Evidence continues to improve towards consistent achievement of clearly defined organisational and individual performance outcomes; and Management is again advised to act timeously on the recommendations made by Internal Audit in their reports. <p>General:</p> <ul style="list-style-type: none"> Water consumption by indigent consumers is still being monitored by management; The conflict of accountability regarding outstanding municipal accounts in the Saron/Gouda area remains a concern despite Council and management efforts to resolve the matter; and Asset management as reported by the internal and external auditors remain a risk area. Management has confirmed that this matter is being addressed. 	26/04/2018
25/05/2018	<p>Internal Audit:</p> <ul style="list-style-type: none"> The organisational structure of Internal Audit remains adequate and independent; 	31/07/2018

Municipal Audit Committee Recommendations		
Meeting Date	Recommendations during 2017/18	Adopted by Council on
	<ul style="list-style-type: none"> • That Internal Audit Reports submitted to the Audit Committee were noted and that the internal audit reports for the quarter under review were completed. The Audit Committee notes that there is pressure to complete all the planned audits before the end of the financial year; • The quarterly assessment of performance information was carried out by Internal Audit. The completeness and accuracy of the Portfolio of Evidence continues to improve, towards consistent achievement of clearly defined organisational and individual performance outcomes; and • Management is requested to ensure that all documents and staff are made available for these outstanding audits to be completed before the end of the financial year. 	
	<p>General:</p> <ul style="list-style-type: none"> • The conflict of accountability in respect of outstanding municipal accounts at Saron/Gouda remains a concern despite the efforts of Council and Management to resolve; • The slight deterioration of outstanding debtors as reported by Internal Audit and the external auditors remain a risk area. Management has confirmed that this matter is being addressed; and • A report on Council's compliance with King IV guidelines has been issued by Internal Audit and these findings should be attended to by Council. 	

ANNEXURE H: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Table 183: Long-term Contracts (Eight largest contracts entered into 2017/18)

Long-term Contracts (Eight Largest Contracts entered into 2017/18)						
Serial No.	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
						Award amount (including contingencies and excluding VAT)
Column Ref	A	B	C	D	E	F
1	Baseline Civil Contractors (Pty) Ltd	Construction of the Southern Extension of Van Der Stel Street between Abbatoir Street and Klein Drakenstein Road.	August 2018	July 2019	C Lotz	20,729,820
2	Raycon Properties	Extension of existing building (Paarl East Housing Office)	July 2018	March 2019	F Rhoda	10,785,364
3	Rekha Construction (Pty) Ltd	Phase 2 - Upgrading of Mbekweni Sports Facility including the construction of a new ticket office, access road, parking area, floodlights, perimeter boundary wall, cricket pitch and the refurbishment of an existing pavilion	June 2018	December 2019	E Saayman	9,044,461
4	JVZ Construction	Construction of Strawberry King Bulk Pipeline: Phase 4 from Newton to Daljosaphat	February 2018	July 2018	A Kowalewski	6,395,278
5	Rekha Construction (Pty) Ltd	Construction of facilities at Pelican Street Stadium	May 2018	October 2018	E Saayman	5,603,707
6	Mainline Civil Engineering Contractors	Trenchless pipe installation underneath the N1 National Road	February 2018	July 2018	A Kowalewski	3,589,564
7	Tops Construction	Alterations at Paarl Civic Centre	August 2018	December 2018	N Marais	3,054,885
8	Mainline Civil Engineering Contractors	Trenchless Crossing Of N1 National Road By Means Of Micro Tunneling	February 2018	April 2018	A Kowalewski	2,583,935

Table 184: Public Private Partnerships entered into 2017/18

Public-Private Partnerships entered into 2017/18					
R`000					
Name and description of project	Name of partner(s)	Initiation date	Expiry date	Project manager	Value 2017/18
No PPP entered into during the year under review					

ANNEXURE I: DISCLOSURES OF FINANCIAL INTEREST

Table 185: Disclosure of Financial Interests

Disclosure of Financial Interests		
Period 1 July 2017 to 30 June 2018		
Position	Name	Description of Financial Interest
Executive Mayor		
Executive Mayor	CLlr CJ Poole	Nil
Deputy Executive Mayor		
Deputy Executive Mayor	GC Combrink	<p>Shares and Securities in any company:</p> <ul style="list-style-type: none"> Santam; and Old Mutual. <p>Membership of close corporation:</p> <ul style="list-style-type: none"> HR Business Academy CC <p>Interest in any trust:</p> <ul style="list-style-type: none"> Kaizen Family Trust (trustee); and Ruyswyck Trust (La Rochelle School) (trustee). <p>Interest in property:</p> <ul style="list-style-type: none"> Residence <p>Pension:</p> <ul style="list-style-type: none"> Sanlam
Members of Mayoral Committee		
Portfolio: Rural Management	M Andreas	<p>Shares and Securities in any company</p> <ul style="list-style-type: none"> Bosman Adama Werkers Trust <p>Interest in any Trust:</p> <ul style="list-style-type: none"> Bosman Adama Werkers Trust <p>Directorship:</p> <ul style="list-style-type: none"> Bosman Adama; Wellington Wines; and Adama Trust. <p>Employment and remuneration:</p> <ul style="list-style-type: none"> Directors fees <p>Pension:</p> <ul style="list-style-type: none"> Sygnia
Portfolio: Social Services	F Jacobs	Nil
Portfolio: Environment, Parks and Open Spaces	C Kearns	Nil
Portfolio: Engineering Services	JF le Roux	<p>Membership of any close corporation:</p> <ul style="list-style-type: none"> Nanini 199 CC (Member) – 13.5% <p>Interest in any trust:</p> <ul style="list-style-type: none"> Koos le Roux Family Trust (dormant) <p>Directorship:</p> <ul style="list-style-type: none"> Wamaker Bellegings (Pty) Ltd (Secretary) <p>Interest in Property:</p> <ul style="list-style-type: none"> Residence <p>Employment and remuneration:</p> <ul style="list-style-type: none"> Koos le Roux Attorneys (Owner);

Disclosure of Financial Interests		
Period 1 July 2017 to 30 June 2018		
Position	Name	Description of Financial Interest
		<ul style="list-style-type: none"> Wamaker Beleggings (Company Secretary); and Drakenstein Municipality. Pension: <ul style="list-style-type: none"> CRF; and MCPF.
Portfolio: Planning and Economic Development and Tourism	J Miller	Shares & Securities in any company: <ul style="list-style-type: none"> British American Tobacco; PSG; Reinet; Zeder; Aspen; and Naspers and Steinhoff. Interest in any trust: <ul style="list-style-type: none"> J & AA Miller Trust (Trustee) Interest in property: <ul style="list-style-type: none"> Residence Owner Pension: <ul style="list-style-type: none"> GEPF
Portfolio: Corporate Services	LP Mokoena	Shares & Securities in any company: <ul style="list-style-type: none"> Tshethi PTY Ltd (not operating); and Duvhalethu multipurpose co-op (not operating). Directorship: <ul style="list-style-type: none"> Tshethi PTY Ltd; and Duvhalethu. Subsidies, Grants and sponsorships by any organisation: <ul style="list-style-type: none"> SASSA (to be cancelled)
Portfolio: Public Safety	R Smuts	Pension: <ul style="list-style-type: none"> SAP
Portfolio: Sport, Recreation, Arts and Culture	LT van Niekerk	Nil
Portfolio: Communication and IGR	RH van Nieuwenhuyzen	Interest in any Trust: <ul style="list-style-type: none"> 258 Irmgard Trust Interest in Property: <ul style="list-style-type: none"> V & A trust Pension: <ul style="list-style-type: none"> GEPF
Portfolio: Human Settlement and Property Management	L Willemse	Nil
Speaker		
Speaker	AC Stowman	Nil
Chief Whip		
Chief Whip	RA Koegelenberg	Shares & Securities in any company: <ul style="list-style-type: none"> Old Mutual; and Sanlam.

Disclosure of Financial Interests		
Period 1 July 2017 to 30 June 2018		
Position	Name	Description of Financial Interest
		Interest in any trust: <ul style="list-style-type: none"> Paarl Gimnasium Trust (Trustee); Paarl Gimnasium 1980 Trust (Trustee); C and L Koegelenberg Family Trust (Trustee); and De Berge Trust (Initiator). Interest in property: <ul style="list-style-type: none"> Residence; and Trust property.
Councillors		
Councillor	AW Abrahams	Nil
	MM Adriaanse	Nil
	AF Afrika	Nil
	JV Anderson	Nil
	R B Arnolds	Nil
	A Bekeer	Pension: <ul style="list-style-type: none"> MCPF
	T G Bester	Interest in property: <ul style="list-style-type: none"> 50% shares in property Pension: <ul style="list-style-type: none"> Receives pension
	DS Blanckenberg	Interest in Property: <ul style="list-style-type: none"> Not specified
	V C Booyesen	Nil
	AML Buckle	Shares & Securities in any company: <ul style="list-style-type: none"> Capespan; and UE12 Membership of close corporation: <ul style="list-style-type: none"> Tamasa Trading 409 CC (Own member) Interest in any trust: <ul style="list-style-type: none"> AML Buckle (owner) Directorship: <ul style="list-style-type: none"> Turnstone Trading 28 PTY Ltd (Director) Employment and remuneration: <ul style="list-style-type: none"> Favourite Fresh Export (Procurement Manager); and Monte Video Guesthouse (owner). Pension: <ul style="list-style-type: none"> Momentum
	FP Cupido	Nil
	PB Cupido	Nil
	H R de Goede	Shares & Securities in any company: <ul style="list-style-type: none"> Sanlam Interest in property: <ul style="list-style-type: none"> Residence Employment and remuneration: <ul style="list-style-type: none"> NG Kerk Paarlberg (Office Manager) Pension:

Disclosure of Financial Interests		
Period 1 July 2017 to 30 June 2018		
Position	Name	Description of Financial Interest
		<ul style="list-style-type: none"> Citadel Fund Manager
	J de Wet	Nil
	B Duba	Nil
	G H Ford	Interest in property: <ul style="list-style-type: none"> Residence
	NN George	Interest in any trust: <ul style="list-style-type: none"> Tshibase Catering company; and Sigqo Transport Services. Directorship: <ul style="list-style-type: none"> Owner Subsidies, grants and sponsorships by any organisation: <ul style="list-style-type: none"> Child Support grant at social services
	E Gouws	Employment and remuneration: <ul style="list-style-type: none"> NGO working as teacher
	SX Jonas	Membership of close corporation: <ul style="list-style-type: none"> Gqwesa Cleaning Services (currently non-operational); and Sibusizwe Arts Project as member.
	MT Klaas	Shares and securities in any company: <ul style="list-style-type: none"> Amampondomise Burial Society PTY Ltd (Owner) Membership of close corporation: <ul style="list-style-type: none"> Not active Directorship: <ul style="list-style-type: none"> In close corporation that is non-operative Pension: <ul style="list-style-type: none"> Want the employer to continue with the current pension fund Subsidies, grants and sponsorships by any organisation: <ul style="list-style-type: none"> UIF; Membership of TMGA (not active); and Partnership Company registered recently. Other financial interest in any business undertaking: <ul style="list-style-type: none"> Amampondomise Burial Society PTY Ltd (Owner)
	H J Kotze	Interest in any trust: <ul style="list-style-type: none"> Kotze Family Trust; and Victoria Park. Directorship: <ul style="list-style-type: none"> Victoria Park Employment and remuneration: <ul style="list-style-type: none"> AKF Aluminium (Project Manager) Pension: <ul style="list-style-type: none"> Old Mutual
	C Kroutz	Pension: <ul style="list-style-type: none"> Cape Joint
	L Landu	Employment and remuneration: <ul style="list-style-type: none"> Drakenstein; and Cape Winelands District Municipality. Pension:

Disclosure of Financial Interests		
Period 1 July 2017 to 30 June 2018		
Position	Name	Description of Financial Interest
		<ul style="list-style-type: none"> Cape Retirement Fund
	M le Hoe	Nil
	A Luggola	Nil
	T C Mangena	Nil
	ZL Masoka	Nil
	HJN Matthee	Interest in any trust: <ul style="list-style-type: none"> Kaizan Trust; Matthee Fam Trust ; Dala Trust; and Du Toit Trust. Financial interest in business undertaking: <ul style="list-style-type: none"> Accounting solutions Interest in property: <ul style="list-style-type: none"> Matthee Trust Employment and remuneration: <ul style="list-style-type: none"> Berg River Irrigation
	J Matthee	Nil
	NP Mbenene	Nil
	MN Mdunusie	Nil
	WPD Meyer	Pension: <ul style="list-style-type: none"> SASSA
	ND Mkabile	Shares & Securities in any company: <ul style="list-style-type: none"> Nkomfa Engineering Solution PTY Ltd Membership of close corporation: <ul style="list-style-type: none"> Salilogix (Pty) Ltd Directorship: <ul style="list-style-type: none"> Salilogix (Pty) Ltd Other financial interest in any business undertaking: <ul style="list-style-type: none"> Gospel artist Employment and remuneration: <ul style="list-style-type: none"> Revolver Music Royalties Subsidies, Grants and sponsorships by any organisations: <ul style="list-style-type: none"> Obtain sponsors when needed for events.
	TR Mpulanyana	Shares & Securities in any company: <ul style="list-style-type: none"> Mvulama Holdings Directorship: <ul style="list-style-type: none"> Director Mvulama Holdings
	LW Niehaus	Membership of a close cooperation: <ul style="list-style-type: none"> Cape Winelands Judo Association Chairperson; Western Cape Judo Federation Chairperson; and Cape Winelands Vice Chairperson. Interest in any trust: <ul style="list-style-type: none"> Pinksterpark Trustee member Employment and Remuneration: <ul style="list-style-type: none"> Kaapse Wynland Distriksraad Pension: <ul style="list-style-type: none"> Local Government

Disclosure of Financial Interests		
Period 1 July 2017 to 30 June 2018		
Position	Name	Description of Financial Interest
	MD Nobula	Nil
	TZ Nomana Nqoro	<ul style="list-style-type: none"> Declaration completed in full; and Declared interest in all fields, but did not specify.
	LV Nzele	Nil
	WF Philander	Nil
	SC Rens	Nil
	AM Richards	Membership of close corporation: <ul style="list-style-type: none"> Richcorp Trading cc Interest in any trust: <ul style="list-style-type: none"> Yusuf and Salaama Bursary Trust - member Directorship: <ul style="list-style-type: none"> Ou Tuin Development (Pty) Ltd; and Paarl Property Partnership (Pty) Ltd. Interest in property: <ul style="list-style-type: none"> Owner of erf
	CS Ross	Nil
	LS Sambokwe	Nil
	ND Sauerman	Directorship: <ul style="list-style-type: none"> Solar Energy Land (Director) Interest in property: <ul style="list-style-type: none"> Residence Employment: <ul style="list-style-type: none"> Consultant Labour Relations Act
	S September	Nil
	J Smit	Pension: <ul style="list-style-type: none"> Government
	W E Smit	Membership of any close cooperation: <ul style="list-style-type: none"> Restaurant in Hermanus Interest in property: <ul style="list-style-type: none"> Residence
	EA Solomons	Employment : <ul style="list-style-type: none"> Housing rental - Agent for Transnet Properties; and Work on commission basis.
	M Vika	Nil
	A J van Santen	Interest in any Trust: <ul style="list-style-type: none"> Abri Trust (Trustee) Partnership: <ul style="list-style-type: none"> A J van Santen Boerdery (Partner) Employment and remuneration: <ul style="list-style-type: none"> Admin Manager - A J van Santen Boerdery
	M Vika	Nil
	N Zikhali	Nil
Executive Management		
City Manager	Dr Leibbrandt	None
Chief Financial Officer	Mr J Carstens	None

Disclosure of Financial Interests		
Period 1 July 2017 to 30 June 2018		
Position	Name	Description of Financial Interest
Executive Director: Corporate Services	Mr S Johaar	None
Executive Director: Planning and Development	Ms L Waring	None
Executive Director: Community Services	Mr G Boshoff	None
Executive Director: Engineering Services	Mr D Hattingh	<ul style="list-style-type: none"> • Founder and beneficiary of Capensis Trust; • A trustee of Winelands Village Home Owners Association; • A trustee of Fremco Trust; and • A friend to Grant Mackintosh who is a founder of Emanti Management.

ANNEXURE J: REVENUE COLLECTION PERFORMANCE

ANNEXURE J (I): REVENUE COLLECTION BY VOTE

Table 186: Revenue Performance by GFS Vote

Revenue Collection Performance by Vote							
Serial No.	Vote Description	2016/2017	2017/2018			Postive / (Negative) % Variance	
		Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
Column Ref.	A	B	C	D	E	F	G
1	Executive and Council	22,705,932	22,558,235	22,558,235	22,159,939	-1.77%	-1.77%
2	Budget and Treasury Office	285,670,585	298,655,979	280,853,900	273,119,203	-8.55%	-2.75%
3	Corporate Services	113,576,739	-	-	-	0.00%	0.00%
4	Comm. and Social Services	18,209,565	3,099,581	2,767,849	3,393,308	9.48%	22.60%
5	Sports and Recreation	4,371,235	4,241,431	4,241,431	3,248,165	-23.42%	-23.42%
6	Public Safety	88,992,613	350,734	350,734	382,255	8.99%	8.99%
7	Housing	43,214,135	112,863,663	1,201,582,694	81,414,769	-27.86%	-93.22%
8	Health	-	-	-	-	0.00%	0.00%
9	Planning and Development	6,212,500	1,033,099	1,033,099	131,026	-87.32%	-87.32%
10	Road Transport	20,190,792	118,432,857	128,924,645	152,653,853	28.89%	18.41%
11	Enviromental Protection	849,734	-	-	-	0.00%	0.00%
12	Electricity	1,075,467,786	1,088,109,648	1,063,281,757	1,044,901,695	-3.97%	-1.73%
13	Water	208,918,141	234,543,123	254,246,459	230,487,986	-1.73%	-9.34%
14	Wastewater Management/Sewerage	151,582,812	159,230,233	157,101,927	154,599,350	-2.91%	-1.59%
15	Waste Management & Solid Waste	42,885,963	158,744,264	130,562,448	127,445,076	-19.72%	-2.39%
16	Total revenue by vote	2,082,848,534	2,201,862,847	3,247,505,178	2,093,936,625	-4.90%	-35.52%

ANNEXURE J (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Table 187: Revenue Performance by Source

Revenue Collection Performance by Source							
Serial No.	Description	2016/2017	2017/2018			Positive / (Negative) % Variance	
		Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Column Ref.	A	B	C	D	E	F	G
1	Property rates	237,762,258	248,065,913	246,446,736	244,063,419	-1.61%	-0.97%
2	Property rates – penalties and collection changes	1,356,616	-	-	1,453,964	#DIV/0!	#DIV/0!
3	Service Charges – electricity revenue	1,034,768,427	1,041,773,629	969,309,098	950,979,182	-8.72%	-1.89%
4	Service Charges – water revenue	186,435,778	206,577,820	223,641,356	193,864,306	-6.15%	-13.31%
5	Service Charges – sanitation revenue	89,838,687	108,112,365	90,557,999	84,208,418	-22.11%	-7.01%
6	Service Charges – refuse revenue	110,729,546	120,940,260	92,499,256	85,033,842	-29.69%	-8.07%
7	Service Charges – other	38,744	-	-	-	0.00%	0.00%
8	Rentals of facilities and equipment	27,479,590	27,767,923	4,207,148	8,580,961	-69.10%	103.96%
9	Interest earned – external investments	22,070,191	21,340,000	21,340,000	21,664,829	1.52%	1.52%
10	Interest earned – outstanding debtors	14,648,759	13,231,462	14,745,175	18,495,977	39.79%	25.44%
11	Dividends received	-	-	-	-	0.00%	0.00%
12	Fines	66,815,216	53,309,968	69,801,756	92,938,480	74.34%	33.15%
13	Licenses and permits	17,333,829	16,971,823	3,686,508	3,326,097	-80.40%	-9.78%
14	Agency services	-	-	-	-	0.00%	0.00%
15	Transfers recognised – operational	158,678,744	219,262,034	210,757,034	152,319,538	-30.53%	-27.73%
16	Other revenue	41,458,850	23,503,650	84,463,931	87,743,290	273.32%	3.88%
17	Gains on disposal of PPE	-	250,000	250,000	-12,108,456	-4943.38%	-4943.38%
18	Gains from assets from non exchange transactions	-	-	-	4,891,000	#DIV/0!	#DIV/0!
19	Total revenue (excluding capital transfers and contributions)	2,009,415,236	2,101,106,847	2,031,705,997	1,937,454,847	-7.79%	-4.64%

ANNEXURE K: CONDITIONAL GRANTS RECEIVED

Table 188: Conditional Grants excluding MIG

Conditional Grants: excluding MIG							
Serial No.	Details	Original Budget	Adjustments Budget	Actual	Positive / (Negative) % Variance		Major conditions applied by donor (continue below if necessary)
					Budget	Adjustments Budget	
Column Ref.	A	B	C	D	E	F	G
1	Finance Management Grant	1,550,000	1,550,000	1,475,002	-4.8%	-4.8%	Yes
2	Integrated Natinal Electrification Programme	5,000,000	5,000,000	4,052,952	-18.9%	-18.9%	Yes
3	Expanded Public Works Programme Grant	1,352,000	2,456,000	2,456,000	81.7%	0.0%	yes
4	Total	7,902,000	9,006,000	7,983,954	1.0%	-11.3%	Yes

ANNEXURE L: CAPITAL EXPENDITURE – NEW AND UPGRADE/RENEWAL PROJECTS

ANNEXURE L (I): CAPITAL EXPENDITURE – NEW ASSETS

Table 189: Capital Expenditure - New Assets

Capital Expenditure – New Assets								
Serial No.	Description	R`000						
		2016/17	2017/18			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
1	Capital Expenditure by Asset Class							
2	Infrastructure	294,062	227,771	227,291	227,079	109,946	60,810	94,245
3	Roads Infrastructure:	37,659	5,965	4,951	4,880	13,800	250	500
4	Roads	37,659	4,000	3,783	3,734	13,800	-	-
5	Road Structures	-	915	596	574	-	-	-
6	Road Furniture	-	1,050	572	572	-	250	500
7	Capital Spares	-	-	-	-	-	-	-
8	Stormwater Infrastructure	-	-	-	-	-	-	-
9	Drainage Collection	-	-	-	-	-	-	-
10	Stormwater Conveyance	-	-	-	-	-	-	-
11	Attenuation	-	-	-	-	-	-	-
12	Electrical Infrastructure	75,508	24,445	11,076	10,979	53,770	18,592	57,245
13	Power Plants	-	-	-	-	-	-	-
14	HV Substations	-	-	6,424	6,327	12,390	14,812	51,565
15	HV Switching Station	-	-	-	-	-	-	-
16	HV Transmission Conductors	-	-	-	-	-	1,600	3,500
17	MV Substations	-	-	1,799	1,799	-	-	-
18	MV Switching Stations	74,678	18,983	2,853	2,853	20,000	-	-
19	MV Networks	-	-	-	-	-	-	-
20	LV Networks	831	5,462	-	-	21,380	2,180	2,180
21	Capital Spares	-	-	-	-	-	-	-
22	Water Supply Infrastructure	91,853	20,066	31,375	31,375	27,080	31,800	30,500
23	Dams and Weirs	73,296	-	-	-	-	-	-
24	Boreholes	-	4,000	18,257	18,257	8,000	-	-
25	Reservoirs	-	740	740	740	-	-	-
26	Pump Stations	-	-	-	-	-	-	-
27	Water Treatment Works	-	3,561	-	-	5,000	7,500	25,500
28	Bulk Mains	-	1,400	750	750	-	18,500	-
29	Distribution	18,556	10,365	11,228	11,228	11,000	5,800	5,000
30	Distribution Points	-	-	400	400	3,080	-	-
31	PRV Stations	-	-	-	-	-	-	-
32	Capital Spares	-	-	-	-	-	-	-
33	Sanitation Infrastructure	88,367	177,294	177,388	177,387	11,484	9,218	5,000
34	Pump Station	-	750	614	614	-	-	-

Capital Expenditure – New Assets								
Serial No.	R`000							
	Description	2016/17	2017/18			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
35	Reticulation	1,230	10,700	32,625	32,625	11,484	4,218	-
36	Waste Water Treatment Works	87,137	155,037	144,148	144,148	-	5,000	5,000
37	Outfall Sewers	-	10,808	-	-	-	-	-
38	Toilet Facilities	-	-	-	-	-	-	-
39	Capital Spares	-	-	-	-	-	-	-
40	Solid Waste Infrastructure	675	-	1,708	1,708	-	-	-
41	Landfill Sites	-	-	1,553	1,553	-	-	-
42	Waste Transfer Stations	675	-	-	-	-	-	-
43	Waste Processing Facilities	-	-	-	-	-	-	-
44	Waste Drop-off Points	-	-	155	155	-	-	-
45	Waste Separation Facilities	-	-	-	-	-	-	-
46	Electricity Generation Facilities	-	-	-	-	-	-	-
47	Capital Spares	-	-	-	-	-	-	-
48	Rail Infrastructure	-	-	-	-	-	-	-
49	Rail Lines	-	-	-	-	-	-	-
50	Rail Structures	-	-	-	-	-	-	-
51	Rail Furniture	-	-	-	-	-	-	-
52	Drainage Collection	-	-	-	-	-	-	-
53	Stormwater Conveyance	-	-	-	-	-	-	-
54	Attenuation	-	-	-	-	-	-	-
55	MV Substations	-	-	-	-	-	-	-
56	LV Networks	-	-	-	-	-	-	-
57	Capital Spares	-	-	-	-	-	-	-
58	Coastal Infrastructure	-	-	-	-	-	-	-
59	Sand Pumps	-	-	-	-	-	-	-
60	Piers	-	-	-	-	-	-	-
61	Revetments	-	-	-	-	-	-	-
62	Promenades	-	-	-	-	-	-	-
63	Capital Spares	-	-	-	-	-	-	-
64	Information and Communication Infrastructure	-	-	793	750	3,812	950	1,000
65	Data Centres	-	-	-	-	-	-	-
66	Core Layers	-	-	793	750	3,812	950	1,000
67	Distribution Layers	-	-	-	-	-	-	-
68	Capital Spares	-	-	-	-	-	-	-
69	Community Assets	23,160	9,043	13,508	13,347	5,100	7,338	20,900
70	Community Facilities	11,229	9,043	12,282	12,176	500	4,338	12,900
71	Halls	6,111	-	9,304	9,304	-	-	-
72	Centres	73	2,773	951	913	-	-	-
73	Crèches	-	-	-	-	-	-	-

Capital Expenditure – New Assets								
Serial No.	R`000							
	Description	2016/17	2017/18			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
74	Clinics/Care Centres	-	-	-	-	-	-	-
75	Fire/Ambulance Stations	-	-	-	-	-	-	-
76	Testing Stations	-	-	-	-	-	-	-
77	Museums	-	-	-	-	-	-	-
78	Galleries	-	-	-	-	-	-	-
79	Theatres	-	-	-	-	-	-	-
80	Libraries	-	-	-	-	-	-	-
81	Cemeteries/Crematoria	-	1,650	388	388	-	3,488	4,200
82	Police	5,045	-	-	-	-	-	-
83	Parks	-	-	-	-	-	-	-
84	Public Open Space	-	4,620	838	769	-	-	-
85	Nature Reserves	-	-	-	-	-	-	-
86	Public Ablution Facilities	-	-	-	-	-	-	-
87	Markets	-	-	-	-	-	-	-
88	Stalls	-	-	802	801	500	850	8,700
89	Abattoirs	-	-	-	-	-	-	-
90	Airports	-	-	-	-	-	-	-
91	Taxi Ranks/ Bus Terminals	-	-	-	-	-	-	-
92	Capital Spares	-	-	-	-	-	-	-
93	Sport and Recreation Facilities	11,932	-	1,226	1,171	4,600	3,000	8,000
94	Indoor Facilities	-	-	-	-	-	-	-
95	Outdoor Facilities	11,932	-	1,226	1,171	4,600	3,000	8,000
96	Capital Spares	-	-	-	-	-	-	-
97	Heritage Assets	-	-	-	-	-	-	-
98	Monuments	-	-	-	-	-	-	-
99	Historic Buildings	-	-	-	-	-	-	-
100	Works of Art	-	-	-	-	-	-	-
101	Conservation Areas	-	-	-	-	-	-	-
102	Other Heritage	-	-	-	-	-	-	-
103	Investment Properties	-	-	-	-	-	-	-
104	Revenue Generating	-	-	-	-	-	-	-
105	Improved Property	-	-	-	-	-	-	-
106	Unimproved Property	-	-	-	-	-	-	-
107	Non-revenue Generating	-	-	-	-	-	-	-
108	Improved Property	-	-	-	-	-	-	-
109	Unimproved Property	-	-	-	-	-	-	-
110	Other Assets	58,047	13,400	6,919	6,906	22,000	-	-
111	Operational Buildings	29,023	6,700	3,459	3,453	11,000	-	-
112	Municipal Buildings	4,595	6,700	512	512	10,000	-	-
113	Pay/Enquiry Points	-	-	327	322	-	-	-

Capital Expenditure – New Assets								
Serial No. Column Ref.	Description	R`000						
		2016/17	2017/18			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
A	B	C	D	E	F	G	H	
114	Building Plan Offices	-	-	-	-	-	-	-
115	Workshops	-	-	-	-	-	-	-
116	Yards	-	-	-	-	-	-	-
117	Stores	-	-	2,621	2,619	1,000	-	-
118	Laboratories	-	-	-	-	-	-	-
119	Training Centres	-	-	-	-	-	-	-
120	Manufacturing Plant	-	-	-	-	-	-	-
121	Depots	24,429	-	-	-	-	-	-
122	Capital Spares	-	-	-	-	-	-	-
123	Housing	1,350	-	-	-	-	-	-
124	Staff Housing	-	-	-	-	-	-	-
125	Social Housing	1,350	-	-	-	-	-	-
126	Capital Spares	-	-	-	-	-	-	-
127	Biological or Cultivated Assets	4,428	3,000	2,658	2,658	2,250	-	-
128	Biological or Cultivated Assets	-	-	-	-	-	-	-
129	Intangible Assets	1,476	1,000	886	886	750	250	-
130	Servitudes	-	-	-	-	-	-	-
131	Licences and Rights	1,476	1,000	886	886	750	250	-
132	Water Rights	-	-	-	-	-	-	-
133	Effluent Licenses	-	-	-	-	-	-	-
134	Solid Waste Licenses	-	-	-	-	-	-	-
135	Computer Software and Applications	1,476	1,000	-	-	750	250	-
136	Load Settlement Software Applications	-	-	886	886	-	-	-
137	Unspecified	-	-	-	-	-	-	-
138	Computer Equipment	4,033	4,250	3,322	3,186	3,150	3,290	3,590
139	Computer Equipment	4,033	4,250	3,322	3,186	3,150	3,290	3,590
140	Furniture and Office Equipment	3,574	11,018	4,546	4,323	6,580	2,454	5,177
141	Furniture and Office Equipment	3,574	11,018	4,546	4,323	6,580	2,454	5,177
142	Machinery and Equipment	6,593	325	5,047	4,463	4,398	6,610	5,010
143	Machinery and Equipment	6,593	325	5,047	4,463	4,398	6,610	5,010
144	Transport Assets	-	3,568	16,750	16,748	10,136	10,220	13,911
145	Transport Assets	-	3,568	16,750	16,748	10,136	10,220	13,911
146	Land	-	-	-	-	-	-	-
147	Land	-	-	-	-	-	-	-
148	Zoo's Marine and Non-biological Animals	-	-	-	-	-	-	-
149	Zoo's Marine and Non-biological Animals	-	-	-	-	-	-	-
150	Total Capital Expenditure on New Assets	395,248	272,375	280,041	278,709	163,560	91,472	142,833

ANNEXURE L (II): CAPITAL EXPENDITURE – UPGRADE PROJECTS

Table 190: Capital Expenditure – Upgrade Programme

Capital Expenditure – Upgrade Programme*								
Serial No.	Description	R`000						
		2016/17	2017/18			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
1	Capital Expenditure by Asset Class							
2	Infrastructure	-	252,683	247,063	247,046	164,207	94,619	139,254
3	Roads Infrastructure	-	52,330	62,269	62,269	47,873	28,113	78,174
4	Roads	-	51,730	59,983	59,983	47,873	28,113	78,174
5	Road Structures	-	600	2,286	2,286	-	-	-
6	Road Furniture	-	-	-	-	-	-	-
7	Capital Spares	-	-	-	-	-	-	-
8	Stormwater Infrastructure	-	-	-	-	-	-	-
9	Drainage Collection	-	-	-	-	-	-	-
10	Stormwater Conveyance	-	-	-	-	-	-	-
11	Attenuation	-	-	-	-	-	-	-
12	Electrical Infrastructure	-	12,925	45,277	45,277	-	1,000	4,000
13	Power Plants	-	-	-	-	-	-	-
14	HV Substations	-	-	-	-	-	-	-
15	HV Switching Station	-	-	-	-	-	-	-
16	HV Transmission Conductors	-	-	-	-	-	-	-
17	MV Substations	-	-	19,914	19,914	-	-	-
18	MV Switching Stations	-	-	176	176	-	-	-
19	MV Networks	-	11,605	22,702	22,702	-	1,000	4,000
20	LV Networks	-	1,320	2,484	2,484	-	-	-
21	Capital Spares	-	-	-	-	-	-	-
22	Water Supply Infrastructure	-	97,976	77,792	77,790	78,202	57,248	43,080
23	Dams and Weirs	-	-	-	-	-	-	-
24	Boreholes	-	-	-	-	-	-	-
25	Reservoirs	-	29,628	28,810	28,810	1,250	12,000	-
26	Pump Stations	-	-	-	-	-	-	-
27	Water Treatment Works	-	27,836	13,986	13,986	7,000	-	-
28	Bulk Mains	-	19,296	19,696	19,696	66,436	44,998	41,337
29	Distribution	-	19,116	13,257	13,255	3,516	250	1,743
30	Distribution Points	-	2,100	2,043	2,043	-	-	-
31	PRV Stations	-	-	-	-	-	-	-
32	Capital Spares	-	-	-	-	-	-	-
33	Sanitation Infrastructure	-	89,452	50,156	50,141	35,132	8,258	14,000
34	Pump Station	-	1,750	1,316	1,304	-	-	-
35	Reticulation	-	4,550	14,323	14,319	20,000	-	-
36	Waste Water Treatment Works	-	76,352	34,518	34,518	15,132	3,758	10,000

Capital Expenditure – Upgrade Programme*								
Serial No.	Description	R`000						
		2016/17	2017/18			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
37	Outfall Sewers	-	6,800	-	-	-	4,500	4,000
38	Toilet Facilities	-	-	-	-	-	-	-
39	Capital Spares	-	-	-	-	-	-	-
40	Solid Waste Infrastructure	-	-	11,569	11,569	3,000	-	-
41	Landfill Sites	-	-	-	-	3,000	-	-
42	Waste Transfer Stations	-	-	11,375	11,375	-	-	-
43	Waste Processing Facilities	-	-	-	-	-	-	-
44	Waste Drop-off Points	-	-	194	194	-	-	-
45	Waste Separation Facilities	-	-	-	-	-	-	-
46	Electricity Generation Facilities	-	-	-	-	-	-	-
47	Capital Spares	-	-	-	-	-	-	-
48	Rail Infrastructure	-	-	-	-	-	-	-
49	Rail Lines	-	-	-	-	-	-	-
50	Rail Structures	-	-	-	-	-	-	-
51	Rail Furniture	-	-	-	-	-	-	-
52	Drainage Collection	-	-	-	-	-	-	-
53	Stormwater Conveyance	-	-	-	-	-	-	-
54	Attenuation	-	-	-	-	-	-	-
55	MV Substations	-	-	-	-	-	-	-
56	LV Networks	-	-	-	-	-	-	-
57	Capital Spares	-	-	-	-	-	-	-
58	Coastal Infrastructure	-	-	-	-	-	-	-
59	Sand Pumps	-	-	-	-	-	-	-
60	Piers	-	-	-	-	-	-	-
61	Revetments	-	-	-	-	-	-	-
62	Promenades	-	-	-	-	-	-	-
63	Capital Spares	-	-	-	-	-	-	-
64	Information and Communication Infrastructure	-	-	-	-	-	-	-
65	Data Centres	-	-	-	-	-	-	-
66	Core Layers	-	-	-	-	-	-	-
67	Distribution Layers	-	-	-	-	-	-	-
68	Capital Spares	-	-	-	-	-	-	-
69	Community Assets	-	30,904	21,548	21,512	50,324	42,350	31,369
70	Community Facilities	-	6,060	6,340	6,322	12,173	4,700	2,569
71	Halls	-	-	-	-	3,523	3,000	2,300
72	Centres	-	563	225	221	-	-	-
73	Crèches	-	-	-	-	-	-	-
74	Clinics /Care Centres	-	-	-	-	-	-	-
75	Fire/Ambulance Stations	-	-	-	-	1,200	1,000	-

Capital Expenditure – Upgrade Programme*								
Serial No.	Description	R`000						
		2016/17	2017/18			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
76	Testing Stations	-	-	-	-	-	-	-
77	Museums	-	-	-	-	-	-	-
78	Galleries	-	-	-	-	-	-	-
79	Theatres	-	-	-	-	-	-	-
80	Libraries	-	2,982	2,966	2,957	600	-	-
81	Cemeteries/Crematoria	-	-	-	-	200	-	-
82	Police	-	-	-	-	-	-	-
83	Parks	-	-	-	-	2,550	300	269
84	Public Open Space	-	2,265	2,910	2,905	-	-	-
85	Nature Reserves	-	250	238	238	-	-	-
86	Public Ablution Facilities	-	-	-	-	-	-	-
87	Markets	-	-	-	-	-	-	-
88	Stalls	-	-	-	-	4,100	400	-
89	Abattoirs	-	-	-	-	-	-	-
90	Airports	-	-	-	-	-	-	-
91	Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-
92	Capital Spares	-	-	-	-	-	-	-
93	Sport and Recreation Facilities	-	24,844	15,208	15,190	38,151	37,650	28,800
94	Indoor Facilities	-	-	-	-	-	-	9,000
95	Outdoor Facilities	-	24,844	15,208	15,190	38,151	37,650	19,800
96	Capital Spares	-	-	-	-	-	-	-
97	Heritage Assets	-	-	-	-	-	-	-
98	Monuments	-	-	-	-	-	-	-
99	Historic Buildings	-	-	-	-	-	-	-
100	Works of Art	-	-	-	-	-	-	-
101	Conservation Areas	-	-	-	-	-	-	-
102	Other Heritage	-	-	-	-	-	-	-
103	Investment Properties	-	-	-	-	-	-	-
104	Revenue Generating	-	-	-	-	-	-	-
105	Improved Property	-	-	-	-	-	-	-
106	Unimproved Property	-	-	-	-	-	-	-
107	Non-revenue Generating	-	-	-	-	-	-	-
108	Improved Property	-	-	-	-	-	-	-
109	Unimproved Property	-	-	-	-	-	-	-
110	Other Assets	-	13,010	2,455	2,168	5,000	1,075	-
111	Operational Buildings	-	11,310	2,455	2,168	5,000	1,075	-
112	Municipal Offices	-	10,910	1,776	1,490	5,000	1,000	-
113	Pay/Enquiry Points	-	-	-	-	-	-	-
114	Building Plan Offices	-	-	-	-	-	-	-
115	Workshops	-	-	-	-	-	-	-

Capital Expenditure – Upgrade Programme*								
Serial No.	Description	R`000						
		2016/17	2017/18			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
116	Yards	-	400	494	494	-	-	-
117	Stores	-	-	-	-	-	-	-
118	Laboratories	-	-	-	-	-	-	-
119	Training Centres	-	-	-	-	-	-	-
120	Manufacturing Plant	-	-	-	-	-	-	-
121	Depots	-	-	184	184	-	75	-
122	Capital Spares	-	-	-	-	-	-	-
123	Housing	-	1,700	-	-	-	-	-
124	Staff Housing	-	100	-	-	-	-	-
125	Social Housing	-	1,600	-	-	-	-	-
126	Capital Spares	-	-	-	-	-	-	-
127	Biological or Cultivated Assets	-	-	-	-	-	-	-
128	Biological or Cultivated Assets	-	-	-	-	-	-	-
129	Intangible Assets	-	-	-	-	-	-	-
130	Servitudes	-	-	-	-	-	-	-
131	Licences and Rights	-	-	-	-	-	-	-
132	Water Rights	-	-	-	-	-	-	-
133	Effluent Licenses	-	-	-	-	-	-	-
134	Solid Waste Licences	-	-	-	-	-	-	-
135	Computer Software and Applications	-	-	-	-	-	-	-
136	Load Settlement Software Applications	-	-	-	-	-	-	-
137	Unspecified	-	-	-	-	-	-	-
138	Computer Equipment	-	300	-	-	-	-	-
139	Computer Equipment	-	300	-	-	-	-	-
140	Furniture and Office Equipment	-	-	-	-	-	-	-
141	Furniture and Office Equipment	-	-	-	-	-	-	-
142	Machinery and Equipment	-	-	-	-	-	-	-
143	Machinery and Equipment	-	-	-	-	-	-	-
144	Transport Assets	-	-	-	-	-	-	-
145	Transport Assets	-	-	-	-	-	-	-
146	Land	-	-	-	-	-	-	-
147	Land	-	-	-	-	-	-	-
148	Zoo's Marine and Non-biological Animals	-	-	-	-	-	-	-
149	Zoo's Marine and Non-biological Animals	-	-	-	-	-	-	-
150	Total Capital Expenditure on Renewed Assets	-	296,897	271,065	270,725	219,531	138,044	170,623

ANNEXURE L (III): CAPITAL EXPENDITURE –RENEWAL PROJECTS

Table 191: Capital Expenditure- Renewal Programme

Capital Expenditure – Renewal Programme								
Serial No.	Description	R'000						
		2016/17	2017/18			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
1	Capital Expenditure by Asset Class							
2	Infrastructure	161,086	69,890	87,883	87,878	75,000	47,215	14,000
3	Roads Infrastructure	26,073	6,500	-	-	-	-	-
4	Roads	26,073	6,500	-	-	-	-	-
5	Road Structures	-	-	-	-	-	-	-
6	Road Furniture	-	-	-	-	-	-	-
7	Capital Spares	-	-	-	-	-	-	-
8	Stormwater Infrastructure	-	5,000	5,010	5,010	-	8,000	9,000
9	Drainage Collection	-	-	-	-	-	-	-
10	Stormwater Conveyance	-	5,000	5,010	5,010	-	8,000	9,000
11	Attenuation	-	-	-	-	-	-	-
12	Electrical Infrastructure	11,758	57,690	81,580	81,577	75,000	39,215	5,000
13	Power Plants	-	-	-	-	-	-	-
14	HV Substations	-	-	-	-	-	37,215	-
15	HV Switching Station	-	-	-	-	-	-	-
16	HV Transmission Conductors	-	-	-	-	-	-	-
17	MV Substations	-	-	7,805	7,805	5,000	-	-
18	MV Switching Stations	11,758	2,750	2,781	2,779	-	2,000	5,000
19	MV Networks	-	51,431	63,103	63,101	70,000	-	-
20	LV Networks	-	3,509	7,892	7,892	-	-	-
21	Capital Spares	-	-	-	-	-	-	-
22	Water Supply Infrastructure	20,538	700	450	450	-	-	-
23	Dams and Weirs	-	-	-	-	-	-	-
24	Boreholes	-	-	-	-	-	-	-
25	Reservoirs	-	-	-	-	-	-	-
26	Pump Stations	-	-	-	-	-	-	-
27	Water Treatment Works	750	-	-	-	-	-	-
28	Bulk Mains	-	-	-	-	-	-	-
29	Distribution	19,788	700	450	450	-	-	-
30	Distribution Points	-	-	-	-	-	-	-
31	PRV Stations	-	-	-	-	-	-	-
32	Capital Spares	-	-	-	-	-	-	-
33	Sanitation Infrastructure	102,717	-	842	842	-	-	-
34	Pump Station	-	-	-	-	-	-	-
35	Reticulation	50,751	-	-	-	-	-	-
36	Waste Water Treatment Works	51,966	-	842	842	-	-	-

Capital Expenditure – Renewal Programme								
Serial No.	Description	R`000						
		2016/17	2017/18			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
37	Outfall Sewers	-	-	-	-	-	-	-
38	Toilet Facilities	-	-	-	-	-	-	-
39	Capital Spares	-	-	-	-	-	-	-
40	Solid Waste Infrastructure	-	-	1	-	-	-	-
41	Landfill Sites	-	-	1	-	-	-	-
42	Waste Transfer Stations	-	-	-	-	-	-	-
43	Waste Processing Facilities	-	-	-	-	-	-	-
44	Waste Drop-off Points	-	-	-	-	-	-	-
45	Waste Separation Facilities	-	-	-	-	-	-	-
46	Electricity Generation Facilities	-	-	-	-	-	-	-
47	Capital Spares	-	-	-	-	-	-	-
48	Rail Infrastructure	-	-	-	-	-	-	-
49	Rail Lines	-	-	-	-	-	-	-
50	Rail Structures	-	-	-	-	-	-	-
51	Rail Furniture	-	-	-	-	-	-	-
52	Drainage Collection	-	-	-	-	-	-	-
53	Stormwater Conveyance	-	-	-	-	-	-	-
54	Attenuation	-	-	-	-	-	-	-
55	MV Substations	-	-	-	-	-	-	-
56	LV Networks	-	-	-	-	-	-	-
57	Capital Spares	-	-	-	-	-	-	-
58	Coastal Infrastructure	-	-	-	-	-	-	-
59	Sand Pumps	-	-	-	-	-	-	-
60	Piers	-	-	-	-	-	-	-
61	Revetments	-	-	-	-	-	-	-
62	Promenades	-	-	-	-	-	-	-
63	Capital Spares	-	-	-	-	-	-	-
64	Information and Communication Infrastructure	-	-	-	-	-	-	-
65	Data Centres	-	-	-	-	-	-	-
66	Core Layers	-	-	-	-	-	-	-
67	Distribution Layers	-	-	-	-	-	-	-
68	Capital Spares	-	-	-	-	-	-	-
69	Community Assets	8,265	-	142	141	1,000	-	-
70	Community Facilities	242	-	112	112	1,000	-	-
71	Halls	-	-	-	-	1,000	-	-
72	Centres	69	-	-	-	-	-	-
73	Crèches	-	-	-	-	-	-	-
74	Clinics /Care Centres	-	-	-	-	-	-	-
75	Fire/Ambulance Stations	-	-	-	-	-	-	-

Capital Expenditure – Renewal Programme								
Serial No.	R`000							
	Description	2016/17	2017/18			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
76	Testing Stations	-	-	-	-	-	-	-
77	Museums	-	-	-	-	-	-	-
78	Galleries	-	-	-	-	-	-	-
79	Theatres	-	-	-	-	-	-	-
80	Libraries	173	-	-	-	-	-	-
81	Cemeteries/Crematoria	-	-	-	-	-	-	-
82	Police	-	-	-	-	-	-	-
83	Parks	-	-	-	-	-	-	-
84	Public Open Space	-	-	-	-	-	-	-
85	Nature Reserves	-	-	20	20	-	-	-
86	Public Ablution Facilities	-	-	-	-	-	-	-
87	Markets	-	-	92	92	-	-	-
88	Stalls	-	-	-	-	-	-	-
89	Abattoirs	-	-	-	-	-	-	-
90	Airports	-	-	-	-	-	-	-
91	Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-
92	Capital Spares	-	-	-	-	-	-	-
93	Sport and Recreation Facilities	8,023	-	30	29	-	-	-
94	Indoor Facilities	-	-	-	-	-	-	-
95	Outdoor Facilities	8,023	-	30	29	-	-	-
96	Capital Spares	-	-	-	-	-	-	-
97	Heritage Assets	-	-	-	-	-	-	-
98	Monuments	-	-	-	-	-	-	-
99	Historic Buildings	-	-	-	-	-	-	-
100	Works of Art	-	-	-	-	-	-	-
101	Conservation Areas	-	-	-	-	-	-	-
102	Other Heritage	-	-	-	-	-	-	-
103	Investment Properties	-	-	-	-	-	-	-
104	Revenue Generating	-	-	-	-	-	-	-
105	Improved Property	-	-	-	-	-	-	-
106	Unimproved Property	-	-	-	-	-	-	-
107	Non-revenue Generating	-	-	-	-	-	-	-
108	Improved Property	-	-	-	-	-	-	-
109	Unimproved Property	-	-	-	-	-	-	-
110	Other Assets	5,885	-	15,090	15,040	4,500	2,250	150
111	Operational Buildings	3,077	-	7,545	7,520	5,650	2,250	150
112	Municipal Offices	360	-	5,176	5,156	5,650	2,250	150
113	Pay/Enquiry Points	-	-	-	-	-	-	-
114	Building Plan Offices	-	-	-	-	-	-	-
115	Workshops	-	-	-	-	-	-	-

Capital Expenditure – Renewal Programme								
Serial No.	Description	R`000						
		2016/17	2017/18			Future		
		Actual	Original Budget	Revised Budget	Actual	2018/19	2019/20	2020/21
Column Ref.	A	B	C	D	E	F	G	H
116	Yards	-	-	-	-	-	-	-
117	Stores	-	-	-	-	-	-	-
118	Laboratories	-	-	-	-	-	-	-
119	Training Centres	-	-	-	-	-	-	-
120	Manufacturing Plant	-	-	-	-	-	-	-
121	Depots	2,448	-	2,369	2,364	-	-	-
122	Capital Spares	-	-	-	-	-	-	-
123	Housing	-	-	280	275	1,800	-	-
124	Staff Housing	-	-	4	-	-	-	-
125	Social Housing	-	-	275	275	1,800	-	-
126	Capital Spares	-	-	-	-	-	-	-
127	Biological or Cultivated Assets	-	-	-	-	-	-	-
128	Biological or Cultivated Assets	-	-	-	-	-	-	-
129	Intangible Assets	-	-	-	-	-	-	-
130	Servitudes	-	-	-	-	-	-	-
131	Licences and Rights	-	-	-	-	-	-	-
132	Water Rights	-	-	-	-	-	-	-
133	Effluent Licences	-	-	-	-	-	-	-
134	Solid Waste Licences	-	-	-	-	-	-	-
135	Computer Software and Applications	-	-	-	-	-	-	-
136	Load Settlement Software Applications	-	-	-	-	-	-	-
137	Unspecified	-	-	-	-	-	-	-
138	Computer Equipment	-	900	-	-	-	-	-
139	Computer Equipment	-	900	-	-	-	-	-
140	Furniture and Office Equipment	-	-	-	-	-	-	-
141	Furniture and Office Equipment	-	-	-	-	-	-	-
142	Machinery and Equipment	-	475	-	-	-	-	-
143	Machinery and Equipment	-	475	-	-	-	-	-
144	Transport Assets	8,660	1,305	12,954	12,954	-	1,555	56
145	Transport Assets	8,660	1,350	12,954	12,954	-	1,555	56
146	Land	-	-	-	-	-	-	-
147	Land	-	-	-	-	-	-	-
148	Zoo's Marine and Non-biological Animals	-	-	-	-	-	-	-
149	Zoo's Marine and Non-biological Animals	-	-	-	-	-	-	-
150	Total Capital Expenditure on Renewed Assets	180,819	72,615	108,803	108,768	83,450	51,020	14,206

ANNEXURE M: CAPITAL PROGRAMME BY PROJECT

Table 192: 2017/18 Capital Programme by Main Project

2017/18 Capital Programme by Main Project						
Serial No.	Capital Project	Original Budget	Adjustments Budget	Actual Capital Expenditure	% Variance Between Column C & D	% Variance Between Column B & D
Column Ref.	A	B	C	D	E	F
1	Water					
2	Boreholes Infrastructure	4,000,000	18,256,741	18,256,739	0.00%	356.42%
3	Replacement of Strawberry King Bulk Water	11,061,053	14,561,053	14,561,053	0.00%	31.64%
4	11ml Newton Reservoir	11,128,392	14,440,012	14,440,012	0.00%	29.76%
5	Sanitation/Sewerage					
6	Wellington WWTW: Rehabilitation & Extension	151,032,692	142,289,267	142,289,087	0.00%	-5.79%
7	Upgrade and Extensions to Paarl WWTW	76,351,583	34,517,541	34,517,539	0.00%	-54.79%
8	Replace /Upgrade Sewer Systems	3,800,000	8,119,837	8,119,836	0.00%	113.68%
9	Electricity					
10	Upgrade existing 66 kv cables between Dalweiding	51,430,966	62,973,953	62,972,664	0.00%	22.44%
11	Upgrade suid end substation 66/11kv	-	19,661,212	19,660,855	0.00%	#DIV/0!
12	Network Upgrading: HV & MV	6,821,640	17,522,414	17,522,413	0.00%	156.87%
13	Road Transport					
14	Upgrading of Brb North	47,729,649	49,394,998	49,394,998	0.00%	3.49%
15	Proclaimed and main roads upgrades	3,000,000	2,817,328	2,817,328	0.00%	-6.09%
16	Upgrading of gravel to paved roads (Saron)	-	2,780,659	2,780,656	0.00%	#DIV/0!
17	Housing					
18	Housing Delivery: Stormwater & Sewerage	10,000,000	22,178,163	22,178,162	0.00%	121.78%
19	Viakkeland Intersection Upgrade	-	4,749,438	4,749,437	0.00%	#DIV/0!
20	CES 19/20 Kingston Town Upgrade & Infrastructure	1,100,000	1,042,960	1,042,960	0.00%	-5.19%
21	Refuse Removal					
22	Refurbish Paarl Transfer Station	-	8,738,786	8,738,785	0.00%	#DIV/0!
23	Refuse Containers (Wheely & Pole Bins)	-	1,788,530	1,788,530	0.00%	#DIV/0!
24	Rehabilitation of the Wellington Landfill	-	1,552,945	1,552,945	0.00%	#DIV/0!
25	Economic Development					
26	VPUU- Informal Trading Kiosks	500,000	670,405	670,404	0.00%	34.08%
27	Buildings Refurbishment of Arendsnes Building	-	164,114	159,760	-2.65%	#DIV/0!
28	Lantana Business Park	-	92,189	92,188	0.00%	#DIV/0!
29	Sports, Art and Culture					
30	Upgrading of Mbekweni B and C Sports Fields	4,706,009	4,645,888	4,645,887	0.00%	-1.28%
31	Pelikaan Park: Upgrade Facility	2,000,000	3,378,575	3,378,574	0.00%	68.93%
32	Upgrade Swimming Pool and Equipment	1,200,000	2,578,929	2,578,929	0.00%	114.91%
33	Executive and Council					
34	Pavements	-	1,095,313	1,063,592	-2.90%	#DIV/0!
35	Containers	-	582,360	537,942	-7.63%	#DIV/0!
36	Gym Equipment	-	344,878	299,484	-13.16%	#DIV/0!
37	Safety and Security					
38	Disaster Management - Control Room	-	282,449	-	-100.00%	#DIV/0!
39	Corporate Services					
40	Vehicles and Equipment	4,007,530	29,704,006	29,701,752	-0.01%	641.15%
41	ICT Equipment:Computer Related(New&Rep)	3,000,000	3,196,156	3,081,727	-3.58%	2.72%
42	Buildings: Upgrade Wellington Office	1,000,000	2,476,073	2,470,036	-0.24%	147.00%
43	Budget and Treasury Office					
44	Buildings: New stores	1,500,000	2,620,546	2,618,531	-0.08%	74.57%
45	Intangible Assets : Budget Module	-	496,744	496,744	0.00%	#DIV/0!
46	Security Equipment Cashiers Points	-	327,294	322,458	-1.48%	#DIV/0!
47	Community and Social Services					
48	Community Hall and Facilities: Simondium	-	6,040,175	6,025,565	-0.24%	#DIV/0!
49	Community Hall and Facilities: Saron	-	3,841,114	3,841,113	0.00%	#DIV/0!
50	Upgrading Of Library	2,982,456	2,966,459	2,957,091	-0.32%	-0.85%

ANNEXURE N: CAPITAL PROGRAMME BY PROJECT BY WARD

Table 193: Capital Programme by Project by Ward 2017/18

Capital Programme by Project by Ward 2017/2018			
Serial No.	Capital Programme	Wards Affected	Works Completed (Yes/No)
Column Ref	A	B	C
1	Water		
2	Boreholes Infrastructure	All	Yes
3	Replacement of Strawberry King Bulk Water	All	Yes
4	11ml Newton Reservoir	All	Yes
5	Sanitation/Sewerage		
6	Wellington WWTW: Rehabilitation & Extension	All	Yes
7	Upgrade and Extensions to Paarl WWTW	All	Yes
8	Replace /Upgrade Sewer Systems	All	Yes
9	Electricity		
10	Upgrade existing 66 kv cables between Dalweiding	All	Yes
11	Upgrade suid end substation 66/11kv	All	Yes
12	Network Upgrading: HV & MV	All	Yes
13	Housing		
14	Housing Delivery: Stormwater & Sewerage	All	Yes
15	Vlakkeland Intersection Upgrade	All	Yes
16	CES 19/20 Kingston Town Upgrade & Infrastructure	All	Yes
17	Refuse Removal		
18	Refurbish Paarl Transfer Station	All	Yes
19	Refuse Containers (Wheely & Pole Bins)	All	Yes
20	Rehabilitation of the Wellington Landfill	All	Yes
21	Budget and Treasury Office		
22	Buildings: New stores	All	Yes
23	Intangible Assets : Budget Module	All	Yes
24	Security Equipment Cashiers Points	All	Yes
25	Economic Development		
26	VPUU- Informal Trading Kiosks	All	Yes
27	Buildings Refurbishment of Arendsnes Building	All	Yes
28	Lantana Business Park	All	Yes
29	Sports, Art and Culture		
30	Upgrading of Mbekweni B and C Sports Fields	All	Yes
31	Pelikaan Park: Upgrade Facility	All	Yes
32	Upgrade Swimming Pool and Equipment	All	Yes
33	Roads and Transport		
34	Upgrading of Brb North	All	Yes
35	Proclaimed and main roads upgrades	All	Yes
36	Upgrading of gravel to paved roads (Saron)	All	Yes
37	Executive and Council		
38	Pavements	All	Yes
39	Containers	All	Yes
40	Gym Equipment	All	Yes
41	Corporate Services		
42	Vehicles and Equipment	All	Yes
43	ICT Equipment:Computer Related(New&Rep)	All	Yes
44	Buildings: Upgrade Wellington Office	All	Yes
45	Community and Social Services		
46	Community Hall and Facilities: Simondium	All	Yes
47	Community Hall and Facilities: Saron	All	Yes
48	Upgrading Of Library	All	Yes
49	Safety and Security		
50	Disaster Management - Control Room	All	Yes

ANNEXURE O: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Table 194: Service Backlogs - Schools and Clinics

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Waste
Schools				
None	None	None	None	None
Clinics				
None	None	None	None	None

ANNEXURE P: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Table 195: Service backlogs experienced by the community where another sphere of government is the service provider

Service backlogs experienced by the community where another sphere of government is the service provider (whether or not the municipality acts on agency basis)		
Service and locations	Scale of backlogs	Impact of backlogs
Clinics		
General health services – Windmeul	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	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	No shelter for the patients during winter months or whilst waiting for transport to collect them to be transported to the nearest hospital. Hermon patients require transport to Soetendal Clinic on a regular basis.	Facility inadequate to serve all the people who require services and not conducive to dispensary services.
Van Wyksvlei CDC (Wards 5, 7, 10 and 11)	A fully-fledged hospital is needed in the area as the clinic is insufficient.	Facility inadequate to serve all the people who require services.
Nederburg Clinic – Ward 25	Request for the Clinic at Nederburg to be enlarged and more staff should be appointed.	Facility inadequate to serve all the people who require services.
Housing		
Informal Settlements Drakenstein Municipality	Estimated informal households (5,547) encompassing approximately 11,850 persons in 44 registered and unregistered informal settlements	Increase in the erection of illegal structures. Threat to well-located land. Insufficient funding. Increase of evictions. Cause of serious social problems. Threats of land invasions
Housing Demand	19,500 active applications plus 108 officials and workers that are not captured on the provincial database.	Overcrowding in Municipal rental stock. Scarcity of suitable and well-located land for housing. Decrease in credit status of potential home buyers.
Electrification	There are 42 registered informal settlements of which 23 has been completed (23/42 *100 = 54.76%).	Limited funding, resources and existing infrastructure that requires upgrading to facilitate future growth and development.
Driving Licensing and Testing Centre		
None	None	None
Reservoirs		
None	None	None
Schools (Primary and High)		
Windmeul (Ward 3)	Train youth to assist the Health Workers on the Farm	Extended health care on farms.

Service backlogs experienced by the community where another sphere of government is the service provider (whether or not the municipality acts on agency basis)		
Service and locations	Scale of backlogs	Impact of backlogs
Windmeul (Ward 3)	Clinic in Windmeul only services half of the whole Ward 3	Extended health care on farms.
Ward 5	Visibility and patrol of SAPS in ward	Safety of residents.
Ward 5	Development of Neighbourhood Watches	Safety of residents.
Mbekweni (Ward 6)	Development of Arts Centre in Mbekweni	Arts and Culture development.
New Primary School (Ward 5)	Community requests new primary school for Ward 5.	Safety of residents.
Ward 16	Drommedaris needs a primary school	Access to education.
Ward 11	Wheelchair access to the day hospital needed	Disabled friendly access.
Sports fields		
Groenheuwel Urban Park (Fairyland)	As part of the VPUU project, the Community Services Department is busy with the implementation of an urban park in Fairyland, Groenheuwel.	The development of the urban park in collaboration with VPUU will grant opportunities that are more sporting friendly to the community. Only one soccer field is currently available for the following suburbs: Groenheuwel, Fairyland, Smarty Town and the Drommedaris Development.

ANNEXURE Q: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Table 196: Declaration of loans and grants made by the Municipality 2017/18

Declaration of loans and grants made by the Municipality 2017/18				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the municipality	Reason for application	Conditions attached to funding	Value 2017/18 (Rand)
Column Ref.	A	B	C	D
1	AFM of SA Caring Worship Centre Paarl	Purchasing of music instruments to develop the youth	Signing of an agreement – submission of finance report by end of financial year.	10,000
2	Bergrivier NGK Primêr	Repair work of school building	Signing of an agreement – submission of finance report by end of financial year.	10,000
3	Drakenstein Community Restoration	Purchase of food parcels, blankets and supplies for homes that burn in the future. Provide transportation to the elderly to hospitals	Signing of an agreement – submission of finance report by end of financial year.	10,000
4	Helping Hand For Children/Youth Development	After school care program is to assist with the difficulties that learners encounter at school during the day – develop the child holistically, assist youngsters to develop creative thinking, skills and character development.	Signing of an agreement – submission of finance report by end of financial year.	10,000
5	Hervormde Goud Stukkies	Donation to dance groups for equipment, clothing and food.	Signing of an agreement – submission of finance report by end of financial year.	10,000
6	Infinite Achievers	Support to disadvantaged children: entry fees and transportation	Signing of an agreement – submission of finance report by end of financial year.	10,000
7	Little Superstars	Purchase of equipment and tools	Signing of an agreement – submission of finance report by end of financial year.	10,000
8	Paarl ECD Forum	Funds will be divided to all ECD centres, to alleviate their needs	Signing of an agreement – submission of finance report by end of financial year.	10,000
9	Sporty Bears	Purchase of equipment; mats, mattresses, learning aids and tools	Signing of an agreement – submission of finance report by end of financial year.	10,000

Declaration of loans and grants made by the Municipality 2017/18				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the municipality	Reason for application	Conditions attached to funding	Value 2017/18 (Rand)
10	Uplift Hermon	Purchase of audio equipment and training for sound men	Signing of an agreement – submission of finance report by end of financial year.	10,000
11	Uprising Arts Project	Provide professional puppetry, creative writing and visual art workshops. High standard of performance and awareness programmes	Signing of an agreement – submission of finance report by end of financial year.	10,000
12	Bosconian Youth Development	Arrangements of training and camps for young people	Signing of an agreement – submission of finance report by end of financial year.	10,000
13	Breaking Barriers	3 Projects: The Truth about drugs; Kemajo and Youth in sport is a Youth out of Court - to give a drug free life and to become lawful citizens for the youth of tomorrow	Signing of an agreement – submission of finance report by end of financial year.	10,000
14	Give Hope & Smile Foundation	Celebrate National Disabled Day: fun day, car show and toy fair	Signing of an agreement – submission of finance report by end of financial year.	10,000
15	Halleluja Volk Van Christus	Children's party, lifting elderly, youth: delivery of programs	Signing of an agreement – submission of finance report by end of financial year.	10,000
16	Inkwenkwezi Homebase Care	Purchasing of a copy machine	Signing of an agreement – submission of finance report by end of financial year.	10,000
17	Khanyisa Day Care Centre	To put fencing, paving and secure the premises	Signing of an agreement – submission of finance report by end of financial year.	10,000
18	Lerato's Collection	Purchasing of a container. Funds will be utilize for the fixing of sewing machines	Signing of an agreement – submission of finance report by end of financial year.	10,000
19	Lifetime Sport	Office Purpose.	Signing of an agreement – submission of finance report by end of financial year.	10,000
20	Little Stars Newton Kleuterskool	To buy educational equipment to stimulate children in the early learning programme	Signing of an agreement – submission of finance report by end of financial year.	10,000

Declaration of loans and grants made by the Municipality 2017/18				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the municipality	Reason for application	Conditions attached to funding	Value 2017/18 (Rand)
21	Soetbly Dagsorg	Purchase of external structure for extra-curricular activities as well as a slide, a mat for book area and educational needs.	Signing of an agreement – submission of finance report by end of financial year.	10,000
<i>*No loans were granted to any organisation</i>				

ANNEXURE R: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

Table 197: MFMA S71 returns not made during 2017/18 according to reporting requirements

MFMA Section 71 returns not made during 2017/18 according to reporting requirements	
Return	Reason return has not been properly made on due date
All returns were submitted timeously	

ANNEXURE S: PRESIDENTIAL OUTCOME FOR LOCAL GOVERNMENT

Table 198: Presidential outcome for Local Government

Presidential outcome for Local Government		
Outcome / Output	Progress to date	Number or percentage achieved
Output: Improving access to basic services		
Provision of Basic Services	Formal households having access to all basic services.	100%
	Informal households having access to water, sanitation and refuse removal services at the minimum level.	100%
	Informal households having access to electricity services.	54.76%
Output: Implementation of the Community Work Programme		
EPWP: Environmental and Infrastructure Improvement Project (Solid Waste Management Project)	A Memorandum of Understanding has been concluded wherein an EPWP champion has been identified. An EPWP Policy and SOP have been developed and approved for approval by Council to guide appointments and ensure maximum job opportunities.	In various projects about 1,600 persons were given job opportunities via the EPWP program. This resulted in an increase in the EPWP grant allocation for 2018/19.
The Community Works Programme functions in the Municipality, but is managed on behalf of national government by an external service provider.	458 people were employed with the help of the Municipality.	The target allocated to the Municipality was achieved.
Output: Deepen democracy through a refined Ward Committee Model		
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.	152 Committee meetings and 77 quarterly public meetings were held during the financial year.
Output: Administrative and financial capability		
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.	95.3% debt collection rate for 2017/18

8. VOLUMES

VOLUME I: REPORT OF THE AUDITOR-GENERAL

The report of the Auditor-General to the Western Cape Provincial Parliament and the Municipal Council on Drakenstein Municipality's 2017/2018 annual financial statements, annual performance report, compliance with legislation, other information and internal control deficiencies now follows on the next few pages.

VOLUME II: AUDIT OUTCOME IMPROVEMENT PLAN

Table 199: Audit Outcome Improvement Plan

AUDITOR-GENERAL REPORT 2017/18	
Report on the audit of the financial statements	Unqualified opinion
Report on the audit of the pre-determined objectives	No material findings
Report on the audit of compliance with legislation	One material finding
Issues Raised	Corrective Measures Required
Emphasis of Matters	
Restatement of Corresponding Figures	
As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2017 have been restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2018.	None. Simply an information statement by the Auditor-General.
Material Impairments	
As disclosed in notes 19.1, 19.2 and 20.1 to the financial statements, the municipality provided for the impairment of receivables amounting to R259.3 million (2016/17: R 258.9 million), based on the recoverability of gross receivables.	None. Simply an information statement by the Auditor-General.
Significant Uncertainties	
As disclosed in note 50 to the financial statements, the municipality is the defendant in a case where it is being sued for R 449 million. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result in this regard has been made in the financial statements.	None. Simply an information statement by the Auditor-General.
Compliance with Legislation	
Procurement and Contract Management	
Some of the goods and services of a transaction value above R200,000 were procured without inviting competitive bids, as required by SCM regulation 19(a). The majority of the irregular expenditure was caused by circumventing the procurement process with regards to the award for the Paarl Waste Water Works which amounted to irregular expenditure of R46,299,919.	The Municipality is in a dispute with the Auditor-general. The relevant inter-governmental dispute mechanisms and/or any other avenues will be implemented, which could result in an alteration of the disclosure in terms of section 126(5) of the MFMA. The outcome of this process will determine if further investigation is required.
Deviations were approved by the Accounting Officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).	

VOLUME III: REPORT OF THE AUDIT COMMITTEE

The Audit Committee presents its report for the financial year ended 30 June 2018.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

As requested by its Charter, the Audit Committee listed below, is required to meet at least four times per annum, although additional meetings may be scheduled as the need arises. Six meetings were held during the 2017/18 financial year.

	<u>Meetings Attended</u>
Mr R Kingwill	6
Dr W Sewell	6
Mr T Arendse	6
Ms K Montgomery	5

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has as far as possible, complied with the responsibilities arising from its terms of reference, including relevant legislative requirements.

REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Audit Committee considered the Report of the Auditor-General for the financial year ended 30 June 2018 which was an unqualified audit opinion confirming that the financial statements present fairly, in all material respects, the financial position of the municipality as at 30 June 2018 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act no.56 of 2003)(MFMA) and the Division of Revenue Act, 2016 (Act No. 3 of 2017) (DoRA).

The Audit Committee is of the opinion that the audited annual financial statements, for the financial period ended 30 June 2018, should be accepted and read in conjunction with the Report of the Auditor-General.

PERFORMANCE MANAGEMENT

The Audit Committee reviewed the quarterly performance results presented by Management together with the quarterly reports of Internal Audit on the verification of the reported performance results. The Committee noted the continued efforts made by Management to ensure a credible performance management system and reliable performance results.

The Auditor-General's Final Management Report indicates that the Municipality should strengthen reconciliation and review controls to create a control environment that supports reliable financial and performance reporting when processing and recording transactions.

INTERNAL CONTROL AND RISK MANAGEMENT

The Audit Committee received quarterly progress reports from Internal Audit on the execution of the revised operational internal audit plan and the results of the audits conducted. Where instances of control weakness were reported, Management committed to implementing the necessary action plans to address the reported control weaknesses. Progress will be reviewed at the quarterly meetings.

The Audit Committee reviewed the risk profile of the Municipality when the Internal Audit Plan priorities were determined. A member of the Audit Committee is co-opted to serve on the Fraud and Risk Management Committee (FARMCO) of the Municipality. The Audit Committee commends the progress made towards embedding a risk management culture in the Municipality and is encouraged by the maturity reached in this area. Whilst the number of vacant funded positions has been reduced the Audit Committee remains concerned about the impact of vacancies on the control breakdowns/weaknesses especially in the area of financial and asset management and reporting.

The Audit Committee notes that the Auditor-General reported significant deficiencies in internal control which requires management's attention.

CONCLUSION

The Report of the Auditor-General indicates that the audit outcomes have regressed from the prior year to being financially unqualified with other matters in the current year.

Management is encouraged to address all matters raised by the Auditor-General as well as Internal Audit to ensure the necessary improvement in the systems of internal control.

The Audit Committee wishes the Municipal Council, Executive Mayor, City Manager, Municipal Management and staff success in their continued quest to make Drakenstein "A city of excellence".



KIM MONTGOMERY
AUDIT COMMITTEE CHAIRPERSON

Date: 10 January 2019

VOLUME IV: 2017/2018 ANNUAL AUDITED FINANCIAL STATEMENTS

The audited 2017/2018 annual financial statements will now follow for the next 132 pages. Drakenstein Municipality received an unqualified audit opinion from the Auditor-General for the 2017/2018 financial year.

VOLUME V: 2017/2018 ANNUAL PERFORMANCE REPORT

The audited 2017/2018 annual performance report will now follow for the next 41 pages. No material findings on the usefulness and reliability of the reported information were raised by the Auditor-General.