



Hessequa Annual Report 2010/11

FINAL DRAFT

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EXECUTIVE MAYOR'S FOREWORD



Die Hessequa munisipaliteit het 'n suksesvolle jaar beleef. Te danke aan personeel wat hul beste gelewer het, is die munisipaliteit beloon met 'n ongekwalifiseerde oudit verslag.

Die strewe bly steeds daar om 'n skoon ouditverslag daar te stel. Die uitdagings om dit binne 'n relatief kleiner munisipaliteit te behartig, is finansiëel nie maklik. Dienslewering kan ook nie ingeboet word in die bereiking hiervan nie.

Met finansiering wat bekom is deur provinsie weskaap, kon projekte soos die plavei van strate te Kwanokuthula, Riversdal, asook die bou van die rioolwerke te Heidelberg, met groot sukses afgehandel word.

Die klein belastingbasis van die Hessequa munisipaliteit en ses onafhanklike dorpe wat bestuur moet word, elk met sy eie infrastruktuur soos rioolwerke, watersuiweringswerke en stortingsterreine, maak die instandhouding en implementering baie duur.

Dankie aan elkeen wat sy verantwoordelikheid ten opsigte van die betaling van rekeninge getrou gedoen het. Dankie ook aan elkeen wat ondersteun deur ons dorp en woongebiede skoon te hou en soddoende die munisipaliteit se werk verminder.

Ondersoeke is in proses vir die daarstel van alternatiewe energie met die insluiting van krag wat terugploeg kan word in die sisteem. Dit sal die moontlikheid van nuwe inkomste bronne vir die munisipaliteit bewerkstellig. Fondse is bekom om hierdie ondersoeke te befonds.

'n Nuwe raad is aangestel na die onlangse verkiesings, wat sal voortbou op die suksesse van die verlede en sal poog om die finansiële bestuur op 'n nog hoër standaard te bring.

Dankie aan alle personeel wat die bereiking van die doelwitte ondersteun en saamwerk om hierdie die beste munisipaliteit in die Weskaap en die land te maak.

EMOR NEL

UITVOERENDE BURGEMEESTER

MUNICIPAL MANAGER'S FOREWORD



Hessequa Municipality is a category B municipality established in terms of Section 12 of the Local Government Municipal Structures Act, 117 of 1998 by. The municipality provides all services as contemplated in Part B of Schedule 5 of the Constitution of South Africa, 108 of 1996. For this financial year all services were provided by the municipality itself and no municipal entities were created to provide services.

Hessequa's main planning instrument to guide its management and development is a five-year plan, the Intergrated Development Plan (IDP) This plan is based on strategic focus areas and targets for the financial years 2008/9 to 2012-2013. This report records the progress made by the municipality in fulfilling its objectives as reflected in the Integrated Development Plan (IDP), the Budget and the Service Delivery and Budget Implementation Plan.

The municipality once again met all statutory requirements and deadlines with regard to the submission of its 2010/2011 Annual Financial Statements, as well as the approval of its budget. For the first time it is almost fully compliant with National Treasury formats.

There are no more exemptions in terms of the GRAP standards, and these have all been implemented successfully by the municipality. In spite of all the risks involved with the implementation, Hessequa has received an unqualified audit report for the third successive year.

There are many challenges to keep the report unqualified, as well as moving to a possible clean audit report.

Budget/Actual 2010/2011

- 82% of capital expenditure 2010/2011 was for infrastructure (roads & services)
- 79% of the capital budget for 2010/2011 was spent. The relatively low spending is as a result of:
 - ❖ The country wide bitumen shortage which resulted in our streets not completed
 - ❖ The long wait for the environmental impact assessment for the sewerage work in Slangrivier
- 90% of budgeted income has been recovered. The deviation of 10% is as a result of land sales that have not been realised.
- 96% of budgeted expenditure was spent.

The following indicators reflect important financial indicators:

Acid test ratio

2006/07: 1.73: 1

2007/08:	1.60:1
2008/09:	1.62:1
2009/10:	1.89:
2010/11:	1.66:1

From the above, the position in which the municipality is to meet its short term commitments, can be seen. This fluctuates from year to year but 2010/2011 has weakened against the previous year. This is also reflected in the debtor's turnover below. The two main reasons for this are:

- Land sales not been realised, while capital projects are approved from own funds
- Debtors that do not pay despite strict credit control

The debtor's movement during the past years was as follows with bad debts written off and provision for bad debts excluded:

2007/08:	100.32days
2008/09:	74.62days
2009/10:	69.57days
2010/11:	72.19days

To bring the collection period of debtors within the norm of 45 days, strict credit control will be applied forthwith.

External interest as % of expenditure

2007/08:	2.80%
2008/09:	1.96%
2009/10:	1.68%
2010/11:	2.34%

The interest expenditure as a % of total expenditure is not extremely high and is within the accepted norm.

The finances of the municipality in the short term are sound. There will however be pressure from year to year on tariffs if council wishes to maintain its service delivery levels and also to receive a clean audit. This however cannot be achieved without the necessary capacity, which in turn will put on the salary budget.

Hessequa Municipality has set out clear goals, re-instituted procedures, re-enforced firm decision-making and staff discipline. In this regard the senior management staff played a vital role and will be required to do so in the immediate future.

Departmental services and planning plays a vital roll in the running and operating of the Hessequa Municipality.

To highlight a few successful activities:

Hessequa Municipality received an unqualified audit report. Thanks to our hard working personnel, all efforts will be made to maintain a clean audit report for the upcoming financial year.

A two-year sewage works project in Heidelberg was completed. Old systems that caused health and environmental risks were replaced and the risk of sewage spilling into the Duivenhoskriver was countered.

The ongoing operational activities responsible for the management, maintenance and upgrading of streets, stormwater, parks and resorts, form an integral part in the planning of services rendered. Hessequa Integrated Transport Plan, Pavement Management Systems, Stormwater Management Systems, Roads and Transport Master Plan as well as Building Maintenance Management Plan, are but to name a few of the ongoing services rendered to the towns in the Hessequa Region.

The Executive Mayor and Prof H Russel Botman signed a memorandum of understanding between the Hessequa Municipality and Stellenbosch University. The municipality sets out to be a zero-waste society, which recycles, re-use and add value to waste as well as be energy "neutral" by 2020.

Hessequa Municipality is proceeding with improving its internal processes and systems on a number of fronts, such as contract administration, performance management, asset management, maintenance programmes, development of municipal by-laws and improving our internal communication and co-ordination to respond to the issues that confront us daily.

As Hessequa Municipality is moving closer to achieving these objectives, first and foremost by getting the basics like service delivery, infrastructure development, housing and governance right. Much work has gone into making Hessequa local government internally well managed and adequate staff to deliver more and better services.

JOHAN JACOBS
MUNICIPAL MANAGER

CHAPTER 1

MUNICIPAL OVERVIEW



CHAPTER 1: INTRODUCTION AND MUNICIPAL OVERVIEW

1.1 MUNICIPAL OVERVIEW

This report addresses the performance of the Hessequa Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2010/11 Annual Report reflects on the performance of the Hessequa Municipality for the period 1 July 2010 to 30 June 2011. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

1.1.1 VISION AND MISSION

The Hessequa Municipality committed itself to the vision and mission of:

VISION:

“A cooperative community where everyone reaps the fruit of a growing economy through sustainable development and utilization of our human potential and our natural resources”

MISSION:

- *To be a co-operative and prosperous community where:*
 - *Future generations will be able to share equally in the bounty of our region;*
 - *It is ensured that fundamental needs are met;*
 - *Our environmental, archaeological and cultural heritage is guarded;*
- *We live in harmony with nature and each other in honour of our common ancestry in the place that gave rise to our humanity.*

1.1.2 DEMOGRAPHIC INFORMATION

A) MUNICIPAL GEOGRAPHICAL INFORMATION

The name Hessequa, meaning "people of the trees", refers to the tribe of Khoikhoi people that used to live in the region. Hessequa is the gently curving edge of the continent just east of the southern-most tip of Africa. The municipality nestles at the foot of the Langeberg Mountains with boundaries stretching along the Southern Cape coast from the Breede River to Gouritsmond. A region rich in natural beauty with rolling hills of pristine limestone and mountain fynbos, dune thicket and Renosterveld and to the north surrounded with rugged mountains and indigenous forests. Pristine beaches stretch the entire length of her coastline. Ecological assets include four estuaries, a world heritage forest site, several nature reserves which guard a number of rare and endangered floral species and even a very special little frog. Hessequa Municipality is situated in the Southern Cape Coast on the Garden Route; about 320 km's from Cape Town on the N2 and is situated in the Eden District Municipality between Heidelberg and Mossel Bay. At present, the Municipal area of Hessequa includes the surrounding towns of Riversdal, Heidelberg, Albertinia, Witsand, Gouritsmond, Slangrivier and Stilbaai.

Wards

The Municipality is currently structured into the following 8 Wards:

WARD	AREAS
1	Bietouville, Gouritsmond, Melkhoutfontein, Stilbaai East, Part of Stilbaai West and rural farming areas
2	Albertinia, Theronville, Rainbow Village and rural farming areas
3	Vermaaklikheid, Jongensfontein, part of Stilbaai West and rural farming areas
4	Witsand, Joe-Slovo, Slangrivier, Heidelberg and surrounding farms
5	Heidelberg and rural farming areas
6	Part of Riversdale and rural areas
7	Riversdale, Alwynfleur, Kwanokuthula, Plankiesdorp and rural areas
8	Aloeridge, Mōrestond, Panorama, Beverley Hills and Melrose Place

Table 1: Municipal Wards

Below is a map of the Western Cape that indicates the location of the Municipality in the Eden District area:



Figure 1: Western Cape Area map

The area includes a number of big rural areas, as well as the following towns:

Riversdale:

Riversdale is a picturesque town with rich cultural heritage and numerous historical landmarks. In Riversdale, peacefulness of old days is finely blended with modern day convenience. The town is the ideal base for one-day trips to travel around and explore the exotic natural beauty of the area. It is located at the foot of the Sleeping Beauty mountain peak on the N2 highway between the Langeberg mountain range and the sea. It is only a few kilometres away from the towns like Still Bay and Witsand. The town was proclaimed as a town in 1838. Formerly the town was known as "Riversville" and was named after a government official named Sir Harry Rivers.

Heidelberg

The location of Heidelberg is very convenient and is easily accessible. The town nestles between the majestic mountains of Langeberg and the Indian Ocean. The picturesque town is situated next to the N2 highway on the banks of the Duivenhoks River, 276 km from Cape Town. The town was explored by Izaak Schryver in 1689. The valley has been inhabited since 1725 and was part of the then Riversdale district. A portion of the valley was

taken by the Riversdale church council and the town was established. The name Heidelberg was named after the ancient city of Germany. It is a perfect tourist destination offering all sorts of interesting activities starting from bird watching to exploring mountains and forests. It is a small town with beautiful mountains, rivers and forests.

Albertinia

The town was named after the reverend J.R. Albertyn of Riversdale, who planned the establishment of a separate church community. On the 10th of September 1898 the church council of Riversdale bought the farm Grootfontein from a Mrs. H. Lourens. A rectory was built by the congregation of Riversdale, and on 17th February 1900 a minister, the reverend D.J. Malan was ordained. Albertinia was proclaimed a town on 18 November 1904. Albertinia was, therefore, founded by the Dutch Reformed Church. In 1908 a big diamond was discovered at nearby Aasvoëlberg—literally Vulture Mountain—but no further finds were recorded. The town became known for its ochre and kaolin mines and is also the centre of the aloe products industry. Most of the country's roof thatching material comes from the Albertinia district.

Stilbaai

Stilbaai, also known as the Bay of Sleeping Beauty, hosts a variety of B&B lodges and a friendly warm coast for surfing and swimming. Stilbaai is host to a number of interesting archaeological sites, including ancient fish traps thought to have been built by early ancestors of the Khoi people of the Southern Cape, and a shell landfill that has been carbon dated to around 1,000 BC. Another archaeological site is situated in a group of caves at Blombos cave, about 12 kilometres from Stilbaai. Artifacts found at Blombos have been carbon dated to around 77,000 BC, making it the oldest known human settlement today.

Witsand

Witsand is a popular seaside resort with unspoilt beaches and a small harbour and is situated at the mouth of the Breede River and offers food for the soul and a place to simply relax and unwind. It is also an important breeding ground for rare birds and home to the Blue Crane, South Africa's national bird. The surrounding Indian Ocean and Breede River, the country's largest river estuary, offer an abundance of water-sports and fishing. It is surrounded by magnificent species of Cape Fynbos within this Cape Floral Region World Heritage Site. Witsand is known as The Whale Nursery of Southern Africa, due to the record number of Southern Right whales that migrate to St. Sebastian Bay annually between June and November. It is the best land-based vantage point from which to view these 58 ton gentle giants of the sea.

Slangrivier

The 'forgotten' village of Slangrivier (snake river) is fifteen kilometers from Heidelberg. Its origins date back to 1838 when Sir George Grey awarded the small settlement to the indigenous community for their loyalty during the 'border wars'. The settlement has since developed into a village of about 2000 people. The tiny, somewhat undeveloped village is known for its Slangrivier Christmas Choir and Slangrivier Culture Group. The well-known Blue Crane Trail starts here and ends in picturesque, coastal Witsand.

Gouritsmond

The small coastal town enjoys moderate weather throughout the year, but it is during the summer months that Gouritsmond comes alive, as holiday makers descend to enjoy the full benefits of this sun-sea-sand destination.

B) POPULATION

The municipality is estimated to account for 10.5% or 52 648 of the Eden District's population 553 081 in 2010/11.

a) Total Population

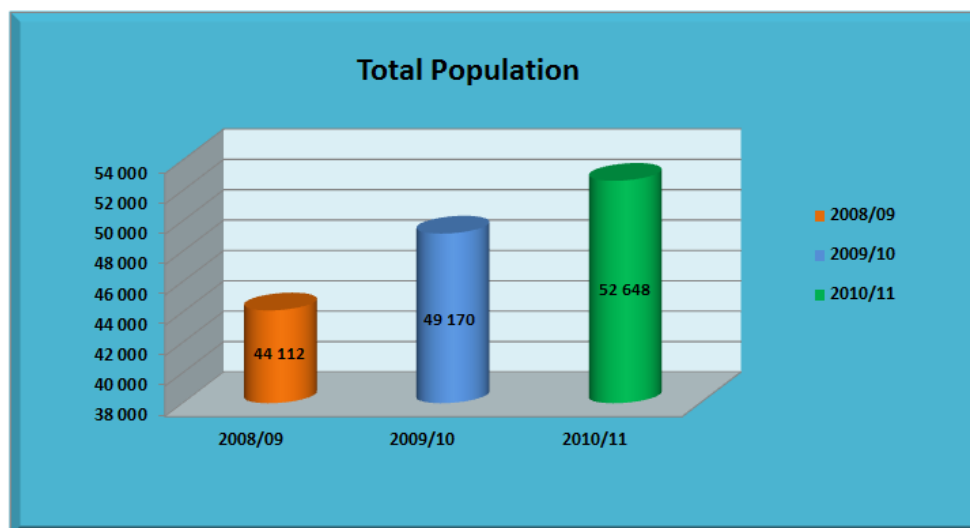
The table below indicates the total population within the municipal area:

2008/09	2009/10	2010/11	Population Growth
44 112	49 170	52 648	6.45%

Table 2: Total population

The population growth for the 2009/10 financial year was **11.14%**. The increase from 2009/10 to 2010/11 was **10.7%** likewise for the previous year.

The graph below illustrate the yearly population growth for the municipal area.



Graph 1: Total Population Growth

c) HOUSEHOLDS

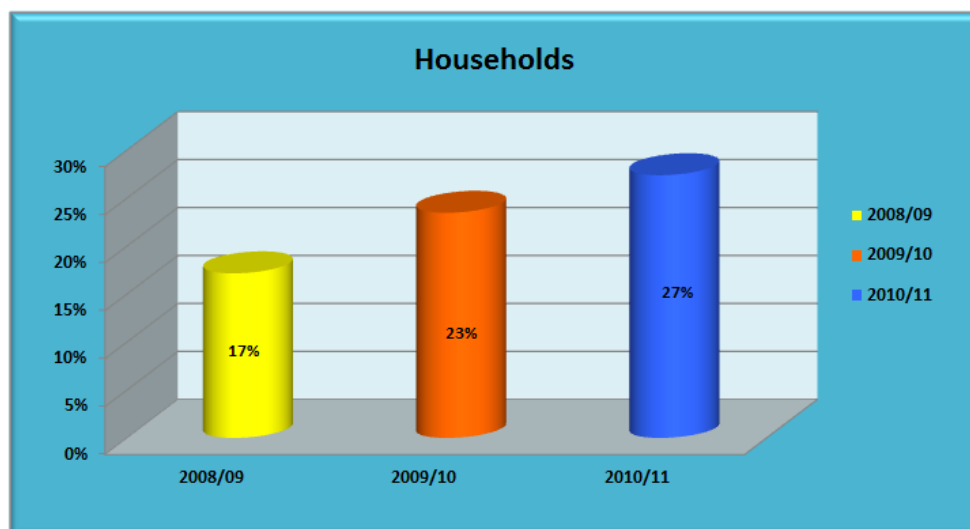
The total number of households within the municipal area increased from **12 603** households in 2008/09 financial year to a total of **15 972** households in 2010/11 financial year. This indicates an increase of **26%** in the total number of households within the municipal area over the two years.

Households	2008/09	2009/10	2010/11
Number of households in municipal area	12 603	14 048	15 972
Number of indigent households in municipal area	2 163	3 298	4 375

Table 3: Total number of households

Source: Global Insight 2009

The graph below restate the percentage of indigent households increased from **17%** in 2008/09 to **27%** in 2010/11 financial year. The indigent households show an annual **increase** of **10%** growth over the two years.



Graph 2: Total % indigent households within the municipal area

D) KEY ECONOMIC ACTIVITIES

The Municipality is dependent upon the following economic activities:

Key Economic Activities	Description
Agriculture and agri-processing	Cultivation and harvesting of wheat, canola, grain
	Ostrich farming, Milk cows, sheep farming
	Dekriet, Aloe, Fynbos
Transportation	N2, Railway line, Taxis
Tourism	Generic marketing, events management, product development, business development

Table 4: Key Economic activities

Gross Operating Surplus of Industries						
Households	2001	2007	2009	Increase since 2001	Increase since 2007	% of Economic Activity
	R Million	R Million	R Million	%	%	%
Real estate activities	61 593	199 677	268 182	335.41	34.31	25.70
Agriculture and hunting	74 350	139 082	146 147	96.57	5.08	14.01

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Gross Operating Surplus of Industries						
Households	2001	2007	2009	Increase since 2001	Increase since 2007	% of Economic Activity
	R Million	R Million	R Million	%	%	%
Retail trade and repairs of goods	41 439	116 738	141 154	240.63	20.92	13.53
Construction	16 200	77 500	129 373	698.61	66.93	12.40
Land and Water transport	16 149	58 273	96 223	495.84	65.12	9.22
Post and telecommunication	14 597	37 682	37 833	159.18	0.40	3.63
Finance and Insurance	10 050	39 789	37 585	273.97	-5.54	3.60
Health and social work	11 433	23 765	30 083	163.14	26.59	2.88
Education	11 747	20 344	26 239	123.37	28.98	2.52
Sale and repairs of motor vehicles, sale of fuel	5 166	19 997	25 846	400.27	29.25	2.48
Other service activities	10 997	19 171	24 778	125.32	29.25	2.37
Hotels and restaurants	2 688	10 124	13 761	411.98	35.92	1.32
Public administration and defence activities	4 366	9 397	12 181	179.00	29.64	1.17
Fishing, operation of fish farms	2 336	8 408	11 242	381.29	33.71	1.08
Wholesale and commission trade	2 244	7 094	9 424	319.93	32.85	0.90
Furniture and other items NEC and recycling	4 078	8 931	9 079	122.66	1.66	0.87
Other business activities	1 388	4 096	6 519	369.64	59.18	0.62
Electricity, gas, steam and hot water supply	992	2 442	4 901	394.16	100.66	0.47
Collection, purification and distribution of water	944	3 851	2 832	199.99	-26.47	0.27
Food, beverages and tobacco products	961	2 927	2 88	169.30	-11.58	0.25
Fuel, petroleum, chemical and rubber products	1 012	2 348	2 577	154.61	9.75	0.25
Forestry and logging	1 342	2 343	2 513	87.33	7.29	0.24
Air transport and transport supporting activities	337	964	1 266	275.87	31.41	0.12
Other non-metallic mineral products	212	791	807	279.92	2.01	0.08
Metal products, machinery and	254	702	600	135.86	-14.63	0.06

Gross Operating Surplus of Industries						
Households	2001	2007	2009	Increase since 2001	Increase since 2007	% of Economic Activity
	R Million	R Million	R Million	%	%	%
household appliances						
Other mining and quarrying (incl 22)	143	372	371	159.03	-0.24	0.04
Electronic, sound/vision, medical & other appliances	20	149	65	223.09	-56.43	0.01
Transport equipment	211	191	26	-87.70	-86.44	0.00
Mining of metal ores	0	1	1	95.03	11.13	0.00
Electrical machinery and apparatus	0	1	0	-214.77	-166.94	0.00
Textiles, clothing and leather goods	65	191	-31	-147.34	-116.05	0.00
Wood and wood products	522	2,432	-852	-263.36	-135.05	-0.08

Table 5: Gross Operating surplus of industries within the municipal boundaries

1.1.3 SOCIO ECONOMIC INFORMATION

A) SOCIO ECONOMIC GROWTH

The socio-economic information for the municipal area is as follows:

Housing Backlog	Households with No Income (%)	People older than 14 years illiterate (%)	HIV/AIDS Prevalence (%)	Urban/rural household split
3 855	46.7	25.8	2.0	0.08

Table 6: Socio Economic information

B) POPULATION BY GENDER

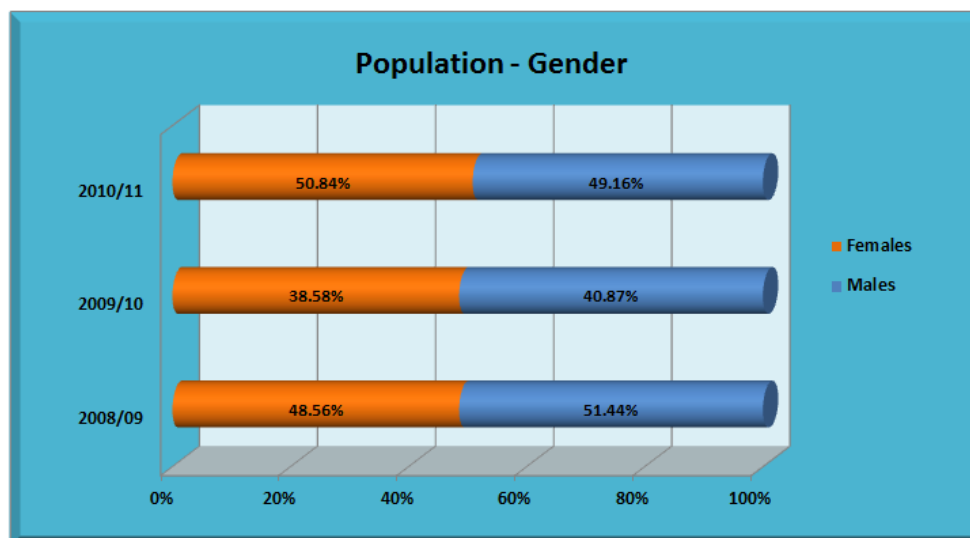
The Hessequa population is closely balanced with **50.84%** representation of females and **49.16%** of males in 2010/11 as shown below:

Population - Gender	2008/09	2009/10	2010/11	growth rate
Females	21 420	23 876	26 768	8.32%
Males	22 692	25 294	25 880	4.68%
Total	44 112	49 170	52 648	6.45%

Table 7: Demographic information of the municipal area – Gender

Source: Global Insight 2009

The following graph displays the female and male representation.



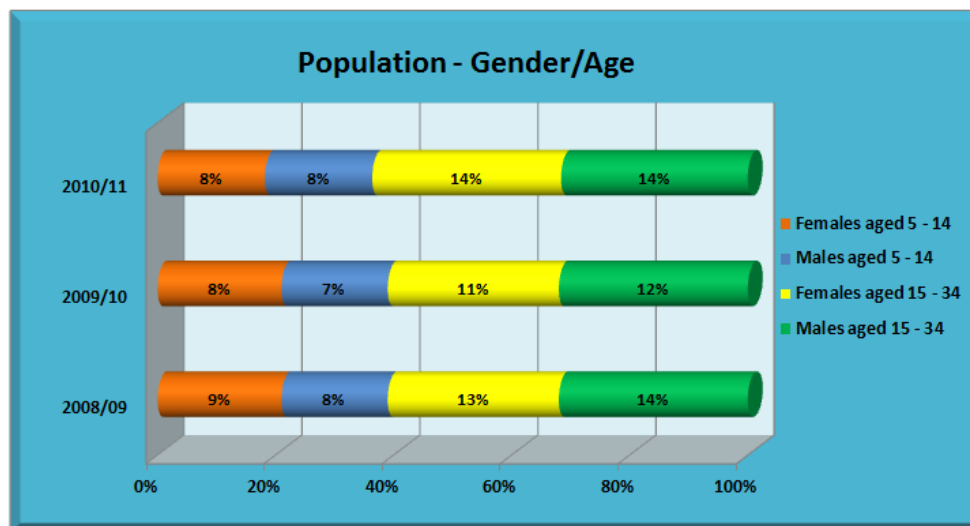
Graph 3: Gender Population

c) POPULATION BY GENDER/AGE

Population - Gender/Age	2008/09	2009/10	2010/11
Females aged 5 - 14	4 119	4 798	4 137
Males aged 5 - 14	3 531	4 113	4 140
Females aged 15 - 34	5 689	6 626	7 278
Males aged 15 - 34	6 278	7 312	7 195

Table 8: Demographic information of the municipal area – Gender/Age

The graph below indicates the population categories by gender/age.



Graph 4: Population Categories by gender/age

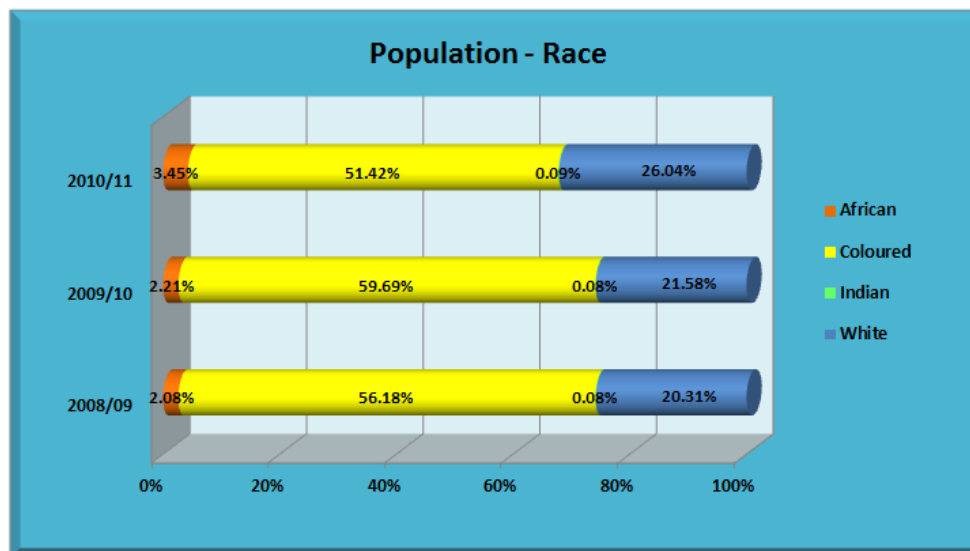
D) POPULATION BY RACE CATEGORIES

Population - Racial	2008/09	2009/10	2010/11	Growth rate
African	1 164	1 298	2 244	30.92%
Coloured	31 510	35 123	33 419	2.01%
Indian	44	49	61	12.87%
White	11 394	12 700	16 924	16.17%
TOTAL	44 112	49 170	52 648	6.45%

Table 9: Demographic information of the municipal area – Race categories

Source: Global Insight 2009

The graph below shows the population by race.



Graph 5: Population by race

1.1.4 MUNICIPAL CHALLENGES

The following general challenges are experienced by the municipality:

CHALLENGES	ACTIONS TO ADDRESS
Large geographical area: Challenging to communicate with all residents of the Hessequa region	Council does attempt to solve this with the quarterly Imbizo's in which all areas are visited by Council and
Economic situation	The pressure on the global economy is experienced in the Hessequa region as well and good financial management has to be applied in all areas and sectors of the administration
Limited income base that serves 11 settlements and 6 towns each with its own infrastructure and municipal service points.	To maintain sustainable environment: <ul style="list-style-type: none"> • By protecting the environment and natural resources • Development of sustainable human settlements • Address and manage the impact of climate change • Develop the human capital of the area and in cooperation with the private sector and public sector role players.

Table 10: Municipal Challenges

CHAPTER 2

GOVERNANCE



CHAPTER 2: GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

After the 18th of May 2011 local government election the 15 seats in the Hessequa Municipal Council were allocated as follows: 6 ANC, 1 Civic Independent, 1 Cope and 7 DA.

The first Council meeting only occurred after 1 month and was then controlled by an ANC/CIVIC INDEPENDENT/COPE alliance. On the 5th of September 2011 a DA/COPE alliance took control of the Hessequa Council.

2.1 NATIONAL KEY PERFORMANCE INDICATORS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 7146 2001 and section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2008/09	2009/10	2010/11
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	100	100	100

Table 11: National KPIs - Good Governance and Public Participation Performance

2.2 PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Highlight	Description
Quarterly Imbizo's	This municipality takes public participation very seriously and has regular Imbizo's with the community in the various wards where the entire senior management team is involved.
Leadership, Change and Management Training	Senior Management obtained training in various fields relevant to public sector which has enhanced capacity and staff morale.

Highlight	Description
Consultative IDP Process	The IDP process has been communicated and workshopped with various sectors and communities in the Hessequa to ensure full public participation.
MFMA Minimum Core Competency Training	The senior management team as well as various financial staff has started the required training required by the Municipal Finance Management Act and shall complete it before the deadline of January 2013.
Performance Management System	The Council has developed and put into use a fully functioning PMS system to measure the performance of the senior management team and is in the process of rolling it out to the lower levels of staff.
Brag Document	Council developed and circulated an additional brag document this year to highlight achievements for the last 5 years. With this publication good work conducted were highlighted.
Unqualified Audit Reports	Council has received unqualified audit reports the last two years and expects to do so again this year. So providing evidence of good financial management and controls.
Freedom day celebrations in Slangrivier	The key note speaker for the event was the Head of Human Resources Department.
Youth day celebrations in Riversdale	The key note speaker for the event was the Head of Human Resources Department.

Table 12: Good Governance and Public Participation Performance Highlights

2.3 CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Description	Actions to address
Accessibility to various communications media	In an attempt to communicate with all residents and enhance public participation, it remains a challenge as not everyone has access to Internet, Cell phones, Newspapers, Notice Boards, Post boxes and an ideal media mix remains difficult to find

Table 13: Good Governance and Public Participation Challenges

2.4 GOVERNANCE STRUCTURE

2.4.1 POLITICAL GOVERNANCE STRUCTURE

The council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, Councillors are also actively involved in community work and the various social programmes in the municipal area.

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A) COUNCIL

The Council comprises 15 elected Councillors, made up from 8 Ward Councillors and 7 Proportional Representation (PR) Councillors. The portfolio committees are made up of councillors drawn from all political parties. The party and gender representation in the Council is represented the table below:

Below is a table that categorised the councillors within their specific political parties and wards before 18 May 2011:

Name of councillor	Capacity	Political Party	Ward representing or proportional	Meetings Attendance %
AK Daries	Speaker	ANC	PR	100
CP Taute	Executive Mayor	ANC	Ward 8	87.5
L Scott	Executive Deputy Mayor	ANC	PR	87.5
F Hartnick	Mayco Member	ANC	Ward 6	100
NR Stride	Mayco Member	ANC	PR	100
L Manho	Councillor	ANC	Ward 2	75
H Bouwer	Councillor	DA	Ward 3	50
N Esau	Councillor	ANC	Ward 4	100
A Hartnick	Councillor	ANC	Ward 5	62.5
L Pieterse	Councillor	ANC	PR	100
L February	Councillor	ANC	PR	100
E Nel	Councillor	DA	PR	87.5
G James	Councillor	DA	PR	100

Table 14: Council until 18 May 2011

Below is a table that categorised the councillors within their specific political parties and wards after 18 May 2011:

Name of councillor	Capacity	Political Party	Ward representing or proportional	Meetings Attendance %
A Hartnick	Speaker	ANC	Ward 5	100
CP Taute	Executive Mayor	ANC	Ward 8	100
ME Dayimani	Executive Deputy Mayor	ANC	PR	100
LC February	Mayco	ANC	Ward 4	100
FC Carelse	Mayco	Civil Independent	PR	100

Name of councillor	Capacity	Political Party	Ward representing or proportional	Meetings Attendance %
D Abrahams	Councillor	ANC	PR	100
PR Claassens	Councillor	DA	Ward 1	100
EJ Prins	Councillor	DA	Ward 3-	100
CAE Prins	Councillor	DA	Ward 2	100
F Hartnick	Councillor	ANC	Ward 6	100
A Stroebel	Councillor	DA	Ward 7	100
R Cronje	Councillor	DA	PR	100
R Johannes	Councillor	DA	PR	100
E Nel	Councillor	DA	PR	100
J Fielies	Councillor	COPE	PR	100

Table 15: Council after 18 May 2011

Below is a table which indicates the Council meetings attendance for the 2010/11 financial year:

Meeting dates	Percentage Council Meetings Attendance %	Percentage Apologies for non-attendance %
31 August 2010	100	0
30 November 2010	100	0
14 December 2010	73.3	75
22 February 2011	80	100
28 February 2011	80	66
15 March 2011	93.3	100
22 March 2011	80	33
19 April 2011	93.9	100
27 June 2011	100	0

Table 16: Council meetings

B) EXECUTIVE MAYORAL COMMITTEE

The Executive Mayor of the Municipality, **Councillor CP Taute**, assisted by the Mayoral Committee, heads the 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, and as well as the powers assigned by legislation. Although

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accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 1 July to 18 May:

Name of member	Capacity
CP Taute	Executive Mayor
L Scott	Executive Deputy Mayor
F Hartnick	Mayco member
NR Stride	Mayco member

Table 17: Executive Mayoral Committee until 18 May 2011

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 18 May to 30 June 2011:

Name of member	Capacity
CP Taute	Executive Mayor
E Dayimani	Executive Deputy Mayor
L February	Mayco member
FC Carelse	Mayco member

Table 18: Executive Mayoral Committee after 18 May 2011

The table below indicates the dates of the Committee meetings and the number of reports submitted to Council for the 2010/11 financial year:

Meeting date	Number of reports submitted to council
13 July 2010	19
27 July 2010	36
24 August 2010	24
28 September 2011	27
26 October 2010	39
23 November 2010	51
1 December 2010	1
7 December 2010	34
25 January 2011	23
15 February 2011	23
21 February 2011	4

Meeting date	Number of reports submitted to council
22 February 2011	4
28 February 2011	1
15 March 2011	2
22 March 2011	11
19 April 2011	26
12 May 2011	4
29 June 2011	1

Table 19: Committee Meetings

(Please note that the name and functions of the committees have on numerous occasions been altered due to the change of council.)

c) PORTFOLIO COMMITTEES

In terms of section 80 of the Municipal Structures Act, 1998, if a council has an executive committee; it may appoint in terms of section 79 committees of councillors to assist the executive committee or executive mayor. Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council.

The portfolio committees for the 2006/11 council term and their Chairpersons are as follow:

a) Administration and Human Resources Committee

Name of member	Capacity
L Scott	Chairperson
AK Daries	Member
L Pieterse	Member
J George	Member
C Swanepoel	Member

Table 20: Administration and Human Resources Portfolio Committees

Meeting dates	Number of reports submitted to council
10 August 2010	39
14 September 2010	
12 October 2010	

Meeting dates	Number of reports submitted to council
9 November 2010	
8 February 2011	
8 March 2011	

Table 21: Administration and Human Resources Portfolio Committee Meetings

b) Water, Sewerage, Sanitation and Electricity Committee

Name of member	Capacity
F Hartnick	Chairperson
L Pieterse	Member
AK Daries	Member
C Swanepoel	Member
M Streicher	Member

Table 22: Water, Sewerage, Sanitation and Electricity Portfolio Committee

Meeting dates	Number of reports submitted to council
10 August 2010	95
14 September 2010	
12 October 2010	
9 November 2010	
8 February 2011	
8 March 2011	

Table 23: Water, Sewerage, Sanitation and Electricity Portfolio Committee Meetings

c) Streets, Stormwater, Parks and Resorts Committee

Name of member	Capacity
F Hartnick	Chairperson
A Hartnick	Member
N Esau	Member
C Swanepoel	Member
M Streicher	Member

Table 24: Streets, Stormwater, Parks and Resorts Portfolio Committee

Meeting dates	Number of reports submitted to council
10 August 2010	63
14 September 2010	
12 October 2010	
9 November 2010	
8 February 2011	
8 March 2011	

Table 25: Streets, Stormwater, Parks and Resorts Portfolio Committee Meetings

d) Economic and Social Development and Protection Services Committee

Name of member	Capacity
N Stride	Chairperson
N Esau	Member
A Hartnick	Member
C Swanpoel	Member
J George	Member

Table 26: Economic and Social Development and Protection Services Portfolio Committee

Meeting dates	Number of reports submitted to council
11 August 2010	100
15 September 2010	
13 October 2010	
10 November 2010	
9 February 2011	
9 March 2011	

Table 27: Economic and Social Development and Protection Services Portfolio Committee Meetings

e) Finance and Audit Committee

Name of member	Capacity
L Scott	Chairperson
CJ Swanpoel	Member
L February	Member
L Manho	Member
E Nel	Member

Table 28: Finance and Audit Portfolio Committee

Meeting dates	Number of reports submitted to council
10 August 2010	109
14 September 2010	
12 October 2010	
9 November 2010	
8 February 2011	
8 March 2011	

Table 29: Finance and Audit Portfolio Committee Meetings

f) Planning Services Committee

Name of member	Capacity
N Stride	Chairman
L Manho	Member
L February	Member
C Swanepoel	Member
E Nel	Member

Table 30: Planning Services Portfolio Committee

Meeting dates	Number of reports submitted to council
11 August 2010	161
15 September 2010	
13 October 2010	
10 November 2010	
9 February 2011	
9 March 2011	
12 April 2011	

Table 31: Planning Services Portfolio Committee Meetings

2.4.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the Management Team, whose structure is outlined in the table below:

Name of Official	Department	Performance agreement signed
		(Yes/No)
Mr J Jacobs	Municipal Manager	Yes
Mr BR Ellman	Information Technology & Corporate Services and HR	Yes
Mr CJ Onrust	Socio Economic Development	Yes
Mr E Steyn	Water, Sewer and Sanitation & Electro Technical Services	Yes
Mrs AM Vermeulen	Legal Services & Safety and Security	Yes
Mrs HJ Viljoen	Finance Services	Yes
Mr HS Visser	Planning	Yes
Mr RR Wesso	Streets, Stormwater, Parks and Resorts	Yes

Table 32: Administrative Governance Structure

2.5 PUBLIC ACCOUNTABILITY

Section 16 of the Municipal Systems Act (MSA) refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

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

2.5.1 WARD COMMITTEES

The ward committees support the Ward Councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

Ward 1: Bietouville, Gouritsmond, Melkhoutfontein, Stilbaai East, Part of Stilbaai West and rural farming areas

Ward 1 of Hessequa Municipality didn't change for the 2011 elections and consists of the following areas. As a planning area ward 1 is not an ideal delimitation of a geospatial planning area.

Name of representative	Capacity representing	Dates of meetings held during the year
Clr C Swanepoel	Chairperson	26 July 2010 27 September 2010 22 February 2011 29 March 2011 29 April 2011
Mr Faan Muller	Member	
Mr Louis Kleinhans	Member	
Brig Hertzog Lerm	Member	
Ms Petra Daneel	Member	
Ms Judith Kotze	Member	
Mr R Kasselmann	Member	
Clr L Scott	Member	

Table 33: Ward 1 Committee Meetings

Ward 2: Albertinia, Theronville, Rainbow Village and rural farming areas

Ward 2 changed radically from the previous delimitation as the 2006 ward only consisted of the Albertinia urban settlement. No rural areas was included, but for 2011 all of the rural areas from the northern side of the N2 surrounding Albertinia and find the Langeberg mountain range as northern border and the eastern border of Hessequa. In terms of communities, ward 2 still just encapsulates the urban area of Albertinia. This causes ward 2 to be more of an accurate planning delimitation and statistics are more balanced in terms of economic activities as the rural segment of the economy would be included in statistics.

Name of representative	Capacity representing	Dates of meetings held during the year
Clr L Manho	Chairperson	22 July 2010 19 August 2010 23 September 2010 21 October 2010 18 November 2010 22 April 2011
Ms M Losper	Member	
Ms E Saayman	Member	
Prof J Roelofse	Member	
Clr M Streicher	Member	

Table 34: Ward 2 Committee Meetings

Ward 3: Vermaaklikheid, Jongensfontein, part of Stilbaai West and rural farming areas

Ward 3 is one of the largest geographical wards in Hessequa and as a result, also one of the least useful to planning purposes. A large rural area that stretches from the Goukou river mouth to about halfway between Jongensfontein and Witsand. It then stretches north alongside the east side of Heidelberg and about all of the rural areas in Hessequa, north of Heidelberg. It includes Still bay-West, Jongensfontein and the rural community of Vermaaklikheid. As a geospatial planning area, ward 3 is one of the least practical areas to do planning as statistics are shared with a very large rural area and two relatively well-off communities.

Name of representative	Capacity representing	Dates of meetings held during the year
Clr H Bouwer	Chairperson	22 July 2010 19 August 2010 16 September 2010 21 October 2010 27 November 2010 24 February 2011 31 March 2011
Mr WP Jacobs	Member	
Ms M van Coller	Member	
Ms H Döckel	Member	
Mr F Muller	Member	
Ms A Philander	Member	
Mr J Stanbridge	Member	
Clr L Pieterse	Member	

Table 35: Ward 3 Committee Meetings

Ward 4: Witsand, Joe-Slovo, Slangrivier, Heidelberg and surrounding farms

Ward 4 didn't experience any changes since the 2006 local elections. However it still remains a very unpractical area to manage in terms of statistics on ward level. It includes a relatively large rural area surrounding Witsand, Slangrivier and the Heidelberg area. It's boundary towards the west is the municipal boundary and stretches from the coast in the south to the N2 on the northern boundary. As mentioned Witsand is included, Slangrivier and a relatively large portion of Heidelberg town.

In terms of planning and statistical analysis the ward's delimitation is very unpractical. It literally cuts through the middle of a community and resulting in that area's statistics to be included with Slangrivier and Witsand. It is of no strategic value to look at statistics on the level of ward 4.

Name of representative	Capacity representing	Dates of meetings held during the year
Clr D Esau	Chairperson	22 July 2010
Mr G Hartman	Member	19 August 2010

Name of representative	Capacity representing	Dates of meetings held during the year
Mr John February	Member	21 October 2010 18 November 2010 17 February 2011
Mr MC de Beer	Member	
Clr J George	Member	
Clr L February	Member	

Table 36: Ward 4 Committee Meetings

Ward 5: Heidelberg and rural farming areas

Ward 5 didn't experience any changes since the 2006 elections. The ward consists mostly out of the Heidelberg urban area with a small piece of rural area included towards the north-west of the town. As planning area ward 5 would've worked well, but due to a relatively large portion of the ward that is removed by the delimitation of ward 4, a core group of the residents of Heidelberg is removed from statistics, thus renders the ward as geospatial planning area useless.

Name of representative	Capacity representing	Dates of meetings held during the year
Clr A Hartnick	Chairperson	22 July 2010 19 August 2010 30 August 2010 28 September 2010 26 October 2010 18 November 2010 22 February 011
Mr J Blom	Member	
Mr L Adams	Member	
Mr J Du Plesis	Member	
Mr R Jacobs	Member	
Ms L Lotz	Member	

Table 37: Ward 5 Committee Meetings

Ward 6: Part of Riversdale and rural areas

Ward 6 forms part of Riversdale and includes a small rural area within its borders. The largest portion of ward 6's residents is located in Riversdale by being separated from the rest of the town by the railway line and Main Street on the western border. The rural area of ward 6 has a few concentrated farming areas. Ward 6 is a difficult planning unit as it once again includes rural as well as urban areas.

Name of representative	Capacity representing	Dates of meetings held during the year
Clr F Hartnick	Chairperson	19 August 2010 21 October 2010 17 February 2011 17 March 2011
Mr D September	Member	
Me D Weber	Member	
Clr E Nel	Member	

Table 38: Ward 6 Committee Meetings

Ward 7: Riversdale, Alwynfleur, Kwanokuthula, Plankiesdorp and rural areas

Ward 7 is one of the wards that did change considerably from the 2006 local elections and was influenced by changes in ward 8 and ward 2. The rural area that is included within ward 7 is towards the south-western side of Riversdale and continues north over the Langeberg mountain range and includes all rural areas of the Hessequa municipal area on the northern border behind the mountain range. Thus it consists of a substantial amount of rural residents. Coming to its urban components, it includes a large part of Riversdale's centre of commerce and continues towards the north-westerly residential areas known as Alwynfleur and surrounding areas. Another urban settlement was included in ward 7 and is known as Kwanokuthula. This is primarily a formal residential area where almost all residents are indigent households and it has an informal settlement called "Plankiesdorp". The geographical layout of ward 7 makes it very difficult to use as a planning area as its vastness does not allow for planning to be reflected in a useful manner if the complete ward is displayed.

Name of representative	Capacity representing	Dates of meetings held during the year
Clr M Streicher	Chairperson	22 July 2010 19 August 2010 23 September 2010 18 November 2010 17 February 2011
Mr P van den Berg	Member	
Ms C Mcdonald	Member	
Mr J Victor	Member	
Ms E Buis	Member	
Mr H Stroebel	Member	
Ms A Schoeman	Member	
Mr A Daniels	Member	
Clr R Stride	Member	

Table 39: Ward 7 Committee Meetings

Ward 8: Aloeridge, Mōrestond, Panorama, Beverley Hills and Melrose Place

Ward 8 was changed for the 2011 local elections by the transfer of Kwanokuthula to ward 7. Even though the ward does include a small amount of non-urban land, it has very few residents in that part of the ward. The relatively high density communities of Morestond, Aloeridge and Panorama are the urban areas that house the relatively poor residents. Ward 8 is the only ward that can be used as a planning area as it perfectly contains these communities as a whole.

Name of representative	Capacity representing	Dates of meetings held during the year
Clr C Taute	Chairperson	26 July 2010
Mr C Merkeur	Member	16 August 2010
Mr K Saayman	Member	18 October 2010
Ms E Scholtz	Member	15 November 2010
Clr E Nel	Member	29 November 2010
		21 February 2011
		22 March 2011

Table 40: Ward 8 Committee Meetings

2.5.2 FUNCTIONALITY OF WARD COMMITTEE

The purpose of a ward committee is:

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

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the council. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

The table below provides information on the establishment of Ward Committees and their functionality:

Ward Number	Committee established: Yes / No	Number of reports submitted to the Speakers Office	Number meetings held during the year	Committee functioning effectively: Yes / No	Actions to address
1	Yes	0	5	Yes	n/a
2	Yes	0	6	Yes	n/a
3	Yes	0	7	Yes	n/a
4	Yes	0	5	Yes	n/a
5	Yes	0	7	Yes	n/a

Ward Number	Committee established: Yes / No	Number of reports submitted to the Speakers Office	Number meetings held during the year	Committee functioning effectively: Yes / No	Actions to address
6	Yes	0	4	Yes	n/a
7	Yes	0	5	Yes	n/a
8	Yes	0	7	Yes	n/a

Table 41: Functioning of Ward Committees

2.5.3 REPRESENTATIVE FORUMS

A) LABOUR FORUM

The table below specifies the members of the Labour forum for the 2010/11 financial year:

Name of representative	Capacity	Meeting dates
Clr. AK Daries	Councillor	2 February 2010 6 April 2010 3 June 2010 16 September 2010 21 October 2010 11 November 2010 3 March 2011 7 April 2011
Clr. F. Hartnick	Councillor	
Clr. J. Hartnick	Councillor	
Clr. L. February	Councillor	
Clr. L. Pieterse	Councillor	
Clr. E. Nel	Councillor	
Mr. J. Jacobs	Employer	
Mr. J. Gertse	Employer	
Mrs. A. Booyesen	Employer	
Mrs. E. Kouter Mr. E. Mokoena Mr. H. Michael Mr. J Nomdoe	SAMWU	
Mr. C. September Mr. F. Rust Mr. S. Rust	IMATU	

Table 42: Labour Forum

2.5.4 IZIMBIZO

Izimbizo gives further effect and concrete expression to participatory democracy so that communities can exercise their rights to be heard, and assist with the national effort to build a better life for all.

Government launched the Izimbizo programme in 2001 as a period of intensified activity where all spheres of government - national, provincial and local - interact with the people across the country. The Izimbizo initiative plays an important role as an interactive style of governance, which creates more space for public participation and involvement around interactive implementation of government's Programme of Action.

Izimbizo is about unmediated communication between government and its people. It is a forum for enhancing dialogue and interaction between senior government executives and ordinary people and provides an opportunity for government to communicate its programmes and progress directly to the people. Izimbizo also promotes participation of the public in the programmes to improve their lives. Interaction through Izimbizo highlights particular problems needing attention, blockages in implementation of policy, or policy areas that may need review. It draws public input into how best to tackle challenges and gives the President and others direct access to what people say and feel about government and service delivery, to listen to their concerns, their grievances and advice about the pace and direction of government's work.

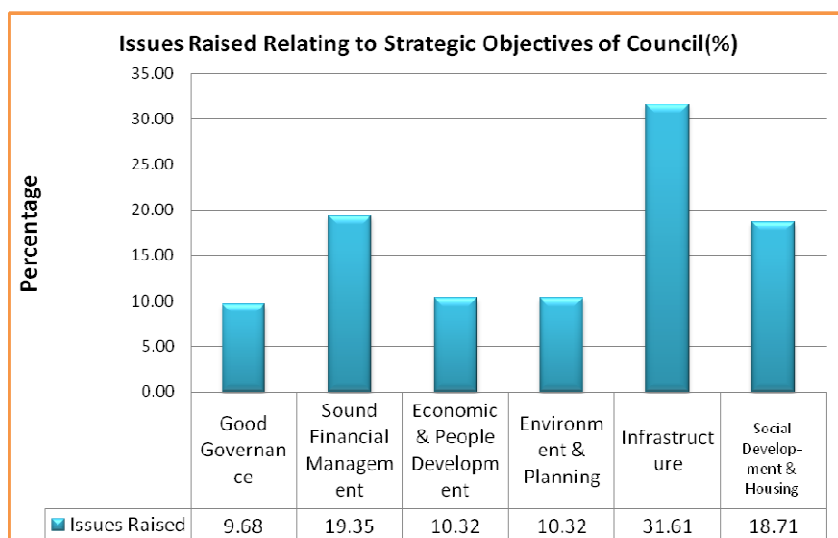
The table below categorise the date of events held within the different types of Izimbizo:

Type of Imbizo	Date of events	Place where event was held	Issues raised by community	Issue addressed
Municipal/Mayoral Izimbizo	10, 11, 12, 16 and 17 August 2010	Riversdale, Heidelberg, Slangrivier & Witsand, Stilbaai & Jongensfontein, Melkhoutfontein, Gouritsmond and Albertinia	<ul style="list-style-type: none"> • Conditions of municipal and provincial roads • Water quality • Availability of electricity • High cost and steep increase of electricity tariffs • Law enforcement • Housing needs • Improvement of basic service conditions • Upgrade and maintenance of sport and community facilities 	Imbizo report submitted to Executive Mayoral Committee for discussion and referral to the applicable Portfolio Committee to address issues raised.
	1, 2, 3, 4, and 8 November 2010	Riversdale, Heidelberg, Slangrivier, Stilbaai & Jongensfontein, Melkhoutfontein,	<ul style="list-style-type: none"> • Conditions of municipal and provincial roads • Water quality 	Imbizo report submitted to Executive Mayoral Committee for discussion and referral to the

Type of Imbizo	Date of events	Place where event was held	Issues raised by community	Issue addressed
		Gouritsmond and Albertinia	<ul style="list-style-type: none"> • Availability of electricity • High cost and steep increase of electricity tariffs • Law enforcement • Housing needs • Improvement of basic service conditions • Upgrade and maintenance of sport and community facilities 	applicable Portfolio Committee to address issues raised.
	7, 8, 9, 10, 14, 15 and 16 March 2011	Riversdale, Heidelberg, Slangrivier & Witsand, Stilbaai & Jongensfontein, Melkhoutfontein, Vermaaklikheid, Kwanokuthula, Gouritsmond and Albertinia	<ul style="list-style-type: none"> • Conditions of municipal and provincial roads • Water quality • Availability of electricity • High cost and steep increase of electricity tariffs • Law enforcement • Housing needs • Improvement of basic service conditions • Upgrade and maintenance of sport and community facilities 	Imbizo report submitted to Executive Mayoral Committee for discussion and referral to the applicable Portfolio Committee to address issues raised.

Table 43: Izimbizo

The following diagram identifies the key issues that are raised mostly by our residents. Infrastructure are raised most flowed by financial management related issues, mainly influenced by the updating of our valuation rolls that caused an immense amount of inputs by residents.



2.6 CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.6.1 ANTI-CORRUPTION AND ANTI-FRAUD

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

A) DEVELOPED STRATEGIES

Name of strategy	Developed Yes/No	Date Adopted/Reviewed
Anti-corruption strategy	Yes	July 2007

Table 44: Strategies

B) IMPLEMENTATION OF STRATEGIES

Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
Ethics Awareness Programme	Human Resources	Training and capacity building of councillors, staff and managers
Risk Assessment	Recruitment, Procurement and Housing	Identify target areas to review & refine policies, procedures and controls
Community Awareness Campaign	Lack of awareness by the Public	Engage with key stakeholders and development of a code of conduct for service providers

Table 45: Implementation of the Strategies

2.6.2 AUDIT COMMITTEE/S

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must - (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control;
- risk management;
- performance Management; and
- effective Governance.

A) FUNCTIONS OF THE AUDIT COMMITTEE

The Council decided on 22 July 2010 that the Audit Committee will also act as the Performance Committee.

The main functions of the Audit Committee are set out in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003.

B) MEMBERS OF THE AUDIT COMMITTEE

Name of representative	Capacity	Meeting dates
Prof. JA Döckel	Chairperson	10 August 2010
Dr. AL van Wyk	Member	29 September 2010 (Special meeting Financial Statements)
Ms. CE Conradie	Member	16 November 2010
Mr. TB Februarie	Member	15 February 2011
Mr. J Lupini	Member of the Public	24 March 2011 (Special meeting Budget)
Mr. KG Herbst	Co-opted member	

Name of representative	Capacity	Meeting dates
Prof. PJ du Plessis	Co-opted member	17 May 2011

Table 46: Members of the Audit Committee

2.6.3 INTERNAL AUDITING

Section 165 (2) (a), (b)(iv) of the MFMA requires that:

The internal audit unit of a municipality must –

- (a) prepare a risk based audit plan and an internal audit program for each financial year; and
- (b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
- (c) risk and risk management.

The Internal Audit function is performed internally and consists of two staff members.

Annual Audit Plan

The Risk Based Audit Plan for 2010/11 was implemented 90% with available resources, due to of special leave of personnel that was approved as such by the Audit Committee. The table below provides detail on audits completed:

Description		No of Hours	Date completed	
Phase 1				
Revisiting current risk profile and priorities		80	30 November 2010	
Phase 2				
Compiling Risk Based Audit Plan		20	10 December 2010	
Phase 3				
Audit Engagement	Departmental System	Detail	No of Hours	Date completed
Finance	Financial Services	Revenue- Water & Electricity	160	21 January 2011
		Assets	240	15 March 2011
Legal Services & Safety and Security Services	Safety and Security	Law Enforcement Maintenance	120	25 August 2010
		Administrative services	240	27 October 2010
Socio Economic Development	Tourism	Tourism in Hessequa	120	6 December 2010

Description			No of Hours	Date completed
Services				
Information Technology & Corporate Services and HR	Human Resources	Appointments, Admin and Salaries	240	30 October 2010
Planning Services	Building and land use	Building and land use	280	10 June 2011
Streets, Stormwater, Parks and Resorts Services	Municipal Buildings	Buildings	160	30 July 2010
Performance Information	Governance	Good Governance	40	2 June 2011
		Performance Information	40	14 April 2011
Management	Audit	Project Clean Audit	40	31 May 2011
		Ad Hoc Audits	320	Continuous
Administrative duties			200	Continuous
Audit Committee Meetings			220	Continuous
Governance Audits - DORA			120	29 July 2010
Follow up Audits			120	28 June 2011
Training CPD			160	Continuous
Total Hours			2 920	-

Table 47: Internal Audit Coverage Plan

Below are the functions of the Internal Audit Unit that was performed during the financial year under review:

Function	Date/Number
Risk analysis completed/reviewed	30 November 2010
Risk based audit plan approved for 2010/11 financial year	16 February 2010
Internal audit programme drafted and approved	16 February 2010
Number of audits conducted and reported on	9
Audit reports included the following key focus areas:	
<p><i>Internal controls</i> <i>Accounting procedures and practices</i> <i>Risk and risk management</i> <i>Performance management</i> <i>Loss control</i> <i>Compliance with the MFMA and other legislation</i></p>	

Table 48: Internal Audit Functions

2.6.4 AUDITOR GENERAL

Hessequa Local Municipality was audited by the Auditor-General of South Africa in terms of section 188 of the Constitution and section 4 of the Public Audit Act and section 126 of the MFMA and the audit report for the financial year under review is in Annexure B of this report.

2.6.5 BY-LAWS AND POLICIES

Section 11 of the MSA gives municipal Councils the executive and legislative authority to pass and implement by-laws and policies.

Below is a list of all the by-laws developed and reviewed during the financial year:

By-laws developed/revised	Date adopted	Public Participation Conducted Prior to adoption of By-Laws (Yes/No)	Date of Publication
Bylaw relating to prevention of public nuisance and public nuisance arising from keeping of animals (revised)	In process	Yes 21-28 May 2011	Not yet published
Bylaw relating to impoundment of animals(revised)	In process	Yes 10-17 February 2011	Not yet published
Events bylaw (developed)	In process	Yes 21-28 May 2011	Not yet published
Liquor trading hours bylaw (developed)	In process	Yes 2 February 2009	Not yet published

Table 49: By-laws

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

Policies developed/revised	Date adopted	Public Participation Conducted Prior to adoption of policy (Yes/No)	Date of Publication
Events policy (developed)	In process	No	Not yet published
Law enforcement strategy (revised)	In process	No	Internal consultation to be conducted

Table 50: Policies

2.6.6 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Communication unit	No
Communication strategy	No
Communication Policy	No
Customer satisfaction surveys	No
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	Yes

Table 51: Communication Activities

2.6.7 WEBSITES

A municipal website should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Documents published on the Municipal website	Date Published
Current annual and adjustments budgets and all budget-related documents	31 March 2011
Budget implementation policy: Tariff policy	31 March 2011
Budget implementation policy: Credit control policy	31 March 2011
Budget implementation policy: Rates policy	31 March 2011
Budget implementation policy: SCM policy	31 March 2011
Annual report for 2009/10	31 March 2011

Documents published on the Municipal website	Date Published
Performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act for 2010/11	Yes
All service delivery agreements for 2010/11	No
All long-term borrowing contracts for 2010/11	Yes
All supply chain management contracts above the prescribed value for 2010/11	No
Information statement containing a list of assets over a prescribed that have been disposed of in terms of section 14 (2) or (4) of the MFMA during for 2010/11	Yes
Contracts agreed in 10/11 to which subsection (1) of section 33 of the MFMA apply, subject to subsection (3) of that section	n/a
Public-private partnership agreements referred to in section 120 of the MFMA made in 2010/11	n/a
All quarterly reports tabled in the council in terms of section 52 (d) of the MFMA during 2010/11	Yes

Table 52: Website Checklist

FINAL DRAFT

CHAPTER 3

ORGANISATIONAL DEVELOPMENT PERFORMANCE



CHAPTER 3: ORGANISATIONAL DEVELOPMENT PERFORMANCE

3.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2008/09	2009/10	2010/11
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	10	13	16
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.4	0.3	0.2

Table 53: National KPIs– Municipal Transformation and Organisational Development

3.2 PERFORMANCE HIGHLIGHTS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Highlight	Description
Reviewing of Organisational structure	Almost completed
TASK evaluation process	Starting of the TASK evaluation process, will be implemented in due course
MFMA Minimum Competency level training	Well on track
Successfully completion of WSP for 2010/2011	Completed and reviewed the feedback report
Employment Equity plan	Started with the compilation, for completion 16 January 2012
Recruitment policy	Completed review and referred to counsel for authorization

Table 54: Performance Highlights– Municipal Transformation and Organisational Development

3.3 CHALLENGES – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Challenge	Actions to address
HR Capacity: Need more staff, for maximum service to personnel	Provision of sufficient budget in future years
Numerous vacancies: Skills development facilitator, Employee Assistance and Occupational Health and Safety	Provision of sufficient budget in future years
Driving of the implementation of the Workplace Skills Plan	Provision of sufficient budget to appoint Skills Development Facilitator

Table 55: Challenges – Municipal Transformation and Organisational Development

3.4 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Hessequa Municipality currently employs **488** (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

3.4.1 EMPLOYMENT EQUITY

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan"

A) EMPLOYMENT EQUITY TARGETS/ACTUAL

African			Coloured			Indian			White		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
21	31	148%	308	369	119%	0	0	0	87	68	78%

Table 56: 2010/11 EE targets/Actual by racial classification

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
272	338	80%	97	124	26%	0	3	0.6%

Table 57: 2010/11 EE targets/actual by gender classification

B) EMPLOYMENT EQUITY VS. POPULATION

Description	African	Coloured	Indian	White	Total
Population numbers	2 244	33 419	61	16 924	52 648
% Population	4.3	63.5	0.1	32.1	100
Number for positions filled	32	386	0	70	488
% for Positions filled	6.5	79	0	14.3	100

Table 58: EE population 2010/11

C) OCCUPATIONAL CATEGORIES - RACE

Below is a table that indicate the number of employees by race within the specific occupational categories:

Occupational categories	Posts filled								Total
	Male				Female				
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	2	6	0	3	0	2	0	1	14
Professionals	1	17	0	4	1	7	0	5	35
Technicians and associate professionals	0	12	0	7	0	0	0	0	19
Clerks	1	16	0	0	3	39	0	19	78
Service and sales workers	0	17	0	1	0	4	0	0	22
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	11	28	0	0	5	28	0	0	72
Elementary occupations	65	84	0	20	36	43	0	0	248
Total permanent	80	180	0	35	45	123	0	25	488
Non- permanent	6	32	0	3	6	40	0	9	96
Grand total	86	212	0	38	51	163	0	34	584

Table 59: Occupational Categories

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D) OCCUPATIONAL LEVELS - RACE

The table below categories the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	0	5	0	4	1	3	0	2	15
Senior management	0	3	0	4	0	0	0	2	9
Professionally qualified and experienced specialists and mid- management	0	8	0	19	0	5	0	9	41
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	3	68	0	9	1	46	0	24	151
Semi-skilled and discretionary decision making	19	188	0	5	4	56	0	0	272
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total permanent	22	272	0	41	6	110	0	37	488
Non- permanent employees	6	32	0	3	6	40	0	9	96
Grand total	28	304	0	44	12	150	0	46	584

Table 60: Occupational Levels

E) DEPARTMENTS - RACE

The following table categories the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Municipal manager	0	1	0	3	0	0	0	2	6
Corporate Services and HR	0	9	0	2	2	15	0	3	31
Information Technology	0	3	0	0	0	0	0	0	3
Socio Economic Development	0	10	0	1	0	15	0	8	34
Water, Sewer and Sanitation	12	82	0	7	0	6	0	1	108
Electro Technical Services	2	34	0	9	0	0	0	0	45
Legal Services	0	0	0	0	0	1	0	2	3
Safety and Security	2	14	0	5	0	7	0	0	28
Financial Services	1	9	0	4	0	17	0	11	42
Planning	0	3	0	2	0	2	0	2	9
Streets, Stormwater, Parks and Resorts	9	120	0	5	4	38	0	3	179
Total permanent	26	285	0	38	6	101	0	32	488
Non- permanent	6	32	0	3	6	40	0	9	96

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Grand total	32	317	0	41	12	141	0	41	584

Table 61: Department - Race

3.4.2 VACANCY RATE

The approved organogram for the municipality had **541** posts for the 2010/11 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. **53** Posts were vacant at the end of 2010/11, resulting in a vacancy rate of **10.9%**.

Below is a table that indicates the vacancies within the municipality:

PER POST LEVEL		
Post level	Filled	Vacant
MM & MSA section 57 & 56	8	1
Middle management	14	1
Admin Officers	109	13
General Workers	357	38
Total	488	53
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant
Municipal manager	6	0
Corporate Services and HR	31	4
Information Technology	3	0
Socio Economic Development	34	5
Water, Sewer and Sanitation	108	15
Electro Technical Services	45	5
Legal Services	3	0
Safety and Security	28	2
Financial Services	42	6
Planning	10	0
Streets, Stormwater, Parks and Resorts	178	16
Total	488	53

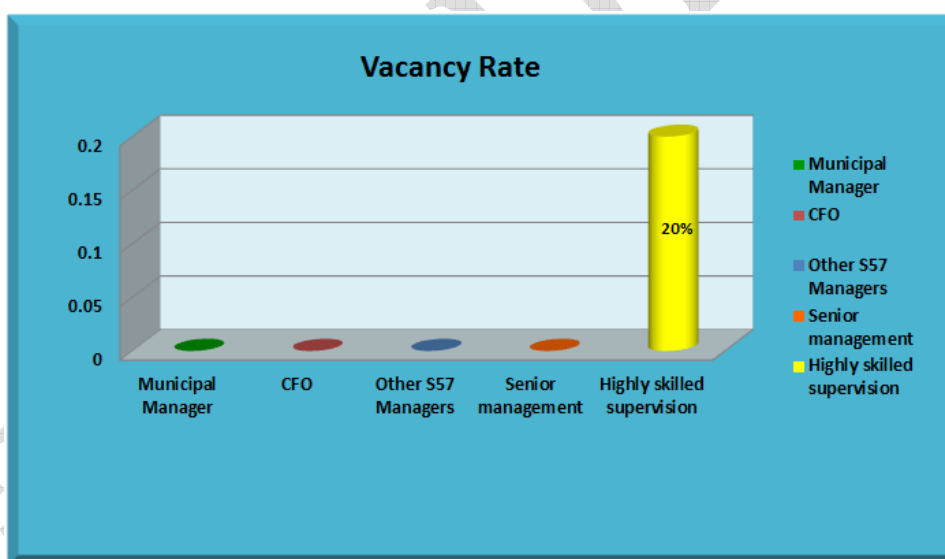
Table 62: Vacancy rate per post and functional level

The table below indicates the number of staff per level expressed as total positions and current vacancies expressed as full time staff equivalents:

Salary Level	Number of current critical vacancies	Number total posts as per organogram	Vacancy job title	Vacancies (as a proportion of total posts per category)
Municipal Manager	0	1	0	0
Chief Financial Officer	0	1	0	0
Other Section 57 Managers	0	6	0	0
Senior management	0	6	0	0
Highly skilled supervision	2	10	Superintendent: Technical Services Accountant Assets & Insurance	20%
Total	2	24		

Table 63: Vacancy rate per salary level

The following graph specifies the vacancy rate as a percentage per salary level.



Graph 6: Vacancy rate

3.4.3 TURNOVER RATE

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows a **decrease** from **8.21%** in 2009/10 to **4.7%** in 2010/11.

The table below indicates the turn-over rate over the last three years:

Financial year	New appointments	No Terminations during the year	Turn-over Rate
2007/08	63	38	14.0%
2008/09	53	36	11.7%
2009/10	37	27	8.2%
2010/11	49	23	4.7%

Table 64: Turnover Rate

3.5 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analyzing and coordinating employee behavior.

3.5.1 INJURIES

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows a slight decrease for the 2010/11 financial year from **98** employees injured against **29** employees in the 2009/10 financial year.

The table below indicates the total number of injuries within the different directorates:

Directorates	2008/09	2009/10	2010/11
Municipal manager	0	3	0
Corporate Services and HR	6	9	0
Information Technology	0	0	0
Socio Economic Development	1	1	0
Water, Sewer and Sanitation	16	24	6

Directorates	2008/09	2009/10	2010/11
Electro Technical Services	14	26	3
Legal Services	0	0	0
Safety and Security	1	0	2
Financial Services	3	4	4
Planning	0	1	0
Streets, Stormwater, Park and Resorts	14	30	14
Total	55	98	29

Table 65: Injuries

3.5.2 SICK LEAVE

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2010/11 financial year shows a **increase** when comparing it with the 2009/10 financial year.

The table below indicates the total number sick leave days taken within the different directorates:

Directorates	2008/09	2009/10	2010/11
Municipal manager	17	7	20.5
Corporate Services and HR	170.5	158	268.5
Information Technology	3	0	2
Socio Economic Development	239.5	162	485
Water, Sewer and Sanitation	1267	926	1 504
Electro Technical Services	600.5	733	1 253
Legal Services	0	2	11
Safety and Security	137	213	264.5
Financial Services	221	234.5	346.5
Planning	60	32	45
Streets, Stormwater, Park and Resorts	458	391.5	516.5
Total	3 173.5	2 859.0	4 716.5

Table 66: Sick Leave

3.5.3 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved and that still needs to be developed:

Approved policies	
Name of policy	Date approved/ revised
Employment equity plan	4 March 2008
HIV/AIDS	1 May 2002
Recruitment and selection	6 September 2007
Skills development plan	30 June 2010
Subsistence abuse	28 April 2010
Bursary Policy for Part-time Study	29 July 2007
Overtime	19 August 2008
Travel and Subsistence	November 2007
Human Resources & Development Policy	1 November 2007
Policies still to be developed	
Name of policy	Proposed date of approval
Performance Evaluation Policy (lower levels)	July 2012
Telephone Use	March 2011
Phone and Fax Use Policy	To be approved
Compassion Policy (Love & Sorrow)	To be approved
Essential Services	To be approved

Table 67: HR policies and plans

3.5.4 EMPLOYEE PERFORMANCE REWARDS

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to an employee, after -

- (1) the annual report for the financial year under review has been tabled and adopted by the municipal council;
- (2) an evaluation of performance in accordance with the provisions of regulation 23; and
- (3) approval of such evaluation by the municipal council as a reward for outstanding performance.

The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance.

The table below shows the total number of S57 that received performance rewards:

Race	Gender	Number of beneficiaries	Total number of employees received performance rewards	% Employees received performance rewards
African	Female	0	0	0
	Male	0	0	0
Asian	Female	0	0	0
	Male	0	0	0
Coloured	Female	0	0	0
	Male	3	3	100
White	Female	2	2	100
	Male	3	3	100
Disability	Female	0	0	0
	Male	0	0	0
Total		8	8	100

Table 68: Performance Rewards

3.6 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

3.6.1 SKILLS MATRIX

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
MM and S57	Female	2	2
	Male	17	16
Legislators, senior officials and	Female	4	0

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Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
managers	Male	11	0
Associate professionals and Technicians	Female	0	0
	Male	19	2
Professionals	Female	13	6
	Male	22	11
Clerks	Female	61	15
	Male	17	5
Service and sales workers	Female	4	5
	Male	18	9
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	8	0
	Male	39	3
Elementary occupations	Female	79	0
	Male	169	6
Sub total	Female	171	28
	Male	312	52
Total		483	80

Table 69: Skills Matrix

3.6.2 SKILLS DEVELOPMENT – TRAINING PROVIDED

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Training provided within the reporting period						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% Variance
MM and S57	Female	0	0	2	4	2	4	(50)

Occupational categories	Gender	Training provided within the reporting period						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% Variance
	Male	0	0	16	7	16	7	129
Legislators, senior officials and managers	Female	0	0	0	6	0	6	(100)
	Male	0	0	0	7	0	7	(100)
Professionals	Female	0	0	0	4	0	4	(100)
	Male	0	0	2	6	2	6	(67)
Technicians and associate professionals	Female	0	3	6	2	6	5	20
	Male	0	7	11	4	11	11	0
Clerks	Female	0	7	15	7	15	14	7
	Male	0	3	5	5	5	8	(38)
Service and sales workers	Female	12	6	5	7	17	13	31
	Male	3	6	9	3	12	9	33
Craft and related trade workers	Female	0	5	0	0	5	0	100
	Male	0	5	0	0	5	0	100
Plant and machine operators and assemblers	Female	0	5	0	0	5	0	100
	Male	0	5	3	10	3	15	(80)
Elementary occupations	Female	0	7	0	0	0	7	(100)
	Male	0	13	6	0	6	13	(54)
Sub total	Female	12	33	28	30	40	63	(37)
	Male	3	39	52	42	55	81	(32)
Total		15	72	80	72	95	144	(34)

Table 70: Skills Development

On the 15th of June 2007 a Government Gazette No. 29967 was published with the title: National Treasury: Local Government: Municipal Finance Management Act: Municipal Regulations on Minimum Competency Levels. This regulation stipulates clearly the various qualifications, experience and competencies required by the Municipal Manager, CFO, Senior Management and other Financial Officials. The progress with regards to the compliance with this regulation must be reported bi-annually and in the annual report. The requirements must be obtained by all relevant officials by January 2013.

The School of Public Leadership at the University of Stellenbosch Bellville Campus has been appointed to provide training to the relevant officials in house. This training commenced on the 30th of May 2011 and is scheduled to be completed by the end of December 2012. Currently, 36 staff of Hessequa Municipality is in the process of obtaining the required training and this training can be cascaded to the lower levels if additional budget support can be obtained.

3.6.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of **R262 840** was allocated to the workplace skills plan and that **30.73%** of the total amount was spending in the 2010/11 financial year:

Total personnel budget	Total Allocated	Total Spend	% Spend
R	R	R	
96 431 190	262 840	80 761	30.72%

Table 71: Budget allocated and spent for skills development

3.7 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

3.7.1 PERSONNEL EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage (%)
	R'000	R'000	R'000
2007/08	48 274	128 945	37.4
2008/09	51 120	166 321	30.7
2009/10	68 053	252 421	26.9
2010/11	86 088	240 266	35.8

Table 72: Personnel Expenditure

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Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2008/09	2009/10	2010/11		
Description	Actual	Actual	Original Budget	Adjusted Budget	Actual
Councillors (Political Office Bearers plus Other)					
Basic Salary	2 199	2 337	2 480	2 541	2 393
UIF, Medical and Pension Fund	120	423	447	447	405
Vehicle	859	1 137	1 115	1 115	1 102
Cell Phone	179	185	0	0	192
Housing	0	0	0	0	0
Performance	0	0	0	0	0
Other	268	0	0	0	0
In-kind Benefits	0	0	0	0	0
Sub Total	3 627	4 082	4 042	4 103	4 093
% increase/(decrease)	–	12.5	(1.0)	(98.5)	(0.3)
Senior Managers of the Municipality					
Salary	3 788	4 019	4 055	4 055	4 055
UIF, Medical Aid – and Pension Contributions	912	867	887	887	887
Medical Aid Contributions	0	0	0	0	0
Motor Vehicle Allowance	1 271	928	472	472	472
Cell phone Allowance	0	0	0	0	0
Housing allowance	0	0	0	0	0
Performance Bonus	393	488	641	641	641
Other Benefits or Allowances	0	25	63	63	63
In-kind Benefits	0	0	0	0	0
Sub Total	6 364	6 328	6 118	6 118	6 118
% increase/(decrease)	–	(0.6)	(3.3)	(100.0)	–
Other Municipal Staff					
Basic Salaries and Wages	32 099	41 808	52 027	51 723	56 035
UIF, Medical Aid – and Pension Contributions	6 856	13 391	13 184	13 184	13 271
Medical Aid Contributions	0	0	0	0	0
Motor Vehicle Allowance	1 331	1 305	2 036	2 036	2 036
Cell phone Allowance	0	0	245	245	245
Housing Allowance	424	297	310	310	242
Overtime	0	0	0	0	0

Financial year	2008/09	2009/10	2010/11		
Description	Actual	Actual	Original Budget	Adjusted Budget	Actual
Other Benefits or Allowances	4 047	4 924	2 257	2 257	14 260
Sub Total	44 755	61 725	70 059	69 755	86 089
% increase/(decrease)	–	37.9	13.5	(100.4)	(23.4)
Total Municipality	54 747	72 135	76 177	75 873	92 207
% increase/(decrease)	–	31.8	11.2	(100.3)	(27.8)

Table 73: Personnel Expenditure

FINAL DRAFT

CHAPTER 4

STRATEGIC PERFORMANCE



CHAPTER 4: STRATEGIC PERFORMANCE

This chapter will provide information on the strategic performance of the municipality and will indicate 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 efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The 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 timeously implement corrective measures where required.

This chapter speaks to the strategic performance highlights in terms of the Municipality's IDP, performance on basic service delivery and backlogs addressed the MIG projects as well as the spending priorities for the following year. It addresses the communication and public participation processes of the Municipality to give a holistic view of how the Municipality communicates performance to its stakeholders.

4.1 NATIONAL KEY PERFORMANCE INDICATORS – BASIC SERVICE DELIVERY AND LOCAL ECONOMIC DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the following two National Key Performance Areas: Basic Service Delivery and Local Economic Development.

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2008/09	2009/10	2010/11
Basic Service Delivery			
The percentage of households earning less than R 1100 per month with access to free basic services	100	100	100
The percentage of households with access to basic level of water	100	100	100
The percentage of households with access to basic level of sanitation	100	100	100
The percentage of households with access to basic level of electricity	100	100	100
The percentage of households with access to basic level of solid waste removal	100	100	100
Local economic development			
The number of jobs created through municipality's local economic development initiatives including capital projects	Man days 9 000	Man days 10 500	Man days 38 400

Table 74: National KPIs – Basic Service Delivery and Local Economic Development

4.2 STRATEGIC SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (TOP LAYER)

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The top layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements). The municipality compiled a top layer SDBIP for the first time in the 2010/11 financial year.

In the paragraphs below the performance achieved is illustrated against the top layer SDBIP according to the 5 National Key Performance Areas linked to the Municipal Key Performance Areas and IDP (strategic) Objectives.

The following figure illustrates the method in which the strategic service delivery budget implementation plan is measured:

Category	Color	Explanation
KPI's Not Yet Measured	Grey	KPIs with no targets or actuals in the selected period.
KPI's Not Met	Red	0% \geq Actual/Target < 75%
KPI's Almost Met	Orange	75% \geq Actual/Target < 100%
KPI's Met	Green	Actual/Target = 100%
KPI's Well Met	Dark Green	100% > Actual/Target < 150%
KPI's Extremely Well Met	Dark Blue	Actual/Target \geq 150%

Figure 2: SDBIP Measurement Categories

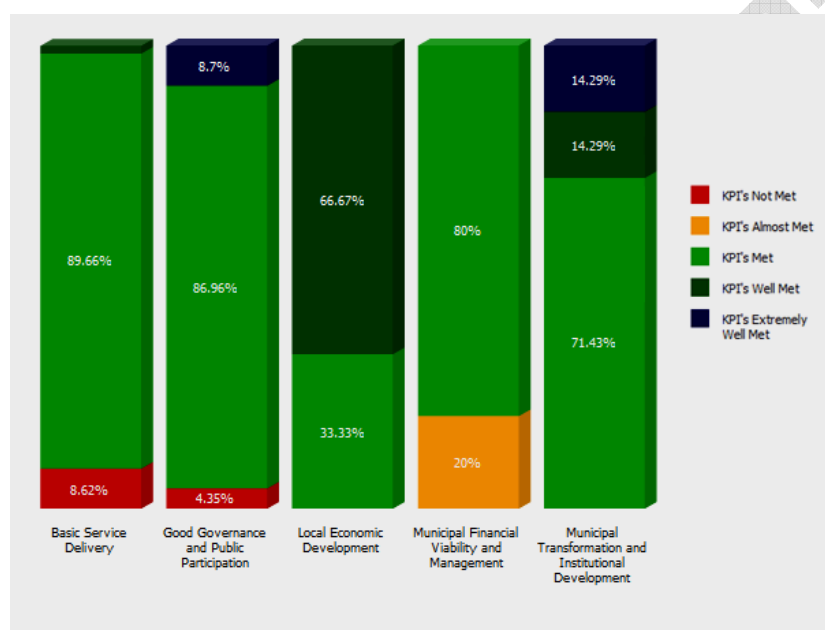
The overall performance results achieved by the municipality in terms of the Top Layer SDBIP are indicated in the table and graph below:

Directorates	Total KPIs	KPIs Extremely Well Met	KPIs Well Met	KPIs Met	KPIs almost Met	KPIs not Met
Basic Service Delivery	58	0	1	52	0	5
Good Governance and Public Participation	23	2	0	20	0	1
Local Economic Development	3	0	2	1	0	0
Municipal Financial Viability and Management	10	0	0	8	2	0
Municipal Transformation and Institutional	7	1	1	5	0	0

Directorates	Total KPIs	KPIs Extremely Well Met	KPIs Well Met	KPIs Met	KPIs almost Met	KPIs not Met
Development						
Hessequa Municipality	101	3	4	86	2	6

Table 75: Top Layer SDBIP Performance per National KPA

The graph below displays the performance per National Key Performance Areas:



Graph 7: Performance per National Key Performance Area

Below is the top level SDBIP according to the 5 National Key Performance Areas linked to the Municipal Key Performance Areas and IDP strategic objectives.

4.3.1 TOP LAYER SDBIP - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The National Key Performance Area Good Governance and Public Participation are linked to the Municipal Key Performance Area namely Good Governance. The IDP Objective that is linked to Good Governance and Public Participation is: "Ensure good governance and accountability through institutional transformation, inter-governmental co-operation and public consultation"

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KPI Name	Unit of Measurement	Wards	Baseline	Annual Performance 09/10	Overall Performance for the Year		Performance comment & Corrective action
					Target	Actual	
Approval of SDBIP	Approval of SDBIP before legislative deadline	All	Jun-10	New KPI	100	100	n/a
Effective functioning of committee system	No of sec 79 committee meetings per committee per annum	All	9	New KPI	9	9	n/a
Effective functioning of council	No of council meetings held	All	4	New KPI	4	4	n/a
Effective functioning of ward committees	No of ward committee meetings per ward per annum (8 wards)	All	8	New KPI	8	16	4 ward committee meetings per quarter per ward
Establishment of a functional Performance Audit Committee	Committee established	All	Audit committee function as PAC	New KPI	1	1	n/a
Functional Internal Audit unit	On-going implementation of Risk based audit plan by June 2011	All	100%	New KPI	100%	100%	n/a
Functional performance of Audit Committee	No of meetings of the audit committee	All	6	New KPI	6	6	n/a
Functional performance of Performance audit committee	No of meetings of the performance audit committee	All	0	New KPI	4	0	Performance Committee not functioning yet. Will be in current financial year.
IDP endorsed by all wards	No of ward committees endorsing IDP	All	8	New KPI	8	8	IDP Circulated through all wards and Imbizos and positive feedback received
IDP endorsed by community organisations and stakeholders as local social compacts	% implementation of public participation and consultation processes i.t.o the public participation framework	All	100%	New KPI	100%	100%	n/a
Improved good governance	% Implementation of anti-corruption policy	All	100%	New KPI	100%	100%	n/a
Institutional Performance management system in place	No of performance agreements (Section 57) signed on time	All	11	New KPI	8	8	n/a
Strengthen role of	No of ward based development plans	All	8	New KPI	8	8	n/a

KPI Name	Unit of Measurement	Wards	Baseline	Annual Performance 09/10	Overall Performance for the Year		Performance comment & Corrective action
					Target	Actual	
communities	completed						
Approval of adjustments budget	Approval of adjustments budget before legislative deadline	All	end January 2010	New KPI	100	100	n/a
Approval of Main budget	Approval of Main budget before legislative deadline	All	end May 2010	New KPI	100	100	Budget approved April 2011
Develop 3rd generation IDP	IDP approved by May Annually	All	40308	New KPI	100	100	n/a
IDP to include all required sectoral plans	No of required sectoral plans included	All	4	New KPI	4	4	All available and existing sectoral plans included in the IDP process
MFMA Section 71 Reporting	% compliance with reporting requirements	All	100%	New KPI	100%	100%	n/a
Reporting on conditional grant spending - capital	% of total conditional capital grants spent	All	100%	New KPI	100%	100%	n/a
Reporting on conditional grant spending - operational	% of total conditional operational grants spent	All	100%	New KPI	100%	100%	n/a
Effective communication with communities	Development of communication policy	All	100%	New KPI	100%	100%	A Communication policy does exist and shall be reviewed by a consultant appointed
Annual performance reporting	Annual report and oversight report of council submitted before legislative deadline	All	100%	New KPI	100%	100%	n/a
Review of the Spatial Development Plan	Review and submitted to PGWC annually by the end of June	All	100%	New KPI	100%	170%	Review done by consultants that were appointed by province. Waiting for Province review report.

Table 76: Top Layer SDBIP – Good Governance and Public Participation

4.3.2 TOP LAYER SDBIP - MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

The National Key Performance Area Municipal Transformation and Institutional Development are linked to the Municipal Key Performance Area namely Good Governance. The IDP Objective that is linked to Municipal Financial Viability is: *“Ensure good governance and accountability through institutional transformation, inter-governmental co-operation and public consultation”*

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KPI Name	Unit of Measurement	Wards	Baseline	Annual Performance 09/10	Overall Performance for the Year		Performance comment & Corrective action
					Target	Actual	
Creation of effective capacity	% Vacancy level as % of approved and funded organogram	All	20%	New KPI	15%	15%	n/a
Effective and up to date HR policies	Revision of top 3 HR priority policies by June 2011	All	3	New KPI	3	3	Consultant appointed through tender to review policies and because of delay in council creation, could not complete before end of June 2011
Effective labour relations	No of meetings of the LLF	All	10	New KPI	10	11	LLF Meetings scheduled monthly and also held monthly unless committee requests it to be postponed
Review Employment Equity Plan in line with approved organogram	Plan reviewed by October 2010	All	100%	New KPI	100%	100%	n/a
Review Skills Development Plan	Plan reviewed	All	100%	New KPI	100%	100%	Plan 100% reviewed and submitted before deadline
Targeted skills development	% of budget spent on implementing its workplace skills plan	All	0.28%	New KPI	1%	1%	n/a
Effective and up to date By-laws	No of By-laws reviewed	All	0	New KPI	4	7	n/a

Table 77: Top Layer SDBIP – Municipal Transformation and Institutional Development

4.3.3 TOP LAYER SDBIP - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The National Key Performance Area Municipal Financial Viability and Management are linked to the Municipal Key Performance Area namely Financial Management. The IDP Objective that is linked to Municipal Financial Viability is: *“Ensure sound financial management, maximized resource mobilization through effective and efficient utilization of scarce resources*

KPI Name	Unit of Measurement	Wards	Baseline	Annual Performance 09/10	Overall Performance for the Year		Performance comment & Corrective action
					Target	Actual	
Asset management	Maintained asset register	All	100%	New KPI	100%	100%	n/a
Clean audit	% of audit queries	All	70%	New KPI	80%	80%	n/a

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KPI Name	Unit of Measurement	Wards	Baseline	Annual Performance 09/10	Overall Performance for the Year		Performance comment & Corrective action
					Target	Actual	
	addressed						
Effective SCM system	No successful appeals	All	0	New KPI	0%	0%	n/a
Financial Viability	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	All	Info not available	New KPI	90.00%	67.50%	Target was incorrect for the year should have been relation. Actual for the year was 6.01
Financial Viability	Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year)	All	12,67%	New KPI	15%	15%	n/a
Financial Viability	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	All	47%	New KPI	40%	40%	n/a
Improved revenue collection	% Debt recovery rate	All	92%	New KPI	98%	95%	Stronger credit control measures to be implemented in the current financial year
Preparation of financial statements	Financial statements submitted on time	All	100% (August)	New KPI	100%	100%	n/a
Supplementary Valuation role	No of valuation roles	All	1	New KPI	1	1	n/a
Updated indigent register for the provision of free basic services	Updated indigent register monthly	All	100%	New KPI	100%	100%	n/a

Table 78: Top Layer SDBIP – Municipal Financial Viability and Management

4.3.4 TOP LAYER SDBIP - LOCAL ECONOMIC DEVELOPMENT

The National Key Performance Area Local Economic Development is linked to the Municipal Key Performance Area namely Economic Development. The IDP Objective that is linked to Local Economic Development is: *“Develop economic, human and social capital with special reference to the vulnerable groups”*

KPI Name	Unit of Measurement	Wards	Baseline	Annual Performance 09/10	Overall Performance for the Year		Performance comment & Corrective action
					Target	Actual	
Employment through job creation schemes	No of permanent jobs created through local economic initiatives	All	100	New KPI	340	398	n/a
Employment through job creation schemes	Temporary jobs created (No of working man days)	All	200	New KPI	780	810	n/a
Enhancement of economic development	No of contracts advertised assigned to emerging contractors	All	3%	New KPI	10%	10%	n/a

Table 79: Top Layer SDBIP – Local Economic Development

4.3.5 TOP LAYER SDBIP - BASIC SERVICE DELIVERY

The National Key Performance Area Basic Service Delivery is linked to the Municipal Key Performance Area namely Infrastructure and Service Provision. The IDP Objectives that is linked to Basic Service Delivery is: *"Strategic investment in high-quality basic services and efficient 'connectivity infrastructure" and "Create an enabling social environment that ensures safe, healthy and vibrant communities"*

KPI Name	Unit of Measurement	Wards	Baseline	Annual Performance 09/10	Overall Performance for the Year		Performance comment & Corrective action
					Target	Actual	
No of HH receiving free basic electricity	No of HH	All	3028	New KPI	4,390	4,390	n/a
Percentage electricity losses	KW billed/ KW used by municipality	All	Info not available	New KPI	20%	20%	n/a
Quantum of free basic electricity received	50Kwh per month per household (only indigents)	All	50Kwh	New KPI	50	50	n/a
Quantum of free basic refuse removal received	R value per month per household	All	R 56.96	New KPI	R 61	R 0	Actual performance was not updated on the system. Actual was R61 per month per household
Quantum of free basic sanitation received	R value per month per household	All	R 74.52	New KPI	R 80	R 80	n/a
No of HH receiving	No of HH	All	3028	New KPI	4,390	0	Actual performance was

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KPI Name	Unit of Measurement	Wards	Baseline	Annual Performance 09/10	Overall Performance for the Year		Performance comment & Corrective action
					Target	Actual	
free basic refuse removal							not updated on the system. Actual was 4 390 households
No of HH receiving free basic sanitation	Number of HH	All	3028	New KPI	4,390	0	Actual performance was not updated on the system. Actual was 4 390 households
Percentage water losses	KL billed/ KL used by municipality	All	20%	New KPI	20%	15%	n/a
Quantum of free basic water received	6kl per month per household (only for indigent HH)	All	6kl	New KPI	6	0	Actual performance was not updated on the system. Actual was 6kl per household per month
No of HH receiving free basic water	No of HH	All	3028	New KPI	4,390	0	Actual performance was not updated on the system. Actual was 4 390 households
Implementation of Integrated Human Settlement Plan	% of budget spent	All	100%	New KPI	100%	100%	n/a
Reviewed Disaster Management Framework/ Plan	Disaster Management Framework/ Plan reviewed Annually	All	100%	New KPI	100%	100%	n/a
Maintenance of halls and facilities	% of maintenance budget of halls and facilities spent	All	98%	New KPI	98%	98%	n/a
Maintenance of halls and facilities	Implementation of maintenance plan for halls and facilities	All	100%	New KPI	100%	100%	n/a
Maintenance of recreational areas	% of maintenance budget of recreational areas spent	All	100%	New KPI	100%	100%	n/a
Maintenance of recreational areas	Development of maintenance plan for recreational areas	All	No existing plan	New KPI	100%	100%	n/a
Maintenance of grave yards	% of maintenance budget of grave yards spent	All	98%	New KPI	98%	98%	n/a
Maintenance of grave yards	Development of maintenance	All	No existing	New KPI	100%	100%	n/a

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KPI Name	Unit of Measurement	Wards	Baseline	Annual Performance 09/10	Overall Performance for the Year		Performance comment & Corrective action
					Target	Actual	
	plan for grave yards		plan				
Maintenance of sport facilities	% of maintenance budget of sport facilities spent	All	100%	New KPI	100%	100%	n/a
Maintenance of sport facilities	Implementation of maintenance plan for sport facilities	All	100%	New KPI	100%	100%	n/a
Percentage of settlements provided and with access to recreational facilities	% of Settlements with access to recreational facilities	All	80%	New KPI	80%	80%	n/a
Maintenance of municipal roads	% of maintenance budget of municipal roads spent	All	100%	New KPI	100%	100%	n/a
Effective capital spending	% spent of approved municipal roads capital projects	All	100%	New KPI	100%	100%	n/a
Maintenance of municipal roads	Km's of roads patched according to approved maintenance plan (on-going program) and within available budget	All	100%	New KPI	100%	100%	n/a
Effective capital spending	% spent of approved stormwater capital projects	All	100%	New KPI	100%	100%	n/a
Maintenance of stormwater assets	% of approved maintenance plan executed	All	100%	New KPI	100%	100%	n/a
Maintenance of stormwater assets	% of maintenance budget of stormwater spent	All	100%	New KPI	100%	100%	n/a
Percentage with no stormwater system - Formal areas	% of HH without	All	50%	New KPI	50%	50%	n/a
Percentage with no stormwater system - Informal areas	% of HH without	All	20%	New KPI	20%	20%	n/a

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KPI Name	Unit of Measurement	Wards	Baseline	Annual Performance 09/10	Overall Performance for the Year		Performance comment & Corrective action
					Target	Actual	
Effective capital spending	% spent of approved electricity capital projects	All	100%	New KPI	100%	100%	n/a
Maintenance of electricity assets	% of maintenance budget of electricity spent	All	100%	New KPI	100%	100%	n/a
Maintenance of electricity assets	% of approved maintenance plan executed	All	100%	New KPI	100%	100%	n/a
Percentage of HH with street lights	% of HH with adequate street lighting	All	100%	New KPI	100%	100%	n/a
Improvement of electricity distribution capacity	% improvement	All	100%	New KPI	10%	10%	n/a
New electricity connections	No of new electricity connections as per applications	All	100%	New KPI	100%	100%	n/a
Percentage of HH that meet agreed service standards (connected to the national grid) - Formal areas	% of HH achieving agreed service standards	All	100%	New KPI	100%	100%	n/a
Percentage of HH that meet agreed service standards (connected to the national grid) - Informal areas	% of HH achieving agreed service standards	All	100%	New KPI	100%	100%	n/a
Effective capital spending	% Spent of approved waste management capital projects	All	100%	New KPI	100%	100%	n/a
Effective capital spending	% Spent of approved waste water management capital projects as planned per quarter	All	100%	New KPI	100%	100%	n/a
Improvement of refuse sites' capacity	% Improvement	All	0%	New KPI	10%	10%	n/a
Improvement of sanitation system capacity	% of capacity improvement	All	5%	New KPI	5%	5%	n/a
Maintenance of	% of approved	All	100%	New KPI	100%	100%	n/a

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KPI Name	Unit of Measurement	Wards	Baseline	Annual Performance 09/10	Overall Performance for the Year		Performance comment & Corrective action
					Target	Actual	
refuse removal assets	maintenance plan executed						
Maintenance of refuse removal assets	% of maintenance budget of refuse removal spent	All	100%	New KPI	100%	100%	n/a
Maintenance of sanitation assets	% of approved maintenance plan executed	All	100%	New KPI	100%	100%	n/a
Maintenance of sanitation assets	% of maintenance budget of sanitation spent	All	100%	New KPI	100%	100%	n/a
Percentage of HH that meet agreed refuse removal service standards (at least once a week) - Informal areas	% of HH that meet minimum standard refuse removal	All	100%	New KPI	100%	100%	n/a
Percentage of HH that meet agreed refuse removal service standards (at least once a week) -Formal areas	% of HH that meet minimum standard refuse removal	All	100%	New KPI	100%	100%	n/a
Percentage of HH that meet agreed sanitation service standards (at least VIP on site) -Formal areas	% of HH that meet minimum standard sanitation	All	100%	New KPI	100%	100%	n/a
Percentage of HH that meet agreed sanitation service standards (at least VIP on site) - Informal areas	% of HH that meet minimum standard sanitation	All	100%	New KPI	100%	100%	n/a
Quality of waste water discharge	% Water quality level of waste water discharge	All	90%	New KPI	90%	90%	n/a
Effective capital spending	% spent of approved water capital projects	All	100%	New KPI	100%	100%	n/a
Excellent water quality	% water quality level as per blue drop project	All	80%	New KPI	86%	86%	n/a
Improvement of water purification system capacity	% of capacity improvement	All	100%	New KPI	0%	0%	n/a

KPI Name	Unit of Measurement	Wards	Baseline	Annual Performance 09/10	Overall Performance for the Year		Performance comment & Corrective action
					Target	Actual	
Maintenance of water assets	% of approved maintenance plan executed	All	100%	New KPI	100%	100%	n/a
Maintenance of water assets	% of maintenance budget of water spent	All	100%	New KPI	100%	100%	n/a
New water connections	% of new water connections on receipt of application	All	100%	New KPI	100%	100%	n/a
Percentage of HH that meet agreed service standards (cleaned piped water 200m from household) - Informal areas	% of HH achieving agreed service standards	All	100%	New KPI	100%	100%	n/a
Percentage of HH that meet agreed service standards (cleaned piped water 200m from household) -Formal areas	% of HH achieving agreed service standards	All	100%	New KPI	100%	100%	n/a
Develop of a comprehensive law enforcement strategy	% of strategy developed	All	15%	New KPI	50%	50%	n/a

Table 80: Top Layer SDBIP – Basic Service Delivery

4.4 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2011/12

4.4.1 CREATE AN ENABLING SOCIAL ENVIRONMENT THAT ENSURES SAFE, HEALTHY AND VIBRANT COMMUNITIES

KPI	Unit of Measurement	Ward	Annual Target
Disaster Management Plan reviewed by the end of June	Plan reviewed by the end of June 2012	All	100
Review comprehensive law enforcement strategy by the end of June to decrease high risk violations	Strategy reviewed by the end of June 2012	All	100
Provision of Public Transport facilities by the end of March 2012	No of public transport facilities created	All	2

Table 81: Basic Service Delivery Priorities for 2011/12

4.4.2 STRATEGIC INVESTMENT IN HIGH-QUALITY BASIC SERVICES AND EFFICIENT CONNECTIVITY INFRASTRUCTURE

KPI	Unit of Measurement	Ward	Annual Target
Provision of free basic electricity in terms of the equitable share requirements	No of HH receiving free basic electricity	All	3298
Provision of free basic electricity in terms of the equitable share requirements	Quantum (kWh) of free basic electricity per HH per month	All	50
Provision of free basic refuse removal in terms of the equitable share requirements	No of HH receiving free basic refuse removal	All	3298
Provision of free basic refuse removal in terms of the equitable share requirements	Quantum of free basic refuse removal per month per household	All	75.25
Provision of free basic sanitation in terms of the equitable share requirements	No of HH receiving free basic sanitation	All	3298
Provision of free basic sanitation in terms of the equitable share requirements	Quantum (R) of free basic sanitation provided per HH per month	All	98.34
Provision of free basic water in terms of the equitable share requirements	No of HH receiving free basic water	All	3298
Quantum of free basic water per household in terms of the equitable share requirements	Quantum (KI) of free basic water provided per household per month	All	6
Provision of stormwater management systems in built up areas to all formal HH	No of HH to be provided with stormwater systems	All	200
Provision of stormwater management systems in built up areas to all informal HH	No of HH	All	300
Develop a maintenance schedule for parks, resorts and cemeteries by September 2011 to ensure that recreational areas are maintained	Schedule developed by September 2011	All	100
Parks, resorts and cemeteries is maintained measured by the % of the maintenance budget spent	% of budget spent	All	100
Effective municipal roads capital spending measured by the % of budget spent	% spent of approved roads capital projects	All	100
Municipal roads assets are maintained in terms of the maintenance budget spent	% of maintenance budget of municipal roads spent	All	100
Municipal roads is maintained measured by the square meters of roads patched and resealed according to approved maintenance plan	Square meters of roads patched and resealed	All	36000
Provision of municipal roads measured by the square meters of new road for previously un-serviced areas	Area of square meters serviced	All	6000
Effective stormwater capital spending measured by the % of budget spent	% spent of approved stormwater capital projects	All	100

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KPI	Unit of Measurement	Ward	Annual Target
Stormwater assets are maintained in terms of the maintenance budget spent	% of maintenance budget of stormwater spent	All	100
Provision of electricity that are connected to the national grid to all formal areas	No of HH in formal areas that meet agreed service standards	All	12777
Provision of refuse removal, refuse dumps and solid waste disposal to all formal areas	No of formal HH for which refuse is removed at least once a week	All	45500
Provision of sanitation systems limited to domestic waste water and sewerage disposal to formal HH	No of formal HH that have at least VIP on site	All	12183
Provision of cleaned piped water to all formal HH within 200m from the household	No of formal HH that meet agreed service standards for piped water	All	10396
Development of an electricity master plan per town by the end of June	Master plan completed by the end of June 2012	All	100
Effective electricity capital spending measured by the % of budget spent	% spent of approved electricity capital projects	All	100
Effective management of electricity provisioning systems	% of electricity unaccounted for	All	13
Electricity assets are maintained in terms of the maintenance budget spent	% of maintenance budget of electricity spent	All	100
Electricity connections to provide electricity reticulation to new developments	No of new electricity connections per annum	4; 5	532
Renewable energy projects to reduce electricity demand from ESKOM	No of the MOU's completed for the various projects	All	3
Effective waste management capital spending measured by the % of budget spent	% spent of approved waste management capital projects	All	100
Refuse removal assets are maintained in terms of the maintenance budget spent	% of maintenance budget of refuse removal spent	All	100
Progress with the investigation of high temperature conversion of waste to energy by the end of June	Completion of the EIA by June 2012	All	100
Development of the Water Services Development Plan by the end of June	Plan developed by the end of June 2012	All	100
Sanitation assets are maintained in terms of the maintenance budget spent	% of maintenance budget of sanitation spent	All	100
Quality of waste water discharge measured by the % water quality level as per SANS 242	% water quality level of waste water discharge	All	100
Effective management of water provisioning systems to limit unaccounted water	% of water unaccounted for	All	19
Effective water capital spending measured by the % of budget spent	% spent of approved water capital projects	All	100
New water connections to provide for	No of new water connections per annum	4; 5	532

KPI	Unit of Measurement	Ward	Annual Target
potable water supply systems			
Provision of sufficient water by investigating additional supply of water by means of a desalination plant to the towns of Heidelberg, Slangrivier and Witsand	% completion of EIA process and sourced funding	All	100
Revise maintenance plan for water assets by the end of June to maintain water assets	Plan revised by the end of June 2012	All	100
Water assets are maintained in terms of the maintenance budget spent	% of maintenance budget of water spent	All	100
Excellent water quality measured by the quality of water as per SANS 242 criteria	% water quality level	All	85
Implementation of a Water Demand Management plan by the end of June	No of water saving awareness initiatives in terms of the plan	All	4

Table 82: Basic Service Delivery Priorities for 2011/12

4.4.3 SUSTAIN THE HESSEQUA ENVIRONMENT THROUGH RESOURCE CONSERVATION, GOOD LANDUSE PRACTICES AND PEOPLE-CENTRED PLANNING

KPI	Unit of Measurement	Ward	Annual Target
All existing informal settlements is formalised with land use plans for economic and social facilities and with the provision of permanent basic services	No of informal settlements identified to be formalised	All	1

Table 83: Basic Service Delivery Priorities for 2011/12

4.4.4 DEVELOP ECONOMIC, HUMAN AND SOCIAL CAPITAL OF OUR PEOPLE, WITH SPECIAL REFERENCE TO THE VULNERABLE GROUPS

KPI	Unit of Measurement	Ward	Annual Target
Implementation of the approved Social Development Strategy	No of initiatives	All	4
No of initiatives implemented in terms of the approved LED strategy	No of initiatives implemented in terms of the approved strategy	All	4
The number of jobs created through municipality's local economic development initiatives including capital projects	Number of jobs created	All	160
Value of contracts assigned to SMME's to enhance economic development	R Value of contracts assigned	All	1 800 000

Table 84: Local Economic Development Priorities for 2011/12

4.4.5 ENSURE GOOD GOVERNANCE THROUGH INSTITUTIONAL TRANSFORMATION, INTER-GOVERNMENTAL CO-OPERATION AND PUBLIC CONSULTATION TO ENSURE ACCOUNTABILITY

KPI	Unit of Measurement	Ward	Annual Target
Targeted skills development measured by the implementation of the workplace skills plan	% of the budget spent on implementation of the WSP	All	1
Implementation of the Employment Equity Act measured by the number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	No of people employed in the three highest levels of management	All	7
Annual report and oversight report of council submitted before the end of January	Report submitted to Council	All	100
Effective communication with communities	Development or review of communication policy by June 2012	All	100
To determine citizen satisfaction	Citizen satisfaction survey conducted by June	All	100
Effective labour relations by facilitating regular LLF meetings per annum	No of meetings of the LLF per annum	All	6
Revise identified HR policies by the end of June to ensure compliant and up to date HR policies	No of policies revised	All	4
Creation of an effective institution with sustainable capacity	% Vacancy level as % of approved organogram	All	15
Implementation of skills development plan with targeted skills development	No of personnel actually trained/ No of personnel identified for training (%)	All	80
Effective functioning of council measured in terms of the number of council meetings per annum	No of council meetings per annum	All	4
Effective functioning of the committee system measured by the number of committee meetings per committee per quarter	No of sec 79 committee meetings per committee per annum	All	4
Effective functioning of ward committees to ensure consistent and regular communication with residents	No of ward committee meetings per ward per annum	All	4
The adjustment budget is approved by Council by the legislative deadline	Approval of adjustments budget before the end of February 2012	All	100
The main budget is approved by Council by the legislative deadline	Approval of Main budget before the end of May 2012	All	100
The Top Layer SDBIP is approved by the Mayor within 28 days after the budget has been approved	Top Layer SDBIP approved before the end of June 2012	All	100
IDP reviewed and approved annually by the end of May	IDP approved by the end of May 2012	All	100

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KPI	Unit of Measurement	Ward	Annual Target
Provision of effective and up to date by-laws by revising identified by-laws annually	No of By-laws revised	All	2
Integrated development planning measured by the alignment of the municipal spending with IDP	The percentage of a municipality's capital budget spent on capital projects identified in the IDP	All	100
Institutional Performance management system in place and implemented up to level 6	Implemented up to level 6	All	100
No of Section 57 performance agreements signed by the end of July	No of performance agreements signed	All	8
The municipality comply with all the relevant legislation	0 findings in the audit report on non-compliance with laws and regulations	All	0
Functional performance audit committee measured by the number of meetings per annum	No of meetings held	All	4
Initiatives in the anti-corruption policy is successfully implemented	% of annual identified initiatives implemented in terms of the approved strategy	All	100
Risk based audit plan approved by September 2011	Plan approved	All	100
The municipality listens and talks back to its people by ensuring that the IDP is endorsed by all wards	No of ward committees endorsing the IDP	All	8
The IDP is comprehensive and complies with the requirements of the Systems Act	No of required sectoral plans included in the IDP	All	8

Table 85: Good Governance and Public Participation & Municipal Transformation and Institutional Development Priorities for 2011/12

4.4.6 ENSURE SOUND FINANCIAL MANAGEMENT, MAXIMISED RESOURCE MOBILISATION THROUGH EFFECTIVE AND EFFICIENT UTILISATION OF SCARCE RESOURCES

KPI	Unit of Measurement	Ward	Annual Target
Financial viability measured in terms of the available cash to cover fixed operating expenditure	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	All	4.28
Financial viability measured in terms of the municipality's ability to meet its service debt obligations	Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year)	All	6.26
Financial viability measured in terms of the outstanding service debtors	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	All	18
Compliance with the SCM Act measured by the limitation of successful appeals against	0 successful appeals	All	0

KPI	Unit of Measurement	Ward	Annual Target
the municipality			
Approved financial statements submitted by 31 August	Approved financial statements submitted	All	100
Compliance with GRAP 16, 17 & 102 to ensure effective asset management	0 findings in the audit report on non-compliance	All	0
Improvement in capital conditional grant spending measured by the % spent	% of the grant spent	All	100
Improvement in operational conditional grant spending measured by the % spent	% of the grant spent	All	100
No of Root causes of issues raised by AG in AG report of the previous financial year addressed to promote a clean audit	% of Root causes addressed	All	80

Table 86: Municipal Financial Viability and Management Priorities for 2011/12

4.5 BASIC SERVICE DELIVERY

4.5.1 BASIC SERVICES DELIVERY PERFORMANCE HIGHLIGHTS

Highlight	Description
Upgrading of AC low pressure water mains in Riversdale	Replace old AC water line with PVC.
Development and servicing of emergency erven	20 Erven at Heidelberg, 30 at Slangrivier and 75 at Melkhoutfontein were provided with sewer and water.
Commissioning of Heidelberg sewerage works	New sewerage works were established at the cost of R25 000 000
Green energy projects	MOU's were signed to develop a wind farm at Melkhoutfontein, solar panel farm of 6 megawatt at Riversdale
Energy Efficiency Demand Side Management Program	Energy saving bulbs were installed in all municipal buildings, offices, sport grounds and street lights at the cost of R 4 000 000

Table 87: Basic Services Delivery Highlights

4.5.2 BASIC SERVICES DELIVERY CHALLENGES

Service Area	Challenge	Actions to address
Water	The severe drought of 2009/10 put the water resources of the municipality under severe pressure.	Groundwater exploration was carried out with two of three boreholes delivering substantial water, but of low quality.
Electricity	The shortage of capital funds to upgrade the 66 kV main power line to Stilbaai.	Obtaining of external funds to the amount of R 34 000 000 other than municipal funds.
Sanitation	To adhere to the Polokwane Agreement,	Recycling, sustainable green projects like

Service Area	Challenge	Actions to address
	no waste to landfill by 2022.	worm farms, green genies for composting to minimize waste to landfill.

Table 88: Basic Services Delivery Challenges

4.5.3 ACCESS TO FREE BASIC SERVICES

The following table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than **R3 000** per month will receive the free basic services as prescribed by national policy.

The table below indicates that **20.5%** of the total number of households received free basic services in 2008/09 financial year whilst it increased to **20.6%** in the 2010/11 financial year:

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No Access	%	No Access	%	No Access	%	No Access	%
2008/09	19 987	2 632	1.37	2 163	1.13	2 163	1.13	2 163	1.13
2009/10	16 075	3 298	20.5	3 298	20.5	3 298	20.5	3 298	20.5
2010/11	21 254	4 375	20.6	4 375	20.6	4 375	20.6	4 375	20.6

Table 89: Free basic services to indigent households

The access to free basic services is summarised into the different services as specified in the following table:

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2008/09	2 163	50	1 491	3 979	20	409	359	50	114
2009/10	3 298	50	938	12 777	20	1 237	343	50	119
2010/11	4 065	600	1537	0	0	0	310	600	104

Table 90: Free basic Electricity services to indigent households

Water						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2008/09	2 163	6	1 972	8 751	6	1 901
2009/10	3 298	6	523	12 777	6	1 875
2010/11	4 375	6	1 521	0	0	0

Table 91: Free basic Water services to indigent households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2008/09	2 163	77.30	2 006	0	0	0
2009/10	3 298	84.95	3 362	0	0	0
2010/11	4 375	80.08	4 204	0	0	0

Table 92: Free basic Sanitation services to indigent households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2008/09	2 163	60.12	1 560	0	0	0
2009/10	3 298	64.93	2 570	0	0	0
2010/11	4 375	61.25	3 216	0	0	0

Table 93: Free basic Refuse Removal services to indigent households per type of service

4.5.4 ACCESS TO BASIC LEVEL OF SERVICES

The following table indicates the number of households that gained access for the first time to the different types of basic services during the 2010/11 financial year:

Type of service	2007/08	2008/09	2009/10	2010/11
Housing	0	0	664	390
Water	0	0	664	390

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Type of service	2007/08	2008/09	2009/10	2010/11
Sanitation	0	0	664	390
Refuse removal	0	0	664	390
Electricity	0	0	664	315
Streets & Storm Water	0	0	664	235

Table 94: Access to basic level of services

A) CAPITAL BUDGET SPENT ON MUNICIPAL SERVICES

The percentage (%) of the total approved capital budget spent on each municipal service respectively for the 2008/09, 2009/10 and 2010/11 financial years respectively are as follows:

Financial Year	Housing	Water	Sanitation	Refuse Removal	Electricity	Streets & Storm Water	Community facilities
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
2008/09	13.1	17.6	0	8.3	47.11	4.9	8.8
2009/10	12.59	9.14	25.87	0	17.28	33.87	1.26
2010/11	0	13.89	9.92	0	21.30	36.68	.47

Table 95: Capex

The following table indicates the total amount of capital expenditure on assets by asset class for the past three financial years:

Description	2007/08	2008/09	2009/10	2010/11		
	Actual	Actual	Actual	Original Budget	Adjustment Budget	Actual Expenditure
Capital expenditure on new assets by Asset Class/Sub-class (R'000)						
Infrastructure						
Infrastructure - Road transport	0	0	0	0	0	0
Roads, Pavements & Bridges	16 355	23 075	20 849	21 130	21 466	15 825
Infrastructure - Electricity	0	0	0	0	0	0
Transmission & Reticulation	311	3 956	10 435	11 830	9 109	9 163
Street Lighting	278	127	201	30	666	26
Infrastructure - Water	0	0	0	0	0	0
Dams & Reservoirs	9 668	6 024	5 626	7 241	4 206	5 991

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Description	2007/08	2008/09	2009/10	2010/11		
	Actual	Actual	Actual	Original Budget	Adjustment Budget	Actual Expenditure
Infrastructure - Sanitation	0	0	0	0	0	0
Reticulation	10 589	8 601	15 925	5 185	5 185	1 338
Sewerage Purification	0	0	0	0	1 506	2 941
Infrastructure - Other	0	0	0	0	0	0
Waste Management	0	70	0	0	0	0
Other	0	0	0	0	0	0
Community						
Parks & gardens	348	1 879	773	336	336	202
Sportsfields & stadia	239	0	0	0	0	0
Community halls	200	0	0	0	0	0
Recreational facilities	0	510	0	0	0	0
Social Renting Housing	0	0	0	0	0	0
Heritage assets	0	0	0	0	0	8 326
Investment properties	0	0	0	0	0	0
Other assets	0	0	0	0	0	0
General vehicles	1 372	3 252	1 703	1 299	1 493	1 436
Plant & equipment	984	652	2 138	224	209	2 251
Furniture and other office equipment	1 398	428	916	1 338	1 596	993
Civic Land and Buildings	2 615	3 116	2 991	6 608	8 452	2 929
Other	0	400	0	162	161	51
Agricultural assets	0	0	0	0	0	0
Biological assets	0	0	0	0	0	0
Intangibles	0	0	0	0	0	0
Total Capital Expenditure on new assets	44 356	52 088	61 559	56 890	54 389	51 471

Table 96: Total capital expenditure on assets

B) PERCENTAGE SPENDING ON TOTAL CAPITAL BUDGET

The total percentage (%) of the capital budget for the past three years is indicated in the table below:

Financial year	% of Capital budget spent	Reasons for under spending
2007/08	88.66	Projects not finalized due to outstanding Record of Decisions issued by DEADP
2008/09	83.5	Breedezicht development-expenditure less than budgeted; Stilbaai 66/11 KV installation project delayed due to external factors; Various projects procured under budget; Valuation roll transferred to operating budget-non capital item
2009/10	97.66	Savings
2010/11	79.33	EIA for Slangrivier not received; Biteman shortage country wide

Table 97: Total capital expenditure

C) SUMMARY OF BACKLOGS THAT MUST STILL BE ADDRESSED

The following backlogs exist in the municipal area that must still be addressed:

Area	Total nr of households affected	Timeframe to be addressed	Cost to address
			R'000
Housing	3 855	15 Years	385 500
Water (on site)	0	0	0
Sanitation	0	0	0
Refuse removal (at least once a week at site)	0	0	0
Electricity (in house)	0	0	0
Streets and storm water	775	10 years	34 000

Table 98: Backlogs

4.5.5 WATER AND SANITATION

Water is probably the most fundamental and indispensable of natural resources – fundamental to life, the environment, food production, hygiene and power generation. Poverty reduction and improved water management are inextricably linked. Section 4B of the Constitution lists water and sanitation services limited to potable water supply systems and domestic wastewater and sewerage disposal systems as a local government function. Basic water is defined as 25 liters of potable water per day supplied within 200 meters of a household.

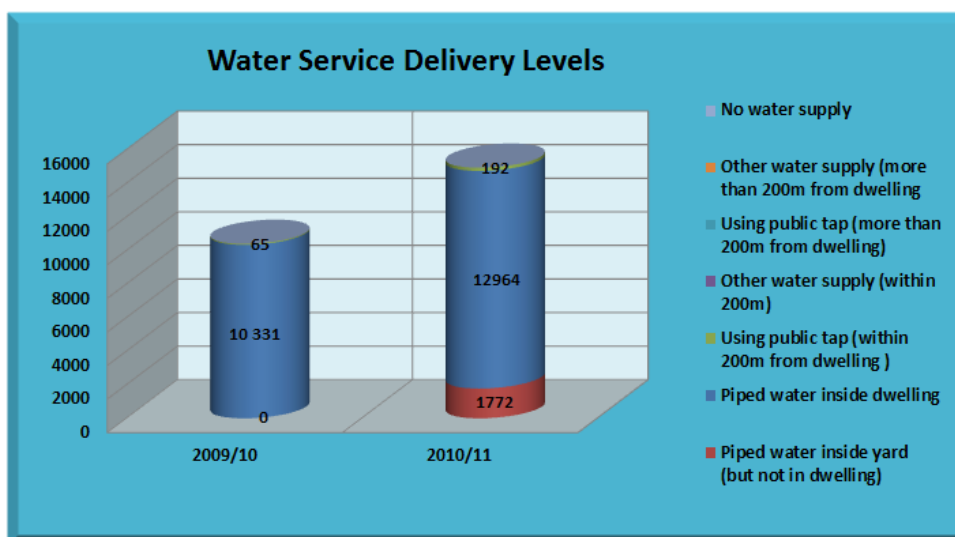
A) WATER SERVICE DELIVERY LEVELS

Below is a table that specifies the different water service delivery levels per households for the financial years 2009/10 and 2010/11:

Description	2009/10	2010/11
	Actual	Actual
Household		
<u>Water: (above minimum level)</u>		
Piped water inside dwelling	10 331	12 964
Piped water inside yard (but not in dwelling)	0	1 772
Using public tap (within 200m from dwelling)	65	192
Other water supply (within 200m)	0	0
Minimum Service Level and Above sub-total	10 396	14 928
Minimum Service Level and Above Percentage	100	100
<u>Water: (below minimum level)</u>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0	0
Total number of households (formal and informal)	10 396	14 928

Table 99: Water service delivery levels

The graph below shows the different water service delivery levels per total households and the progress per year



Graph 8: Water service delivery levels

B) SANITATION SERVICE DELIVERY LEVELS

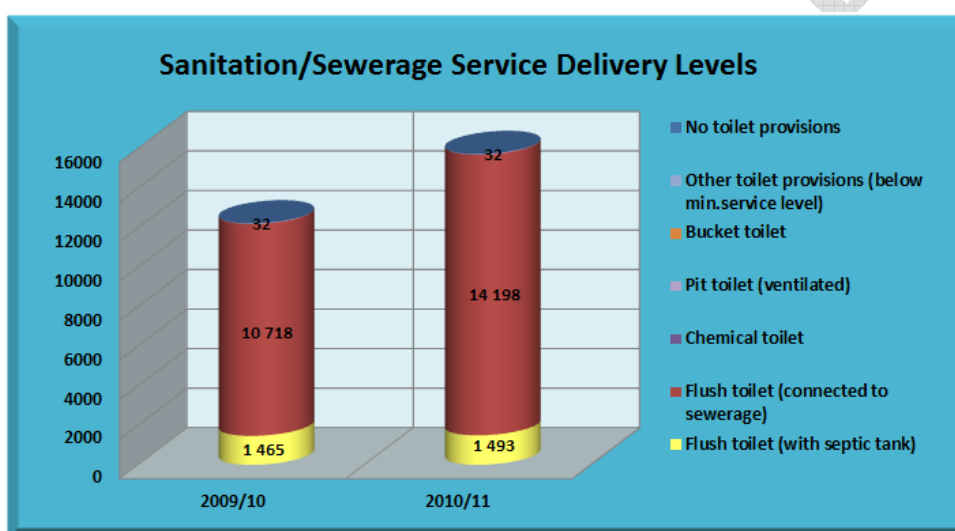
Below is a table that specifies the different sanitation service delivery levels per households for the financial years 2009/10 and 2010/11:

Description	2009/10	2010/11
	Actual	
Household		
<i>Sanitation/sewerage: (above minimum level)</i>		
Flush toilet (connected to sewerage)	10 718	14 198
Flush toilet (with septic tank)	1 465	1 493
Chemical toilet	0	0
Pit toilet (ventilated)	32	32
Other toilet provisions (above minimum service level)	0	0
<i>Minimum Service Level and Above sub-total</i>	12 215	15 723
<i>Minimum Service Level and Above Percentage</i>	100	100
<i>Sanitation/sewerage: (below minimum level)</i>		
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0

Description	2009/10	2010/11
	Actual	
No toilet provisions	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0	0
Total number of households	12 215	15 723

Table 100: Sanitation service delivery levels

The graph below shows the different sanitation/sewerage service delivery levels per total households and the progress per year.



Graph 9: Sanitation/Sewerage Service Delivery Levels

4.4.6 ELECTRICITY

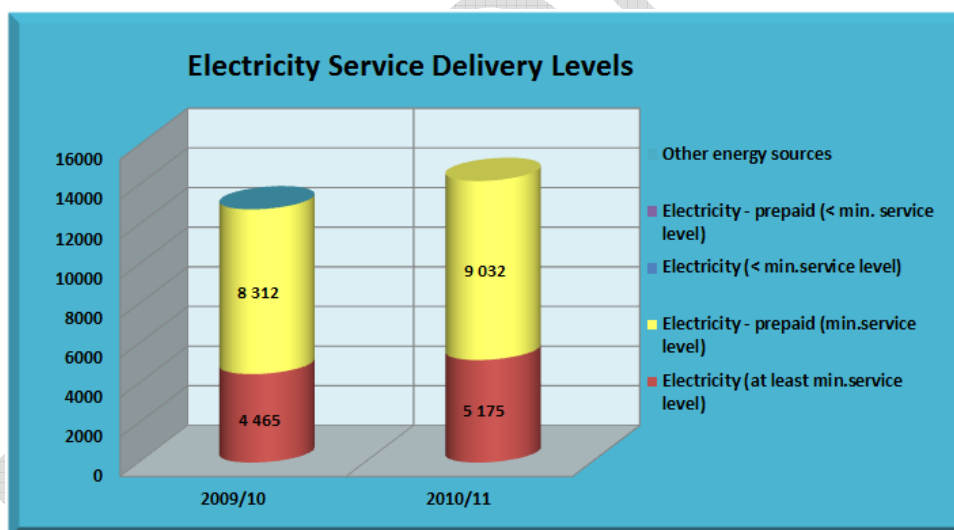
Local Government plays a very important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support. The table below indicates the different service delivery level standards for electricity within the municipality:

Description	2009/10	2010/11
	Actual	Actual
Household		
Electricity: (above minimum level)		
Electricity (at least minimum service level)	4 465	5 175

Description	2009/10	2010/11
	Actual	Actual
Electricity - prepaid (minimum service level)	8 312	9 032
Minimum Service Level and Above sub-total	12 777	14 207
Minimum Service Level and Above Percentage	100	100
<i>Electricity: (below minimum level)</i>		
Electricity (< minimum service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0	0
Total number of households	12 777	14 207

Table 101: Electricity service delivery levels

The graph shows the number of households categorised into the different service levels.



Graph 10: Electricity Service Delivery Levels

4.5.7 HOUSING

The following table shows the increase in the number of people on the housing waiting list. There are currently approximately 3966 housing units on the waiting list.

Financial year	Nr of people on waiting list	% increase/decrease
2007/08	3 926	-
2008/09	4 160	5.96
2009/10	3 507	(15.69)
2010/11	3 894	11.03

Table 102: Housing waiting list

A total amount of **R15 265 000** was allocated to build houses during the financial year under review. A summary of houses built, includes:

Financial year	Allocation (R'000)	Amount spent (R'000)	% spent	Number of houses built	Number of sites serviced
2007/08	10 610	10 610	100	0	Sewerage (233) Water (95) Streets (112)
2008/09	10 263	16 157	157	160	749
2009/10	70 300	70 300	100	664	235
2010/11	15 265	17 000	111	235	32

Table 103: Housing

During the 2010/11 financial year the municipality received **390** building plans of which **377** with a value of **R88 223 700** were approved. **94** Town planning applications were received and approved for the same period of which **26** were rezoning applications.

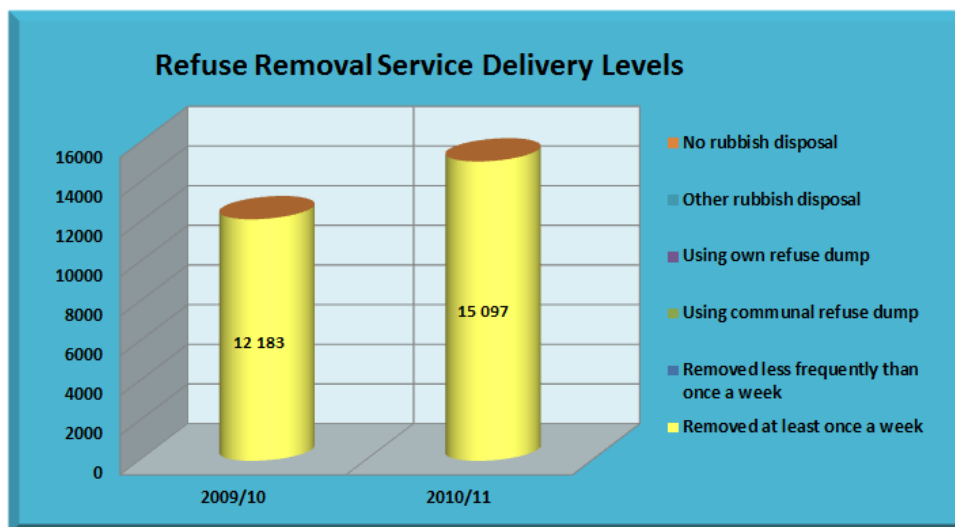
4.5.8 REFUSE REMOVAL

The table below indicates the different refuse removal service delivery level standards within the municipality:

Description	2009/10	2010/11
	Actual	Actual
Household		
<i>Refuse Removal: (Minimum level)</i>		
Removed at least once a week	12 183	15 097
<i>Minimum Service Level and Above sub-total</i>	12 183	15 097
<i>Minimum Service Level and Above percentage</i>	100	100
<i>Refuse Removal: (Below minimum level)</i>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
<i>Below Minimum Service Level sub-total</i>	0	0
<i>Below Minimum Service Level percentage</i>	0	0
Total number of households	12 183	15 097

Table 104: Refuse removal service delivery levels

The graph indicates the different refuse removal standards which the households are receiving.



Graph 11: Refuse removal service delivery levels

4.5.9 ROADS

The following tables give an overview of the total kilometers of roads maintained and new roads tarred:

A) TARRED ROADS

Financial year	Total km tarred roads	Km of new tar roads	Km existing tar roads re-tarred	Km of existing tar roads re-sheeted	Km tar roads maintained
2008/09	231	1.7	1.7	2.5	231
2009/10	231	2.1	0.7	3.0	231
2010/11	231	2.3	3.0	3.0	231

Table 105: Tarred roads

B) GRAVELED ROADS

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar	Km gravel roads graded/maintained
2008/09	32	0	1.7	32
2009/10	32	0	2.1	32
2010/11	32	2.5	1.4	32

Table 106: Gravelled roads

c) COST OF CONSTRUCTION/MAINTENANCE

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	Gravel			Tar		
	New R'000	Gravel – Tar R'000	Maintained R'000	New R'000	Re-worked R'000	Maintained R'000
2008/09	37	55	92	147	221	368
2009/10	69	105	174	278	418	696
2010/11	100	4 000	100	0	10 000	800

Table 107: Cost of construction/maintenance of roads

4.5.10 STORMWATER

A) STORM WATER INFRASTRUCTURE

The table below shows the total kilometers of stormwater maintained and upgraded as well as the kilometers of new stormwater pipes installed:

Financial year	Total km Stormwater measures	Km new stormwater measures	Km stormwater measures upgraded	Km stormwater measures maintained
2008/09	78	1.2	1.2	78
2009/10	79.2	1.5	1.5	79.2
2010/11	79.2	1.2	1.2	80.7

Table 108: Stormwater infrastructure

B) COST OF CONSTRUCTION/MAINTENANCE

The table below indicates the amount of money spend on stormwater projects:

Financial year	Stormwater Measures		
	New R'000	Upgraded R'000	Maintained R'000
2008/09	12 968	0	0
2009/10	2 550	0	400
2010/11	6 600	0	340

Table 109: Cost of construction/maintenance of stormwater systems

4.6 MUNICIPAL INFRASTRUCTURE AND OTHER GRANTS

The Municipality had a total amount of **R9,689 million** for infrastructure and other capital projects available that was received in the form of grants from the National and Provincial Governments during the 2010/11 financial year. The performance in the spending of these grants is summarised as follows:

Description	2008/09		2009/10		2010/11		
	Amount Received R'000	Amount Spent R'000	Amount Received R'000	Amount Spent R'000	Amount Received R'000	Amount Spent R'000	% Spent
National Government							
MIG Projects	31 558	21 182	22 915	18 024	8 676	6 742	77.71
Western Cape Government – Flood Disaster	17 920	4 819	10 769	10 769	0	0	n/a
Provincial Government							
Old Housing Office	0	0	0	0	24	24	100
Enlargement Duivenshok Library	0	0	114	114	0	0	n/a
Proclaimed Roads – Capital	2 762	2 762	1 599	1 599	0	0	n/a
District Municipality							
Enlargement Duivenshok Library	0	0	290	265	0	0	n/a
Hessequa Thoroughfares	0	0	999	10	989	989	100
Heidelberg Sewerage	81	81	0	0	0	0	n/a
Other grant providers							
Sewerage – Breedezicht Witsand	705	705	0	0	0	0	n/a
New Reservoir	2 500	2 500	0	0	0	0	n/a
Total	55 526	32 049	36 686	30 781	9 689	7 755	80.04

Table 110: Spending of grants

4.7 ADDITIONAL PERFORMANCE

The table below enclose all additional performance of the municipality:

Type of service	2008/09	2009/10	2010/11
General Law enforcement			
Animals impounded	No records	No records	1 273
Motor vehicle licenses processed	No records	No records	12 249
Learner driver licenses processed	No records	No records	1 438
Driver licenses processed	No records	No records	1 179
Driver licenses issued	No records	No records	707
Fines issued for traffic offenses	No records	No records	35 343
R-value of fines collected	No records	No records	1 339 880
Operational call-outs	No records	No records	54
Roadblocks held	No records	No records	14
Complaints attended to by Traffic Officers	No records	No records	536
Special Functions – Escorts	No records	No records	33
Awareness initiatives on public safety	No records	No records	17
Fire Services			
Operational call-outs	No records	No records	476
Reservists and volunteers trained	No records	No records	17
Awareness initiatives on fire safety	No records	No records	108 hours
Town Planning and Building Control			
Building plans application processed	311	205	390
Approximate value	R 123 953 000	R388 852 250	R112 396 265
New residential dwellings	62	193	161
Residential extensions	209	156	202
New Business buildings	3	9	8
Business extensions	12	3	0
Rural applications	25	5	18
Land use applications processed	86	113	226
Libraries			

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Type of service	2008/09	2009/10	2010/11
Library members	No records	No records	17 263
Books circulated	No records	No records	36 831
Exhibitions held	No records	No records	445
New library service points or Wheelie Wagons	No records	No records	2
Children programmes	No records	No records	264
Visits by school groups	No records	No records	538
Book group meetings for adults	No records	No records	60
Primary and Secondary Book Education sessions	No records	No records	145
Social Services			
Veggie gardens established	No records	No records	14
Soup kitchens established or supported	No records	No records	2
Initiatives to increase awareness on child abuse	No records	No records	3
Youngsters educated and empowered	No records	No records	84
Initiatives to increase awareness on disability	No records	No records	2
Initiatives to increase awareness on women	No records	No records	2
Women empowered	No records	No records	2
Initiatives to increase awareness on HIV/AIDS	No records	No records	4
Initiatives to increase awareness on Early Childhood Development	No records	No records	2
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	No records	No records	4
Special events hosted (World's Aids Day, World Labour day, World Disability Day, Youth Day, 16 Days of activism against women abuse)	No records	No records	8
Local economic development initiatives			
Small businesses assisted	No records	No records	7
SMME's trained	127	No records	50
Community members trained for tourism	No records	33	74
Recycling awareness programmes	No records	No records	2

Table 111: Additional Performance

4.8 LED

4.8.1 HIGHLIGHTS: LED

The following performance highlights with regard to the implementation of the LED strategy are:

Highlights	Description
Public private partnerships	Provision of land for the establishment of a dairy in Riversdale as part of incentive between private and public sector concentrating/contributing on/to value adding locally
Agricultural Feasibility	Study done to determine possibilities in the agricultural and tourism sector in the whole of Hessequa
Preparation of an Investment Portfolio	Investment Portfolio of potential projects in Hessequa as part of Eden Catalytic Project Investment Portfolio for the UK and Europe

Table 112: LED Highlights

4.8.2 CHALLENGES: LED

The following challenges with regard to the implementation of the LED strategy are:

Description	Actions to address
Capacity constraints – Resignation of LED Officer	Filling of vacancy of Head for LED, and motivate for additional human resources to expand the LED section
Intergovernmental Relations	Urgent engagements with sector departments and district on programs, projects and funding issues
Investment Incentives for SMME's	Investment Incentive policy to be drawn up

Table 113: LED Challenges

4.8.3 LED STRATEGY

Hessequa is a rural region in which agriculture has been the economic mainstay for a very long time. The future of Hessequa's agriculture is of special importance to the economic future of the region. The opportunities provided by new activities such as tourism and induced growth projects. Hessequa's economy must grow in order to achieve the goal of a community where everyone reaps economic benefits. There is a need to satisfy demand from local suppliers. Too much money flows out of the local economy to other regions. Too little value is added locally to primary (mostly agricultural) products.

The economic realities in Hessequa identified in the Local Economic Development (LED) Implementation Plan are:

- 2 400 unemployed people
- Gross geographic product (GGP) of R1,4 billion
- More than 8 000 households living under the household subsistence level (HSL)

These statistics were set as the baseline for the planning for LED actions in Hessequa. The setting of specific targets in terms of the Accelerated and Shared Growth Initiative for South Africa (ASGISA) was done, ending up with:

- Halve unemployment Job creation for 1 200 people
- Maintain 6% growth New initiatives with an annual turnover of R84 million
- Halve poverty Economic opportunities for 4 300 households

Sectoral responsibility was assigned to these targets, and projects identified in each sector to satisfy the objectives for employment and GGP contribution, with implications for poverty alleviation.

The key performance areas (KPAs) identified in the Departmental Service Delivery Budget Implementation Plan (SDBIP) driven from within the LED Section in the Department are:

- LED capacity building, training and mentorship
- Review LED strategy and implementation plan
- LED learnership programme
- LED sector business funding support
- SMME support
- LED marketing support and investment promotion

These activities will be done in cooperation with the business structures, including the Hessequa, entrepreneurs and communities.

The LED strategy identifies various issues and strategic areas for intervention such as:

Objectives	Strategies
Job Creation initiatives	Through the EPWP Program
Capacity Building, Training and Mentorship	Structured skills development program in conjunction with sector departments and private sector partners

Table 114: LED Objectives and Strategies

4.8.4 ECONOMIC CONTRIBUTION BY SECTOR (ACTIVITY IN CONTEXT OF REGIONAL ECONOMY)

The table below identifies the economic activity within the different sectors:

Sector	2008/09	2009/10	2010/11
Agriculture	17.0%	15.7%	13.3%
Mining	0.0%	0.0%	0.0%
Manufacturing	4.0%	3.6%	3.6%
Electricity	0.7%	0.7%	0.8%
Construction	12.8%	13.8%	13.7%
Trade	16.5%	16.9%	18.2%
Transport	11.3%	11.1%	11.4%
Finance	21.8%	21.7%	21.9%
Community services	15.9%	16.5%	17.1%
Total	100%	100%	100%

Table 115: Economic activity by sector

4.8.5 LED INITIATIVES

The table below identifies the details of the various LED initiatives in the municipal area:

Description of project	No of Jobs created	Total Investment R'000	Amount spent to date R'000	Performance Highlights
Cleaning of Beaches in the Hessequa Area	171	480	480	Blue Flag Beaches
Cleaning of Towns	59	200	200	Clean Towns
Upgrading of the Water Main in Versveld street	14	362	362	New Pipeline
Water and Sewer Services	29	1 079	1 079	New services
Upgrading of Stormwater System at Theronville	11	3 950	3 950	No more complaints of wet erven
Paving of Roads in the Hessequa Municipal Area	35	3 800	3 800	New streets
Paving at the Traffic Centre	16	225	225	Upgraded testing grounds
Upgrading of the Amphitheatre in Still Bay	6	536	536	New infrastructure
Cleaning of Residential Areas	43	2 000	2 000	Clean residential areas

Table 116: LED initiatives

4.9 SERVICE PROVIDERS STRATEGIC PERFORMANCE

Although the municipality has not implemented a system to measure the performance of the service providers, they did have to address the performance of any service providers. All appointed service providers have delivered services in terms of agreements and appointment letters.

FINAL DRAFT

CHAPTER 5

FUNCTIONAL PERFORMANCE



CHAPTER 5: FUNCTIONAL PERFORMANCE

This chapter provides information on the functional performance of the municipality on the implementation of the Top Layer and Departmental SDBIP for 2010/11.

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function: Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	
Building regulations	Yes
Child care facilities	
Electricity and gas reticulation	Yes
Fire fighting services	Yes, outsourced to Eden DM
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes

Municipal Function	Municipal Function: Yes / No
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	No
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 117: Functional Areas

5.1 PERFORMANCE HIGHLIGHTS PER FUNCTIONAL AREAS

Directorate/ Functional area	Sub Directorate	Highlights
Municipal Manager	Council	Fully functional Council and Mayoral Committee sit as scheduled along with Portfolio Committee and other Ad Hoc committees
	Municipal Manager	Unqualified Audit Report for second year in a row
	IDP	Development of framework for Geospatial Integrated Planning
Development of a clear framework for the alignment and integration of IDP, Budget & PMS		
Municipal Manager	Internal Audit	Hessequa Municipality is one of two municipalities in the Western Cape that complied with legislation to conduct a Quality Assessment (QA) of the Internal Audit Unit. The assessment was completed in May 2011 by the Institute for Internal Auditors.
		Quarterly Audit Committee meetings were held and two special meetings to discuss the financial statements (29 Sept 2010) and municipal budget (24 March 2011).
Corporate Services and HR	Human Resources	Interviews and final report completed within one month of vacancy approved/created
		Reduced amount of disciplinary hearings because of proactive visits to staff locations to solve problems before they occur
		Workplace skills plan completed before deadline and training budget spent
		Coordination of HIV/AIDS day 01 December 2010

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Directorate/ Functional area	Sub Directorate	Highlights
		Coordination of National day for disabled 02 September 2011
	Administration	Agendas and Minutes distributed promptly by electronic means and minutes completed within 48 hours
		Correspondence processed daily with no backlog in this regard
		Appointment of Head: Supply Chain Management
		Successful submission of the WSP/ATR 2011/2012 to LGSETA
Information Technology Services	Information Technology	New server procured for enhanced service delivery speed and Disaster Recovery Capacity
		Expansion and formalisation of municipal wireless network to bring services closer to the community with less delay
Socio Economic Development Services	Local Economic Development	Training of 50 entrepreneurs in the construction sector
		Compilation and Provision of LED related training material for 15 LED Interns
		Formal LED/Entrepreneurialship related training course for 15 LED Interns
	Library	ICT Projects at Slangrivier and Protea libraries
		Official opening of enlarged Duivenhoks library at Heidelberg
		Securing of additional ICT Projects for Melkhoutfontein and Gouritsmond libraries
	Housing	Completion of the Riversdale housing projects – Infill and Kwanokuthula - 235 units
		Completion of the Kwanokuthula Community Hall in partnership with ASLA
		Approval of the Heidelberg and Slangrivier Housing Projects for 2011/2012 financial year
	Tourism and Social Development	Creation of 8 New Municipal Tourism Information Access Points (Slangrivier, Heidelberg, Witsand, Riversdale, Albertinia, Gouritsmond, Melkhoutfontein and Stilbaai)
		HR Procurement and equipping of all 8 new municipal Tourism Information Access Points/Offices
		Training and Educational orientation initiatives for 8 Tourism Info Officers
		Municipal Jamboree's, Nation Building Programs (Youth Day, Women's Day , Heritage day , Human Rights day, Freedom day, 16 days of activism etc.), School holiday programs, Training of 10 youth in computer literacy, Driver's license project for 20 youth, Construction training for 20 youth (contracting entrepreneurial training), Camp Eden Youth program (300 Youth from Hessequa took part)
		Disabled open day and establishment of disabled forum,
		Rural Christmas program and rural empowerment programs (training and establishment of farm committees)
	Sport	Establishment of two sport centers in Riversdale and Heidelberg
		Sport infrastructural development (Riversdale, Heidelberg, Albertinia, Melkhoutfontein),
		Host the following sport events: Sevens Rugby coaching clinics with international seven players; Graven Week under 16 rugby games; Prestige athletics tournament; Rural sports day; Accredited rugby referee training for Rural referees; Golden Games and the Hessequa international Soccer Cup

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Directorate/ Functional area	Sub Directorate	Highlights
Water, Sewer and Sanitation Services	Sewerage Services	Upgrading of sludge dams at sewerage works : Riversdale – R1,500,000.00
		Sewerage provision : Housing Slangrivier – R3,100,000.00
		Bio filter for sewerage works : Stilbaai – R500,000.00
		Provision of services : Albertinia – R73,000.00
	Water and Sanitation	Development and servicing of emergency erven (125) : Slangrivier/Heidelberg/Melkhoutfontein – R1,800,000.00
		Prepaid water meters : Hessequa – R700,000.00
		Replace AC low pressure water mains : Riversdale – R400,000.00
		Provision of services : Albertinia – R147,000.00
Electro Technical Services	Electricity	Emergency generator for sewerage pump station : Albetinia – R500,000.00
		Upgrading of 11 kV Main sub stations : Hessequa – R2,500,000.00
		Upgrading of low voltage electricity network : Hessequa – R2,290,000.00
	Fleet Management	Replacement of old vehicles : Hessequa – R1,500,000.00
Legal Services	Legal Services	Department expanded with appointment of clerk/admin official
		Scope of work expanded
		Better interdepartmental legal support
Safety and Security Services	Traffic & Licensing	Upgrading of motor vehicle testing station Riversdale
		Traffic officials rank structures expanded with internal appointment of 2 seniors
		Establishment of law enforcement strategy
	Disaster Management	SLA with EDEN: fire services
Financial Services	Income	E-mailing of accounts
		Budget compiled from statistics
		Re-write all policies
	Expenditure	Most of payments made electronic
	SCM	Establishment of all bid committees
		Suppliers data basis updated
		Red Tape reduction investigation – implementation 2011/2012
Planning Services	Nature Conservation	Compilation of management plans for Municipal Nature Reserves
		Fencing on Werner Freshe Nature Reserve
	Town Planning	Revision of Hessequa SDF
		Vacant land audit
		Densification Study
	Building Control	Revised Spaza shop policy
Appointment of new building inspector		

Directorate/ Functional area	Sub Directorate	Highlights
		Law enforcement course done by Chief Building Inspector
	Environmental Planning	Appointment of Environmental Officer
		Re-alignment of Sleeping Beauty and Kristalkoof Hiking Trails
		Registration for Environmental EPWP Projects
Streets, Stormwater, Park and Resorts	Parks	Provision of fencing at 4 of 24 playgrounds
		Utilise local labour to implement fencing project
	Seaside Resorts	All resorts were booked to capacity during the peak holiday season
		Work opportunities created by using local labour during peak times
		Upgrading of resorts attracted greater numbers of holiday makers
	Swimming Pools	Pools operated full season from 1 September 2010 to 30 April 2011
		No incidents at pools
		Full time lifeguards at all times
	Streets & Stormwater (Public Works)	Almost 100% spending of available funding
		EPWP targets for job creation were well exceeded
		Funding applications for Public Transport projects were successful
	Land & Buildings	Almost 100% spending of available funding
		2 New posts were filled for Janitors
		Building maintenance plan updated to prioritize maintenance activities
	Cemeteries	Successfully appointed a service provider to do new Cemetery Extension Study
		Piloting electronic burial system
		All pauper burials successfully handled
	Camping Sites	All camp sites were booked to capacity during the peak holiday season
		Work opportunities created by using local labour during peak times
		Upgrading of resorts attracted greater numbers of holiday makers

Table 118: Performance highlights per functional area

5.2 OVERVIEW OF PERFORMANCE

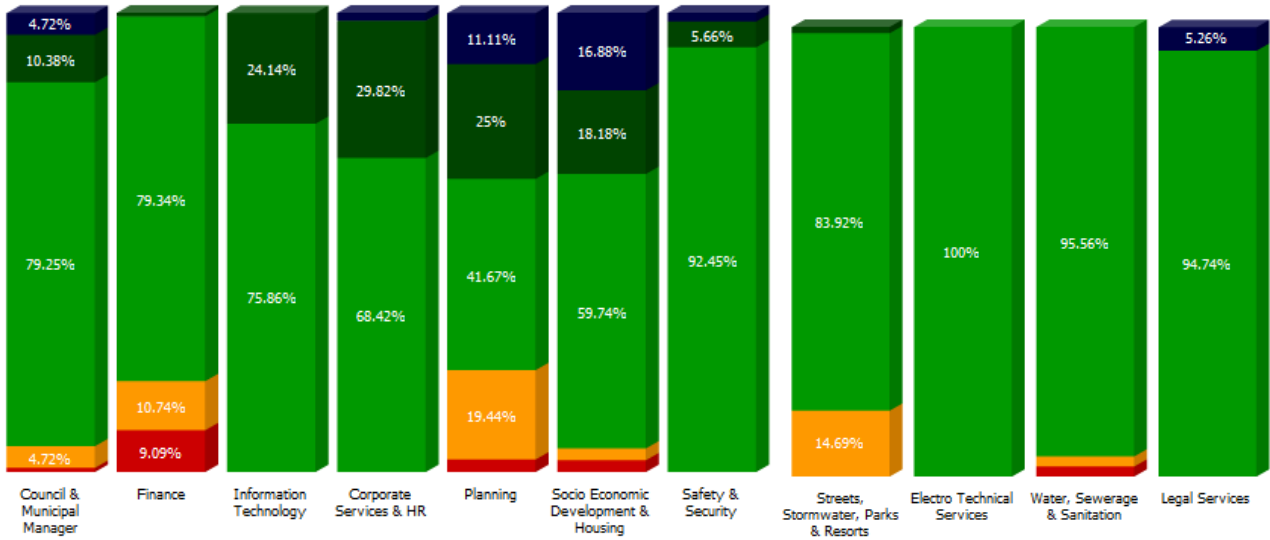
The performance statistics in the table below and all the graphs in the following sub paragraphs include performance in terms of the Departmental SDBIP, which measures operational performance, as well as, the performance in terms of the Top Layer SDBIP. The graph for each directorate is an overview of the overall results of all the KPI's measured in terms of the municipal SDBIP performance management system.

Directorates	Financial Year	Total KPIs	KPIs Extremely Well Met	KPIs Well Met	KPIs Met	KPIs almost Met	KPIs not Met
Council and Municipal Manager	2009/10	72	n/a	n/a	62	2	8
	2010/11	106	5	11	84	5	1
Corporate Services and HR	2009/10	32	n/a	n/a	29	2	1
	2010/11	57	1	17	39	0	0
Information Technology	2009/10	32	n/a	n/a	32	0	0
	2010/11	29	0	7	22	0	0
Socio Economic Development	2009/10	75	n/a	n/a	65	2	8
	2010/11	77	13	14	46	2	2
Water, Sewer and Sanitation	2009/10	64	n/a	n/a	63	1	0
	2010/11	90	0	0	86	2	2
Electro Technical Services	2009/10	45	n/a	n/a	43	2	0
	2010/11	58	0	0	58	0	0
Legal Services	2009/10	13	n/a	n/a	12	1	0
	2010/11	19	1	0	18	0	0
Safety and Security	2009/10	34	n/a	n/a	33	0	1
	2010/11	53	1	3	49	0	0
Financial Services	2009/10	92	n/a	n/a	73	14	5
	2010/11	121	0	1	96	13	11
Planning	2009/10	32	n/a	n/a	21	7	4
	2010/11	36	4	9	15	7	1
Streets, Stormwater, Park and Resorts	2009/10	83	n/a	n/a	76	1	6
	2010/11	143	0	2	120	21	0
Total average for municipality	2009/10	574	n/a	n/a	509	32	33
	2010/11	789	25	64	633	50	17

Table 119: Summary of total performance

Note: The table above does not include KPI's not measured yet in the Top Layer and Departmental SDBIP

The following graph indicates the overall results of all the KPI's measured of the various directorates in terms of the municipal SDBIP performance management system



Graph 12: Overall performance of directorates

FINAL DRAFT

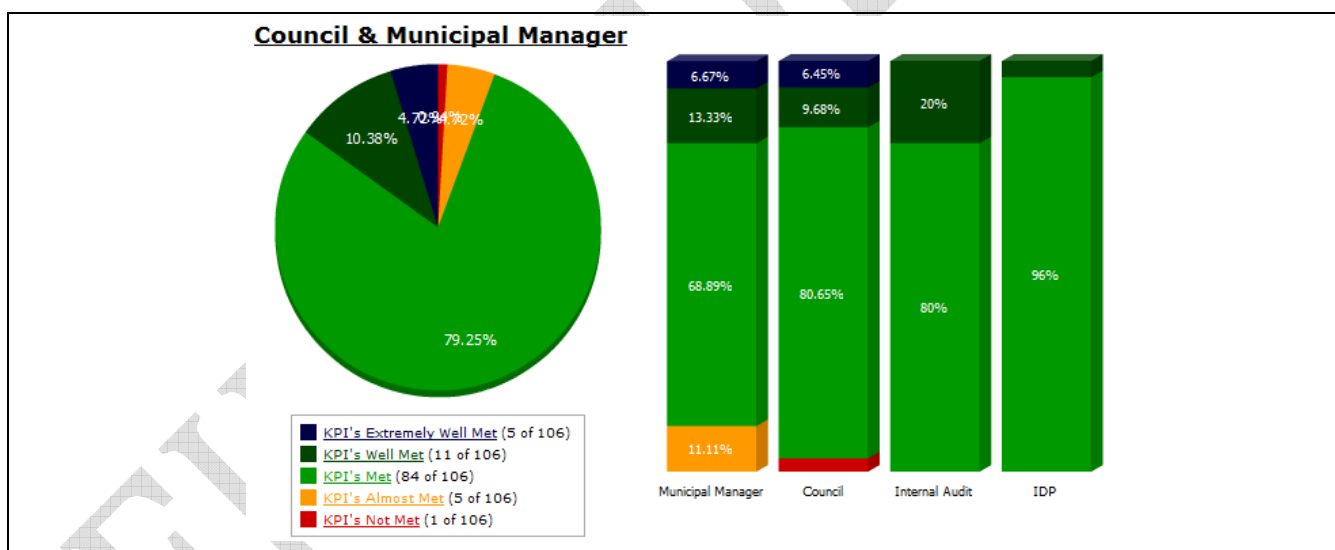
5.3 PERFORMANCE PER FUNCTIONAL AREA (DEPARTMENTAL/OPERATIONAL SDBIP)

5.3.1 COUNCIL AND MUNICIPAL MANAGER

The Municipal Manager’s SDBIP consists of the following divisions:

- Council
- Municipal Manager
- IDP
- Internal Audit

The following graph indicates the overall results of all the KPI’s measured of the various sub-directorates within the Council and Municipal Manager directorate in terms of the municipal SDBIP performance management system



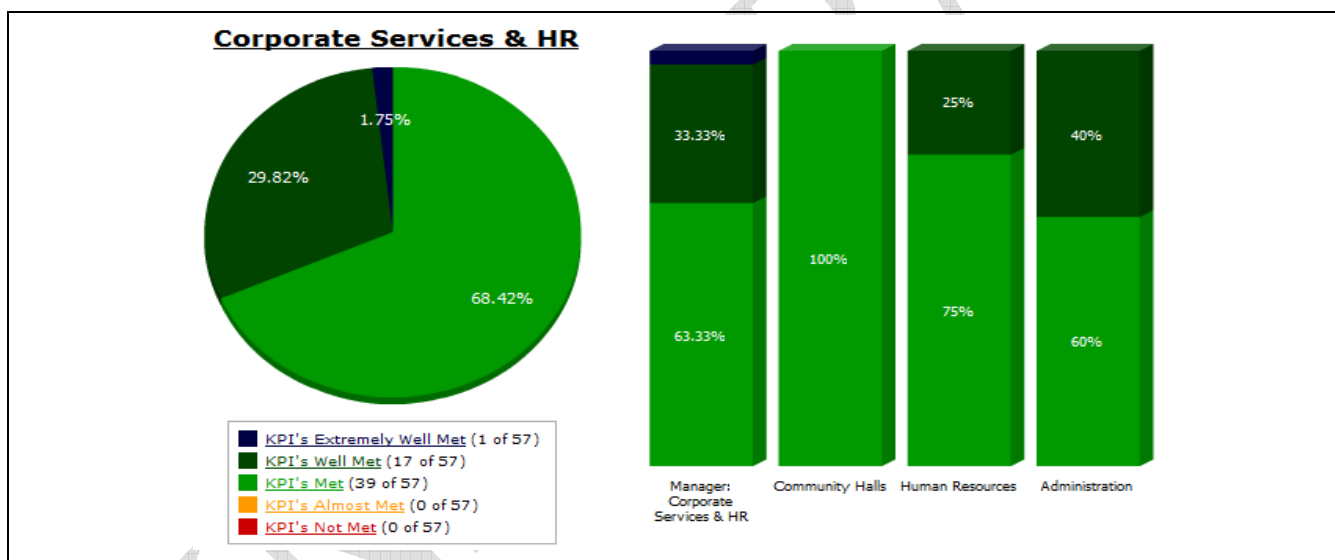
Graph 13: Executive and Council sub-directorate performance

5.3.2 CORPORATE SERVICES AND HR

The Corporate Services and HR SDBIP consist of the following divisions:

- Manager: Corporate Services and HR
- Administration
- Human Resources
- Community Halls

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Corporate Services and HR directorate in terms of the municipal SDBIP performance management system



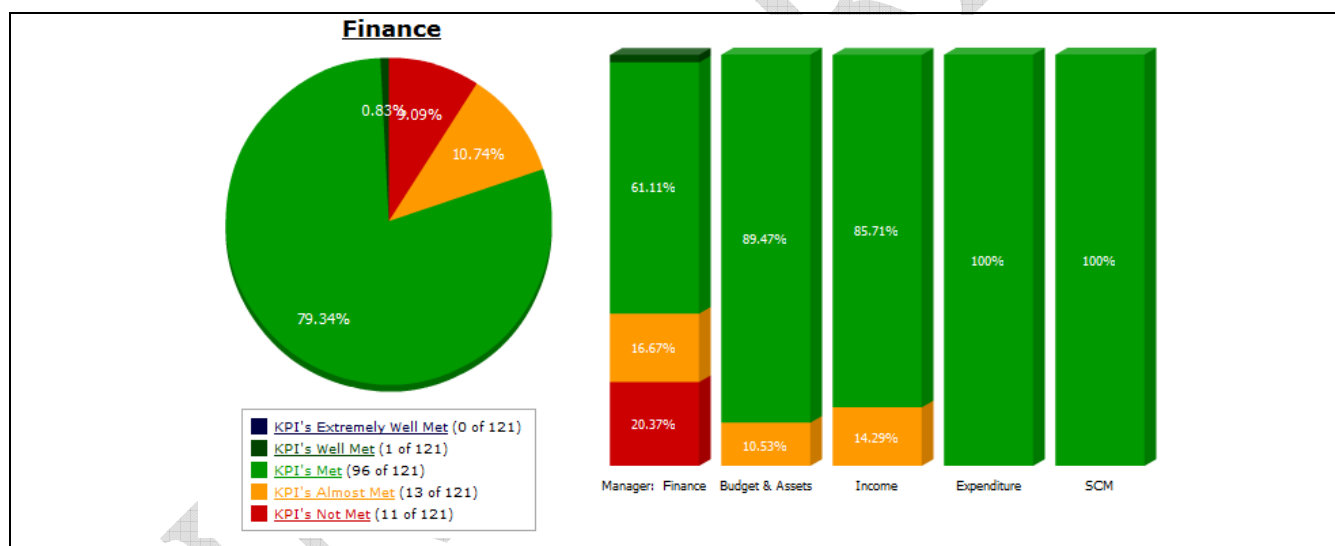
Graph 14: Corporate Services & HR sub-directorate performance

5.3.3 FINANCIAL SERVICES

The Financial Services SDBIP consists of the following divisions:

- Manager: Financial Services
- Budget & Assets
- Income
- Expenditure
- Supply Chain Management

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Financial Services directorate in terms of the municipal SDBIP performance management system



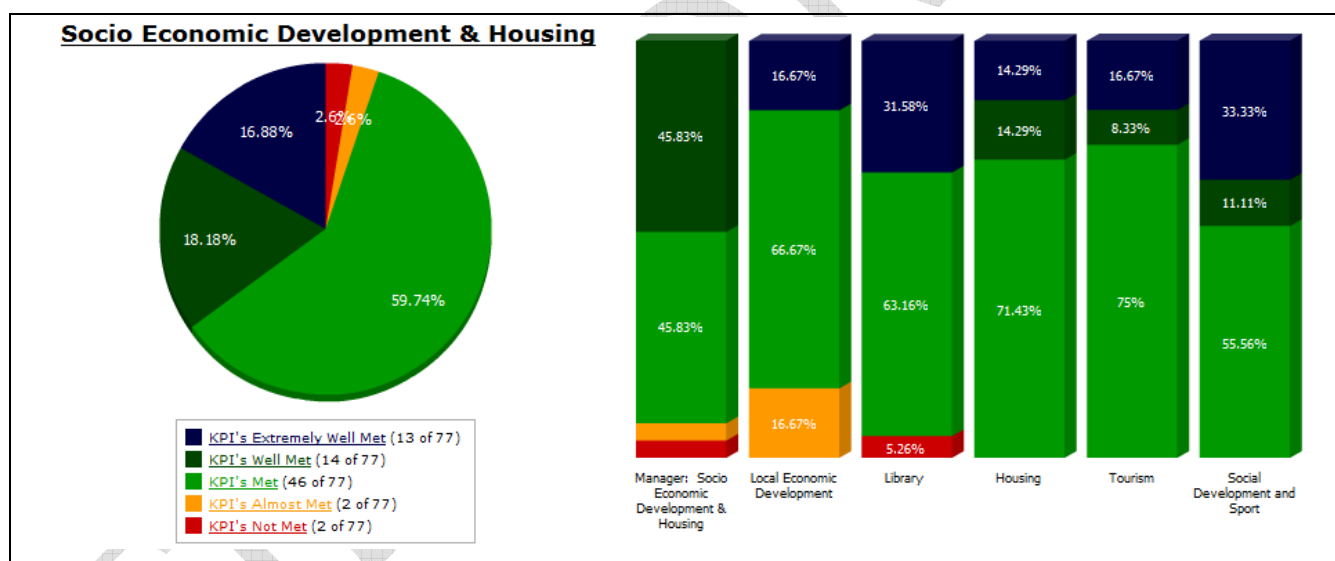
Graph 15: Financial Services sub-directorate performance

5.3.4 SOCIO ECONOMIC DEVELOPEMENT AND HOUSING SERVICES

Socio Economic Development and Housing Services SDBIP consist of the following divisions:

- Manager: Socio Economic Development & Housing Services
- Local Economic Development
- Library
- Housing
- Tourism
- Social Development and Sport

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Socio Economic Development and Housing Services directorate in terms of the municipal SDBIP performance management system



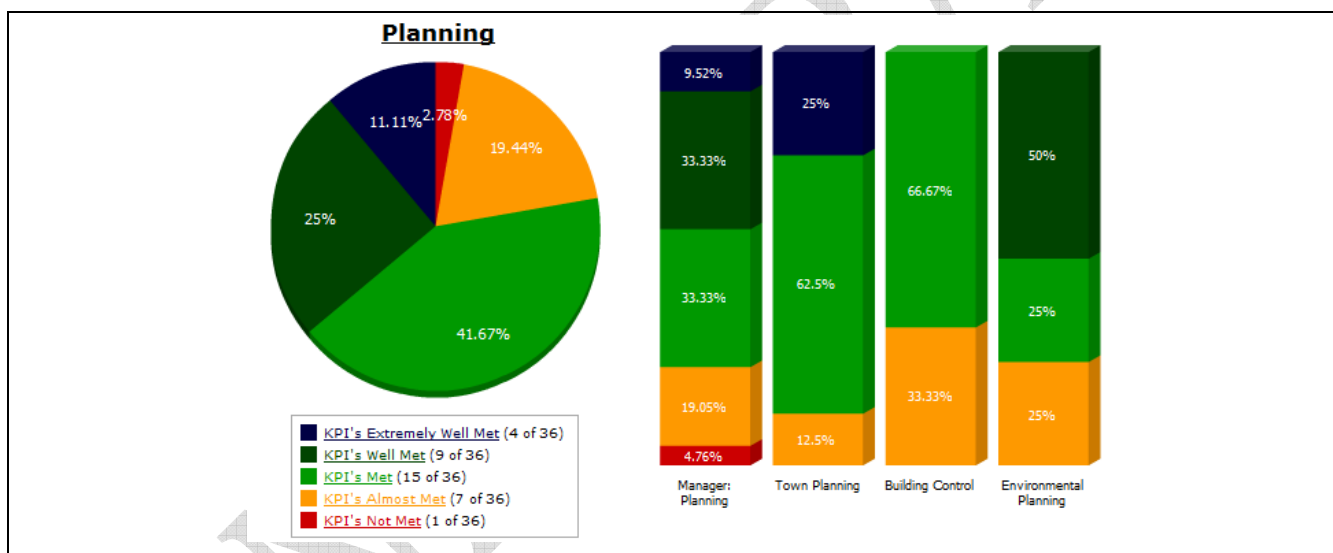
Graph 16: Socio Economic Development and Housing Services sub-directorate performance

5.3.5 PLANNING SERVICES

The Planning Services SDBIP consists of the following divisions:

- Manager: Planning
- Building Control
- Town Planning
- Environmental Planning

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Planning Services directorate in terms of the municipal SDBIP performance management system



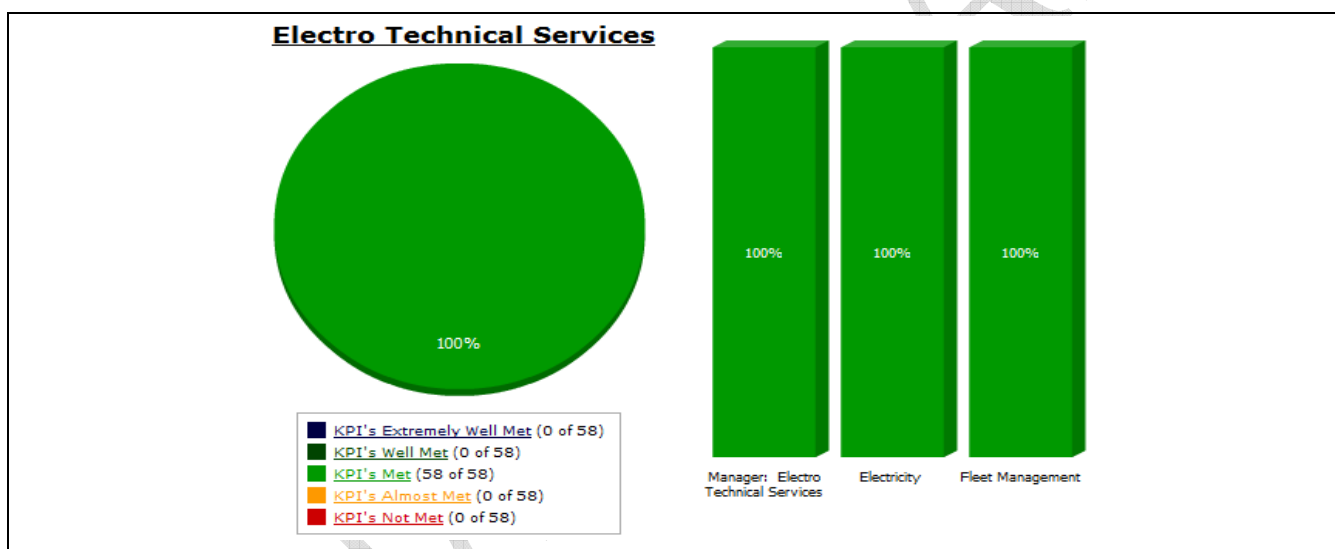
Graph 17: Planning Services sub-directorate performance

5.3.6 ELECTRO-TECHNICAL SERVICES

The Electro-Technical Services SDBIP consists of the following divisions:

- Manager: Electro-Technical Services
- Electricity
- Fleet Management

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Electro-Technical Services directorate in terms of the municipal SDBIP performance management



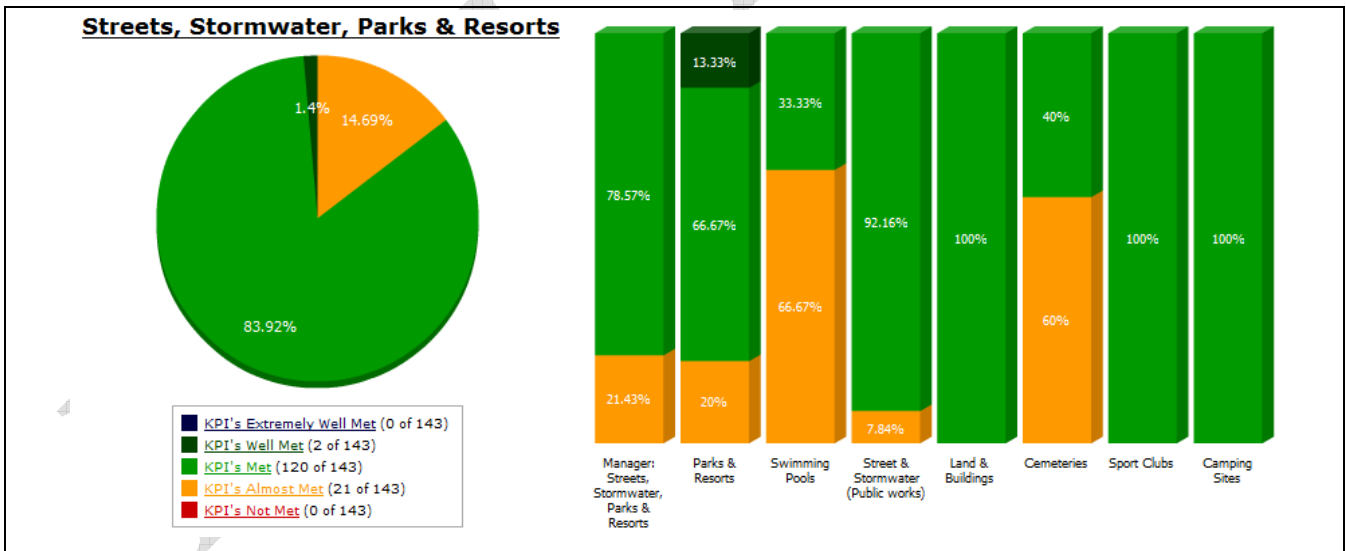
Graph 18: Electro-Technical Services sub-directorate performance

5.3.7 STREETS, STORMWATER, PARKS AND RESORTS SERVICES

Streets, Stormwater, Parks and Resorts Services SDBIP consist of the following divisions:

- Manager: Streets, Stormwater, Parks and Resorts
- Parks & Resorts
- Swimming Pools
- Street & Stormwater (Public Works)
- Land & Buildings
- Cemeteries
- Sport Clubs
- Camping Sites

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Streets, Stormwater, Parks and Resorts Services directorate in terms of the municipal SDBIP performance management system



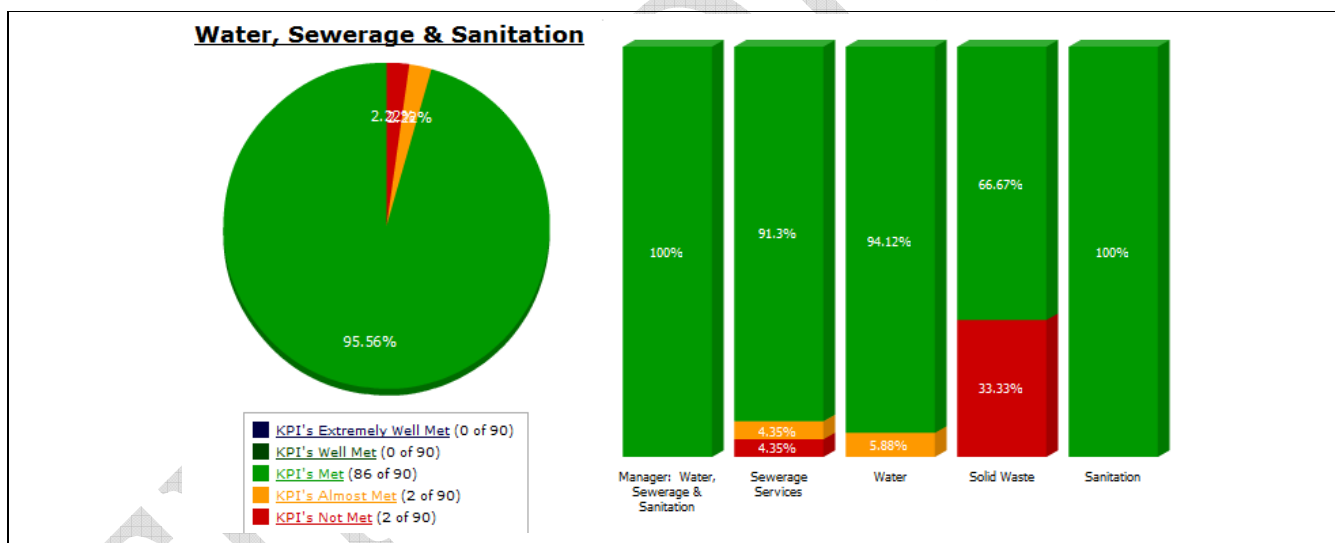
Graph 19: Streets, Stormwater, Parks and Resorts Services sub-directorate performance

5.3.8 WATER, SEWERAGE & SANITATION SERVICES

The Water, Sewerage & Sanitation Services SDBIP consists of the following divisions:

- Manager: Water, Sewerage and Sanitation Services
- Sewerage Services
- Water
- Solid Waste
- Sanitation

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Water, Sewerage and Sanitation Services directorate in terms of the municipal SDBIP performance management system



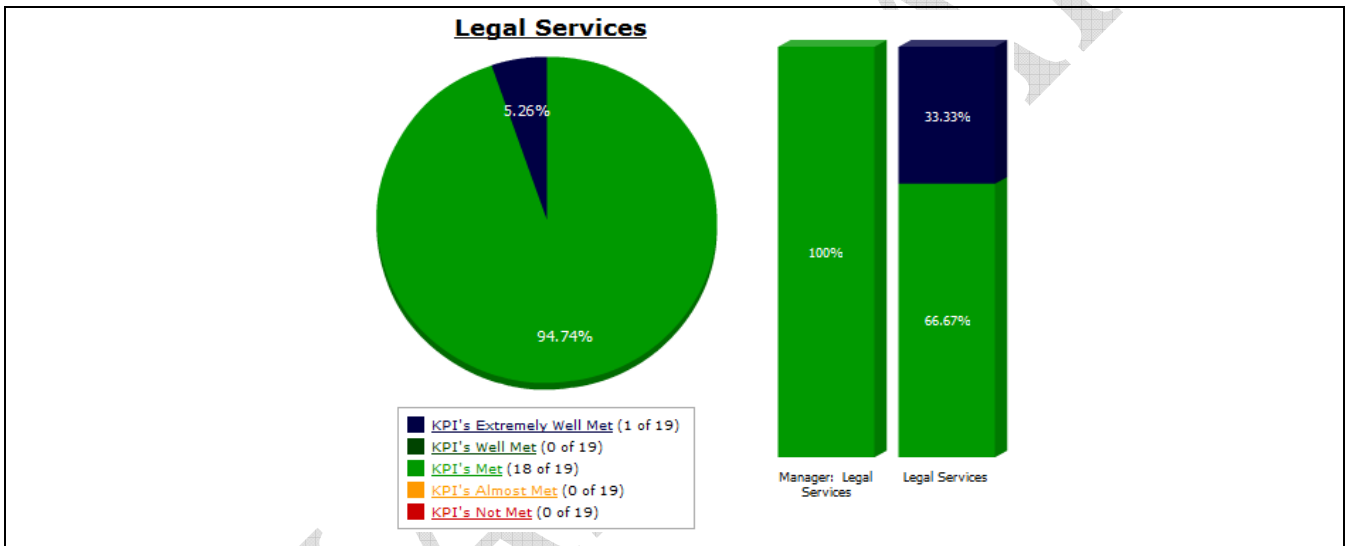
Graph 20: Water, Sewerage and Sanitation Services sub-directorate performance

5.3.9 LEGAL SERVICES

The Legal Services SDBIP consists of the following divisions:

- Manager: Legal Services
- Legal Services

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Legal Services directorate in terms of the municipal SDBIP performance management system



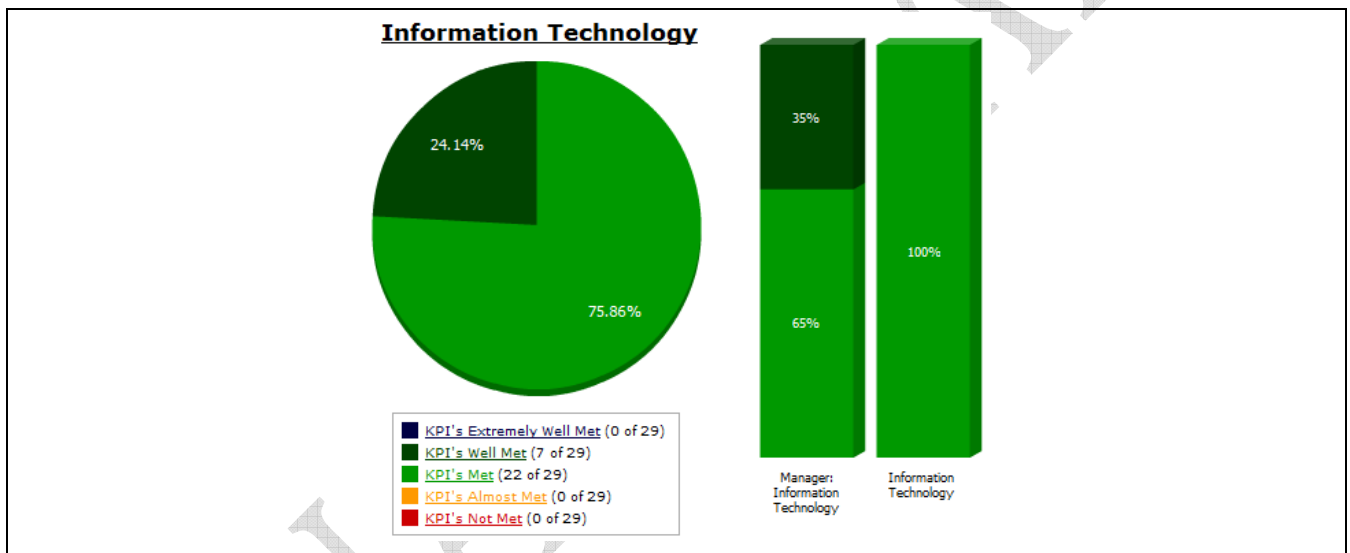
Graph 21: Legal Services sub-directorate performance

5.3.10 INFORMATION TECHNOLOGY SERVICES

The Information Technology Services SDBIP consists of the following divisions:

- Manager: Information Technology
- Information Technology

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Information Technology Services directorate in terms of the municipal SDBIP performance management system



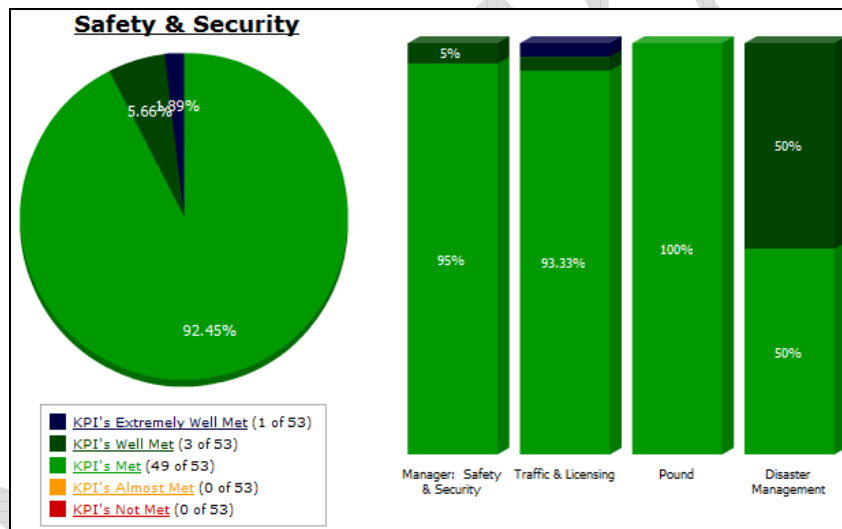
Graph 22: Information Technology Services sub-directorate performance

5.3.11 SAFETY AND SECURITY

The Safety and Security Services SDBIP consists of the following divisions:

- Manager: Safety and Security
- Traffic and Licensing
- Pound
- Disaster Management

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Safety and Security Services directorate in terms of the municipal SDBIP performance management system



Graph 23: Safety and Security Services sub-directorate performance

CHAPTER 6

FINANCIAL PERFORMANCE

CHAPTER 6: FINANCIAL PERFORMANCE

6.1 NATIONAL KEY PERFORMANCE INDICATORS - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area namely Municipal Financial Viability and Management.

KPA & INDICATOR	2007/08	2008/09	2009/10	2010/11
Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year)	6.27	8.74	6.26	5.97
Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	19%	14.3%	17.9%	14.8%
Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure)	6.11	6.83	4.28	6.01

Table 120: National KPI's for financial viability and management

6.2 FINANCIAL VIABILITY HIGHLIGHTS

Challenge	Action to address
Grap Compliant Asset Register	Fully Grap compliant asset register at 30 June 2011
E-mailing of debtors accounts	Monthly accounts send by e-mail
Electronic payments	Most of our payments made via internet, more cost effective
Budget compliant with National Treasury Formats	The budget for 2011/2012 was submitted according to the new National Treasury Formats
SCM	All the committees were established and the unit was capacitated according the implementation plan
Policies	All the financial policies were reviewed and workshopped with the Public

Table 121: Financial Viability Highlights

6.3 FINANCIAL VIABILITY CHALLENGES

Challenge	Action to address
New tariff module	Statistics balanced on a monthly basis and will be used in new tariff module for setting up tariffs for 2012/2013
Cash Management	Surplus money to be invested through asset managers to make sure that council receive the maximum revenue from

Challenge	Action to address
	interest
Software	Investigation on the procurement of new software

Table 122: Financial Viability Challenges

6.4 FINANCIAL SUSTAINABILITY

6.4.1 OPERATING RESULTS

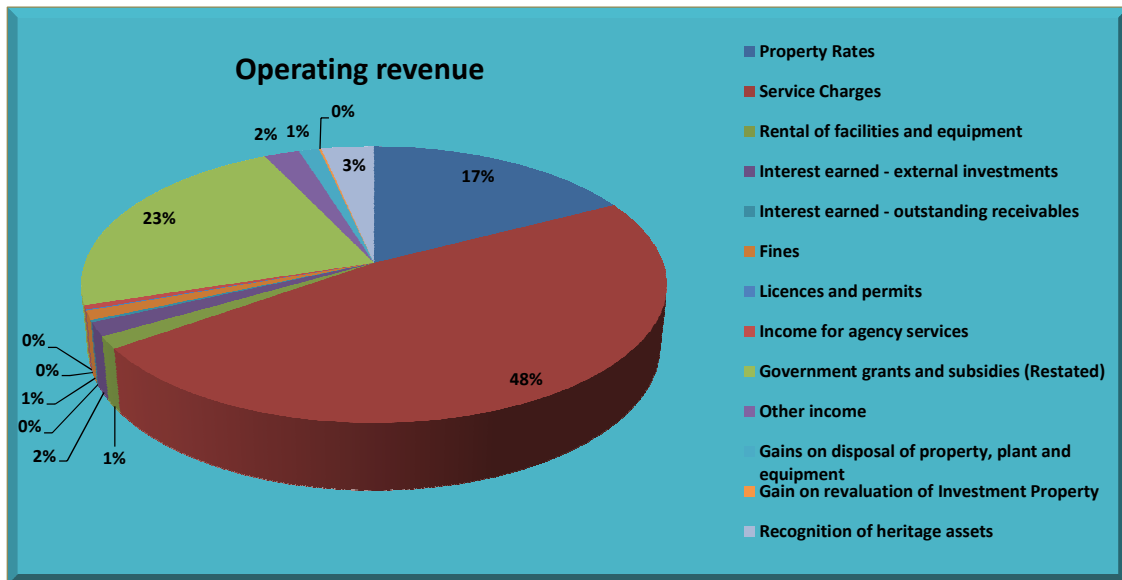
The table below shows a summary of performance against budgets

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
2007/08	169 595	137 930	(31 665)	81	142 563	125 501	17 062	88
2008/09	225 127	217 389	(7 738)	96	182 096	164 012	18 084	80
2009/10	314 331	288 650	(25 681)	92	268 438	252 421	16 017	94
2010/11	266 836	247 458	(19 378)	93	248 730	238 927	9 803	96

Table 123: Performance against budgets

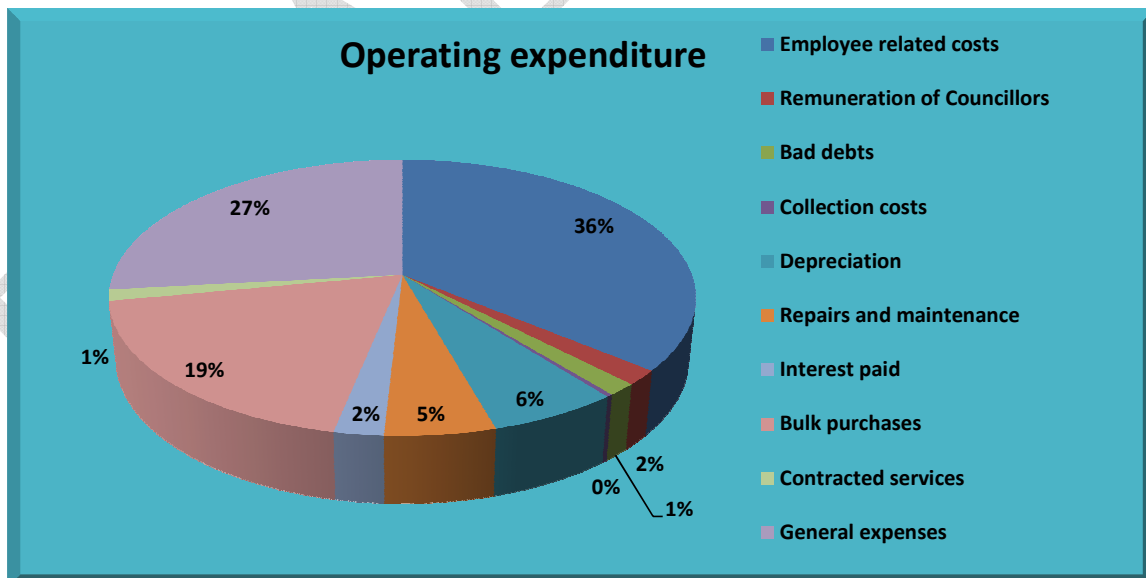
The municipality received **R247 458** revenue for the year of which **R238 927** was utilized for operating expenditure. Salaries and Councillor allowances were **37%** of the operating expenditure for the year under review and the percentage is well within the national norm of between 35-40%. Bulk purchases of water and electricity and expenditure with regards to grants and subsidies that were received from other spheres of government along with salaries and allowances makes up most of the total operating expenditure of the municipality. Grant and subsidies received, property tax and service charges, account for most of the revenue for the year under review.

The following graph indicates the various types of revenue items in the municipal budget for 2010/11



Graph 24: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2010/11



Graph 25: Operating expenditure

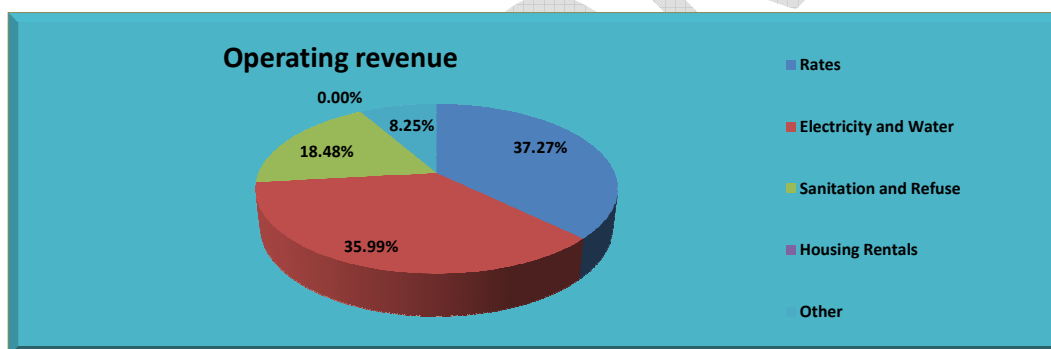
6.4.2 OUTSTANDING DEBTORS

A) GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'000	R'000	R'000	R'000	R'000	R'000
2009/10	10 452	8 206	4 149	11	2 615	25 433
2010/11	9 901	9 562	4 910	1	2 192	26 567
Difference	(551)	1 356	761	(10)	(423)	1 134
% growth year on year	(5.3)	16.5	18.3	(90.9)	(16.2)	4.5

Table 124: Gross outstanding debtors per service

The following graph indicates the total outstanding debt per type of service for 2010/11



Graph 26: Debt per type of service

B) TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2009/10	9 956	3 883	1 291	10 303	25 433
2010/11	9 953	2 551	1 182	12 882	26 568
Difference	(3)	(1 332)	(109)	2 579	1 135
% growth year on year	(0.03)	(34.3)	(8.4)	25	4.5

Table 125: Service debtor age analysis

Note: Figures exclude provision for bad debt

6.4.3 VIABILITY INDICATORS

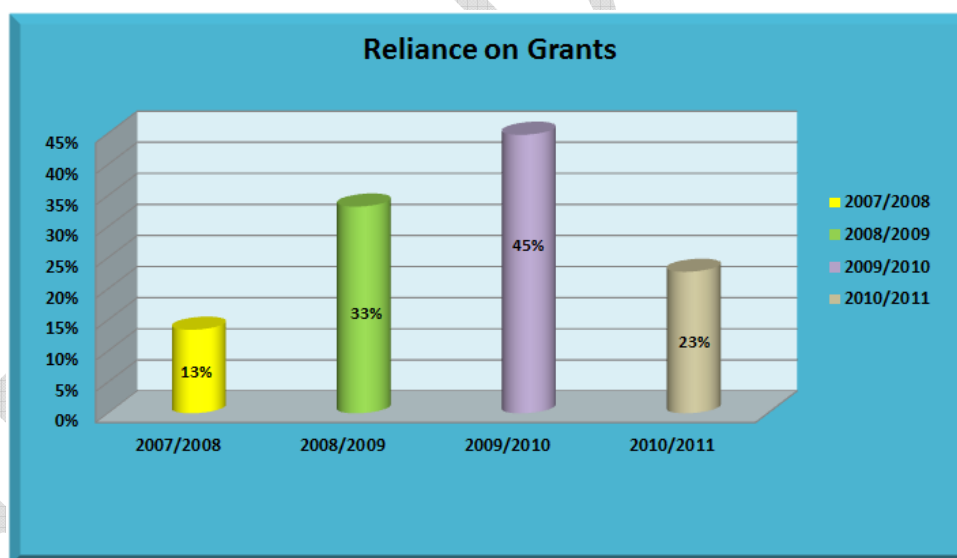
A) LEVEL OF RELIANCE ON GRANTS AND SUBSIDIES

Financial year	Total grants and subsidies received (R'000)	Total Operating Revenue (R'000)	(%)
2007/08	18 528	137 930	13
2008/9	72 267	217 389	33
2009/10	129 291	288 650	45
2010/11	56 323	247 458	23

Table 126: Reliance on grants

The municipality is more reliant on grants to finance expenditure than other municipalities with the same nature, due to our limited revenue raising capacity.

The following graph indicates the municipality's reliance on grants as percentage for the last three financial years



Graph 27: Reliance on grants as %

The 2007/08 figures does not reflect the true situation due to accounting practices that changed, specifically the recognition of government grants related to capital, as the 2008/09 figures was restated. Year on year the reliance improved from **45 to 23%**. The growth of future Division of Revenue Act (DORA) allocations increase above the normal inflation rate; with the effect that the reliance ratio will be under pressure. The high growth

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rate in own revenue for 2009/2010 was mostly due to fact that new accounting practices forced certain accrued income to be recognised, as well as the increased income from electricity service charges due to higher than inflation rate tariff increases.

B) LIQUIDITY RATIO

Financial year	Net current assets (R'000)	Net current liabilities (R'000)	Ratio
2007/08	91 128	56 468	1.6:1
2008/09	124 509	78 526	1.6:1
2009/10	95 469	51 426	1.8:1
2010/11	101 528	60 607	1.7:1

Table 127: Liquidity ratio

The ratio indicates that the municipality is in a favorable position to meet its short term liabilities. The ratio is currently higher than the national norm of 1.5:1.

6.4.4 AUDITED OUTCOMES

Year	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/11
Status	Qualified	Qualified	Qualified	Unqualified	Unqualified	Unqualified

Table 128: Audit outcomes

The following table provides the details on the audit outcomes for the past two financial years with the correctives steps implemented:

2008/09	
Issue raised	Corrective step implemented
Emphasis of matter:	
Non-compliance with regulatory requirements related to performance information included: <ul style="list-style-type: none"> • Non-existence of a performance audit committee • Internal audit did not audit the results of performance as part of their internal audit processes 	<ul style="list-style-type: none"> • A performance management audit committee was established during 2009/2010 • Internal Audit received information pertaining to performance only in June 2009

Table 130: 2008/09 Detail on audit outcomes

2009/10	
Issue raised	Corrective step implemented
Emphasis of matter:	
With reference to note 14 to the financial statements, a provision has been made for the South African Local	N/A

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2009/10	
Issue raised	Corrective step implemented
Authorities Pension Fund and the Cape Joint Pension Fund, for a possible increased employer contribution to the pension fund and a possible shortfall in the investment returns in respect of the defined benefits component, respectively	
<u>Emphasis of matter:</u>	
<u>Matter of Governance</u>	
<u>Internal Audit:</u> <ul style="list-style-type: none"> ▪ The municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement and the predetermined objectives report as part of its internal audit processes, as required in terms of section 45 of the Municipal Systems Act, 2000 ▪ Internal audit did not fulfill its responsibilities as set out in section 165 of the MFMA and in accordance with accepted best practice and standards 	<ul style="list-style-type: none"> ▪ The performance measurement audit is already taking place, and will be tabled at the first meeting of the Performance Audit Committee during June 2011 ▪ A detailed annual performance report will be report will be prepared at the end of this financial year for the first time
<u>Non compliance with regulatory requirements:</u>	
<ul style="list-style-type: none"> ▪ Hessequa Municipality did not perform a risk assessment for the year under review, as required by section 62(1)(c) of the MFMA. 	<ul style="list-style-type: none"> ▪ The Internal Auditors are given updated risk registers by the Managers every year to compile the risk based audit plan. The updating of the risk register was however not up to standard. There was also uncertainty between Management and Internal Audit as to whose responsibility risk management is. There was an external quality assessment done on the internal audit section on 3 and 4 May 2011. From this assessment, it emerged that risks are the responsibility of every Manager. We are still waiting for the final report on this assessment after which risk management will be applied more intensely.
<ul style="list-style-type: none"> ▪ Planned and reported performance targets not specific, measurable and time bound ▪ For the selected objectives, 100% of the planned and reported targets were not: <ul style="list-style-type: none"> ⇒ Specific in clearly identifying the nature and the required level of performance ⇒ Measurable in identifying the required performance ⇒ Time bound in specifying the time period or deadline for delivery 	<ul style="list-style-type: none"> ▪ As Performance Management Principles and systems are improved, so will the SMART quality indicators improve.
<u>Contract Management:</u> <ul style="list-style-type: none"> ▪ The accounting officer did not monitor on a monthly basis the performance of the contractors under contract management in terms of section 116(2)(b) of the MFMA ▪ The accounting officer did not establish capacity in the administration of the municipality to assist the accounting officer in ensuring that contracts are properly enforced and in monitoring the performance of contractors as required by section 116(2)(b) of the MFMA 	<ul style="list-style-type: none"> ▪ A head of SCM has been appointed in the unit, and this evaluation will be done from 2011/2012. Various models will be presented to the financial portfolio committee so that a decision can be made as to which model will be used from 01 June 2011. A Contract Manager has been appointed for all the MIG projects.

Table 131: 2009/10 Detail on audit outcomes

2010/11	
Issue raised	Corrective step implemented
Emphasis of matter:	
Restatement of corresponding figures	GRAP Implementation
Material Losses	Management investigating steps to reduce the losses
Material Underspending of the Budget	Will be spent 2011/12

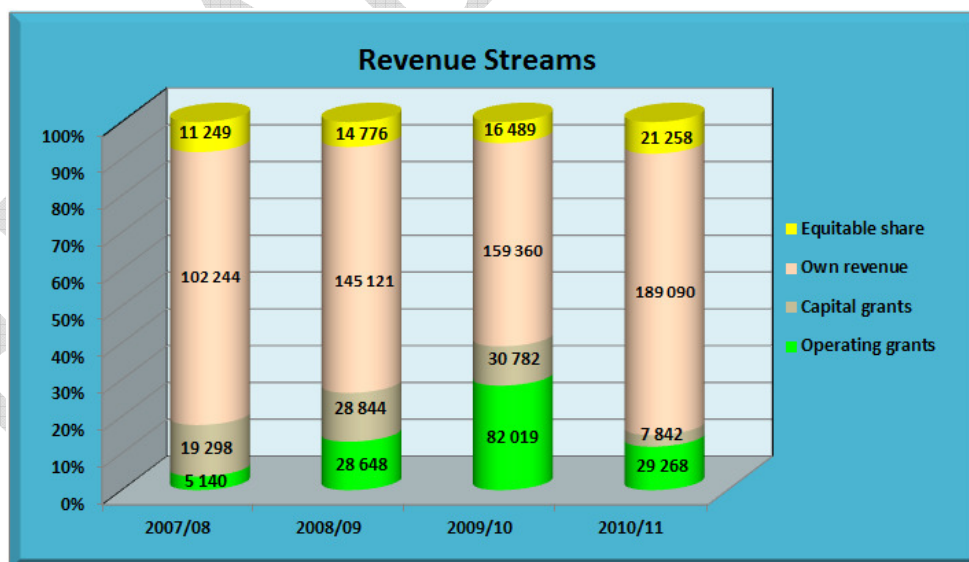
Table 132: 2010/11 Detail on audit outcomes

6.4.5 EQUITABLE SHARE VS TOTAL REVENUE

Description of revenue	Amount received 2007/08	Amount received 2008/09	Amount received 2009/10	Amount received 2010/11
	R'000	R'000	R'000	R'000
Equitable share	11 249	14 776	16 489	21 258
Capital grants	19 298	28 844	30 782	7 842
Operating grants	5 140	28 648	82 019	29 268
Own revenue	102 244	145 121	159 360	189 090
Total revenue	137 931	217 389	288 650	257 458

Table 133: Equitable share vs. total revenue

The following graph indicates the various revenue streams of the municipality for the past three financial years



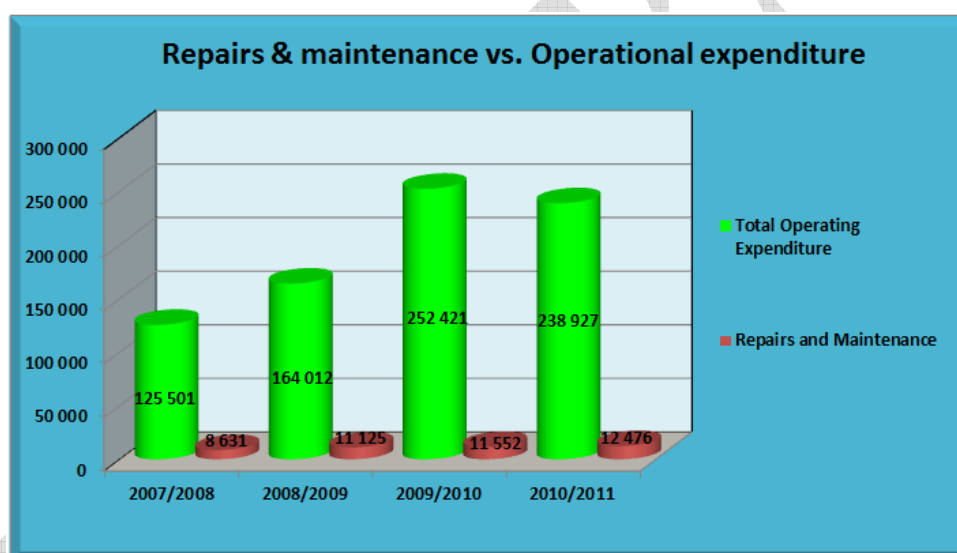
Graph 28: Revenue streams

6.4.6 REPAIRS AND MAINTENANCE

Description	2007/2008	2008/2009	2009/2010	2010/11
	R'000	R'000	R'000	R'000
Total Operating Expenditure	125 501	164 012	252 421	238 927
Repairs and Maintenance	8 631	11 125	11 552	12 476
% of total OPEX	6.69%	6.69%	4.58%	5.22%

Table 134: Repairs & maintenance as % of total OPEX

The following graph indicates the percentage of the budget that was spent on repairs & maintenance in relation to the operational budget



Graph 29: Repairs and maintenance as percentage of OPEX

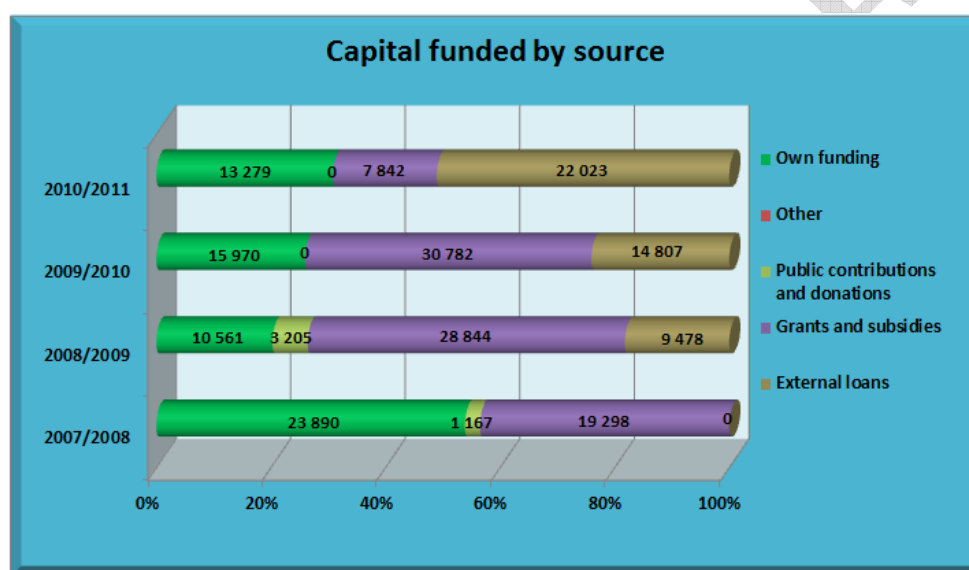
6.4.7 CAPITAL FUNDED BY SOURCE

Description Source	2007/2008	2008/2009	2009/2010	2010/11
	R'000	R'000	R'000	R'000
External loans	0	9 478	14 807	22 023
Grants and subsidies	19 298	28 844	30 782	7 842
Public contributions	1 167	3 205	0	0

Description Source	2007/2008	2008/2009	2009/2010	2010/11
	R'000	R'000	R'000	R'000
and donations				
Own funding	23 890	10 561	15 970	13 279
Other	0	0	0	0
Total capital expenditure	44 355	52 088	61 559	43 144

Table 135: Capital funded by source

The following graph indicates capital expenditure funded by the various sources



Graph 30: Capital funded by source

LIST OF ABBREVIATIONS

AG	Auditor-General
CAPEX	Capital Expenditure
CBP	Community Based Planning
CFO	Chief Financial Officer
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IMFO	Institute for Municipal finance officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MAYCOM	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MSA	Municipal Systems Act No. 32 of 2000
MTECH	Medium Term Expenditure Committee
NGO	Non-governmental organisation

NT	National Treasury
OPEX	Operating expenditure
PMS	Performance Management System
PT	Provincial Treasury
SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework

FINAL DRAFT

Annexure A: Financial Statements

FINAL DRAFT



Annexure B: Report of the Auditor General

FINAL DRAFT



Annexure C: Report of the Audit Committee

FINAL DRAFT

