

# Annual Report 2013/14

Final Draft Audited | 23 January 2015



Munisipaliteit • U-Masipala • Municipality

**OVERSTRAND**



“Centre of Excellence”

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# CHAPTER 1

## COMPONENT A: MAYOR'S FOREWORD

### Dear Stakeholder,

As the Executive Mayor of Overstrand Municipality I am privileged to present the municipality's Annual Report for the 2013/14 financial year.



As a document which reflects performance of the past financial year, any organisation's annual report is extremely valuable and helps to navigate the organisation through the obstacles and pitfalls of the past, to benchmark standards of performance and to set goals for improvement.

### a. Vision

The 1<sup>st</sup> review of our 5 year Integrated Development Plan (IDP) for 2012/2017 was successfully adopted by Council on 29 May 2013.

The 2013/14 IDP review affords the municipality the opportunity to reflect on the strategic direction set in our approved 5 year IDP (2012/2017) of May 2012. Consequently I held a Mayoral strategic session on 15 November 2012 with the following outcomes:

- We assessed our performance for the 2011/12 financial year;
- We reviewed our Vision, Mission and Strategic goals to ensure sustained service delivery in the 2013/14 financial year;
- We assessed changing circumstances in our municipal area that might hamper and / or enhance service delivery.

For the 2013/14 IDP review our strategic direction was as follows:

We retained our **Vision**- "To be a centre of excellence for the community"

---

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

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We amended our **Mission** – “To create sustainable communities by delivering optimal services to support economic, social and environmental goals in a politically stable environment (*the underlined wording was added*).

Our **five strategic objectives** were reaffirmed:

1. The provision of democratic, accountable and ethical governance (*the underlined wording was inserted to reflect the municipality's endorsement of ethical values/behavior*);
2. The provision and maintenance of municipal services;
3. The encouragement of structured community participation in the matters of the municipality;
4. The creation and maintenance of a safe and healthy environment;
5. The promotion of tourism, economic and social development.

Our performance delivery on these strategic objectives for the period under review is clearly cited in Chapter 3 of this report.

### **b. Political changes**

Ms. Kari Brice from the Democratic Alliance was elected as the new councillor for ward 3, in a by-election on Wednesday 7 August 2013.

### **c. Key Policy Developments**

- **Overstrand towards 2050** – During the 2012/13 financial year preparations started for the review of the Overstrand Spatial Development Framework (SDF) and to develop a long term vision resulting in an Integrated Development Framework (IDF). The Overstrand IDF was adopted by Council on 25 June 2014.

The IDF has a 2050 vision and addresses the questions- What kind of environment would you like to live in, in 30 – 40 years' time? What effect will that environment have on us? The IDF sets the strategic direction for Overstrand's growth and development for the next 30-40 years.

### **d. Key Service Delivery Improvements**

During the year under review we received a number of accolades that gave recognition to the hard work and excellent systems of the Overstrand Municipality and I would like to highlight a few of them:

### **Retained our clean audit**

- ♣ I am extremely proud to report that we have retained a clean audit for the second consecutive year. My sincere appreciation and congratulations to all, especially the Municipal Manager and all officials, with our clean audit.

Overstrand Municipality was named **2<sup>nd</sup> best municipality** in the country in this reporting period.

### **Continued Blue Flag status**

- ♣ Three bathing beaches were again awarded International Blue Flag beach status, namely Kleinmond, Hawston and Grotto for the 2013/14 holiday season. Grotto is the beach with the longest uninterrupted Blue Flag status in South Africa.

### **Retained Blue drop status:**

- ♣ Overstrand municipality achieved blue drop status for 5 Water Treatment Works (WTW's) from the Department of Water Affairs (DWA) and the Franskraal Water Treatment works was also awarded the best small plant in the country.

### **Green drop score:**

Four (4) Waste Water Treatment Works (WWTW's) all scored above 90% in the previous Green Drop Audit, giving it Green Drop status. The municipality's overall Green Drop score was 89.13%, an improvement from the previous 88%.

### **Greenest municipality competition:**

- ♣ The municipality received 3<sup>rd</sup> place in the overall Greenest Municipality Competition in the Western Cape and awarded R50 000 prize money.
- ♣ Overstrand Municipality received the award for Water Management and Conservation at the Western Cape Provincial Greenest Municipality awards ceremony during November 2013.
- ♣ The municipality achieved an innovation award for the new biological water treatment plant in Hermanus at the Western Cape Greenest Municipality 2013 awards. The plant is the first full scale plant of its kind in South Africa.
- ♣ Overstrand Municipality was the winners of the waste management section at the Western Cape Greenest Municipality 2013 awards.

### **Overstrand Water Pipe project**

- ♣ Overstrand's project for water pipe replacement boasts an award of excellence from SASTT (South African Society for Trenchless Technology) that was handed over on 18 February 2014. It was the first time that the award was bestowed on a municipality outside a metropole

### **Onrus Caravan Park:**

- ♣ The Onrus Park achieved 3 star tourists rating for the 1<sup>st</sup> time.

Some other achievements of the past year that I would like to highlight were:

**International Olympic Committee (IOC) award to the Gansbaai Spaces for Sport Centre** – Recognition for the centres contribution to promoting the development of Sport for All initiatives

**10<sup>th</sup> Anniversary of the Overstrand Junior Town Council (JTC)** - The newly elected 2013/2014 Overstrand Junior Town Council was inaugurated on 24 October 2013- a momentous occasion which marked the 10th anniversary of this council's existence.

**Access to Basic Services (ABS) project-** Project has been completed. Every household in the 12 informal settlements has access to water (1 tap per 25 families) and sanitation (1 toilet per 5 families).

**Expanded Public Works Program (EPWP)** - Exceeded our target of 500 temporary jobs by creating 517 temporary job opportunities during this reporting period. Overstrand is leading in the district in terms of both delivery on the program as well as cooperating internally to create further opportunities for the people of the Overstrand.

**Social Development-** During the period under review three (3) partnerships were established with service organisations to assist the social development strategy delivery in the municipal area.

**Electricity projects** to the value of R 36, 732 million (representing 28% of the total capital budget) were successfully completed during the reporting period.

### **Continued implementation of 8 year Housing programme**

The development of services for 211 sites in Eluxolweni (Pearly Beach) has been completed in this reporting period.

### **e. Public Participation**

The ward committees and the Overstrand Municipal Advisory Forum (OMAF) are acknowledged as our official public consultation structures. These structures were engaged during 2013/14 to solicit public participation in the municipality's IDP and Budget compilation processes as well as on other policy developments. An oversight on the draft IDP review for 2013/14 and draft Budget was presented to stakeholders of OMAF on 3 April 2013. During April 2013 special public ward meetings in the form of information sessions were held in all 13 wards to obtain public comments on the draft budget.

### **f. Future Actions**

**Municipal Regulations on a Standard Chart of Accounts (SCOA)-** The Minister of Finance has issued SCOA Regulations to be effective for the 2016/17 financial year. Overstrand Municipality was declared as a Pilot Site by National Treasury, in conjunction with Bytes Technologies (SAMRAS Financial System). Before-mentioned implies that the Standard Chart of Accounts for Overstrand municipality must be in place for the 2015/16 financial year.

**Additional court-** The process to establish the additional court in Hermanus is well under way and set to be operational in the 2014/15 financial year. The court will assist in bringing by-law and other municipal legislation offenders to justice.

### **Maintaining a clean audit**

Maintaining our clean audit status will undoubtedly be a priority for Overstrand Municipality in the current and subsequent financial years. We will remain vigilant of our financial processes, procedures and the way in which we operate in order to maintain a clean audit.

### **Sustained service delivery**

In striving to maintain a clean audit we will not be comprise on the basic service delivery mandate to our communities. Overstrand is committed to deliver on our **vision "To be**

***centre of excellence for the community***". The performance and achievements stated in this annual report is testament to our commitment of sustained service delivery.

### **g. Conclusion**

Thank you to our ward committees, communities, partners and stakeholders for your participation and support during the 2013/14 financial year. May we build on our strengths and collectively address the challenges in order for Overstrand municipality "*To be the centre of excellence for the community*".

In conclusion, I would like to thank the Municipal Manager and his directors for the professional leadership they are providing. With the dedicated assistance of the municipal staff we were able to attain the performance stated in this annual report.

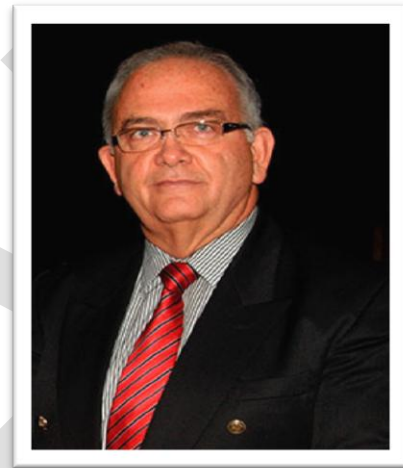
**Nicolette Botha-Guthrie**  
**EXECUTIVE MAYOR**

**23 January 2015**

### COMPONENT B: EXECUTIVE SUMMARY

#### 1.1 Municipal Manager's Overview

In reflecting on the 2013/14 financial year, I am pleased to report that the Overstrand Municipality has performed well in relation to service delivery, governance and financial management. The detailed information can be obtained in this annual report.



The Municipality managed to achieve a 96% success rate in its spending on infrastructure (capital budget). The municipality met 384 (87, 67%) of a total number of 438 key performance indicators (KPIs) for the 2013/14 financial year. 36 (8, 22%) of KPIs were almost met and 18 (4, 11%) of the indicators were not met. This demonstrates the Municipality's ability to implement and maintain excellent service level standards to the benefit of our community.

Financially the Municipality has performed well in 2013/14. I am extremely proud of the clean audit status retained for the 2nd consecutive year. My sincere appreciation to my management team, staff and Council for your dedication and team work to retain our clean audit status. This is of course not the end of our journey in fulfilling our Constitutional mandate. There will always be room for improvement and we must continue to explore new ways of delivering good governance and to ensure that our ratepayers and residents receive good value for money.

To our rate payers and residents a clean audit demonstrates good management, control and compliance with audit requirements. A clean audit does not imply financial wealth. Like stated last year, sound financial management will remain a priority in the future as we foresee pressure on our financial resources due to escalating service delivery needs from our community concomitant with the impact of tough economic times.

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

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During the year under review the top management team remained unchanged and all Section 56 positions (Directors) were filled. This benefitted the sustained service delivery performance as noted in this annual report.

Albeit proud of our accomplishments cited in this annual report, we will not become complacent in striving to remain financially sound, well governed and delivering on local government's service delivery mandate enshrined in the Constitution.

As this annual report reflects on the Overstrand Municipality's performance and challenges persevered for the 2013/14 financial year, I once again extend my sincere appreciation to all staff, the Executive Mayor and Council as body corporate for their dedication and contribution to deliver on our Vision "*To be a centre of excellence for the community*".

**Coenie Groenewald**  
**MUNICIPAL MANAGER**

### 1.2 Municipal Overview

This report addresses the performance of the Overstrand 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 2013/14 Annual Report reflects on the performance of the Overstrand Municipality for the period 1 July 2013 to 30 June 2014. 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.

#### 1.2.1 Vision and Mission

**The Overstrand Municipality committed itself to the following vision and mission:**

***Vision:***

**"To be a centre of excellence for the community"**

***Mission:***

**"Creation of sustainable communities by delivering optimal services to support economic, social and environmental goals in a politically stable environment"**

### 1.3 Municipal Functions, Population and Environmental Overview

#### 1.3.1 Population

The municipality's estimated<sup>a</sup> population for 2013/14 is **87 000**. (<sup>a</sup>Own calculation based on the average annual growth rate from 2001 to 2011 census figures.)

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

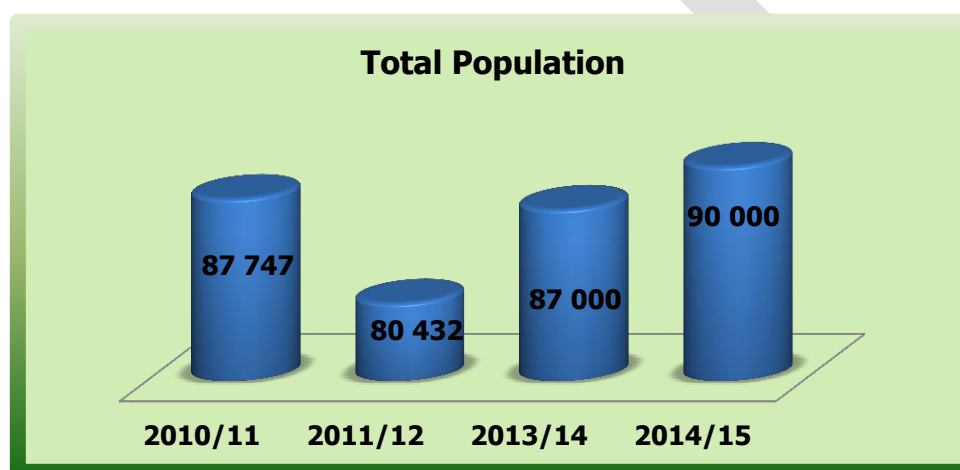
2010/11	2011/12	2013/14	2014/15
87 747	80 432 <sup>1</sup>	87 000 <sup>2</sup>	90 000 <sup>2</sup>

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

2010/11	2011/12	2013/14	2014/15
Source: Western Cape Department of Social Development Population Projections Populations projected as at 14 February of 2008, 2009 and 2010.			
<sup>1</sup> Stats SA Census, 2011, <sup>2</sup> Overstrand own calculation			

**Table 1.: Demographic information of the municipal area – Total population**

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



**Graph 1.: Total Population Growth**

### a) Population profile

Age	2011/12*			2012/13*			2013/14*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0-9	6 087	6 090	12 177	6561	6560	13121	6558	6562	13120
Age: 10-14	2 557	2 541	5 098	2696	2699	5395	2754	2737	5491
Age: 15-19	2 455	2 681	5 136	2531	2795	5326	2644	2889	5533
Age: 20-24	3 321	3 209	6 530	3552	3391	6942	3578	3458	7036
Age: 25-39	10 890	9 984	20 874	12182	11004	23186	11734	10757	22492
Age: 40- 54	6 407	6 522	12 929	7040	7185	14225	6904	7028	14920
Age: 55-69	5 114	5 896	11 010	5557	6419	11975	5510	6353	11863
Age: 70-84	2 690	3 174	5 864	3129	3682	6812	2897	3420	6317
Age: 85+	267	548	815	337	679	1016	287	587	874

Source: Stats SA Community Survey 2007, Census 2011  
Overstrand's own projections for 2012/13 and 2013/14

**Table 2.: Population profile**

# Chapter 1: Mayor's Foreword and Executive Summary

## 1.3.2 Households

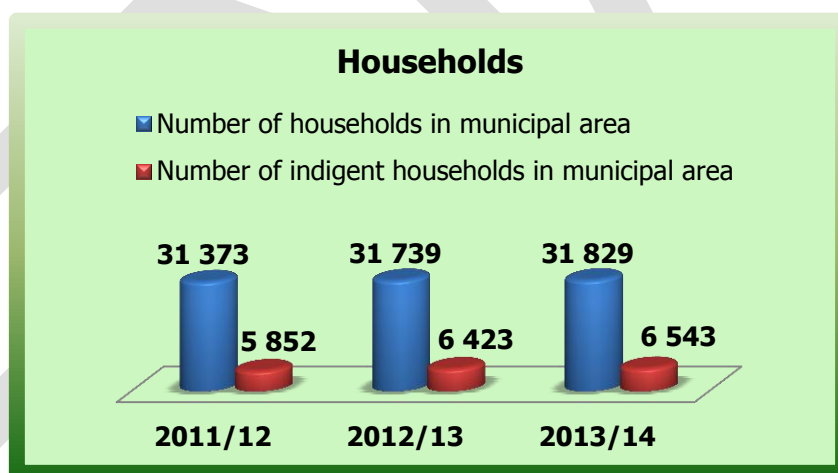
The total number of households within the municipal area increased from **31 739** in the 2012/13 financial year to a total of **31 829** the 2013/14 financial year. This indicates an increase of 0.28% in the total number of households within the municipal area over the two financial years (2012/13-2013/14).

Households	2011/12	2012/13	2013/14
Number of households in municipal area	31 373	31 739	31 829
Number of indigent households in municipal area	5 852	6 423	6 543

*Source: Overstrand financial system*

**Table 3.: Total number of households**

The graph below shows that the total number of indigent households increased from 6423 households in 2012/13 to 6 543 households in the 2013/14 financial year. This indicates an increase of 1.9% in the total number of indigent households within the municipal area over the two financial years (2012/13 – 2013/14).



**Graph 2.: Total number of households**

## 1.3.3 Socio Economic Status

Financial year	Housing Backlog	Un-employment Rate	People older than 14 years illiterate	HIV/AIDS Prevalence	Urban/rural household split
2010/11	5 945	24.1%	15.5%	20.90%	91.2/8.8 %
2012/13*	6 412	23%	Not Available	Not Available	193.4/6.6%
2013/14*	6 719	123.3%	Not available	Not Available	193.4/6.6%

**Table 4.: Socio Economic Status (\* based on 2011 Census Figures)**

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### 1.3.4 Demographic Information

#### a) Municipal Geographical Information

Overstrand Municipality is located along the south western coastline of the Overberg District Municipal area bordering the City of Cape Town in the west and Cape Agulhas Municipality in the east. Its northern neighbour is Theewaterskloof Municipality.

The municipality covers a land area of approximately 2125km<sup>2</sup>, with a population density of 41 people per square kilometre and covers the areas of Hangklip/Kleinmond, Greater Hermanus, Stanford and Greater Gansbaai. The municipal area has a coastline of approximately 200 km, stretching from Rooi Els in the west to Quinn Point in the east.

In addition to the endless, pristine beaches dotting the coastline, the Overstrand boasts 3 Blue Flag beaches. Tourism is a major economic driver in the area and its popularity as a holiday destination results in a fourfold increase of its population over the holiday seasons.

#### b) Wards

The municipality is structured into the following 13 wards:

Ward	Areas
1	Kleinbaai, Franskraal and Masakhane
2	Blompark, Gansbaai and De Kelders
3	Hermanus
4	Westcliffe, Mount Pleasant and Hemel-en-Aarde Valley
5	Zwelihle South
6	Zwelihle North
7	Sandbaai
8	Hawston, Fisherhaven and Honingklip
9	Kleinmond and Proteadorp East
10	Proteadorp West, Overhills, Palmiet, Betty's Bay, Pringle Bay and Rooi Els
11	Stanford, Baardskeerdersbos, Pearly Beach, Viljoenshof and Withoogte
12	Zwelihle North-West
13	Onrusrivier and Vermont

Below is a map that indicates the wards of the Municipality in the Overberg District area:



**Figure 1.: Overstrand Area map**

## **GANSBAAI**

Gansbaai is situated in the centre of a number of small bays with miles of unspoiled beaches, fynbos rich nature reserves, ancient milk wood forests, historically significant caves and breath-taking sea views.

Shark cage diving has become synonymous with Gansbaai and specialized boats leave from the Kleinbaai harbor daily so that extreme adventure seekers can have close encounters with great white sharks.

Gansbaai is the business and industrial centre of the Greater Gansbaai region. Fishing is the main commercial activity and marine based industry includes abalone farms and a fishery. The property development sector is expanding and the hospitality industry brings much needed revenue to the area.

With the fertile Baardskeerdersbos valley, the fresh water caves at De Kelders, the white sands of Pearly Beach, the jackass penguins at Dyer's Island and the renowned Shark Alley, Gansbaai is truly a uniquely attractive region within Overstrand Municipality.



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### KLEINMOND/HANGKLIP

The Kleinmond- Hangklip coastal area including of Betty's Bay, Hangklip, Pringle Bay and Rooi Els has the unique status of being situated in the Kogelberg Biosphere Reserve which was the first UNESCO designated biosphere reserve in South Africa. Biosphere reserves are tasked with becoming role-models of sustainability and demonstrate the balance between people and the environment to the benefit of both.



Kleinmond has an active harbour and many commercial fishermen make their living along the Hangklip coastline. Whether it's hiking in the biosphere reserve with its 1 800 floral species, a visit to the Stony Point penguin colony, a tour of the Biosphere Eco-Centre in Rooi-Els, a picnic in the Harold Porter Botanical Gardens, shopping and sundowners in Kleinmond's quaint Harbour Road, a day on the beach with family and friends, or a fleeting glimpse of the heard of wild horses roaming the dunes, eco-tourism is quite definitely the economic life-blood of this scenically magnificent and environmentally sensitive area of the Overstrand.

### HERMANUS

In the past decade Hermanus has established itself as the business and cultural heart of the Overstrand. Although it may have shed its sleepy holiday town image and is able to boast a modern infrastructure, sophisticated specialty shops, shopping centres and restaurants to rival the best in the world, Hermanus has managed to retain the charm of its fishing village heritage.



Hermanus is situated between sweeping mountains and the sparkling Atlantic Ocean and is only a short scenic 1½ hrs (140 km) drive from Cape Town. Tourism is a main contributor to the economy of Hermanus and businesses catering for the robust hospitality industry are plentiful. Visitors to the town can choose from over 100 accommodation options ranging from up market B&B's, guesthouses, luxury resorts and boutique hotels to budget priced self-catering and back-packer establishments. Hermanus is known as the best land based whale watching destination in the world and from June through to December each year thousands of tourists visit our shores to marvel at the magnificent southern right whales as they splash and romp and nurture their newborn calves. Whale watching cruises depart from the New Harbour daily and flights to view the giants of the deep from the air are

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also very popular. The Hemel-en-Aarde wine route is one of the latest attractions to be registered as an official wine route.

Hermanus has a well-developed industrial area and over the last 10 years enjoyed growth in the building sector with security villages, private homes, holiday resorts and commercial and retail property development projects adding to the economic wealth of the area. Hermanus is also a leader in commercial abalone farming and development of further aquaculture farms is anticipated. Agriculture, manufacturing, wholesale and retail businesses, financial and investment companies and the wine industry also contribute significantly to the economic prosperity.

The Administrative head office of the municipality is also situated in the Centre in Hermanus.

### **STANFORD**

Stanford is essentially a farming community with the Klein River meandering through lush fields and village homes built along its banks. The rural atmosphere of the old village with its many historical features has been retained and preserved thanks to the foresight of the Stanford Conservation Trust and the Stanford Heritage Committee.



Stanford has a peaceful and quiet charm which has drawn many people from the city in search of the quality of life a small village offers. Many of the old homes have been renovated and restored and countless new homes have been built in Stanford in the past decade. They all prescribe to the "Stanford Style" so that the unique character of the village is maintained.

Stanford's economy is driven by tourism, the wine estates, the commercial harvesting of fynbos, farming and smaller businesses like estate agencies and grocery shops, which offer services to the community. Stanford is very much a horse riding community and hosts a number of riding shows and gymkhanas in the village

### ***c) Key Economic Activities***

The main economic drivers in the municipal area are:

<b>Key Economic Activities</b>	<b>Description</b>
Tourism	<p>Overstrand is a destination that would appeal to just about every eco and adventure-loving traveller in the world. Located within the Overberg District, the Overstrand/Cape Whale Coast is 90-120 minutes driving distance from Cape Town.</p> <p>The Cape Whale Coast is a tourism brand used for marketing purposes and used synonymously with the Overstrand.</p> <p>The Cape Whale Coast offers diverse tourism activities, products attractions, such as events and festivals, accommodation facilities,</p>

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Key Economic Activities	Description
	<p>art galleries, shops, restaurants and country markets. Activities favoured by visitors include whale watching, shark-cage diving, hiking, golf, wine tasting, mountain biking, fynbos and bird viewing. Overstrand is host to three Blue Flag beaches in our region: Grotto, Hawston and Kleinmond beaches. These are pristine beaches offering a safe and clean environment in accordance with international standards.</p> <p>The Cape Whale Coast is a destination where serenity, coastal beauty and champagne air can be enjoyed! The weaker rand can be a stimulant to inward tourism, developing the Whale Coast brand across the municipality will be of importance. On the other hand it can have a negative impact as people struggle to make ends meet.</p> <p>Economic sectors directly aligned to tourism experienced significant growth as in line with its status as a main economic driver. The tourism sector cutting across the catering and accommodation, retail and wholesale, transport and business services sector is supported as key to enhance the value chain or clusters of economic activity in the area.</p>
Aquaculture / Agriculture	<p>Significant focus has been given to the sector to ensure that jobs are maintained and that Overstrand remains the leader in exporting and growing the product. The Southern coastal line of the Overstrand produces the best quality product in the world and boosting export value and expansion of manufacturing which is key to employment creation.</p>
Manufacturing	<p>Manufacturing activities have grown moderately in the past year, given the sector's ability to contribute to employment creation in the area. The Overstrand has a thriving (light) manufacturing industry which bodes well for job creation.</p>
Finance, real estate and business services	<p>This is the largest sector in the area which grew the fastest and created a significant number of jobs and contributed the largest in the GDP of the Overstrand.</p> <p>Through the growth of this sector the municipal area was able to counter job losses in the Agriculture Sector.</p>
Secondary service industry	<p>This sector has had significant growth over the years due to demand in services, support and information to deal with growing development demands in line with the increasing population.</p>

**Table 5.: Key economic activities**

### 1.4 Service Delivery Overview

During the year under review the municipality made the following contributions to satisfy basic requirements:

### a) Local Economic Development

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#### → INTERGOVERNMENTAL RELATIONS / STRATEGIC PARTNERSHIP

- Partnering with relevant stakeholders to empower local entrepreneurs, unemployed youth in career guidance and entrepreneurship.
- Tap into existing resources from Provincial and National bodies including its agencies in support of local initiatives.
- Networking with Strategic Partners – broadening scope for economic participation.
- LED facilitated engagement opportunities between local entrepreneurs and critical stakeholders with the view to improve access to much needed support and funding including information for decision-making.
- Opportunities explored to provide career guidance to both the learners and the out of school youth to broaden participation in the local economy.
- Information sharing as one of the key strategic levers for economic development to help maintain and sustain local initiatives.

**“It isn’t just what you know, and it isn’t just who you know. It’s actually who you know, who knows you, and what you do for a living.” -Bob Burg**

#### → ENTREPRENEUR SUPPORT CENTRE

- The centre seeks to increase the number of entrepreneurs, promote self-reliance and increase economic participation. Furthermore ensure impact of services for the betterment of the people. Provide support and information aimed at assisting local initiatives to grow.
- The centre provides information and technical support to entrepreneurs.
- Also facilitated through this center are the visits by government departments and agencies all with the view to ensure better access to critical information to those entrepreneurs who need to advance their business interests.
- Provide information for accessing livelihoods.
- Bridging the technological divide by providing access to internet at no cost to the enquirer as well as providing a platform where person to person consultation mentoring and counseling could take place.

#### → TRAINING AND DEVELOPMENT

- Expanding the skill base of local entrepreneurs, business owners and individuals alike to increase and improve productivity for sustainable economic activities that contribute positively to local GDP and linked to sustainable job creation.
- Capacitating of SMMEs with the necessary skills in order to grow and develop their businesses.
  - entrepreneurial skills,
  - business development,
  - drafting a business plan,
  - business registration and mentoring.
- Expanding the skill base of local entrepreneurs to increase and improve productivity for sustainable economic activities that contribute positively to local GDP and linked to sustainable job creation.

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- Deliberate promotion of economic activism for both formal and informal traders and mitigate unemployment.
- Needs based training with a clearly defined follow through process, walking the journey with entrepreneurs.

### → **INFRASTRUCTURE FOR INFORMAL TRADING**

- Provide facilities for trading to promote economic development. Facilitate economic activism for both formal and informal businesses.
- Providing informal traders with space to trade, promote economic growth and development and regenerate townships.
- Liaison with funding agencies and interested parties to further interests of the municipality's infrastructure development plans.
- Collaborate with the Directorate: Infrastructure in provision of infrastructure that supports and promote LED.

### → **REGENERATION OF TOWNSHIPS**

- Addressing skewed planning practises that do not support economic freedom and practices.
- Ensuring that there is infrastructure for small businesses and corridor to promote economic development in townships.
- Organised growth to encourage investment in townships.
- Environmental awareness for healthy and prosperous living.
- Encouraging community members to identify economic potential zones and facilitate realization thereof.
- Promoting ownership of means of production within townships as levers of economic development.
- Beautification and regeneration of townships to encourage investment.

### → **OUTREACH AND ACCESS TO LIVELIHOODS**

- Focus on rural communities; ensure meaningful participation and access to livelihoods.
- Supporting and promoting projects that have impact on the youth and vulnerable communities
- Focus on rural communities to ensure meaningful participation and access to livelihoods for all communities.
- Needs assessment and outreach, bringing resources closer to the people.
- Addressing community needs through outreach and bring resources and services closer to the people

### → **FACILITATE JOB CREATION**

- Assist in ensuring a conducive environment in which job creation could thrive.
  - Facilitate and support the informal sector;
  - Self-support initiatives through training and information;
  - Collaborate with the key sectors on beneficiation;
- Administer and promote implementation of labour intensive projects through the EPWP programme
- Implementation of the principles across the municipality.

### → FACILITATE ENTREPRENEURSHIP

- Equipped the youth with entrepreneurial skills as means to deal with high youth unemployment rate in the Overstrand and in the country.
- Liaison with relevant stakeholders in the area of Entrepreneurship and Education to work towards establishing an Entrepreneur High School in the Kleinmond-Betty's Bay area.
- Support Early Childhood Development to expand and increase participation in the economy.
- Implement a contractor development programme to address inequality.

### b) Infrastructure

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During the year under review the municipality made the following contributions to satisfy basic requirements:

#### Housing

The municipality developed an eight year Housing Implementation Programme. As part of the programme, the Municipality has during the 2013/214 financial year, developed 211 new sites at Eluxolweni (Pearly Beach) as well as 183 houses and 28 wet cores on the sites. Furthermore, a Programme for basic services in the informal areas, called the Access to Basic Services has been completed.

#### Electricity

The municipality provided electricity to all formal households in Kleinmond, Hermanus, Sandbaai, Hawston, Stanford, Greater Gansbaai and Pearly Beach. The rest of the municipal area is supplied by ESKOM. The municipality is also rolling out electricity to households in informal areas in increments. During the year under review, the municipality supplied 230 GWh of electrical energy to its consumers.

#### Local planning and building control

The municipality provides full town planning and building control functions in its area. During the year under review, 239 town planning applications and 1278 building plans were processed. The following strategic documents have been compiled:

- Overstrand Integrated Zoning Scheme
- Environmental Management Framework (approved June 2014)
- Overstrand Integrated Development Framework (approved June 2014)

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## c) Community Services

### Water

→ Holds Blue Drop status for 5 Water Treatment Works (WTW) from the Department of Water Affairs (DWA), namely: Buffelsrivier, Kleinmond, Greater Hermanus, Greater Gansbaai, and Pearly Beach. Buffelsrivier and Gansbaai received Silver awards for achieving two consecutive Blue Drop awards.

### Roads

To ensure that the municipal road hierarchy function in a good, safe and user friendly manner, emphasis was placed on the maintenance of roads (signs, markings, kerbs, potholes) to a high standard.

During the reporting period 16,7km (101 560 m<sup>2</sup>) of roads were resealed in terms of the Overstrand Pavement Management System.

The construction of phase one of the Parallel Road to the Trunk Road 43 is nearing completion.

### Beaches

Three bathing beaches were again awarded International Blue Flag beach status, namely Kleinmond, Hawston and Grotto. The respective statuses were maintained for the duration of the blue flag season, from 1 December 2013 until 31 March 2013 for Grotto and 15 December 2013 to 15 January 2014 for Kleinmond and Hawston. Amenities were maintained to Blue Flag requirements.

#### 1.4.1 Basic services delivery performance highlights

Highlight	Description
Blue drop status	Awarded to 5 plants, also best small plant in the country (Franskraal Water treatment Works)
Budget management	Actual spending of 98.2% of operational budget ( <i>pre-audit outcome</i> )
Reaction time to complaints	92% of service requests completed within one month
Refuse removal	100% service delivery to all urban residents
<ol style="list-style-type: none"><li>Hot Water Cylinder Load Control</li><li>Completion of the Walker Bay Substation</li></ol>	<ol style="list-style-type: none"><li>The joint project between Eskom and Overstrand Municipality to install 6400 hot water cylinder load control unit has drawn to a close. All sections are switched thereby assisting the national electricity grid to reduce power consumption at the critical peak periods at night.</li><li>The Construction of the Walker Bay Substation, Overstrand's first 66kV substation, has been completed.</li></ol>
Parallel road phase 1	Construction of phase 1 of the (Parallel Road), to the Trunk Road 43 (TR43) has been commenced with which will serve local traffic travelling between

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Highlight	Description
	Fisherhaven/Hawston/Onrus River/Sandbaai/Hermanus and alleviate the pressure on the R43.
Reseal/rehabilitation programme	The Main road in the Hermanus CBD was rehabilitated under difficult conditions and completed earlier than anticipated.

**Table 6.: Basic Services Delivery Highlights**

### 1.4.2 Basic services delivery challenges

Service Area	Challenge	Actions to address
Water & sewerage	Aging infrastructure	Increased maintenance and replacement (capital and operational funding)
All basic services	Vandalism	Educational programmes, increased security measures.
Sewerage	Blockages	Educational programmes, upgrading of ageing infrastructure
Water	High water losses	Pipe replacement programme, pressure management, awareness programmes, water meter replacement, leak repairs
Refuse	Old equipment and vehicles	To budget for new equipment and vehicles for continuous excellent service.
Electrification of Informal Settlements	Shortage of external as well as internal funds to expedite electrification to all Informal Homes within the Overstrand Municipal Jurisdiction	Applications have been submitted to National Government through the Integrated National Electrification Plan (INEP), but only approximately 20% of the application funds have been earmarked for Overstrand Municipality
Roads	Lack of sufficient funding to reduce backlogs	Increase reseal operational funding
	Regular price increases of bitumen products	Beyond municipality's control
	Deterioration of gravel roads	Provision of storm water infrastructure

**Table 7.: Basic Services Delivery Challenges**

### 1.4.3 Proportion of Households with access to Basic Services

Proportion of Households with minimum level of basic services			
Description	2011/12	2012/13	2013/14
Electricity service connections	100%	100%	79%
Water - available within 200 m from dwelling	100%	100%	100%
Sanitation - Households with at least VIP service	100%	100%	100%
Waste collection - kerbside collection once a week	100%	100%	100%

**Table 8.: Households with minimum level of Basic Services**

## 1.5 Financial Health Overview

### 1.5.1 Financial Viability Highlights

Highlight	Description
Outstanding debtors recovered	Recovered 100.34%

**Table 9.: Financial Viability Highlights**

### 1.5.2 Financial Viability Challenges

Challenge	Action to address
The main challenges for the municipality: <ul style="list-style-type: none"> <li>The on-going difficulties in the national and local economy and the subsequent risk of an increase in outstanding debtors</li> </ul>	Applying Strict credit control measures
<ul style="list-style-type: none"> <li>Ever aging water, roads, sewage and electricity infrastructure;</li> </ul>	Prioritising of projects in terms of Revenue protection, Asset conservation and supply of basic services as a constitutional obligation

**Table 10.: Financial Viability Challenges**

### 1.5.3 National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

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	2011/12	2012/13	2013/14
Debt coverage ((Total operating revenue-operating grants received):debt service payments due within the year)	17.63	16.237	16.90
Service debtors to revenue – (Total outstanding service debtors: revenue received for services)	13.3%	11.8%	10.4%
Cost coverage ((Available cash+ investments): Monthly fixed operating expenditure	5.83	3.49	2.3

**Table 11.: National KPI's for financial viability and management**

## 1.5.4 Financial Overview

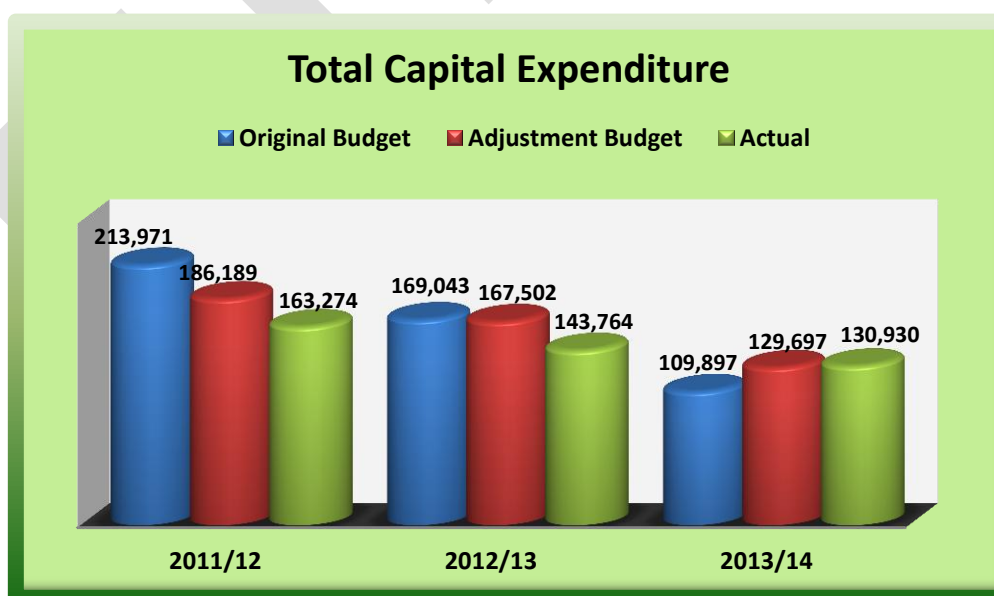
	Original budget	Adjustment Budget	Actual
	R		
<b>Details</b>			
Income			
Grants	108,371,494	111,867,469	105,925,162
Taxes, levies and tariffs	624,350,337	620,760,977	614,065,149
Other	53,390,051	54,670,288	67,017,007
<b>Sub-total</b>	786,111,882	787,298,734	787,007,318
<i>Less expenditure</i>	824,059,174	827,491,018	832,021,845
<b>Nett surplus/ (deficit)</b>	-37,947,292	-40,192,284	-45,014,527

**Table 12.: Financial Overview**

## 1.5.5 Total Capital Expenditure

Detail	2011/12	2012/13	2013/14
	R'000	R'000	R'000
Original Budget	213,971	169,043	109,897
Adjustment Budget	186,189	167,502	129,697
Actual	163,274	143,764	130,930

**Table 13.: Total Capital Expenditure**



**Graph 3.: Total Capital Expenditure**

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### 1.6 Organisational Development Overview

#### 1.6.1 Municipal Transformation and Organisational Development Highlights

Highlights	Description
Establishment of Human Resources Technical Working group	Human Resources Technical Working group has been established to provide inputs into Human Resources Related policies for the implementation thereof.
Health and Wellness day	A Health and Wellness day was held on 17 July 2013 which was attended by employees at the three different administrations.
Performance Management	Performance Awareness was done in March 2014 for Hermanus, April 2014 for Gansbaai and Kleinmond. Currently busy with Performance agreements for staff salary levels T3 to T7 for completion at 30 June 2014. During July 2014 Performance Agreements will be concluded. During September 2014 the first Performance Evaluation for staff on salary level T3 – T6 will be done.

**Table 14.: Municipal Transformation and Organisational Development Highlights**

#### 1.6.2 Municipal Transformation and Organisational Development Challenges

Description	Actions to address
Sound labour relations with specific reference to the availability of initiators and chairpersons for disciplinary hearings, is a challenging aspect of the code.	To provide training, workshops and refresher courses to all relevant role-players.
Rollout PMS to the entire workforce	Limited computer access and computer literacy of Operational staff. HR to provide a supporting role in the roll-out to

**Table 15.: Municipal Transformation and Organisational Development Challenges**

### 1.7 Auditor General Report

In 2005/06 Overstrand Municipality received an adverse opinion from the Auditor-General due to non-compliance with GRAP compliance. The opinion received from the Auditor-General has been unqualified for the last eight financial years, from 2006/07 to 2013/14.

In order to maintain and improve on these outcomes, the municipality implemented the following measures:

1. Developed an audit action plan in order to identify, implement and actively monitor the root causes of all audit findings reported by the Auditor-General at the management report level.

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2. Identified and appointed an audit champion in order to ensure that all audit related communication was directed to the appropriate responsible officials.
3. Developed a transparent, professional working relationship with the Auditor-General in order to ensure that the municipality's objectives are achieved.
4. Developed and implemented measures in collaboration with the Auditor-General in order to identify, implement and actively monitor inefficiencies in the audit process.
5. Developed and implemented measures in collaboration with the Auditor-General in order to identify, implement and actively monitor the audit cost.

These measures were implemented with the goal of achieving effective corporate governance through accountability. The objective of these controls is to ensure that the Overstrand Municipality maintains and progressively improves its control environment in order to ensure that the strategic objectives assigned in terms of S217 of The Constitution, 1996 is achieved with the view of maintaining a clean administration and further enhancing service delivery through implementing the principles of Batho Pele and making a positive contribution to ensuring that the National Strategic Objectives are achieved.

Chapter 6 will provide details of the audit findings for the 2013/14 financial year.

### 1.7.1 Audited Outcomes

Year	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Status	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified (Clean Audit)	Unqualified (Clean Audit)

**Table 16.: Audit Outcomes**

## 1.8 2013/14 IDP/Budget Process

The table below provides details of the key deadlines for the 2013/14 IDP/Budget process:

Activity	Responsible person	Date
Table in Council the IDP Process Plan (New 5 year cycle)	Strategic Office	<b>August</b>
Table in Council a budget and IDP time schedule of key deadlines (Every year - at least 10 months before the start of the budget year)	Budget Office / Strategic Office	<b>29-Aug-12</b>
Review status of Capital Projects on Capital Wish list	Budget Office	<b>31-Aug-12</b>
Submission of process plan to ODM and the Provincial Government	Strategic Office	<b>September-12</b>
Snr Managers for the respective administrations receive Wish list of previous project requests for Ward Committees to review	Budget Office	<b>05-Sep-12</b>

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Activity	Responsible person	Date
Ward Committees meet to identify new projects	Snr Managers for the respective administrations	<b>10-14-Sep-12</b>
Snr Managers for the respective administrations submit Ward requests to Strategic Office	Snr Managers for the respective administrations	<b>17-Sep-12</b>
Strategic Office to submit OS3 lists (ward priorities) to the Budget Office	Strategic Office	<b>21-Sep-12</b>
Strategic session with Management and Councillors	Strategic Office	<b>September-12</b>
Mayoral directional IDP/Budget Speech	Mayor	<b>September-12</b>
Managers submit cash flows and asset components for capital projects on the 2013/2014 MTREF Capital Budget to Directors and Budget Office	Managers	<b>28-Sep-12</b>
Managers submit new capital projects requests including cash flows and asset components to Directors	Managers	<b>28-Sep-12</b>
Directors to prioritise new departmental capital project proposals and submit with priorities to Budget Office	Directors	<b>05-Oct-12</b>
Snr Managers for the respective administrations receive updated lists of ward project lists for Ward Committees to prioritise	Budget Office	<b>08-Oct-12</b>
Ward Committees meet and priorities their list of ward specific capital projects	Ward Committee / Snr Managers for the respective administrations	<b>08-12-Oct-12</b>
Snr Managers for the respective administrations to submit Ward Project priorities to the Budget Office in Excel format	Snr Managers for the respective administrations	<b>15-Oct-12</b>
Budget Steering Committee meet to discuss & review capital budget requests ( <b>ROUND1</b> )	Budget Steering Committee	<b>22-26-Oct-12</b>
Budget Office sends summarised capital budget requests to budget holders after Budget Steering committee review	Budget Office	<b>31-Oct-12</b>
Directorates to be provided with the current OPEX Budget and actuals up until end of October including the two outer years budgets for review of 2012/2013 and for completion of 2013/2014 to 2015/2016	Budget Office	<b>07-Nov-12</b>
Top Management Meeting with MM (Directors, Snr Managers for the respective administrations & Budget Office) to discuss budget proposals and budget affordability	Budget Steering Committee	<b>12-Nov-12</b>

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Activity	Responsible person	Date
Managers to submit Opex requests to Directors including 2013/2014 tariff proposals	Managers	<b>16-Nov-12</b>
Budget Steering Committee meet to discuss & review capital budget requests <b>(ROUND2)</b>	Budget Steering Committee	<b>19-Nov-12</b>
Directors to submit Opex requests to Budget Office	Directors	<b>03-Dec-12</b>
Directors to submit 2013/2014 tariff proposals to Budget Office and Snr Manager: Income	Directors	<b>03-Dec-12</b>
HR to submit requests for new staff/posts to the Budget Office	HR	<b>03-Dec-12</b>
Salary Office to submit draft three year salary budget to Budget Office (Current staff establishment)	Salary Section	<b>03-Dec-12</b>
Asset Management to submit draft three year depreciation budget (Asset register 2012) to Budget Office	Asset Management	<b>03-Dec-12</b>
Costing Section must provide Draft Recharges/ Departmental charges	Costing Section	<b>03-Dec-12</b>
Cash management to submit draft three year Interest & Redemption (Loan register 2012) to Budget Office	Cash Management	<b>03-Dec-12</b>
OMAF Meeting for discussion on capital proposals	OMAF - Ward Com/Councilors/ Managers/ Directors	<b>Dec-12</b>
Budget Office to compile summary of all opex requests	Budget Office	<b>07-Dec-12</b>
Budget Office distributes all operational budget requests to managers and directors for verification	Budget Office	<b>07-Dec-12</b>
Budget Steering Committee meeting - Budget review	Budget Steering Committee	<b>10-14-Dec-12</b>
Commence with compilation of new ward based plans	Strategic Office	<b>January-13</b>
Budget Steering Committee meet to discuss & review opex, capex and new posts	Budget Steering Committee	<b>18-25-Jan-13</b>
Budget Steering Committee Meeting for final discussion of Tariffs	Budget Steering Committee	<b>28-31-Jan-13</b>
Review Budget Related Policies and verify Tariffs with Directors	Budget Committee/Councilors/Directors/Managers	<b>01-08-Feb-13</b>

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

<b>Activity</b>	<b>Responsible person</b>	<b>Date</b>
Budget Office distributes OS3 (ward specific projects) to Snr Managers of the respective administrations for Ward Committee final verification	Budget Office	<b>08-Feb-13</b>
Compilation of Draft SDBIP	Strategic Office	<b>Feb - Mar</b>
Snr Managers of the respective administrations submit final OS3 (ward specific projects) to Budget Office	Snr Managers of the respective administrations	<b>22-Feb-13</b>
Budget Office distributes information for finalisation of depreciation, salary budget and interest & redemption	Budget Office	<b>25-Feb-13</b>
Statistical Information reports for New Budget Formats distributed to applicable Directors & Managers for completion	Budget Office	<b>25-Feb-13</b>
Managers to submit Activity/ Business Plans for Grants to Budget Office		<b>01-Mar-13</b>
Budget Office distributes all operational budget requests to managers and directors for final verification	Budget Office	<b>01-Mar-13</b>
Directors and managers return final operational and capital budget including the Statistical Information for New Budget Formats	Directors/Managers	<b>08-Mar-13</b>
Managers return final depreciation, salary budget and interest & redemption, Recharges/ Departmental charges to budget office	Relevant Managers	<b>08-Mar-13</b>
Revenue to finalise the tariffs and submit to Budget Office	Snr Manager: Income	<b>08-Mar-13</b>
OMAF Meeting for discussion on Capital & Operational Budget & Tariff Proposals	OMAF - Ward Com/Councilors/Managers/ Directors	<b>March</b>
Finalise the ward based plans	Strategic Office	<b>March</b>
Finalisation of Draft Opex & Capex Budgets working papers	Budget Office	<b>11-14-March-13</b>
Budget Office compile Draft Budget Report & Schedules	Budget Office	<b>15-21-March-13</b>
Submit Electricity Tariffs to NERSA	Snr. Manager: Revenue	<b>15-Mar-13</b>
Budget Office distributes Draft Budget Report	Budget Office	<b>22-Mar-13</b>
Prepare advertisements for Draft IDP& Budgets for comments	Budget Office / Strategic Office	<b>25-Mar-13</b>
<b>CONSULTATION AND APPROVAL</b>		

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

Activity	Responsible person	Date
Draft IDP/Budget tabled in Council	Budget Office / Strategic Office	<b>27-Mar-13</b>
Electronic Draft IDP/Budget files submitted to Provincial Treasury after Council Meeting	Budget Office / Strategic Office	<b>27-Mar-13</b>
Advertise Draft IDP& Budget for public comment	Budget Office / Strategic Office	<b>03-Apr-13</b>
Submission of Annual Draft Budget and IDP for representation to National and Provincial Treasury any other prescribed organs of state.	Budget Office / Strategic Office	<b>10-Apr-13</b>
Public Participation	Community	<b>April</b>
LG MTEC3 Engagement	Provincial Treasury/Municipal Delegation	<b>May</b>
Summarise all community feedback and distribute to the relevant stakeholders for consideration to be included in the Final Budget report	Budget Office	<b>06-10-May-13</b>
Budget Office compile Final Budget Report and Schedules	Budget Office	<b>13-24-May-13</b>
Approval of IDP and Budget by Council	Budget Office / Strategic Office	<b>29-May-13</b>
<b>IMPLEMENTATION</b>		
Advertise Final Budget and Tariffs in the media	Budget Office	<b>05-Jun-13</b>
Advertise Property Rates Tariffs in Provincial Gazette	Senior Manager: Revenue	<b>05-Jun-13</b>
Place Final Budget documents in the website	Budget Office	<b>05-Jun-13</b>
Submission of Final Budget and IDP to National and Provincial Treasury.	Budget Office / Strategic Office	<b>12-Jun-13</b>
Publish a summary of Budget in Bulletin	Manager: Communications	<b>June</b>
Compile Internal Budget Book	Budget Office	<b>June</b>
Municipal Manager submits SDBIP to Mayor	Municipal Manager	<b>19-Jun-13</b>
Approval of SDBIP by Executive Mayor	Mayor	<b>26-Jun-13</b>
Implement Budget on Financial System	Budget Office	<b>30-Jun-13</b>
Submit Budget Related Appendix B reports to National and Provincial Treasury	Budget Office	<b>30-Jun-13</b>
Place Internal Budget Book on Intranet	Budget Office	<b>30-Jun-13</b>
Distribute Internal Budget Book	Budget Office	<b>30-Jun-13</b>

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

<b>Activity</b>	<b>Responsible person</b>	<b>Date</b>
Submit Budget Locking Certificate to National Treasury	Budget Office	<b>12-Jul-13</b>
Finalise and approval of the performance agreements of the S54A and S56 appointees	Strategic Office/EM/MM	<b>31-Jul-13</b>
<b>REPORTING AND REVIEW</b>		
Monthly Budget Statement to Municipal Manager and Mayor	Budget Office	<b>Jul - Jun</b>
Quarterly reporting by Mayor to Council	Mayor	<b>Oct, Jan, Apr, Jul</b>
Budget Steering Committee Reviews OPEX and CAPEX performance with budget holders	Budget Steering Committee	<b>Nov - Dec</b>
Review of KPI's and annual performance targets	Strategic Office	<b>January</b>
<b>Mid-year Budget and Performance Assessment (SDBIP) information</b>		
Mid-year Budget and Performance Assessment Report to MM & Mayor	Budget Office / Strategic Office	<b>20-Jan-14</b>
Mid-year Budget and Performance Assessment Report to Council	Budget Office / Strategic Office	<b>31-Jan-14</b>
Table adjustments Budget	Budget Office	<b>28-Feb-14</b>
Finalise Roll over Projects (Final Amounts)	Budget Office	<b>July-13</b>
Table Adjustments Budget for approval of Roll over projects	Budget Office	<b>25-Aug-13</b>
Submission of annual financial statements to AG	Accounting Services	<b>31-Aug-13</b>
Finalise the draft annual report for submission to AG	Strategic Office	<b>31-Aug-13</b>
Finalise the Annual Report	Strategic Office	<b>Sep – Nov-13</b>
Submit Annual Report to Council	Strategic Office	<b>January-14</b>
Annual Report Comments and Approval	Strategic Office	<b>Feb – Apr-14</b>

**Table 17.:** 2013/14 IDP/Budget Process

**Notes:**

\* OPEX - Operational Budget

\* CAPEX - Capital Budget

# CHAPTER 2

## COMPONENT A: POLITICAL AND ADMINISTRATIVE 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 communities are heard in decision-making. It is also responsive to the present and future needs of society.

### 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 796 of 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
	2011/2012	2012/13	2013/14
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 (After roll over projects)	92%	98% (83.3% before roll over projects)	96% (93% before roll over projects)

**Table 18.: National KPIs - Good Governance and Public Participation Performance**

### 2.2 Performance Highlights - Good Governance and Public Participation

Highlight	Description
Ward Committee functionality	A number of 9 official ward committee meetings held per ward committee.
Special Public Ward Committee Meetings	Information session meetings were held in all 13 wards regarding the draft budget and to obtain public comment.
High attendance of regularly held meetings in accordance with a predetermined meeting cycle	Ward Committee, Portfolio, Mayoral and Council meetings are scheduled for a year in advance and a high attendance figure is achieved. Also LLF, Training, Top Management and EMT meetings

**Table 19.: Good Governance and Public Participation Performance Highlights**

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### 2.3 Challenges - Good Governance and Public Participation

Description	Actions to address
Well-functioning ward committees	Provide training, provide infrastructure (equipment), enhanced administrative support to ward committees, payment of out of pocket expenses and public awareness programmes.

**Table 20.:** *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, Councilors are also actively involved in community work and the various social programmes in the municipal area.

#### **a) Council**

Below is a table that categorised the councillors within their specific political parties and wards for the 2013/14 financial year:

## Chapter 2: Good Governance

Council Members	Capacity	Political Party	Ward representing or proportional	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Nicolette Botha-Guthrie	Executive Mayor	DA	Proportional	92.86	100
Anton Coetsee	Speaker	DA	Proportional	100	-
Moira Opperman	Councillor	DA	Proportional	100	-
Johannes Januarie	Councillor	N.I.C.O	Proportional	78.57	100
Mercia Andrews	Councillor	DA	Proportional	100	-
Phillipus May	Councillor	ANC	Proportional	92.86	100
Abraham Prins	Councillor	DA	Proportional	100	-
Makhaya Ponoane	Councillor	ANC	Proportional	92.86	100
Maurencia Gillion	Councillor	ANC	Proportional	57.14	50
Caroline Mandindi	Councillor	ANC	Proportional	100	-
Marilyn Pie	Councillor	ANC	Proportional	100	-
Philippus Appelgrein	Ward Councillor	DA	9	92.86	100
Lianda Beyers – Cronje	Ward Councillor	DA	4	100	-
Mzameni Mshenxiswa	Ward Councillor	ANC	5	100	-
Dudley Coetzee	Ward Councillor	DA	11	100	-
Elzette Nell	Ward Councillor	DA	13	100	-
Pieter Scholtz	Ward Councillor	DA	2	92.86	100
Rudolph Smith	Ward Councillor	DA	8	85.71	100
Ben Solomon	Ward Councillor	DA	7	100	-
Vuyani Macotha	Ward Councillor	ANC	12	92.86	100
Ntombizinee Sapepa	Ward Councillor	ANC	6	92.86	100
Lisel Krige	Ward Councillor	DA	10	92.86	100
Kari Brice	Ward Councillor	DA	3	100	-
Nomaxesibe Nqinata	Ward Councillor	ANC	1	100	-
Linda Ndevu	Councillor	DA	Proportional	100	-

**Table 21.: Council Meetings**

### **b) Mayoral Committee**

The Executive Mayor of the Municipality, **Councillor Nicolette Botha-Guthrie** 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 her to manage the day-to-day affairs. This means that she has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated

## Chapter 2: Good Governance

by the Council, and as well as the powers assigned by legislation. Although 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 2013 to 30 June 2014:

Name of member	Capacity
Cllr N Botha-Guthrie	Executive Mayor
Ald P Scholtz	Executive Deputy Mayor & Chairperson of Infrastructure & Planning Portfolio Committee
Cllr B Solomon	Chairperson of Finance & Economic Development Portfolio
Cllr P Appelgrein	Chairperson of Management Services Portfolio
Cllr R Smith	Chairperson of Community Services Portfolio
Cllr M Opperman	Chairperson of Protection Services Portfolio

**Table 22.: Mayoral Committee Members**

### c) Portfolio Committees

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 Mayor on policy matters and make recommendations to Council. Section 79 committees are temporary and appointed by the Council as needed. They are usually set up to investigate a particular issue and do not have any decision making powers. Just like Section 80 committees they can also make recommendations to Council. Once their *ad hoc* task had been completed, Section 79 committees are usually disbanded. External experts, as well as Councillors can be included on Section 79 committees.

The portfolio committees for the 2011/16 Mayoral term and their Chairpersons are as follow:

Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to council	Meeting Date
Portfolio Committee: Infrastructure and Planning	Pieter Scholtz	80	9	20/08/13
				17/09/13
				22/10/13
				19/11/13
				18/02/14
				18/03/14
				22/04/14
				20/05/14
17/06/14				
Portfolio	Phillipus Appelgrein	80	9	20/08/13

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Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to council	Meeting Date
Committee: Management Services				17/09/13 22/10/13 19/11/13 18/02/14 18/03/14 22/04/14 20/05/14 17/06/14
Portfolio Committee: Finance and Local Economic Development	Ben Solomon	80	9	20/08/13 17/09/13 22/10/13 19/11/13 18/02/14 18/03/14 22/04/14 20/05/14 17/06/14
Portfolio Committee: Protection Services	Moira Opperman	80	9	20/08/13 17/09/13 22/10/13 19/11/13 18/02/14 18/03/14 22/04/14 20/05/14 17/06/14
Portfolio Committee: Community Services	Rudolph Smit	80	9	20/08/13 17/09/13 22/10/13 19/11/13 18/02/14 18/03/14 22/04/14 20/05/14 17/06/14
Oversight (MPAC)	Maurencia Gillion	79	1	20/03/14
Committee On Fruitless And Wasteful Expenditure	Anton Coetsee	79	3	30/10/14 30/04/14 28/05/14
Disciplinary Committee	Scholtz Pieter	79	1	25/06/14

**Table 23.: Portfolio Committees**

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## Chapter 2: Good Governance

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### 2.4.2 Administrative Governance Structure

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The Municipal Manager is the 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
Coenie Groenewald	Municipal Manager	Yes
Desiree Arrison	Management Services	Yes
Henk Kleinloog (retired on 31 May 2013)	Finance	Yes
Santie Reyneke -Naude (from 1 June 2013)	Finance	Yes
Solomzi Madikane	LED	Yes
Neville Michaels	Protection Services	Yes
Roderick Williams	Community Services	Yes
Stephen Muller	Infrastructure & Planning	Yes

**Table 24.: Administrative Governance Structure**

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

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Explain the various contributions to service delivery offered by those involved.

## 2.5 INTERGOVERNMENTAL RELATIONS

### 2.5.1 Provincial Intergovernmental Structures

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We participate at the following forums:

- Premier's Coordinating Forum (PCF)
- MinMay (Provincial MEC for Local Government and Mayors)
- MinMay Tech (Municipal Managers)
- Western Cape Municipal Managers Forum
- Western Cape: Waste Management Officer's Forum
- Western Cape Recycling Action Group
- Provincial Strategic Objective 7 (Green Energy Forum)
- IMPSA- Institute of Municipal Personnel Practitioners of SA
- SALGA: Human Resources Practitioners Forum
- SALGA (Working groups)
- LGSETA- Local Government Sector Education Training Authority

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- WC Provincial Off-road Vehicle Task Team (ORV) with respect to the management of boat launching sites and the passage of vehicles in the coastal zone;
- WC Kelp Harvesting Forum with respect to the future management of the kelp harvesting industry in the coastal zone of the Overstrand Municipality;
- Uilenkraalsmond Estuary Forum
- Klein River Estuary Forum
- Bot River Estuary Forum
- Kogelberg Biosphere Reserve Company. Meetings concerning the co-ordination and development of sustainable conservation, social and economic programmes for the Kogelberg Biosphere Reserve;
- Biodiversity Planning Forum
- Provincial ORV Task Team
- Provincial Spatial Development Framework Consultation Forum with respect to integrated provincial spatial development programmes;
- Salgan Provincial
- Iaia Conference For International Environmental Conservation
- Provincial Air Quality Forums
- Planning
- Estuaries
- OICG (Overberg Integrated Conservation Group)
- Overberg Housing Forum
- Provincial Social Housing Forum
- SPLUMB- Spatial Planning and Land Use Management Bill
- LUPA- Land Use Planning Ordinance
- Coastal Setback Line
- Economic Development Planning Working Group
- PSO 7 Land Use Planning WG
- Western Cape Planning Heads Forum
- Provincial Public Participation Forum and Communication Forum
- Provincial IDP Managers Forum
- Thusong Service Centre Management
- Library Conditional Grant Forum/Seminar
- Provincial District Forum for Community Development Workers
- The interaction between the Overstrand Municipality, the Department of Environmental Affairs and the appointment of an implementing agent to the Working for the Coast (WFTC) project is regarded as an example of effective intergovernmental relations.
- ICT Managers Forum
- Legislative and Constitutional Task Team Forum

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- Quarterly Local Government Supply Chain Management Forum – Western Cape Provincial Treasury
- Chief Audit Executive (CAE) Forum
- Chief Risk Officer (CRO) Forum
- Waste management officers forum DEADP
- Western Cape Recycling Action Group forum DEADP
- Association of Municipal Electricity Utilities of South Africa (AMEU)
- South African Revenue Protection Association (SARPA)
- South African Local Government Association (SALGA)
- Provincial Shared Service Forum
- Quarterly Local Government Supply Chain Management Forum – Western Cape Provincial Treasury

### 2.5.2 District Intergovernmental Structures

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We participate at the following forums:

- District Coordinating Forum (DCF), Mayors and Municipal Managers in District
- District Coordinating Forum Tech (DCF Tech), Municipal Managers in the District
- An Overberg Electricity Forum has been created and is functioning well
- District: LGSETA Forum
- Overberg Integrated Conservation Group (OICG)
- Overberg District Planning Forum
- District Technical Committee (DTEC)
- Overberg Coastal Setback Line Forum
- Overberg Working for the Coast Project Advisory Committee
- Integrated Fire Management Forum (Kogelberg) with respect to the development of an Integrated Fire Management Plan for the Overstrand region
- Estuarine Management Forums
- District Air Quality Forum
- Western Cape Municipal Planning Heads Forum
- ICT Managers Workgroup
- SALGA e-Participation Initiative
- Overberg District IDP/ Public Participation and Communication Forum
- Overberg District IDP Managers Forum
- Regional forum for waste managers
- Legislative and Constitutional Task Team Forum
- Municipal Coastal Committees
- Biosphere Reserve Forum

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- Estuary Forum
- Municipal ICT managers forum
- District ICT Mangers Forum
- IMFO Western Cape – Predetermined Objective Workshop
- Provincial Treasury – Predetermined Objective Forum.

### COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

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.

#### 2.6.1 Public Meetings

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
Advisory Forum (OMAF)	19 February 2014	21	22	50	Ward Committees
Ward Committees Wards 3, 4 5, 6, 7, 8, 12 & 13	5 committee meetings held in each ward	1	2 - 4	2	Ward Committees
Public Ward Meetings Wards 3, 4 5, 6, 7, 8, 12 & 13	4 meetings held in each ward – one per quarter	Ward councillor	4 per ward	Varies between ±3 - 130	Important issues as well as consultation regarding the budget
Rate payers Associations	Arranged as per request/ need	1	Varies between 1 and 3 1 Area Manager	4-6	As per request/ required
Rate payers Associations (Gansbaai area)	Arranged as per request/ need	1 Elected 1 Proportional	Varies between 1 and 3 1 Area Manager	12 – 15	After hours as per request/ required
Hawston Sport	Arranged as per	2-3	1 Area Manager	8 – 12	Via Ward committee

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Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
Committee	request/ need		Manager: Sport		
Social Compact (Housing)	Arranged as per request/ need	2-3	2-3 Housing Officials	8 – 12	Weekdays (after hours)
Ward Committees Wards 9 and 10	Quarterly	1 per ward	3	Varies between ±5 - 15	Four meetings per annum during and after office hours
Ward Committees Wards 1, 2, 11	Monthly (except for council recess periods)	2 per ward 1 Elected 1 Proportional	4 per ward	Varies between ±1 - 10	Four meetings per annum during normal office hours
Ratepayers' & Residents' Associations	Arranged as per request/ need	1 Elected 1 Proportional	Varies between 1 and 3 1 Area Manager	12 – 15	After hours as per request/ required
Health & Welfare Association	Quarterly	1	1 Area Manager	8 – 12	Weekdays (after hours)
Kleinmond Street Watch	Monthly	1	2 – Area Manager, Regional Inspector: Law Enforcement	30 – 50	Weekdays (after hours)
Klipgat Trust	Quarterly	0	Area Manager & Admin Assistant	6 – 10	Normal office hours
Kleinbaai Slipway Management Committee	Quarterly	0	Area Manager, Admin Assistant & Control Officer	8 – 12	Normal office hours
Sport Federations/ Clubs	Arranged as per request/ need	0	(3) Area Manager, Control Manager & Sport Official	20 – 25	Weekdays (after hours)
Strandveld Farmer's Union	Quarterly	1	Area Manager	40 - 50	Weekdays (after hours)
Overstrand Health & Welfare	Quarterly	1	Area Manager	10 - 15	Weekdays (after hours)
C P F	Monthly	2	4	+20	Normal office hours
Business Forums	Arranged as per request/need	0	1	+4	Normal office hours
Animal Welfare	Arranged as per request/need	0	1	+4	After hours as per request/required

**Table 25.: Public Meetings**

## Chapter 2: Good Governance

### 2.6.2 Ward Committees

The ward committees support the Ward Councilor 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.

#### a) Ward 1: Kleinbaai, Franskraal and Masakhane

Name of representative	Capacity representing	Dates of meetings held during the year
Zwelandile Duna	Individual	
Kristoffel Hermanus Jooste	Individual	14 August 2013
Francia van Dyk	Individual	11 September 2013
Masibusane Mangali	Masakhane Youth in Action	16 October 2013
Desmond Jim	Masakhane Council of Churches	13 November 2013
Babalwa Mangeala	Neighbour Helps Neighbour	12 February 2014
Clifford Mpinana	Masakhane Business Forum	12 March 2014
Mthuthuzeli Foto	Masakhane Sub-Forum	16 April 2014
Johan Wiese	Kleinbaai Ratepayers Association	14 May 2014
Theuns Roodman	Franskraal Ratepayers Association	11 June 2014

**Table 26.: Ward 1 Committee Meetings**

#### b) Ward 2: Blompark, Gansbaai and De Kelders

Name of representative	Capacity representing	Dates of meetings held during the year
Philip Fourie	Overberg Line Fish Association	
John Jacobs	Blompark Advisory Office	
Pieter Barend Botha	Individual	
Jacoba Europa / A E van Niekerk (14/5/14)	Silwerjare Service Centre	14 August 2013
Gerda Wessels	Gansbaai Ratepayers Association	11 September 2013
Fanie Bothma	Gansbaai Chamber of Commerce	16 October 2013
Johan Pieterse	Gansbaai Tourism	13 November 2013
Louwrens Daniel Oosthuizen / Ivan Cornelius (11/6/14)	Individual	12 February 2014
Johannes Petrus McLachan Botha	Perlemoenbaai/De Kelders Ratepayers Association	12 March 2014
Hermanus Johannes van Dyk	Gansbaai Marine	16 April 2014
		14 May 2014
		11 June 2014

**Table 27.: Ward 2 Committee Meetings**

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### c) Ward 3: Hermanus

Name of representative	Capacity representing	Dates of meetings held during the year
David Beattie	Cliff Path Management	14 August 2013 11 September 2013 16 October 2013 13 November 2013 12 February 2014 12 March 2014 9 April 2014 14 May 2014 11 June 2014
Linda Griffiths	BOTSOC	
Pierre De Villiers	Hermanus Astronomy	
Mary Faure	Tourism	
Jeff Tanner	Village Square	
B Stanway	Hermanus RPA	
B Von Doring	Hermanus business Chambers	
Henri Lerm	Individual	
C Holmes	Individual	
T Mc Carthy	Individual	

**Table 28.: Ward 3 Committee Meetings**

### d) Ward 4: Westcliffe, Mount Pleasant and Hemel-en-Aarde Valley

Name of representative	Capacity representing	Dates of meetings held during the year
Vonji Steneveldt	Overstrand Training Institute	12 August 2013 9 September 2013 14 October 2013 11 November 2013 10 February 2014 10 March 2014 14 April 2014 12 May 2014 9 June 2014
Cecilia Geswindt	Women Action Group	
Desmond Sauls / Garth Gardiner	Sport & Recreation	
Linda Brikkels	Individual	
T Titus	Mount Pleasant Health and Welfare	
Ronald Nutt	Individual	
Joeline Thompson	Individual	
Nicholas Esau	Individual	
Corrie Butler	Neighbourhood watch	
Fredie Cronje	Individual	

**Table 29.: Ward 4 Committee Meetings**

### e) Ward 5: Zwelihle South

Name of representative	Capacity representing	Dates of meetings held during the year
Sakhiwo Mayile	Japan Church	14 August 2013
Thobeka Mfundeni	Individual	11 September 2014
Nosakhele Ndawule	Individual	16 October 2014
Lulama Betane	Individual	13 November 2014
Ntombizanele Sapepa	Individual	12 February 2014
		12 March 2014

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Name of representative	Capacity representing	Dates of meetings held during the year
Sipho Nkibithsolo	Individual	16 April 2014
Vusikhaya Ntlokolwana	Individual	23 April 2014
John Mfundesi	Ministries Fraternal	14 May 2014
Lusapho Calata	Qhayiya Secondary School	11 June 2014
Theron Mqhu	Individual	

**Table 30.: Ward 5 Committee Meetings**

### f) Ward 6: Zwelihle North

Name of representative	Capacity representing	Dates of meetings held during the year
Vusumzi Tshona	HESSA	
Wellington Nkanunu	Ministries Fraternal	15 August 2013
Babalwa Goniwe	Individual	10 September 2013
Vivian Nanto	Individual	15 October 2013
Thelma Nondala	Individual	12 November 2013
Zolile Hoyi	Individual	11 February 2014
Mzukusi Kamana	Individual	11 March 2014
Lwandlekazi Nyangintsimbi	Disability forum	15 April 2014
Synthia Mcinjana	Siyazama Civic Centre	13 May 2014
Nokuqala Msebe	Individual	10 June 2014

**Table 31.: Ward 6 Committee Meetings**

### g) Ward 7: Sandbaai

Name of representative	Capacity representing	Dates of meetings held during the year
Derick Dickens	Sandbaai Neighbourhood Watch	
C Nieuwhoudt	Sandbaai RPA	15 August 2013
Rita Gerber	Sandbaai Verfraaiingskomitee	12 September 2013
C van der Merwe	Hemel & Aarde Estate	17 October 2013
Lenie van Wyk	Individual	14 November 2013
Reg Steenkamp	Individual	13 February 2013
Andre Nieuwoud	Individual	13 March 2014
T Dickens	Individual	10 April 2014
Petro van Zyl	Individual	15 May 2014
James Bezuidenhout	Individual	12 June 2014

**Table 32.: Ward 7 Committee Meetings**

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### h) Ward 8: Hawston, Fisherhaven and Honingklip

Name of representative	Capacity representing	Dates of meetings held during the year
P Delport	Neighbourhood watch	12 August 2013 9 September 2013 14 October 2013 11 November 2013 10 February 2014 10 March 2014 07 April 2014 12 May 2014 9 June 2014
K Van De Coolwijk	Lake Marina Yacht and Boat Club	
Isai Claasen	Hawston Sport & Rekreasie	
Robin Perrins	Fisherhaven RPA	
Dave Hugo	Bot Friends	
N Potgieter	Individual	
Idy Adams	Individual	
Joseph Dynaard	Individual	
I A Claasen	Individual	
Florina Du Pisanie	Individual	

**Table 33.: Ward 8 Committee Meetings**

### i) Ward 9: Kleinmond and Proteadorp East

Name of representative	Capacity representing	Dates of meetings held during the year
Jan Willem van Staden	Kleinmond Ratepayers Association	15 August 2013 12 September 2013 17 October 2013 14 November 2013 13 February 2014 13 March 2014 17 April 2014 15 May 2014 12 June 2014
Robert Crowther	Community Police Forum	
Annette Mason	Kleinmond Nature Conservation	
Hazel Apollis	Mthimkhulu	
Garth Fredericks	Hangklip-Kleinmond Tourism	
Johannes Burger	Kleinmond Hangklip Skietklub	
Aldert Drenth	Individual	
Hester Bruwer	Individual	
Johannes de Clerk	Individual	
Edward Watson	Individual	

**Table 34.: Ward 9 Committee Meetings**

### j) Ward 10: Proteadorp West, Overhills, Palmiet, Betty's Bay, Pringle Bay and Rooi Els

Name of representative	Capacity representing	Dates of meetings held during the year
Daniel Fick	Betty's Bay Residents and Ratepayers Association	13 August 2013 10 September 2013 15 October 2013 12 November 2013
Dave Muirhead	Pringle Bay Ratepayers Association	
Barend Heydenrych / Anuta Scholtz	Pringle Bay Conservancies	

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Name of representative	Capacity representing	Dates of meetings held during the year
Sibongile Vana	Kleinmond Local Football Association	11 February 2014 11 March 2014
Isak Smith	Rooi Els Ratepayers Association	15 April 2014
Andrew Arendse /Belinda Coert	Proteadorp Community Forum	13 May 2014 10 June 2014
Hanalie Quass /Theuns Prinsloo	Individual	
Susanna Swanepoel	Individual	
Merull Hartog	Individual	
Sikhumbuzo Phete	Individual	

**Table 35.: Ward 10 Committee Meetings**

### k) Ward 11: Stanford, Baardskeerdersbos, Pearly Beach, Viljoenshof and Withoogte

Name of representative	Capacity representing	Dates of meetings held during the year
Salie Cyster	Stanford Fishing Association	
George Frith / Bea Whittaker (15/5/14)	Stanford Conversation Trust	
Maryanne Ward	Food 4 Thought	15 August 2013
R D Broom	Stanford Ratepayers' Association	12 September 2013
Ignatus Terblanche	Farmers' Association	18 October 2013
Buseka Jonas	Eluxolweni Community/Residents' Association	14 November 2013
S Coetzee	Pearly Beach Ratepayers' Association	13 February 2014 13 March 2014
Helena Swart	Baardskeerdersbos Home Owners' Association	17 April 2014 15 May 2014
Vacancy	Individual	12 June 2014
S Martin	Individual	

**Table 36.: Ward 11 Committee Meetings**

### l) Ward 12: Zwelihle North-West

Name of representative	Capacity representing	Dates of meetings held during the year
Nobelungu Mpemba(Callinah)	Siyakha Educare Centre	15 August 2013
Vuyiswa Khuse(Sophie)	Zwelihle Community Police Forum	19 September 2013
Chris Makhendlana(Themdikaya)	Zwelihle Business Forum	17 October 2013
Brine Nofoty(Nkululeko)	Youth Forum	14 November 2013
Mbulelo Memani	School Governing Body	13 February 2014
Nolundi Mahela (Caroline)	Individual	13 March 2014
Nomzi Khambi(Nomthandazo)	Individual	17 April 2014 15 May 2014

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Name of representative	Capacity representing	Dates of meetings held during the year
Gcilitshane)		12 June 2014
Gladwin / Ntombiso Bulawa	Individual	
Zandile Tonisi(Ntombizandile)	Individual	
Elvis Tiwane	Individual	

**Table 37.: Ward 12 Committee Meetings**

### m) Ward 13: Onrusrivier and Vermont

Name of representative	Capacity representing	Dates of meetings held during the year
Hannes Visser	Onrus Neighbourhood Watch	13 August 2013 10 September 2013 15 October 2013 12 November 2013 11 February 2014 11 March 2014 08 April 2014 13 May 2014 10 June 2014
K de Bruin	NG Kerk, Onrus	
Andre Beugger	Vermont Conservation Trust	
H Taylor	Vermont RPA	
T Sutherland	Kalfiefees	
Paul de Villiers	Onrus RPA	
Tilla Esterhuizen	Individual	
Duncan Heard	Individual	
Marie van Heerden	Individual	
Louis van Brakel	Individual	

**Table 38.: Ward 13 Committee Meetings**

### 2.6.3 Functionality of Ward Committee

A ward committee will enhance participatory democracy at local government in the following ways:

It will be the official consultative body in that ward for:

- participating in the preparation, implementation and review of the Integrated Development Plan (IDP)
- participating in the establishment, implementation and review of a Performance Management System (PMS)
- participating in the preparation of the budget
- participating in strategic decisions of the municipality relating to the provision of municipal services in terms of Chapter 8 of the Systems Act, 2000.
- It will be the official body with which the Ward Councillor will liaise regarding any matter affecting the ward and more specifically items on the agenda of the municipality affecting that ward in particular.

## Chapter 2: Good Governance

- The Ward Councillor must give regular feedback at ward committee meetings on council matters as required in the Code of Conduct for Councillors.
- It will be the official body which will receive representations from the community regarding municipal matters in that ward.
- The ward committee will elect 4 representatives to serve on the Overstrand Municipal Advisory Forum (OMAF) to represent the ward's viewpoint and to participate when consulted by the Municipality on matters affecting the Overstrand municipal area in general. Such representatives must be elected to be as representative as possible with regard to gender, interests, areas and race. The ward committee should endeavour to reach consensus on its representation at OMAF. If this is not possible, the basis must be determined by the Chairman, taking cognisance of the debate in the ward committee in this regard.
- The above must not be interpreted to mean that a Ward Councillor or the municipality must always liaise with the ward committee before a decision is taken. A Ward Councillor may not be instructed by a ward committee on how to vote on any matter which serves before the municipality.
- 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 administration. 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	Number of monthly Committee meetings held during the year	Number of quarterly public ward meetings held during the year
1	Yes	2	9	5	4
2	Yes	2	9	5	4
3	Yes	2	9	5	4
4	Yes	2	9	5	4
5	Yes	2	9	5	4
6	Yes	2	9	5	4
7	Yes	2	9	5	4
8	Yes	2	9	5	4

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Ward Number	Committee established Yes / No	Number of reports submitted to the Speakers Office	Number meetings held during the year	Number of monthly Committee meetings held during the year	Number of quarterly public ward meetings held during the year
9	Yes	2	9	5	4
10	Yes	2	9	5	4
11	Yes	2	9	5	4
12	Yes	2	9	5	4
13	Yes	2	9	5	4

**Table 39.:** *Functioning of Ward Committees*

### 2.6.4 Representative Forums

#### a) Labour Forum

The table below specifies the members of the Labour Forum for the 2013/14 financial year:

Name of representative	Capacity	Meeting dates
Nicolette Botha-Guthrie	Councillor	13 August 2013 10 September 2013 15 October 2013 12 November 2013 11 February 2014 11 March 2014 15 April 2014 13 May 2014 10 June 2014
Ben Solomon	Councillor	
Pieter Scholtz	Councillor	
Mzameni Mshenxiswa	Councillor	
Desiree Arrison	Management	
Roderick Williams	Management	
Santie Reyneke-Naude	Management	
Coenie Groenewald	Management	
Lucinda Bucchianeri	Management	
Nigel Floors	Management	
Ulita Swart	Imatu Representative	
Danny Philips	Imatu Representative	
Isak Henecke	Imatu Representative	
Siya Nkohla	Samwu Representative	
Theresa Arendse	Samwu Representative	
Zola Bongoza	Samwu Representative	
Eunice Mfakadolo	Samwu Representative	

**Table 40.:** *Labour Forum*

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### b) Overstrand Municipal Advisory Forum (OMAF)

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The OMAF functions as the IDP representative forum and is structured as follows and serves as advisory body to the Executive Mayor.

- Chairperson – Executive Mayor
- All elected Ward Councilors
- Management
- Four ward committee members of all 13 wards
- Specialists in specific matters who can make useful contributions

Terms of Reference of the OMAF

- A body representing civic society and interest groups serving the entire Overstrand must provide a mechanism for discussion and decision making between all relevant parties
- Ensure communication between all interest representatives

Goals and Objectives of the OMAF in the IDP process

- Inform interest groups about planning activities and the objectives thereof
- Analyze matters of interest, and provide input in order to determine priorities
- Discuss and comment on concept IDP
- Monitor implementation of the IDP

## COMPONENT D: CORPORATE GOVERNANCE

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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.

### 2.7 Risk Management

In terms of section 62 (1)(c)(i) *"the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure- that the municipality has and maintains effective, efficient and transparent systems – of financial and risk management and internal control;"...*

Provision was made on the 2013/14 Budget for the appointment of a Chief Risk Officer (CRO) who will be responsible for risk management. The CRO position was advertised during August 2013; unfortunately no suitable applications were received given the specialised skills, knowledge and competency requirements associated with this position.

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Top five risks:

1. Lack of energy generation capacity with bulk energy supplier, resulting in load shedding.
2. Lack of economic opportunities and healthy economic environment conducive to economic growth & development will result in a negative impact for the local economy.
3. Unable to deliver an effective and efficient service for Disaster Management due to resource constraints as well as the non-existence of an Incident Command Centre (ICC) and Incident Command System (ICS).
4. Fleet management – inadequate fire fighting fleet, vehicle shortages especially specialised vehicles and old deteriorated vehicles.
5. Complex data integration between systems required for effective operations and service delivery.

### Risk Forum

Name of representative	Capacity	Meeting dates
DC Van Der Heever	Chief Audit Executive (CAE)	03 & 04 October 2013 18 & 19 November 2013 24 & 25 March 2014 25 June 2014

**Table 41.: Risk Forum**

## 2.8 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
Internal Audit Charter	Yes	06 March 2014
Audit Committee Charter	Yes	30 April 2014
Fraud Prevention Plan	Yes	30 April 2014
Risk Management Policy	Yes	30 April 2014

**Table 42.: Strategies**

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### b) Implementation of Strategies

Key Risk Areas	Key measures to curb corruption and fraud
Misconduct of Employees/ Councillors	Implementation of: <ul style="list-style-type: none"><li>- Schedule 1 of the Systems Act, the Code of Conduct for Councillors.</li><li>- Schedule 2 of the Systems Act, the Code of Conduct for Municipal Employees.</li></ul>
Information Security	To apply access control, and to ensure that systems are developed to limit the risk of manipulation of computerised data.
Financial mismanagement/ maladministration	Appropriate finance policies/ procedures/ internal controls.  The effectiveness of the existing finance policies/ procedures will be tested during the course of internal audits and shortcomings are addressed.

**Table 43.: Implementation of the Strategies**

## 2.9 Audit Committee

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 Audit Committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 and the Local Government Municipal and Performance Management Regulation:

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.

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- Respond to the council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted to it by the internal audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- The compilation of reports to Council, at least twice during a financial year.
- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- To review the annual report of the municipality.
- Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.

### b) Members of the Audit Committee

Name of representative	Capacity	Meeting dates
GN Lawrence	Chairperson	27 August 2013
DWJ Jacobs	Member	12 September 2013
HPA Beekman	Member	13 December 2013
HV Liebenberg	Member	06 March 2014
KE Montgomery	Member	26 May 2014

**Table 44.: Members of the Audit Committee**

## 2.10 Performance audit committee

The Regulations require that the performance audit committee is comprised of a minimum of three members, the majority of whom are external (neither a councillor nor an employee) of the municipality. Section 14(2) (b) of the Regulations further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate

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neither a member of the performance audit committee who is neither a councillor nor an employee of the municipality as the chairperson of the committee.

In terms of Section 166(4) (a) of the MFMA, an audit committee must consist of at least three persons with appropriate experience, of who the majority may not be in the employ of the municipality.

Section 166(5) of the MFMA, requires that the members of an audit committee must be appointed by the council of the municipality. One of the members, not in the employ of the municipality, must be appointed as the chairperson of the committee. No councillor may be a member of an audit committee.

Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a performance audit committee. While the regulations preclude the appointment of a councillor as chairperson of the performance audit committee, the MFMA excludes the involvement of a councillor in the composition of a performance audit committee entirely.

In accordance with the requirements of Section 14(2)(e) of the Regulations, if the chairperson is absent from a specific meeting of the committee, the members present must elect a chairperson from those present to act as chairperson for that meeting.

Further, Section 14(2) (f) of the Regulations provides that, in the event of a vacancy occurring amongst the members of the performance audit committee, the municipality concerned must fill that vacancy for the unexpired portion of the vacating member's term of appointment.

Section 14(3) (a) of the Regulations requires that the performance audit committee of a municipality must meet at least twice during each financial year. However, additional special meetings of the performance audit committee may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3) (b) of the Regulations.

### **a) Functions of the Performance Audit Committee**

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In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to -

- i) review the quarterly reports produced and submitted by the internal audit process;
- ii) review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and
- iii) at least twice during each financial year submit a performance audit report to the council of the municipality.

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### b) Members of the Performance Audit Committee

Name of representative	Capacity	Meeting dates
DWJ Jacobs	Chairperson	23 August 2013 06 March 2014 26 May 2014
GN Lawrence	Member	
HPA Beekman	Member	
HV Liebenberg	Member	
KE Montgomery	Member	

**Table 45.: Members of the Performance Audit Committee**

### 2.11 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:
  - (i) internal audit;
  - (ii) internal controls;
  - (iii) accounting procedures and practices;
  - (iv) risk and risk management;
  - (iv) performance management;
  - (v) loss control; and
  - (vi) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation
- (c) perform other duties as may be assigned to it by the accounting officer.

The Municipality has an In-house Internal Audit function consisting of:

- Chief Audit Executive
- Three Internal Auditors (2 positions were filled 01 February 2013)

#### Annual Audit Plan

**93%** of the Risk Based Audit Plan for 2013/14 was executed with the available resources. The table below provides detail on audits completed:

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Description			No of Hours	Date completed
<b>Phase 1</b>				
Revisiting current risk profile and priorities			100	Ongoing on a quarterly basis
<b>Phase 2</b>				
Compiling Risk Based Audit Plan			100	12 September 2013
<b>Phase 3</b>				
Audit Engagement	Departmental System	Detail	No of Hours	Date completed
Directorate: Finance	Supply Chain Management Unit	Re-Advertisement of Tender – Management of Gansbaai Caravan Park	120	09 August 2013
	Deputy Director: Finance	Key Control Assessment 1 <sup>st</sup> Quarter (01 July 2013 – 30 September 2013)	80	10 October 2013
	Deputy Director: Finance	Key Control Assessment 2 <sup>nd</sup> Quarter (01 October 2013 – 31 December 2013)	80	21 January 2014
	Deputy Director: Finance	Key Control Assessment 3 <sup>rd</sup> Quarter (01 January 2014 – 31 March 2013)	80	10 April 2014
	Financial Services	Division of Revenue Act 5 of 2012	120	09 May 2014
	Revenue	Application of tariffs	200	05 March 2014
	Accounting Services	Generation of revenue for capital expenditure	180	19 June 2014
Directorate: Community Services	Housing Administration	Housing Consumer Education Grant – Financial Period 2012/2013.	120	10 March 2014
	Housing Administration	Emergency Housing Programme for the period 2012/2013	120	25 April 2014
	Corporate Projects	Fleet Management	200	20 March 2014
	Area Management	Swimming pools	90	20 June 2014
Directorate: Management Services	Management Services	Pre-determined objectives (4 <sup>th</sup> Quarter: 2012/2013)	120	08 August 2013
	Management Services	Pre-determined objectives (1 <sup>st</sup> Quarter: 2013/2014):	120	28 January 2014
	Management Services	Pre-determined objectives (2 <sup>nd</sup> Quarter : 2013/2014)	120	27 February 2014
	Management Services	Pre-determined objectives (3 <sup>rd</sup> Quarter: 2013/2014)	120	09 May 2014

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Description			No of Hours	Date completed
	Social Development	Social Development 2012/2013 & 2013/2014 Financial year up to 31 August 2013	150	17 October 2013
	Human Resources	Follow-up Internal Audit Report: Leave Administration	90	22 May 2014
Directorate: Infrastructure & Planning	Environmental Services	Administration of working for water projects for 2011/12 and 2012/13 Financial year(s)	90	21 August 2013
	Environmental Services	Management of Alien Vegetation invasion 2013/2014 Financial year	80	16 October 2013
	Building Control Services	Illegal structures and buildings	120	30 September 2013
Directorate: Local Economic Development	Local Economic Development	Memorandum: Rescheduling of Expanded Public Works Programme Audit	150	14 April 2014
	Local Economic Development	Contractor Development	150	15 November 2013
Directorate: Protection Services	Fire and Disaster	Management of Fire Fighting Services	150	31 March 2014
Municipal Manager/ Council	Performance Audit Committee	1 <sup>st</sup> Audit Report of the Performance Audit Committee (PAC) to the Overstrand Municipal Council period 2013/14	60	20 March 2014
	Performance Audit Committee	2 <sup>nd</sup> Audit Report of the Performance Audit Committee (PAC) to the Overstrand Municipal Council period 2013/14	60	02 June 2014
Ad-hoc Audit	Management request	Erf 11456 Hermanus: Transfer & rezoning of municipal property	90	28 February 2014
Ad-hoc Audit	Management request	Ward 4 Delays with ward project	90	28 February 2014
Ad-hoc Audit	Management request	Comments Regarding Alienation of Erf 11457 to Child Welfare SA (Hermanus)	90	19 December 2013
Ad-hoc Audit	Management request	Appointment of Professionals for building projects for a contract period ending 30 June 2015.	90	23 October 2013
Continuous Auditing/Consulting			360	Ongoing – monthly basis
Junior Internal Audit Assistance			250	Ongoing – daily basis
Training CPD			240	Ongoing
<b>Total Hours</b>			<b>4380</b>	

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**Table 46.: 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	April 2014
Risk based audit plan approved for 2013/14 financial year	12 September 2013
Internal audit programme drafted and approved	12 September 2013
Number of audits conducted and reported on	29
<b>Audit reports included the following key focus areas:</b>	
Internal controls	22
Accounting procedures and practices	3
Performance management	4

**Table 47.: Internal Audit Functions**

### 2.12 By-Laws and Policies

Section 11 of the MSA gives a Council 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
Integrated Waste Management	July 2013	YES	12 July 2013
Rules of Order- law	October 2013	YES	18 October 2013

**Table 48.: By-laws**

Below is a list of the policies – existing, developed and reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy Yes/No
Asset Management Policy	01 July 2012	Yes
Administration of Immovable Property Policy	27 May 2009	No
Borrowing Policy	01 July 2012	Yes
Budget Policy	01 July 2012	Yes
Customer Care, Credit Control and Debt Collection Policy	28 May 2014	Yes

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Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy Yes/No
Delegation of Powers and Duties Policy	26 July 2012	No
Electronic Communications Policy	29 August 2012	No
Funding and Reserves Policy	01 July 2012	Yes
Gift Policy for Officials	28 June 2011	No
Grant in Aid : Guidelines for Mayoral Grants	25 February 2014	No
Grant in Aid Policy	29 August 2012	No
Indigent Policy	29 May 2013	Yes
Investment Policy	01 July 2012	Yes
Maintenance Management Policy	31 August 2011	No
Petty Cash Policy	01 July 2012	Yes
Rates Policy	28 May 2014	Yes
Supply Chain Management Policy	28 May 2014	Yes
Tariff Policy	28 May 2014	Yes
Toegang tot Inligting	June 2013	No
Travel and Subsistence Policy	01 July 2012	No
Virement Policy	01 July 2012	Yes

**Table 49.: Policies**

### 2.13 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.

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the abovementioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of ***Batho Pele*** and this, in simple terms, means that those we elect to represent us (councillors at the municipal level) and those who are employed to serve us (the municipal officials at municipal level) must always put people first in what they do.

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South Africa has adopted a system of developmental local government, which addresses the inequalities, and backlogs of the past while ensuring that everyone has access to basic services, to opportunities and an improved quality of life.

To be successful, communications must focus on the issues that are shown to impact on the residents' perceptions, quality of service, value for money and efficiencies. They should ideally look to close the communication-consultation loop, i.e. tell people how they can have a say and demonstrate how those who have given their views have had a real impact.

Communication activities	Yes/No
Communication unit	Yes
Communication strategy	Yes
Communication Policy	Yes (in draft format)
Customer satisfaction surveys	Conducted every second year therefor no survey in 2013/14 next survey in 2014/15
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	Yes, monthly

**Table 50.: Communication Activities**

### 2.14 Website

A municipal website [www.overstrand.gov.za](http://www.overstrand.gov.za) is a key communication mechanism in terms of service offering, information sharing and public participation and 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
Annual budget and all budget-related documents	29 May 2013( Final)
Adjustment budget for 2013/14	Second Adjustments Budget February 2013/2014 Third Adjustments Budget June 2013/2014
Budget implementation policy: Tariff policy	28 May 2014
Budget implementation policy: Credit control policy	28 May 2014
Budget implementation policy: Valuation By-Law	-
Budget implementation policy: Rates policy	28 May 2014
Budget implementation policy: SCM policy	28 May 2014
Annual report for 2012/13	Audited Final AR 20 March 2014

## Chapter 2: Good Governance

Documents published on the Municipal website	Date Published
Performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act for 2011/12	24 June 2014
All quarterly reports tabled in the council in terms of section 52 (d) of the MFMA during 2011/12	<p>Quarterly Budget statements: Published in year 2013/2014 30 Jan 2014 (December 2013) 30 April 2014 (March 2014) 29 July 2014 (June 2014)</p> <p>SDBIP Quarterly Reports published on 11 November 2013 (1<sup>st</sup>) 22 January 2014 (2<sup>nd</sup>) 05 May 2014 (3<sup>rd</sup>) 23 July 2014 (4<sup>th</sup>)</p>

**Table 51.: Website Checklist**

### 2.14.1 Public satisfaction on municipal services

No customer satisfaction survey was conducted in the 2013/14 financial year, are conducted every two years. Next survey planned in 2014/15 financial year.

Satisfaction Surveys undertaken during: Year 2012/13				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
a) Municipality				Not asked
b) Municipal service delivery	Structured questionnaire	Apr/May 2013	1134	78%
c) Mayor				Not asked
Satisfaction with:				
a) Refuse removal	Structured questionnaire	Apr/May 2013	1134	77%
b) Road maintenance	Structured questionnaire	Apr/May 2013	1134	70%
c) Electricity supply	Structured	Apr/May 2013	1134	75%

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Satisfaction Surveys undertaken during: Year 2012/13				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
	questionnaire			
d) Water supply	Structured questionnaire	Apr/May 2013	1134	84%
e) Information supplied by the municipality to the public	Structured questionnaire	Apr/May 2013	1134	64%
f) Opportunities for consultation on municipal affairs	Structured questionnaire	Apr/May 2013	1134	58%

\*the percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory

**Table 52.: Satisfaction Surveys 2012/2013**

Satisfaction Surveys undertaken during: Year 2011/12				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
d) Municipality				Not asked
e) Municipal service delivery	Structured questionnaire	Feb/Mar 2012	3005	91%
f) Mayor				Not asked
Satisfaction with:				
g) Refuse removal	Structured questionnaire	Feb/Mar 2012	3005	89%
h) Road maintenance	Structured questionnaire	Feb/Mar 2012	3005	63%
i) Electricity supply	Structured questionnaire	Feb/Mar 2012	3005	75%
j) Water supply	Structured questionnaire	Feb/Mar 2012	3005	84%
k) Information supplied by the municipality to	Structured	Feb/Mar 2012	3005	66%

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Satisfaction Surveys undertaken during: Year 2011/12				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
the public	questionnaire			
l) Opportunities for consultation on municipal affairs	Structured questionnaire	Feb/Mar 2012	3005	66%

\*the percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory

**Table 53.: Satisfaction Surveys 2011/2012**

Municipal comments on the satisfaction levels:

- Satisfaction levels with the major municipal services – water and electricity – stayed the same from 2011/12 to 2012/13
- Satisfaction levels with the maintenance of roads improved markedly, from 63 per cent in 2012 to 70 per cent in 2013. During the past year a number of road construction projects took place, which can be the main cause of this positive perception.
- Satisfaction levels with refuse removal dropped with 12 percent, which can be attributed to the municipality's decision to reduce the number of removals in the Greater Hermanus area from twice a week to once a week.
- The 8 percent drop in perceptions regarding opportunities for consultation (which was asked as how accessible municipal officials and other resources are) can be attributed to a great number of major issues which were highlighted in the local media lately, varying from the R43 construction to the Geyser Control Project to the resistance against the budget proposals in certain communities.
- The previous factors mentioned also had an effect on the public's perception of the information supplied to the public, which dropped with two percentage points.

### 2.15 Supply Chain Management

The Supply Chain Management Policy of the Overstrand Municipality is deemed to be fair, equitable, transparent, competitive and cost-effective as required by Section 217 of the Constitution.

The Supply Chain Management Policy complies duly with the requirements of Section 112 of the MFMA as well as the Supply Chain Management Regulations. The Policy was drafted based on the SCM Model Policy issued by the National Treasury and amended to suit the local circumstances within the ambit of the regulatory framework and sometimes even stricter than the legal requirements.

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### 2.15.1 Competitive Bids in Excess of R200 000

#### a) Bid Committee Meetings

The following table details the number of bid committee meetings held for the 2013/14 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
145	72	46

**Table 54.: Bid Committee Meetings**

The attendance figures of members of the bid specification committee are as follows:

Member	Percentage attendance
In terms of Paragraph 27 of Council's Supply Chain Management Policy, the Bid Specification Committee must consist of a Supply Chain Management Official as well as the Director or his delegated official from the user-department. No Bid Specification Committee meeting will continue without the attendance of either of these members.	100%

**Table 55.: Attendance of members of bid specification committee**

The attendance figures of members of the bid evaluation committee are as follows:

Member	Percentage attendance
In terms of Paragraph 28 of Council's Supply Chain Management Policy, the two standing members of the Bid Evaluation Committee are the chairperson and any official who is a designated Manager in the municipality. A third member of the BEC is the official presenting the report on behalf of the user-department. No Bid Evaluation Committee meeting will continue without the attendance of either of these members.	100%

**Table 56.: Attendance of members of bid evaluation committee**

The attendance figures of members of the bid adjudication committee are as follows:

Member	Percentage attendance
Director: Finance- Chairperson	100%
Director: Community Services	97.5%
Director: Management Services	97.5%
Director: Protection Services	95%
Director: Infrastructure & Planning Services	92.50%
Director: Local Economic Development & Tourism	70%

**Table 57.: Attendance of members of bid adjudication committee**

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The percentages as indicated above include the attendance of those officials acting in the position of a bid committee member.

### *b) Awards Made by the Bid Adjudication Committee*

The ten highest bids awarded by the bid adjudication committee are as follows:

Bid number	Date of award	Title of bid	Successful Bidder	Value of bid awarded
<b>SC1337/2013</b>	2013/07/12	Management of Informal Settlements in the Overstrand Area	Metro Urban Management Support Services (Pty) Ltd	R 5,345,232.00
<b>SC1382/2013</b>	2013/10/04	Medium and low voltage upgrading in Gansbaai & Franskraal.	Adenco Construction (Pty) Ltd	R 5,827,264.98
<b>SC1378/2013</b>	2013/09/27	Paving of roads in Hawston Phase 3	Peter Starke Civils CC	R 5,173,961.36
<b>SC1398/2013</b>	2013/12/02	Upgrading of Kleinmond Soccer Field	Marina Landscaping Management (Pty) Ltd	R 6,764,328.86
<b>SC1409/2013</b>	2013/12/20	Upgrade of Kwaaiwater and Hawston Sub stations and 11KV network	Adenco Construction (Pty) Ltd	R 6,994,495.03
<b>SC1421/2013</b>	2013/12/20	Provision of small works and maintenance " as and when"	Alan Bailey Civil Engineering and Construction CC	R 8,721,000.00
<b>SC1400/2013</b>	2013/12/02	Upgrading of Pearly Beach, Gansbaai and De Kelders Water Reticulation Networks	Burmar Civils (Pty) Ltd	R 4,521,240.00
<b>SC1422/2013</b>	2014/02/28	Upgrading of residential roads in Zwelihle Phase 1	Cape Asphalt CC	R 7,807,949.49
<b>SC1434/2013</b>	2014/02/28	Sale of ERF 11154 - For an Oncology Unit	Annenprop 9 (Pty) Ltd	R 5,700,000.00
<b>SC1466/2014</b>	2014/06/06	Provision of Laboratory Services for the Monitoring of Water Quality with a contract period ending 30 June 2017	A.L. Abbott and Associates (Pty) Ltd	R 6,169,816.80

**Table 58.:** *Ten highest bids awarded by bid adjudication committee*

### *c) Awards Made by the Accounting Officer*

Bids awarded by the Accounting Officer are as follows:

Bid number	Title of bid	Directorate and section	Value of bid awarded
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Bid number	Title of bid	Directorate and section	Value of bid awarded
<b>SC1336/2013</b>	Replacement of Domestic Water Meters, Internal Water and Sewer Domestic Repairs for the Period ending 30 June 2016	Community Services	R 12,654,000.00
<b>SC0867B/2010</b>	Amendment of the contract agreement for the Management and Operation of the Hermanus Material Recovery Facility at the Hermanus Solid Waste Transfer Station	Infrastructure & Planning	R 15,172,293.23
<b>SC1416/2013</b>	Replacement of water pipes: Rooi-els to Hermanus	Infrastructure & Planning	R 26,448,000.00

**Table 59.: Awards made by Accounting Officer**

### *d) Appeals Lodged by Aggrieved Bidders*

Tender No	Description	Awarded to	Complainant	Date received	Outcome	Outcome Date
SC 1374/2013	Lease of a portion of erf 4771, Hermanus known as Dutchies Restaurant for operating a restaurant	SuperFecta Trading 608 CC	AJM Gonggrijp	2013/10/02	Resolved - Award upheld	2013/10/24
SC 1375/2013	Provision of cleaning services in Hermanus area with a contract period ending 30 June 2016	Autumn Skies Trading 491 CC	N Gardner	2013.10.17	Resolved - Award upheld	2013/10/24
SC 1379/2013	Provision of a parking management system for the Hermanus central business district	Numque 20 CC	Red Flare Technologies (Pty) Ltd	2013/11/08	Resolved - Award upheld	2013/11/22
SC 1409/2013	Upgrade of Kwaaiwater and Hawston switching stations and 11kv electrical network	Adencon Construction (Pty) Ltd	VE Reticulation (Pty) Ltd	2013/12/18	Resolved - Award upheld	2014/01/03
SC 1466/2014	Provision of Laboratory Services for the Monitoring of Water Quality with a contract period ending 30 June 2017	A.L. Abbott and Associates (Pty) Ltd	Integral Laboratories (Pty) Ltd	2014/06/13	Resolved - Award upheld	2014/07/16

**Table 60.: Appeals lodged by aggrieved bidders**

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### 2.15.3 Deviation from Normal Procurement Processes

The following table provides a summary of deviations approved on an annual and monthly basis respectively:

Type of deviation	Number of deviations	%	Value of deviations	Percentage of total deviations value
Clause 36(1)(a)(i)- Emergency	4	4.30	R 384,330.29	5.95
Clause 36(1)(a)(ii)- Sole Supplier	22	23.66	R 381,125.46	5.90
Clause 36(1)(a)(iii)- Unique arts	0	0	R 0.00	0
Clause 36(1)(a)(v)- Impractical / impossible	67	72.04	R 5,690,123.73	88.15
<b>Total</b>	<b>93</b>	<b>100</b>	<b>R 6,455,579.48</b>	<b>100</b>

*Table 61.: Summary of deviations*

Clause 36(1)(a)(v)- Deviations- Impractical and or Impossible

Type of deviation	Number of deviations	%	Value of deviations
Strip-and-quote	22	32.84	R 677,480.31
Impractical / impossible	27	40.30	R 2,113,490.12
Inadequate procurement planning	18	26.86	R 2,899,153.30
<b>Total</b>	<b>67</b>	<b>100</b>	<b>R 5,690,123.73</b>

*Table 62.: Clause 36(1)(a)(v)- Deviations- Impractical and or Impossible*

### 2.15.4 Logistics Management

The system of logistics management must ensure the following:

- the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- before payment is approved , certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;

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- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Each stock item at the municipal stores, are coded and are listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the Storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information should be communicated timely to the Stores section in order for them to gear them to order stock in excess of the normal levels.

Internal controls are in place to ensure that goods and service that are received are certified by the responsible person which is in line with the general conditions of contract. Regular checking of the condition of stock is performed. Annual stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

As at 30 June 2014, the value of stock at the municipal stores amounted to **R 8,271,377.15 (R 7,863,109.36 in 2012/13)**. For the **2013/2014** financial year a total of **R 9,908.81** were accounted for as surpluses (**R R 2,452.08 2012/13**), **R58,648.43** as deficits (**R 366.37 in 2012/13**) and no damaged stock items were reported. Discount forfeited for the **2013/2014** financial year amounted to **R R116.79**.

The system of disposal management must ensure the following:

- immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise, as community value makes up for the lower market value
- movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;

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- Immovable property is let at market related rates except when the public interest or plight of the poor demands otherwise;
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.
- We are complying with section 14 of the MFMA which deals with the disposal of capital assets.
- Assets must be disposed of in terms of Council's Asset Management Policy as well as
- the Immoveable Property Management Policy

### **CHAPTER 3**

This chapter provides an overview of the key service achievements of the municipality that came to fruition during 2013/14 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP. It furthermore, includes an overview on achievement in 2013/14 compared to actual performance in 2012/13.

#### **3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION**

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

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

The constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration
- to be transparent by providing information,
- to be responsive to the needs of the community,
- and to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to inform the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be

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## Chapter 3: Service Delivery Performance

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conducted, organised and managed, including determining the roles of the different role players.” Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

### 3.1.1 Legislative requirements

In terms of section 46(1)(a) a municipality must prepare for each financial year a performance report reflecting the municipality’s and any service provider’s performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

### 3.1.2 Organisation performance

Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is 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 report highlight the strategic performance in terms of the municipality’s Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act, 2000 and an overall summary of performance on a functional level and municipal services

### 3.1.3 The performance system followed for 2013/14

#### a) Adoption of a Performance Management Framework

The municipality adopted a performance management framework that was approved by Council on 25 June 2014.

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## Chapter 3: Service Delivery Performance

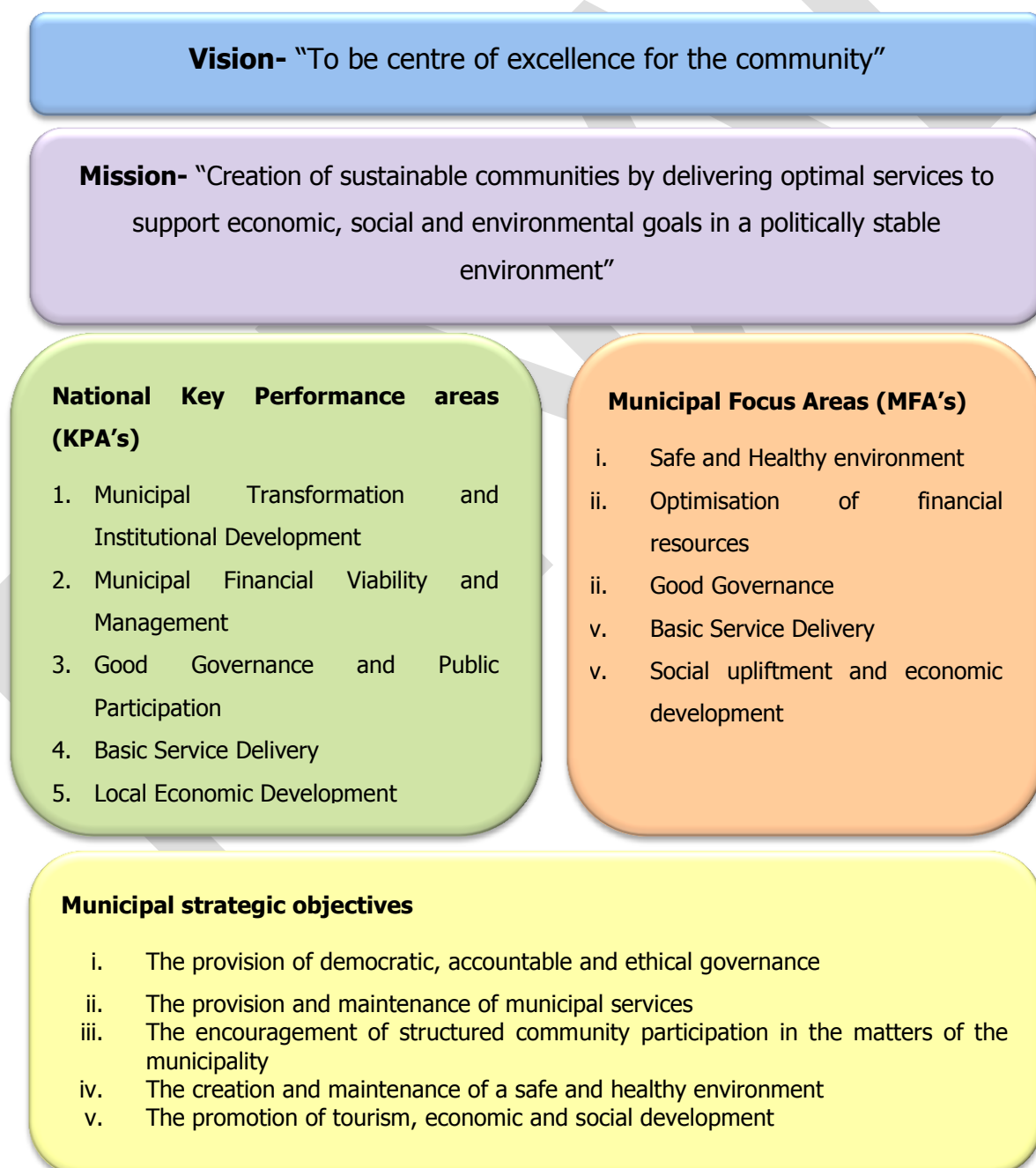
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### b) The IDP and the budget

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The 1<sup>st</sup> review of the 5 year IDP for 2013/14 and the budget for 2013/14 were approved by Council on 29 May 2013. The IDP process and the performance management process are integrated. The IDP fulfills the planning stage of performance management. Performance management in turn, fulfills the implementation management, monitoring and evaluation of the IDP.

The strategy map below illustrates the strategic link of the focus areas of the municipality with the National Key Performance Areas. The National Key Performance Areas is aligned with the strategic objectives that were identified in the 2013/14 IDP review.



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### c) The Service Delivery Budget Implementation Plan

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The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the service delivery budget implementation plan (SDBIP) at directorate and departmental levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

The MFMA Circular No.13 prescribes that:

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

The SDBIP were prepared as described in the paragraphs below and the Top Layer SDBIP approved by the Executive Mayor on 13 June 2013.

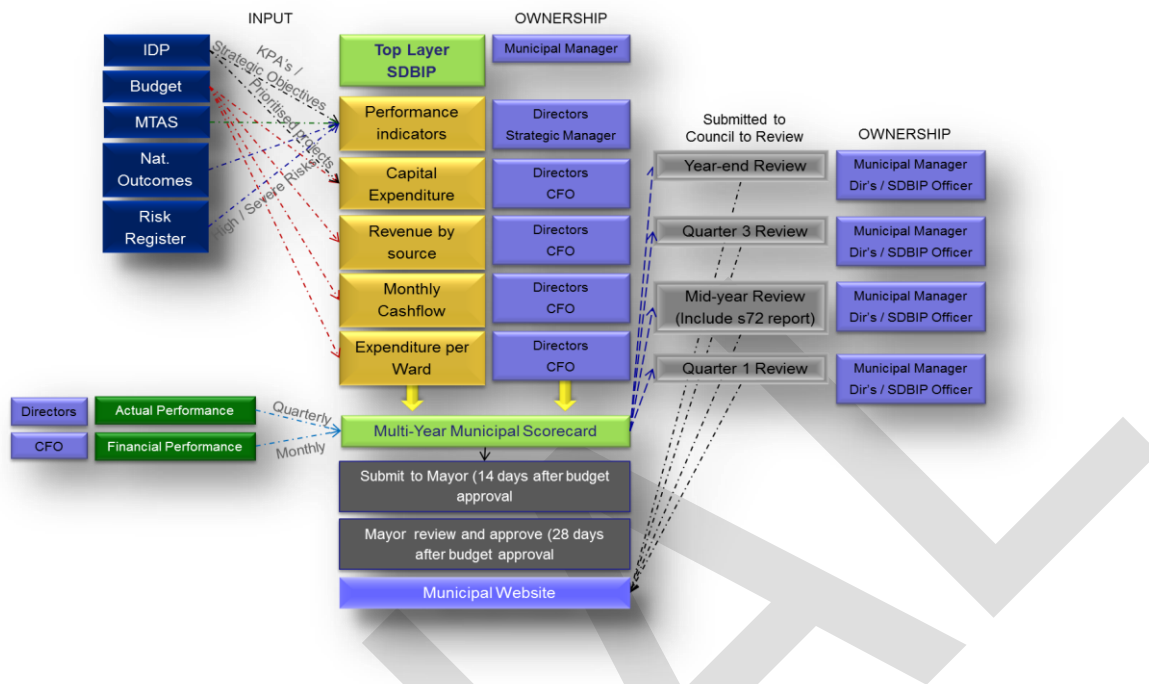
### d) The municipal scorecard (Top Layer SDBIP)

The municipal scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council / senior management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. Components of the Top Layer SDBIP include:

- **One-year** detailed plan, but should include a **three-year capital plan**
- The 5 necessary components includes:
- Monthly projections of revenue to be collected for each source
- Expected revenue to be collected NOT billed
- Monthly projections of expenditure (operating and capital) and revenue for each vote
- Section 71 format (Monthly budget statements)
- Quarterly projections of service delivery targets and performance indicators for each vote
- Non-financial measurable performance objectives in the form of targets and indicators
- Output NOT input / internal management objectives
- Level and standard of service being provided to the community
- Ward information for expenditure and service delivery
- Detailed capital project plan broken down by ward over three years

The following diagram illustrates the establishment, components and review of the municipal scorecard (Top Layer SDBIP):

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

- Key performance indicators (KPI's) for the programmes / activities identified to address the strategic objectives as documented in the IDP.
- KPI's identified during the IDP and KPI's that need to be reported to key municipal stakeholders.
- KPI's to address the required National Agenda Outcomes, priorities and minimum reporting requirements.
- The municipal turnaround strategy (MTAS)

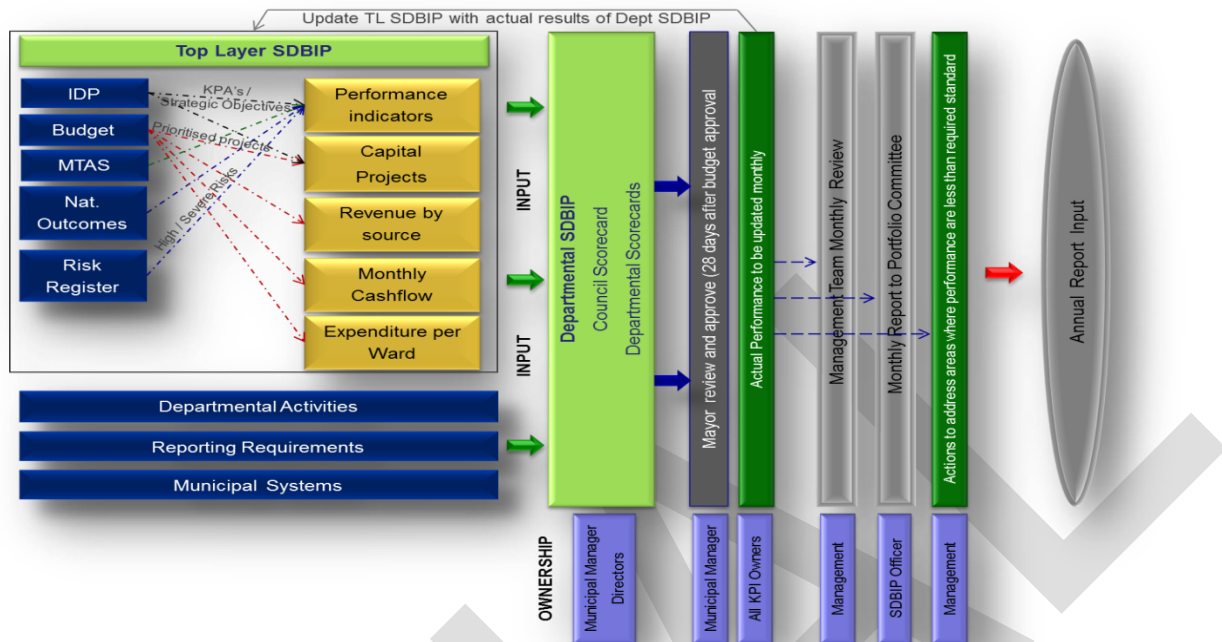
It is important to note that the municipal manager needs to implement the necessary systems and processes to provide the POE's for reporting and auditing purposes.

### e) *Directorate/Departmental scorecards*

The directorate and departmental scorecards (detail SDBIP) capture the performance of each defined directorate or department. Unlike the municipal scorecard, which reflects on the strategic performance of the municipality, the departmental SDBIP provide detail of each outcome for which top management are responsible for, in other words a comprehensive picture of the performance of that directorate/sub-directorate. It was compiled by **senior managers** for their **directorate** and consists of objectives, indicators and targets derived from the approved Top Layer SDBIP, the approved budget and measurable service delivery indicators related to each functional area.

The following diagram illustrates the establishment, components and review of the departmental SDBIP:

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KPI's were developed for Council, the Office of the Municipal Manager and for each Directorate. The KPI's:

- Address the TL KPI's by means of KPI's for the relevant section responsible for the KPI.
- Include the capital projects KPI's for projects. The targets are aligned with the projected monthly budget and project plans.
- Address the key departmental activities.
- Each KPI have clear monthly targets and are assigned to the person responsible for the KPI's.

### d) Actual performance

The municipality utilizes an electronic web based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set.
- The output/outcome of achieving the KPI.
- The calculation of the actual performance reported. (If %)
- A performance comment.
- Actions to improve the performance against the target set, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

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## Chapter 3: Service Delivery Performance

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### 3.1.4 Performance Management

Performance management is prescribed by Chapter 6 of the Municipal Systems Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7 (1) of the aforementioned regulation states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players." This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The municipality adopted a performance management framework that was approved by Council on 25 June 2014.

#### a) Organisational Performance

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The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

- The Top Layer SDBIP was approved by the Mayor on 13 June 2013 and the information was loaded on an electronic web based system.
- The web based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets by the 15<sup>th</sup> of every month for the previous month's performance.
- Additionally, the performance system administrator reminded all departments on a monthly basis to update their actual performance on the web based system.
- The first quarterly report was submitted to Council on the 30<sup>th</sup> of October 2013 (Agenda item 5.1) and the second quarterly report submitted on the 22<sup>nd</sup> of January 2014 (Agenda item 4.6). The third quarter report was submitted to Council on the 23<sup>th</sup> of April 2014 (Agenda item 5.3).
- The Quarterly SDBIP performance reports are also submitted to the Performance Audit Committee. The quarterly reports were submitted to the committee on the 6<sup>th</sup> of March 2014 and the 26<sup>th</sup> of May 2014.
- Internal Audit performed a statutory compliance review which included revision of the information contained in the budget / SDBIP and reviewed IDP and reported thereon. In addition, a compliance review was performed on the submission of the budget / SDBIP and performance agreements of managers reporting directly to the Municipal Manager to ensure compliance to the relevant legislative requirements. Furthermore, a review of the 4<sup>th</sup> quarter performance proof of evidence against signed-off key performance indicators for 2013/14, were performed.

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## Chapter 3: Service Delivery Performance

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### b) Individual Performance Management

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#### *Municipal Manager and Managers directly accountable to the Municipal Manager*

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the 2013/14 financial year were signed during July 2013 as prescribed.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2012/13 financial year (1 January 2013 to 30 June 2013) took place on 14 October 2013 and the mid-year performance of 2013/14 (1 July 2013 to 31 December 2013) took place on 4 April 2014.

The appraisals was done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- Executive Mayor
- Portfolio Chairperson
- Municipal Manager
- Chairperson of the Audit Committee
- Municipal manager from other municipality

#### *Other municipal personnel*

All staff on post level T-3 to T-19 signed performance agreements or performance development plans for the 2013/14 financial year in all the Directorates with the exception of the Community Services Directorate. The final evaluation of the 2012/13 financial year (1 January 2013 to 30 June 2013) took place during July and August 2013 and the mid-year performance of 2013/14 (1 July 2013 to 31 December 2013) took place during January 2014.

The municipality is in process of implementing individual performance management to lower level staff in annual phases. Staff in all the Directorates with the exception of staff below supervisory level in Community Services Directorate is completing Performance Agreements or Performance development Plans. The scheduled date of full implementation in this directorate is by 30 September 2014. It remains a challenge to introduce Performance Management in a Directorate as large as that of Community Services.

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## Chapter 3: Service Delivery Performance

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### 3.2 INTRODUCTION TO STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2013/14

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#### 3.2.1 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)

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to the Strategic Objectives linked to the Municipal KPA's.

The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (kpi's) of the SDBIP is measured:

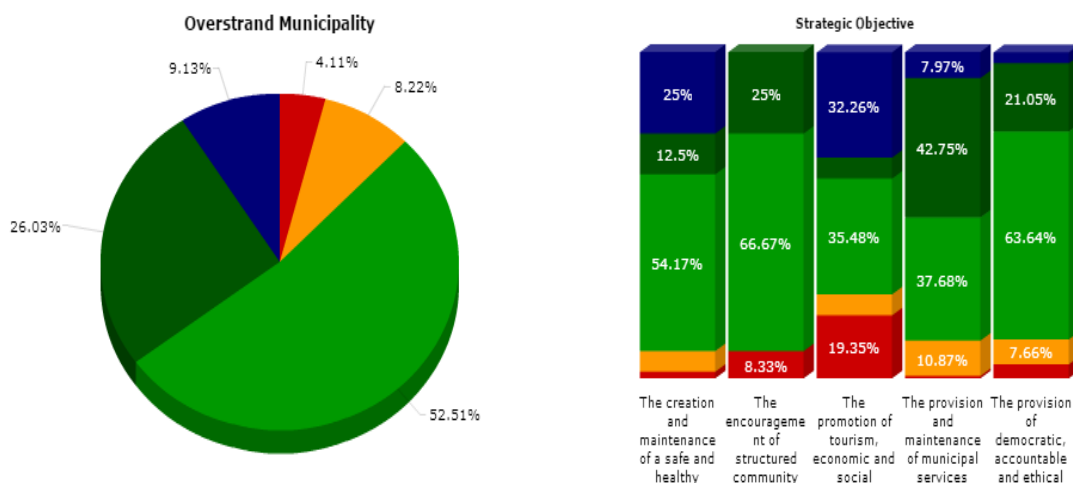
Category	Color	Explanation
KPI's Not Yet Measured	Grey	KPIs with no targets or actuals in the selected period.
KPI's Not Met	Red	0% $\geq$ Actual/Target < 75%
KPI's Almost Met	Orange	75% $\geq$ Actual/Target < 100%
KPI's Met	Green	Actual/Target = 100%
KPI's Well Met	Dark Green	100% > Actual/Target <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

**Figure 2.: SDBIP Measurement Categories**

*Note: The system descriptions for the Top layer (TL) kpi's is available at the Strategic Services department for clarity on the process followed to reach the KPI's that were set for the financial year.*

## Chapter 3: Service Delivery Performance

The graph below displays the overall performance per Strategic objective for 2013/14



**Graph 4.: Overall performance per Strategic Objective**

### a) Top Layer SDBIP – Provision of democratic, accountable and ethical governance

The IDP Strategic objective “*The provision of democratic, accountable and ethical governance*” is linked to the Municipal Key Performance Areas namely “*Good Governance*” and “*Optimisation of financial resources*”.

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/14						Actual	Corrective Measures	
						Target					Actual			Corrective Measures
						Q1	Q2	Q3	Q4	Annual Target				
TL1	The provision of democratic, accountable and ethical governance	98% of the operational conditional grant (Libraries, CDW) spent (Actual expenditure divided by the total grant received)	% of total conditional operational grants spent (Libraries, CDW)	All	100%	20%	55%	75%	98%	98%	100.45%	Target met	well met	
TL9	The provision of democratic, accountable and ethical governance	Bi-annual workshop with management to promote sound municipal administration	Number of workshops	All	2	0	1	0	1	2	2	Target met		
TL10	The provision of democratic, accountable and ethical governance	Quarterly revision of top 10 risks and quarterly progress reports on corrective action to address risks to	Number of progress reports	All	4	1	1	1	1	4	4	Target met		

## Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/14						
						Target					Actual	Corrective Measures
						Q1	Q2	Q3	Q4	Annual Target		
TL11	The provision of democratic, accountable and ethical governance	Executive Management Team Quarterly report to the Audit Committee on progress with implementation of key controls as identified in key control deficiencies	Quarterly reports submitted on achievement of committed dates	All	3	1	1	1	1	4	4	Target met
TL12	The provision of democratic, accountable and ethical governance	Risk based audit plan approved by the Audit Committee by the end of September	Plan approved	All	100%	1	0	0	0	1	1	Target met
TL25	The provision of democratic, accountable and ethical governance	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	All	3.49	0	0	0	1.7	1.7	2.3	Target met well met
TL26	The provision of democratic, accountable and ethical governance	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations ((Total operating revenue- operating grants received)/debt service payments due within the year) (%)	Ratio achieved	All	17.46	0	0	0	21.6	21.6	16.90	The establishment of the targets should be reviewed as it is not in line with current trends relating to the financing strategy of the municipality

## Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/14						
						Target					Actual	Corrective Measures
						Q1	Q2	Q3	Q4	Annual Target		
TL27	The provision of democratic, accountable and ethical governance	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	All	11.9%	0%	0%	0%	14.50%	14.50%	10.4%	Extremely well met
TL28	The provision of democratic, accountable and ethical governance	Achieve a debt recovery rate not less than 90%	% recovered	All	100.44%	90%	90%	90%	90%	90%	100.34	Target well met
TL29	The provision of democratic, accountable and ethical governance	Financial statements submitted to the Auditor-General by 31 August	Financial statements submitted	All	1	1	0	0	0	1	1	Target met
TL30	The provision of democratic, accountable and ethical governance	Appointment of a Service Provider by the end of June 2014, to compile and submit a feasible capital funding plan.	Appointment of Service Provider	All	New performance indicator for 2013/14. No comparatives available	0	0	0	1	1	1	Target met
TL44	The provision of democratic, accountable and ethical governance	1% of the operational budget spent on skills development (Actual expenditure divided by total operational budget)	% of the budget spent on implementation of the WSP	All	New performance indicator for 2013/14. No comparatives available	0%	0%	0%	1%	1%	1%	Target met
TL45	The provision of democratic, accountable and ethical governance	Review the Municipal Organisational Staff Structure by the end of June	Structure reviewed	All	New performance indicator for 2013/14. No comparatives available	0	0	0	1	1	1	Target met
TL46	The provision of democratic, accountable and ethical governance	Review the Performance Management Framework by the end of February	Framework reviewed	All	New performance indicator for 2013/14. No comparatives available	0	0	1	0	1	1	Target met
TL47	The provision of democratic, accountable and ethical governance	Revise the Section 14 Access to Information Manual by the end of June to ensure	Policy revised	All	1	0	0	0	1	1	1	Target met

## Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/14							
						Target					Actual	Corrective Measures	
						Q1	Q2	Q3	Q4	Annual Target			
		compliant and up to date policies											
TL48	The provision of democratic, accountable and ethical governance	90% of the approved and funded organogram filled	% filled	All	92.86%	90%	90%	90%	90%	90%	92.41%	Target met	well met
TL49	The provision of democratic, accountable and ethical governance	Review identified HR policies by the end of June	Number of policies reviewed	All	New performance indicator for 2013/14. No comparatives available	1	1	1	1	4	5	Target well met	
TL64	The provision of democratic, accountable and ethical governance	Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP.	% of the capital budget spent	All	New kpi	5%	20%	50%	90%	90%	93.77%	Target well met	
TL65	The provision of democratic, accountable and ethical governance	Monitor and report on the achievement of employment equity targets	Number of reports to the employment equity committee	All	New performance indicator for 2013/14. No comparatives available	1	0	1	0	2	2	Target met	

**Table 63.:** Top Layer SDBIP – Provision of democratic, accountable and ethical governance

### b) Top Layer SDBIP – The Encouragement of Structured Community Participation in the matters of the Municipality

The IDP Strategic objective "The Encouragement of structured community participation in the matters of the municipality" is linked to the Municipal Key Performance Area namely "Good Governance".

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/14						
						Target					Actual	Corrective Measures
						Q1	Q2	Q3	Q4	Annual Target		

## Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/14								
						Target					Actual	Corrective Measures		
						Q1	Q2	Q3	Q4	Annual Target				
TL8	The encouragement of structured community participation in the matters of the municipality	Ward committee meetings held to facilitate consistent and regular communication with residents	Number of ward committee meetings per ward per annum	All	8	2	2	2	2	2	8	9	Target met	well

**Table 64.:** *Top Layer SDBIP – The encouragement of structured community participation in the matters of the municipality*

### c) Top Layer SDBIP – Creation and Maintenance of a Safe and Healthy Environment

The IDP strategic objective “*The creation and maintenance of a safe and healthy environment*” is linked to the Municipal Key Performance Area namely “*Safe and Healthy Environment*”.

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/14								
						Target					Actual	Corrective Measures		
						Q1	Q2	Q3	Q4	Annual Target				
TL51	The creation and maintenance of a safe and healthy environment	Annually review and submit Disaster Management Plan to the District by the end of March	Plan reviewed	All	1	0	0	1	0	1	1	1	Target met	
TL52	The creation and maintenance of a safe and healthy environment	Arrange public safety awareness campaigns	Number of campaigns held	All	60	4	4	4	4	16	55		Target extremely met	well

## Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/14						Actual	Corrective Measures
						Target							
						Q1	Q2	Q3	Q4	Annual Target			
TL53	The creation and maintenance of a safe and healthy environment	Annually review Community Safety Plan by the end of June in conjunction with the Department of Community Safety	Plan reviewed	All	1	0	0	0	1	1	1		Target met
TL54	The creation and maintenance of a safe and healthy environment	Establishment of the Municipal Court by the end of June 2014 to enhance effective law enforcement (MOU signed, appoint staff, facilities)	Number of activities completed	All	0	1	0	2	0	3	1		MOU: In principle agreement and approval from Dept of Justice. Application from Overstrand Municipality was submitted. Await final approval for department. Staff Establishment: Prosecutor to be appointed. Request for creation of additional posts submitted and restructuring of organogram to be submitted to LLF in September 2014. Building: In progress, to be completed in September '14

## Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/14						Actual	Corrective Measures
						Target					Annual Target		
						Q1	Q2	Q3	Q4	Annual Target			
TL55	The creation and maintenance of a safe and healthy environment	Review the Fire Management Plan by the end of March 2014	Plan reviewed	All	1	0	0	1	0	1	1	Target met	
TL56	The creation and maintenance of a safe and healthy environment	Perform compliance inspections in terms of the National Standard for community fire protection as specified in SANS 10090	Number of inspections performed	All	New Key Performance Indicator for 2013/14. No comparatives available	300	300	300	300	1,200	6,574	Target extremely well met	
TL57	The creation and maintenance of a safe and healthy environment	Inspect and assess municipal infrastructure and role players to ensure disaster operational readiness	Assessment report	All	1	0	0	0	1	1	1	Target met	
TL58	The creation and maintenance of a safe and healthy environment	By-law enforcement education and awareness to the community	Number of initiatives	All	11	1	1	1	1	4	4	Target met	
TL59	The creation and maintenance of a safe and healthy environment	Optimal collection of fines issued for the financial year	R-value of fines collected per quarter	All	R5,730.902	R 1,250,000	R 1,250,000	R 1,250,000	R 1,250,000	R 5,000,000	R 5,154,575	Target well met	

**Table 65.: Top Layer SDBIP – Creation and Maintenance of a safe and healthy environment**

## Chapter 3: Service Delivery Performance

### d) Top Layer SDBIP – The Promotion of Tourism, Economic and Social Development

The IDP strategic objective "*The promotion of tourism, economic and social development*" is linked to the Municipal Key Performance Area namely "*Social upliftment and Economic development*".

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance 2013/14						Actual	Corrective Measures
						Target							
						Q1	Q2	Q3	Q4	Annual Target			
TL13	The promotion of tourism, economic and social development	Develop of a world class website/e-business platform for marketing and branding of Overstrand by the end of December	Website/e-business platform completed	All	1	0	1	0	0	1	1	Target met	
TL14	The promotion of tourism, economic and social development	Assess impact of 2 major festivals into the local economy	Assessments completed	All	New Key Performance indicator for 2013/14. No Comparatives available	0	1	0	1	2	2	Target met	
TL15	The promotion of tourism, economic and social development	Support thirty SMME's and start-up businesses	Number of start-up businesses and SMME's	All	23	5	10	5	10	30	45	Target extremely well met	
TL16	The promotion of tourism, economic and social development	Implement eight initiatives aimed at SSME support and stakeholder engagement	Number of initiatives	All	New kpi	2	2	2	2	8	23	Target extremely well met	
TL17	The promotion of tourism, economic and social development	The number of people supported through the walk in centre and outreach	Number of people supported	All	New kpi	30	30	30	30	120	1,261	Target extremely well met	
TL18	The promotion of tourism, economic and social development	The number of job opportunities created through the EPWP programme and as per set targets (grant agreement - 77 FTE's)	Number of temporary jobs created	All	609	0	250	125	125	500	517	Target well met	

## Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance 2013/14						Actual	Corrective Measures
						Target							
						Q1	Q2	Q3	Q4	Annual Target			
TL19	The promotion of tourism, economic and social development	Complete the informal trade policy/management of trading sites by the end of September	Policy completed	All	1	1	0	0	0	1	1	Target met	
TL20	The promotion of tourism, economic and social development	Outreach programme inclusive of Overstrand municipal area	Number of initiatives	All	New kpi	2	2	2	2	8	16	Target extremely well met	
TL21	The promotion of tourism, economic and social development	Review the LED strategy by the end of March 2014	Strategy reviewed	All	New kpi	0	0	1	0	1	0	Currently extracting information from the Municipal Economic Review & Outlook 2013 (MERO) to engage a service provider to conduct the economic review and profile based on new statistics and context.	
TL22	The promotion of tourism, economic and social development	Improve the LED maturity assessment position by 2 points	Points improved	All	New kpi	1	0	1	0	2	1	Assessment was done in February 2014. Only 1 date was received from Provincial Dept of Economic Development and Tourism for 2013/14.	
TL23	The promotion of tourism, economic and social development	Compile an action plan to improve on the LED maturity assessment	Plan completed	All	New kpi	1	0	1	0	2	2	Target met	
TL24	The promotion of tourism, economic and social development	Develop a Tourism Marketing and Branding Strategy by the end of December 2013	Strategy developed	All	New kpi	0	1	0	0	1	1	Target met	

## Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance 2013/14						
						Target					Actual	Corrective Measures
						Q1	Q2	Q3	Q4	Annual Target		
TL50	The promotion of tourism, economic and social development	Establish partnerships to assist social development strategy delivery	Number of partnerships	All	New kpi. No comparatives available	0	0	0	3	3	3	Target met

**Table 66.: Top Layer SDBIP – The promotion of Tourism, Economic and Social Development**

### e) Top Layer SDBIP – Basic Service Delivery

The IDP strategic objective "The provision and maintenance of municipal services" is linked to the Municipal Key Performance Area namely "Basic Service Delivery".

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/14						
						Target					Actual	Corrective Measures
						Q1	Q2	Q3	Q4	Annual Target		
TL2	The provision and maintenance of municipal services	Emergency control room measured by the daily recording of enquiries/requests on EMIS completed within the next calendar month	% completed	All	93.42	92%	92%	92%	92%	92%	95.58%	Target well met
TL3	The provision and maintenance of municipal services	m <sup>2</sup> of roads resealed according to approved Paveman Management System within available budget	m <sup>2</sup> of roads resealed	All	216,162	10,000	65,000	105,000	120,000	120,000	101,560	Budget allocation was increased with the objective to achieve target in the 2014/15 financial year.
TL4	The provision and maintenance of municipal services	Cleaning of stormwater infrastructure twice per annum	Number of cleaning cycles	All	2	0	1	0	1	2	2	Target met
TL5	The provision and maintenance of municipal services	Quality of effluent comply 90% with SANS 241	% compliance	All	86.02%	90%	90%	90%	90%	90%	82.78%	Under performance due to maintenance challenges reported

## Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/14						
						Target					Actual	Corrective Measures
						Q1	Q2	Q3	Q4	Annual Target		
												on in the first 3 quarters. Complied in the 4th quarter.
TL6	The provision and maintenance of municipal services	Quality of potable water comply 95% with SANS 241	% compliance	All	New kpi	95%	95%	95%	95%	95%	95.38%	Target well met
TL7	The provision and maintenance of municipal services	Limit unaccounted water to less than 25%	% of water unaccounted for	All	20.1%	0%	0%	0%	25%	25%	21.5%	Target extremely well met
TL31	The provision and maintenance of municipal services	Limit electricity losses to 8.5% or less	% of electricity unaccounted for	All	6.88%	0%	0%	0%	8.50%	8.50%	5.95%	Target extremely well met
TL32	The provision and maintenance of municipal services	Complete construction of the new 66kV substation in Hermanus by the end of December 2013	% completion of the project	5	91%	0%	100%	0%	0%	100%	100%	Target met
TL33	The provision and maintenance of municipal services	Replace main substation switch gear in Kleinmond by the end of December 2013	% completion of the project	9	100%	0%	100%	0%	0%	100%	100%	Target met
TL34	The provision and maintenance of municipal services	Public awareness drives/programmes together with to water programmes, environmental programmes and solid waste	Number of drives/programmes	All	14	2	2	2	2	8	14	Target extremely well met
TL35	The provision and maintenance of municipal services	Construct top structures for the Eluxolweni housing project by the end of June	Number of top structures	11	New kpi	0	0	0	150	150	183	Target well met

## Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/14						
						Target					Actual	Corrective Measures
						Q1	Q2	Q3	Q4	Annual Target		
TL36	The provision and maintenance of municipal services	Complete construction of Phase 1 of the Hermanus parallel road by the end of March 2014	% completion of the project	3	78%	0%	0%	100%	0%	100%	100%	Target met
TL37	The provision and maintenance of municipal services	Complete the upgrade (gravel to paved) of roads in Hawston by the end of June	Km's of gravel paved	8	New kpi	0	0	0	1.7	1.7	1.7	Target met
TL38	The provision and maintenance of municipal services	Replacement of water pipes in Overstrand to limit unaccounted water	% of allocated budget spent	All	15.90	0%	0%	0%	100%	100%	100%	Target met
TL39	The provision and maintenance of municipal services	Complete the bulk water supply upgrade of Baardskeedersbos by the end of March 2014	Project completed	All	New kpi	0	0	1	0	1	1	The new Baardskeedersbos WTW was commissioned and put into operation in March 2014
TL40	The provision and maintenance of municipal services	Complete development of a new cell at Gansbaai landfill site by the end of December 2013	% completion of the project	All	77%	0%	100%	0%	0%	100%	100%	Project completed in May 2014 due to unforeseen delays (rainy season)
TL41	The provision and maintenance of municipal services	Achieve two Green Drop awards	Number of awards	All	0	2	0	0	0	2	4	Target extremely well met
TL42	The provision and maintenance of municipal services	Development and approval of the Spatial Development Framework and Environmental Management Framework by the end of June	Plan developed and approved	All	New kpi	0	0	0	1	1	1	Target met

## Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/14						
						Target					Actual	Corrective Measures
						Q1	Q2	Q3	Q4	Annual Target		
TL43	The provision and maintenance of municipal services	Report on the implementation of the Water Service Development plan annually by the end of October	Report submitted	All	1	0	1	0	0	1	1	Target met
TL60	The provision and maintenance of municipal services	Provision of cleaned piped water to all formal HH within 200 m from households	No of formal HH that meet agreed service standards for piped water	All	New kpi	25,426	27,834	27,944	28,288	27,373	27,373	Target met
TL61	The provision and maintenance of municipal services	Provision of refuse removal, refuse dumps and solid waste disposal to all formal households	Number of formal areas for which refuse is removed at least once a week	All	New kpi	39,098	32,681	32,692	32,728	34,299.75	34,299.75	Target met
TL62	The provision and maintenance of municipal services	Provision of Electricity: Number of metered electrical connections in formal area (Eskom Areas excluded)	Number of formal household that meet agreed service standards	All	New kpi	21,998	21,998	21,998	21,998	21,998	25,751.75	Target well met
TL63	The provision and maintenance of municipal services	Provision of free basic electricity, refuse removal, sanitation and water in terms of the equitable share requirements	Number of households	All		5,800	5,800	5,800	5,800	5,800	6,536.42	Target well met
TL66	The provision and maintenance of municipal services	Provision of sanitation systems limited to domestic waste water and sewerage disposal to formal households	Number of formal areas that have at least VIP on site	All	31,221	31,342	31,160	31,195	31,228	31,231.25	31,231.25	Target met

**Table 67.: Top Layer SDBIP – Basic Service Delivery**

## Chapter 3: Service Delivery Performance

### 3.2.2 Service Providers Strategic Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement.

Service provider means a person or institution or any combination of persons and institutions which provide a municipal service

- External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.

Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

- The performance of each service provider
- a Comparison of the performance with targets set for and performances in the previous financial year; and
- measures taken to improve performance

Section 116(2) of the MFMA further states:

The accounting officer of a municipality must:

- take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;
- monitor on a monthly basis the performance of the contractor under the contract or agreement;

The purpose of this section is to provide information related to the performance of external service providers. Only services rendered for an amount more than **R200 000** are listed.

The table below indicates service providers utilised according to functional areas:

#### i) Office of the Municipal Manager

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
None	N/A	N/A	N/A	N/A	N/A	N/A

**Table 68.:** Service Providers Performance – Municipal Manager

## Chapter 3: Service Delivery Performance

### ii) Economic Development Services

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Amendment of SCD2143/2011 for the rental of office accommodation for the LED department, Arvesco : sc1323/2013	Arvesco 100 (PTY) LTD	Leasing of office space for the led department	3.00	Renting premises	3	Satisfactory

**Table 69.: Service Providers Performance – Economic Development Services**

### iii) Financial Services

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Provision of comprehensive banking services	Absa bank ltd	Banking services	5.00	Banking services	3	Satisfactory
Provision of loan finance to Overstrand Municipality	Absa corporate and business bank	External loan finance	15.01	Interest rates as agreed	3	Satisfactory
Supply and delivery of printing paper and ink cartridges for Overstrand Municipality	Khusela solutions	Supply & delivery of printing paper an cartridges	1.94	Timeous delivery of item	3	Satisfactory
				Delivery of correct items according to specs	3	Satisfactory
Provision of online electronic deeds, CIPC and credit search service	Law data solutions (PTY) LTD	Electronic searches	3.00	Correctness of report & query templates	3	Satisfactory
				Availability of real-time information on the website	3	Satisfactory
				Correctness of pricing	3	Satisfactory
Provision of water and electrical meter reading services	Arendse RW	Submission and completion of meter readings	2.75	Timeously presentation of meter readings	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Provision of water and electrical meter reading services	Kuntwela Emanzi ventures CC	Submission and completion of meter readings	2.75	Timeously presentation of meter readings	3	Satisfactory
Appointment of suitable qualified service provider for the execution of both a general and supplementary valuations of all properties in the Municipal area of jurisdiction	Boland Valuers CC	Completion of valuation roll	4.41	Quality of products	3	Satisfactory
				Reports submitted within time	3	Satisfactory
				Data in format as needed.	3	Satisfactory
Supply and delivery of printing paper and ink cartridges for Overstrand Municipality	Bytes Document Solutions	Supply & delivery of printing paper an cartridges	1.94	Timeous delivery of items	3	Satisfactory
				Quality of items	3	Satisfactory
Supply and delivery of printing paper and ink cartridges for Overstrand Municipality	Zenobia Trading 209	Supply & delivery of printing paper an cartridges	1.94	Delivery of items within time frame	3	Satisfactory
				Quality of items	3	Satisfactory
The purchase of pole mounted transformers via a alternative service provider due to the current contractor reticulation & general suppliers being liquidated	Power transformers (PTY) LTD	Supply and deliver pole mounted transformers	0.08	Timeous delivery of product within specs quality and cost agreed	3	Satisfactory
The procurement of storm-water pipes to ensure the completion of various capital projects before the 2013/2014 financial year	VW civil Engineering Supplies CC	Supply and deliver storm-water pipes	0.08	Timeous delivery of product within specs quality and cost agreed	3	Satisfactory
Provision and administration of electricity prepayment uniform vending system	Syntell (PTY) LTD	Provision and administration of electricity prepaid	2.71	Provision and administration of an electricity prepayment vending system	3	Satisfactory
Supply and delivery of printing paper and ink cartridges to Overstrand Municipality	Rays Graphic Print CC	Supply and delivery	1.94	Delivery of items within stipulated time frame	3	Satisfactory
				Quality of products	3	Satisfactory
Development of a long financial plan for Overstrand Municipality	Inca Portfolio Managers (PTY) LTD	Compilation of a long term financial plan	0.25	Financial plan delivered as specified in contract	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
				Financial plan delivered within time frame	3	Satisfactory
Cash-in-transit services	G4s	Collect and bank of monies	3.00	G4s	3	Satisfactory
Supply and delivery of inventory items to Overstrand Municipality for a contract period ending June 2015	Safety Chemicals CC		1.71	Timeous delivery of product	3	Satisfactory
Financial services support	Ducharme Consulting (PTY) LTD	Provision of financial services support	1.00	Timeously deliverance of consultancy services and support as per agreed tender specifications	3	Satisfactory
				Consulting services support within agreed cost framework.	3	Satisfactory
Provision of meter reading software on mobile device	Motla Consulting Engineers (PTY) LTD	Provision of meter reading software	2.82	Provision of meter reading software for mobile device	3	Satisfactory
Management of short term insurance portfolio: Overstrand Municipality	Aon South Africa	Insurance services	3.00	KPI AON	2	Poor-still catching up on backlog of outstanding claims
Disconnection and reconnection of electricity supply & installation and removal of water flow restrictors	KEV Accurate Measuring	Disconnection/rest riction and connection of service	3.00	Deliver of service on time	3	Satisfactory
				Disconnection due to arrears - must be executed within 12 hours of receiving the notice from the Municipality	3	Satisfactory
				The list of disconnections and reconnection must be signed off and returned to the authorised official within 12 hours of completion	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Provision of water and electrical meter reading services	Gk cleaning services	Submission and completion of meter readings	2.75	Timeously presenting of meter readings	3	Satisfactory
Provision of water and electrical meter reading services	Botes contractors	Submission and completion of meter readings	2.75	Timeously presentation of meter readings	3	Satisfactory
Printing and distribution of Municipal accounts	Cab holdings (PTY) LTD	Printing and distribution of Municipal accounts	0.92	Printing and distribution of Municipal accounts and newsletter	3	Satisfactory
Supply and delivery of electrical inventory items for a period of 2 years	Landis and GYR (PTY) LTD	Supply and delivery of electrical inventory items	2.16	Timeous delivery of products	3	Satisfactory
				Quality of product	3	Satisfactory
Supply and delivery of electrical inventory items for a period of 2 years	ABB South Africa (PTY) LTD	Supply and delivery of electrical inventory items	2.16	Timeous delivery of products	3	Satisfactory
				Quality of products	3	Satisfactory
Supply and delivery of electrical inventory items for a period of 2 years	Universal cables	Supply and delivery of electrical inventory items	2.16	Timeous delivery of products	3	Satisfactory
				Quality of product	3	Satisfactory
Supply and delivery of electrical inventory items for a period of 2 years	Voltex (PTY) LTD - Overstrand	Supply and delivery of electrical inventory items	2.16	Timeous delivery of products	3	Satisfactory
				Quality of products	3	Satisfactory
Supply and delivery of electrical inventory items for a period of 2 years	Tank industries	Supply and delivery of electrical inventory items	2.16	Timeous delivery of products	3	Satisfactory
				Quality of product	3	Satisfactory
Supply and delivery of electrical inventory items for a period of 2 years	Electrical products a division of Actom (PTY) LTD	Supply and delivery of electrical inventory items	2.13	Timeous delivery of products	3	Satisfactory
				Quality of products	3	Satisfactory
Supply and delivery of electrical inventory items for a period of 2 years	Conlog (PTY) LTD	Supply and delivery of electrical inventory items	2.13	Timeous delivery of products	3	Satisfactory
				Quality of products	3	Satisfactory
Supply and deliver electrical inventory items for a 2 year period	Siyphambili electrical and industrial supplies cc	Supply and deliver elect. Inventory items	2.13	Timeous delivery of items	3	Satisfactory
				Quality of products	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Supply and delivery of electrical inventory items for a period of 2 years	Beka (PTY) LTD	Supply and delivery of electrical inventory items	2.16	Timeous delivery of product	3	Satisfactory
Supply and delivery of electrical inventory items for a period of 2 years	Park boulevard trading 35cc	Supply and delivery of electrical inventory items	2.16	Timeous delivery of products	3	Satisfactory
				Quality of products	3	Satisfactory
Supply and delivery of electrical inventory items for a period of 2 years	Supreme electrical supplies	Supply and delivery of electrical inventory items	2.16	Timeous delivery of products	3	Satisfactory
				Quality of products	3	Satisfactory
Supply and delivery of electrical inventory items for a period of 2 years	Vusisizwe suppliers CC	Supply and delivery of electrical inventory items	2.16	Timeous delivery of product	1	Poor-contact cancelled
Supply & delivery of electrical inventory items	Umbono electrical wholesalers CC	Supply and delivery of products	2.16	Timeous delivery of products	3	Supplier did not accept tender
Supply & delivery of electrical inventory items	Reticulation and general supplies cc	Supply and delivery	2.16	Timeous delivery of products	1	Poor-supplier liquidated
				Quality of products	1	Poor-supplier liquidated
Supply & delivery of electrical inventory items	Technology integrated solutions	Supply and delivery of products	2.16	Quality of products	3	Satisfactory
				Timeous delivery of items	3	Satisfactory
Supply & delivery of electrical inventory items	Polybox (PTY) LTD (rotomo solutions (PTY) LTD)	Supply and delivery	2.16	Timeous delivery of products	3	Satisfactory
				Quality of products	3	Satisfactory
Supply and delivery of inventory items for a contract period ending 30 June 2015	Mpact plastic containers	Provision of protective clothing	1.49	Timeous delivery of product	3	Satisfactory
				Quality of product	3	Satisfactory
Supply and delivery of inventory items for a contract period ending 30 June 2015	Carbon sense cc	Supply and delivery of inventory items	1.49	Timeous delivery of product	3	Satisfactory
				Quality of product	3	Satisfactory
Payment collection system	Easypay (PTY) LTD	Collection of 3rd party monies	15.42	Timeous deposits	3	Satisfactory
Supply and delivery of	Ikapa	Supply and	2.25	Timeous delivery	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
construction material	reticulation & flow	delivery		Quality of items	3	Satisfactory
Supply and delivery of construction material	Aqua loc south africa (PTY) LTD	Supply and delivery of construction material	2.25	Timeous delivery of items	3	Satisfactory
				Quality products of	3	Satisfactory
Supply and delivery of construction material	Elster Kent metering	Supply and delivery	2.25	Timeous delivery	3	Satisfactory
				Quality products of	3	Satisfactory
Supply and delivery of construction material	Maverick trading 59 CC (wp trailer spares and manufacturing )	Supply and delivery	2.25	Timeous delivery of items	3	Satisfactory
				Quality products of	3	Satisfactory
Supply and deliver toilet paper and plastic bags.	Awv project management (PTY) LTD	Supply and delivery of tissue paper products, plastic bags and automotive lubricants	2.40	Timeous delivery of items	3	Satisfactory
				Quality of items	3	Satisfactory
Supply and deliver toilet paper and plastic bags.	Outeniqua plastics	Supply and delivery of tissue paper products, plastic bags and automotive lubricants	2.40	Quality products of	3	Satisfactory
				Timeous delivery of items	3	Satisfactory
Supply and deliver toilet paper and lubricants	Loots lubricants CC (agri lubes and amp fuel)	Supply and delivery of tissue paper products, plastic bags and automotive lubricants	2.40	Timeous delivery of items	3	Satisfactory
				Quality of items	3	Satisfactory
Supply and deliver toilet paper and plastic bags.	Leisure rides oil distributors (PTY) LTD	Supply and delivery of tissue paper products, plastic bags and automotive lubricants	2.40	Timeous delivery of items	1	Poor-cancellation process
				Quality products of	1	Poor-cancellation process
Supply and deliver tissue paper products, plastic bags and automotive lubricants.	Ithuba uniforms & Thomas car wash	Supply and delivery of tissue paper products, plastic bags and automotive lubricants	2.40	Timeous delivery of items	1	Poor-contract cancelled
				Quality products of	1	Poor-contract cancelled

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Supply and delivery of electrical inventory items: SC1313/2013	Powerrec	Supply and delivery	0.91	Timeous delivery of products	3	Satisfactory
				Quality of product	3	Satisfactory
Supply and delivery of electrical inventory items: SC1313/2013	Technology integrated solutions	Supply and delivery	0.91	Timeous delivery of products	3	Satisfactory
Supply and delivery of electrical inventory items: SC1313/2013	Siyphambili electrical and industrial supplies CC	Supply and delivery	0.91	Timeous delivery of products	3	Satisfactory
				Quality of product	3	Satisfactory
Supply and delivery of electrical inventory items: SC1313/2013	Reticulation and general supplies CC	Supply and delivery	0.91	Timeous delivery of products	1	Poor-supplier liquidated
				Quality of product	1	Poor-supplier liquidated
Supply and delivery of electrical inventory items: SC1313/2013	PJ technologies (cape) cc	Supply and delivery	0.91	Timeous delivery of products	3	Satisfactory
				Quality of product	3	Satisfactory
Supply and delivery of electrical inventory items: SC1313/2013	Electrical products a division of actom (PTY) LTD	Supply and delivery	0.91	Timeous delivery of products	3	Satisfactory
				Quality of product	3	Satisfactory
Supply and delivery of electrical inventory items: SC1313/2014	Technology integrated solutions	Supply and of products	0.91	Quality of product	3	Satisfactory
Supply and delivery of electrical inventory items	Thubaletu facilities management	Supply and delivery	0.91	Timeous delivery of products	1	Poor-cancellation process
				Quality of product	1	Poor-cancellation process
Supply and delivery of inventory items to Overstrand Municipality for a contract period ending June 2015	Microzone trading 529 CC	Supply and delivery	1.71	Timeous delivery of product	3	Satisfactory
Supply and delivery of inventory items to Overstrand Municipality for a contract period ending June 2015	Fusion group	Supply and delivery	1.71	Quality of product	3	Satisfactory
Supply and delivery of inventory items to Overstrand Municipality for a contract period ending June 2015	Kleinmond verspreiders bk	Supply and of inventory items	1.71	Timeous delivery of product	3	Satisfactory
				Quality of product	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Supply and delivery of inventory items to Overstrand Municipality for a contract period ending June 2015	Premises	Supply and delivery of inventory items	1.71	Timeous delivery of products	3	Satisfactory
				Quality of products	3	Satisfactory
Supply and delivery of inventory items to Overstrand Municipality for a contract period ending June 2017	Safety chemicals CC	Supply and delivery of products	1.71	Quality of product	3	Satisfactory
				Timeous delivery of product	3	Satisfactory
				Quality of product	3	Satisfactory
Provision of disconnection and reconnection of services	Bungane facilities and services CC	Disconnection and reconnection of services	2.47	Disconnection and reconnection, must be executed within 12 hours of receiving the notice from the Municipality	1	Poor-contract cancelled
Supply and delivery of protective clothing and safety wear	Pienaar brothers (PTY) LTD	Supply and delivery of protective clothing and safety	1.53	Timeous delivery of products	3	Satisfactory
				Quality of products	3	Satisfactory
Supply and delivery of protective clothing and safety wear	Safety protective clothing CC	Supply and delivery of protective clothing and safety	1.53	Timeous delivery of products	3	Satisfactory
				Quality of product	3	Satisfactory
Supply and delivery of protective clothing and safety wear	Startune (PTY) LTD	Supply and delivery of protective clothing and safety	1.56	Timeous delivery of products	3	Satisfactory
				Quality of product	3	Satisfactory
Supply and delivery of protective clothing and safety wear	Amaphafinzi	Supply and delivery of protective clothing and safety	1.52	Timeous delivery of products	3	Satisfactory
				Quality of product	3	Satisfactory
Supply and delivery of protective clothing and safety wear	TRF sport	Supply and delivery of protective clothing and safety	1.52	Timeous delivery of products	3	Satisfactory
				Quality of product	3	Satisfactory
				Timeous delivery of product	3	Satisfactory
Supply and delivery of protective clothing and safety wear for a contract period ending June 2015	Duco industrial (PTY) LTD	Supply & delivery of protective clothing and safety	1.46	Timeous delivery of items	3	Satisfactory
				Quality of products	3	Satisfactory
Supply and delivery of protective clothing and	TRF sport	Supply and delivery of	1.11	Timeously delivery of products	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
uniforms for a contract period ending 31 Oct 2014		protective clothing and uniforms		Quality of products	3	Satisfactory
Supply and delivery of protective clothing and uniforms for a contract period ending 31 Oct 2014	Uhambo procurement and distribution CC	Provision of protective clothing	1.11	Timeous delivery of products	3	Satisfactory
				Quality of product	3	Satisfactory
Supply and delivery of office furniture	Waltons (PTY) LTD	Furniture	0.49	KPI furniture ordered	4	Good
Supply and delivery of office furniture for a contract period ending June 2014	Cape seating manufacturing CC	Procurement of office furniture	0.49	KPI furniture ordered	4	Good

**Table 70.: Service Providers Performance – Financial Services**

### iv) Management Services

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average Rating	Comment and/or corrective action when under performed
Rental agreement - I7006462417, I7006462419, I7006462446, I7006462701, I7006760641, I7006760784, I7006760965	Nashua western cape	Rental services	3.00	Call out time	3	Satisfactory
				Maintenance	3	Satisfactory
				Parts	3	Satisfactory
Master rental agreement	Sharp electronics	Rental of 36 copy machines	2.41	Call out time	3	Satisfactory
				Maintenance	3	Satisfactory
				Parts	3	Satisfactory
Master rental agreement (v5110600012, w1111100064 & w1110800066)	Nashua Breede valley	Rental of copy machines/plan printers	2.33	Call out time	3	Satisfactory
				Maintenance	3	Satisfactory
				Parts	3	Satisfactory
Service level agreement	Lateral dynamics (PTY) LTD	Desktop and networking support	1.58	Support and maintenance of microsoft and novell platforms	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average Rating	Comment and/or corrective action when under performed
				Support of all local and wide area networking switches and routers	3	Satisfactory
				Support of backup and recovery services: microsoft and novell platforms	3	Satisfactory
				Support and maintenance of the forge disaster recovery unit for services hosted at the onrus dr site	3	Satisfactory
				On-site support engineering to assist with desktop and systems administration support services	3	Satisfactory
				Db a infrastructure support services for microsoft sql production services	3	Satisfactory
				Review annual technology roadmap and exit plan	3	Satisfactory
Master rental agreement (3906612025 & 6rt6612102015)	Cape office machines (PTY) LTD	Rental of copy machine/tally	3.00	Call out time	3	Satisfactory
				Maintenance	3	Satisfactory
				Parts	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average Rating	Comment and/or corrective action when under performed
Provision of maintenance & support services for Rf network and telecommunications system	Gijima holdings (PTY) LTD	Maintenance & support for RF network & telecom system	2.94	Telecommunications - maintenance & support: Hermanus, Kleinmond, Gansbaai, Stanford	3	Satisfactory
				Rf network maintenance and support	3	Satisfactory
				Monthly performance review meetings	3	Satisfactory
				Annual review of technology roadmap	3	Satisfactory
Acquisition of microsoft software license	First technology (PTY) LTD	Acquisition of software license	2.01	Delivery of ms software	3	Satisfactory
Supply and delivery of symantec anti-virus software	Khusela solutions	Supply & delivery of symantec anti-virus software	1.00	600 x software licenses	3	Satisfactory
Provision of annual subscription to an online, web-based legal information system	Lexisnexis (PTY) LTD - 460160	Subscription to an online legal website	1.00	Website availability	4	Good
Amendment of scd2144/2011 for the rental of office accommodation for the human resources department, MLC trust: sc1323/2013	Mlc trust	Renting	3.00	Easy to access to building	3	Satisfactory
Installation and maintenance of ICT network cabling infrastructure	Cable's cabling cc	Installation & maintenance of ICT network cabling	3.00	On-site support service	3	Satisfactory
				Turnaround time	3	Satisfactory
Amendment to ICT contract scd2274/2012: business engineering annual license fees	Business engineering (PTY) LTD	Collaborator on-site support services & licensing	3.00	Received licenses	3	Satisfactory
				Site health management	3	Satisfactory
				Pro-active support	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average Rating	Comment and/or corrective action when under performed
				Re-active support	3	Satisfactory
				Training	3	Satisfactory
				Workflow optimization	3	Satisfactory
				Administration	3	Satisfactory
				Technical support	3	Satisfactory
Service, maintenance and replacements of server room air conditioners	Gansbaai aircon and refrigeration CC	Service, maintenance & replacement of ICT air cons	3.00	On-site support service	3	Satisfactory
				Maintenance of air cons	3	Satisfactory
Main agreement for the delivery of information technology related services and systems	Bytes systems integration	Financial system	3.00	Licensing support upgrades	3	Satisfactory
				License support	3	Satisfactory
Leadership training	Bdce	Leadership training	0.05	Provision of leadership training	3	Satisfactory
Second amendment to the lease agreement for the Hawston/Onrus radio mast	Rfg electronics cc	Rental of 7 x antennas	2.66	Availability of 7 x antennas	3	Satisfactory
Telephone etiquette training	Skills factory	Training	0.05	Perform timeously training	4	Good
Procurement of credits renewal of Novell licenses from an authorized Novell reseller, who is also the current service provider for the provision of data support and ICT advisory services.	Lateral dynamics (PTY) LTD	Novell licenses	1.00	602 x Novell licenses	3	Satisfactory
Provision of services to host the websites of the Overstrand Municipality	Maxitec	Website hosting, maintenance and re-design	2.41	Quality of maintenance and support	3	Satisfactory
				Timeous maintenance and support	3	Satisfactory
The provision of a training workshop on task job evaluation	Deloitte consulting (PTY) LTD	Task description job of auditing posts	0.00	Services rendered in time.	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average Rating	Comment and/or corrective action when under performed
Amendment of contract with altech netstar for the provision of vehicle tracking and monitoring services on Municipal vehicles	Altech netstar (PTY) LTD	Vehicle tracking and monitoring services	2.17	Accessibility to netstar server.	2	Underperformed- resolved access to server was faulty - restored by us installing another version of sql.
Amendment of the lease and maintenance agreement for 8 x multi-functional digital copiers, service provider: Nashua Breede valley	Nashua Breede valley	Maintenance of multi-functional printers	2.00	Maintenance and support on 8 x multi - functional digital copiers of nashua	3	Satisfactory
				Keep machines in good working order	3	Satisfactory
				Responsive within 4 hours after logging the call	3	Satisfactory
Amendment to ICT contract	Ignite advisory services	Performance management	3.00	Licenses up to date and latest software release available installed	3	Satisfactory
				Licenses up to date and latest software release available installed timeously	3	Satisfactory
Amendment to ICT contract: SC787/2009	Payday software systems	Software licenses and service level agreement	3.00	Licenses and software updates must be up to date	3	Satisfactory
Additions and alterations to an existing light steel building, civic centre, Hermanus	Ade cocum project management CC	Construct additions and alterations to building	0.15	The agreed time of completion of work. Timeously completion of the project within the cost agreement	4	Good

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average Rating	Comment and/or corrective action when under performed
				Timeously completion of the project within the cost agreement	4	Good
Proposed amendment to the main agreement with bytes ,for the implementation of a time and attendance software solution	Bytes universal systems, a div of bytes technology group (PTY) LTD	Time and attendance software	2.08	Licenses and software updates up to date	3	Satisfactory
Provision of novell platespin forge 500 series software maintenance	Lateral dynamics (PTY) LTD	Software maintenance	0.99	Software maintenance	3	Satisfactory
Amendment of contract scd2142/2011:the rental of office accommodation for the departments of internal audit and legal services in the PSG building, Hermanus	Liberty lane trading 197 (PTY) LTD	Rental service	2.00	Easy access to building	4	Good

**Table 71.: Service Providers Performance – Management Services**

### v) Infrastructure and Planning Services

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Provision of geographical information system services in the Overstrand area	Environmental systems research institute SA (PTY)	GIS related	3.00	Automated programming	4	Good
				Cadastal maintenance	4	Good
Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal area:sc1334/2013	Royal Haskoningdhv (ssi engineers & environmental consultant)	Waste water treatment	3.00	Compliance with technical specifications	4	Good
				Completion within programme	4	Good
				Compliance with health & safety	4	Good
				Compliance with environmental specifications	4	Good

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal area: sc1334/2013	Daveng consulting engineers	Consulting services	3.00	Compliance with technical specifications	4	Good
				Completion within programme	4	Good
				Compliance with health & safety specifications	4	Good
				Compliance with environmental specifications	4	Good
Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal area: sc1334/2013	Jan palm consulting engineers	Solid waste management & planning	3.00	Compliance with technical specifications	5	Excellent
				Completion within programme	5	Excellent
				Compliance with health & safety specifications	5	Excellent
				Compliance with environmental specifications	5	Excellent
Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal area: sc1334/2013	Qunu consulting (PTY) LTD	Storm water system design	3.00	Compliance with technical specifications	3	Satisfactory
				Completion within programme	3	Satisfactory
				Compliance with health & safety specifications	3	Satisfactory
				Compliance with environmental specifications	3	Satisfactory
Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal area: sc1334/2013	Neil Lyners and associates cc	Infrastructure design supervision	3.00	Compliance with environmental specifications	4	Good
				Compliance with technical specifications	4	Good
				Completion within programme	4	Good

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
				Compliance with health & safety specifications	4	Good
Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal area: sc1334/2013	Worley parsons incorporating kv3 engineers	Professional engineering consulting services	3.00	Compliance with environmental specifications	4	Good
				Compliance with technical specifications	4	Good
				Completion within programme	4	Good
				Compliance with health and safety	4	Good
Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal area: sc1334/2013	Jeffares & Green (PTY) LTD	Groundwater and solid waste projects	3.00	Compliance with technical specifications	3	Satisfactory
				Completion within programme	3	Satisfactory
				Compliance with health & safety specifications	3	Satisfactory
				Compliance with environmental specifications	3	Satisfactory
Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal area: sc1334/2013	Aecom	Infrastructure design supervision	3.00	Compliance with technical specifications	4	Good
				Completion within programme	4	Good
				Compliance with health & safety specifications	4	Good
				Compliance with environmental specifications	4	Good
Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal	SRK consulting south Africa (PTY) LTD	Groundwater development & monitoring	3.00	Compliance with environmental specifications	4	Good
				Compliance with technical specifications	4	Good

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
area: sc1334/2013				Completion within programme	4	Good
				Compliance with health & safety specifications	4	Good
Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal area: sc1334/2013	Element consulting engineers (PTY) LTD	Consulting	3.00	Compliance with technical specifications	4	Good
				Completion within programme	4	Good
				Compliance with health & safety specifications	4	Good
				Compliance with environmental specifications	4	Good
Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal area: sc1334/2013	GLS consulting (PTY) LTD	Water & sewer master planning	3.00	100% quality compliance	4	Good
				Completion within programme	4	Good
				Completion within budget	4	Good
				Compliance with health & safety specifications	4	Good
				Compliance with environmental specifications	4	Good
				Compliance with technical specifications	4	Good
Appointment of consultants for engineering and groundwater projects for the Overstrand Municipal area: sc1334/2013	AVDM consulting engineers	Consulting	3.00	Compliance with environmental specifications	4	Good
				Time	4	Good
				Compliance with technical specifications	4	Good
				Completion within programme	4	Good

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
				Compliance with health & safety specifications	4	Good
Appointment of consultants for various groundwater and engineering projects in the Overstrand Municipal area:sc1334/2013	Umvoto Africa (PTY) LTD	Ground water development & management	3.00	Compliance with technical specifications	4	Good
				Completion within programme	4	Good
				Compliance with health & safety specifications	4	Good
				Compliance with environmental specifications	4	Good
Appointment of consultants for various groundwater and engineering projects in the Overstrand Municipal area:sc1334/2013	V & v consulting engineers (PTY) LTD - bank change	Consulting engineering services	3.00	Compliance with technical specifications	4	Good
				Completion within programme	4	Good
				Compliance with health & safety specifications	4	Good
				Compliance with environmental specifications	4	Good
Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal area	Aurecon South Africa (PTY) LTD (oorgeneem by netgroup150313 )	Professional engineering services	3.00	Compliance with technical specifications	4	Good
				Completion within programme	4	Good
				Compliance with health & safety specifications	4	Good
				Compliance with environmental specifications	4	Good
Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal	Arcus Gibb	Professional engineering services	3.00	Compliance with technical specifications	4	Good
				Completion within programme	4	Good

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed	
area				Compliance with health & safety specifications	4	Good	
Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal area	Ice group		3.00	Compliance with technical specifications	3	Satisfactory	
				Completion within programme	3	Satisfactory	
				Completion within budget	3	Satisfactory	
				Compliance with health and safety	3	Satisfactory	
Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal area	SMEC Africa LTD	South (PTY)	Professional engineering services	3.00	Compliance with technical specifications	3	Satisfactory
				Completion within programme	3	Satisfactory	
				Completion within budget	3	Satisfactory	
				Compliance with health and safety specification	3	Satisfactory	
Appointment of consultants for various engineering and groundwater projects in the Overstrand Municipal area	HATCH (PTY) (GOBA LTD)	GOBA (PTY) LTD	Professional engineering services	3.00	Compliance with technical specifications	4	Good
				Completion within programme	4	Good	
				Compliance within budget	4	Good	
				Compliance with health & safety specifications	4	Good	
Auditing of electricity meters and connections in the Overstrand Municipal area	Willoucon CC		2.53	Accurate audits and completion of audit reports	3	Satisfactory	
				Adherence to occupational health & safety act	3	Satisfactory	

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Auditing of electricity meters and connections in the Overstrand Municipal area	KEV accurate measuring		2.53	Payment certificates	3	Satisfactory
				Ohs act	3	Satisfactory
				Local labor	3	Satisfactory
				Site meetings	3	Satisfactory
Amendment of contract for the operation of the mechanised material recovery facility at the Hermanus solid waste transfer station	Walker bay recycling	Professional services	8.92	Compliance with technical specifications	3	Satisfactory
				Completion within programme	3	Satisfactory
				Completion within budget	3	Satisfactory
				Complain with health & safety specifications	3	Satisfactory
Hermanus parallel road project phase 1 - construction of Mbeki street and associated roads	Annev / peter starke civils JV	Construction	1.26	Time	4	Good
				Budget	4	Good
				Quality	4	Good
Supply and installation of mechanical and electrical equipment for sewerage pump stations in Hermanus	Eoh intelligent infrastructure (PTY) LTD	Supply & install mechanical & electrical equipment	0.25	Compliance with technical specifications	3	Satisfactory
				Compliance within programme	3	Satisfactory
				Completion within budget	3	Satisfactory
				Compliance with health & safety specifications	3	Satisfactory
Maintenance of mechanical and electrical equipment at the material recovery facilities at Hermanus and Gansbaai.	Akura manufacturing engineering co (PTY) LTD		1.00	Compliance with ohsact regulations	3	Satisfactory
				Compliance with rendering specified service	3	Satisfactory
				Compliance with environmental duty of care principle	3	Satisfactory
				Compliance with specified response times	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
				Positive effect on public's perception of municipal service delivery	3	Satisfactory
Transport of containerized Municipal solid waste and chipping of garden waste	Enviroserv waste management (PTY) LTD		2.38	Compliance with rendering specified services	3	Satisfactory
				Compliance with OHS act regulations	3	Satisfactory
				Compliance with environmental "duty of care" principle	3	Satisfactory
				Compliance with specified response times	3	Satisfactory
				Positive effect on public's perception of Municipal service delivery	3	Satisfactory
				Positive effect on public's perception of Municipal service delivery	3	Satisfactory
Management and operation of the mechanized Hermanus material recovery facility at the Hermanus solid waste transfer station	Hermanus recycling CC t/a Walker bay recycling	Management & operation	2.33	Compliance with technical specifications	4	Good
				Completion within programme	4	Good
				Compliance with environmental specifications	4	Good
Appointment of consulting engineer for solid waste	Jan palm consulting engineers		1.82	Positive effect on public's perception of Municipal service delivery	5	Excellent
				Compliance with ohsact regulations	5	Excellent

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
				Compliance with rendering specified services	5	Excellent
				Compliance with OHS Act regulations	5	Excellent
				Compliance with environmental duty of care principle	5	Excellent
				Compliance with specified response time	5	Excellent
Operation of the mechanised material recovery facilities at Hermanus solid waste transfer station	Hermanus recycling cc	Operation of the mechanised material	3.00	Compliance with OHS Act regulations	3	Satisfactory
				Compliance with rendering specified services	3	Satisfactory
				Compliance with specified response time	3	Satisfactory
				Compliance with environmental "duty of care" principle	3	Satisfactory
				Positive effect on public's perception of Municipal service delivery	3	Satisfactory
Lease of office space at 37 vyfdelaan, Kleinmond	Bekker a	Lease of building for office accommodation	3.08	Unhindered access to the leased premises	3	Satisfactory
				Keep outside of building in a neat and tidy condition	3	Satisfactory
				Payment of property tax	3	Satisfactory
				Maintenance of outside of building	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Extended construction of the Stanford sewer reticulation upgrade phase 6 & installation of sewer rising main in pearly beach (Eluxolweni)	Burmar civils (PTY) LTD	Construction of sewer lines	0.42	Completion within the budget	3	Satisfactory
				Compliance with health and safety specifications	3	Satisfactory
				Compliance with technical specifications	3	Satisfactory
				Compliance within programme	3	Satisfactory
Additional offices at the Preekstoel WWTW: extension of tender sc1085/2011	Inyanga projects cc	Construction of new office buildings	0.42	Compliance with technical specifications	3	Satisfactory
				Completion within programme	3	Satisfactory
				Completion within budget	3	Satisfactory
				Compliance with health & safety specifications	3	Satisfactory
Operation of the Gansbaai landfill and public drop-offs in greater Gansbaai and Stanford	Enviro serv waste management (PTY) LTD	Operation of the Gansbaai landfill	7.01	Compliance with OHS Act regulations	4	Good
				Compliance with rendering specified service	4	Good
				Compliance with specified response times	4	Good
				Compliance with environmental "duty of care" principle	4	Good
				Positive effect on public's perception of Municipal service delivery	4	Good

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Leasing for the operation of illuminated street signs in the Overstrand Municipal area	Directosign north (PTY) LTD	Lease	9.92	Comply with the conditions of the lease agreement.	3	Satisfactory
Stanford sewer reticulation upgrade phase 6	Burmar Civils (PTY) LTD	Construction of sewer pipeline	0.63	Compliance with technical specifications	4	Good
				Compliance within programme	4	Good
				Completion within budget	4	Good
				Compliance with health & safety specifications	4	Good
Replacement of water pipes, Rooi-els to Hermanus	WBHO construction (PTY) LTD	Construction of water pipelines & valves	1.90	Completion within the budget	3	Satisfactory
				Compliance with health and safety specifications	3	Satisfactory
				Compliance with technical specification	3	Satisfactory
				Compliance within programme	3	Satisfactory
Electrification of low cost houses in Eluxolweni, Pearly beach	WP electric		1.32	Response time to queries.	3	Satisfactory
				Acceptable level of contract administration and quality of work.	3	Satisfactory
				Monthly claims strictly in accordance with the tendered cash flow program.	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
				Regular updating and final submission of as-built information.	3	Satisfactory
				Number of local jobs created and money retained in community.	3	Satisfactory
				Training provided for local residents employed.	3	Satisfactory
				Adherence to occupational health and safety act.	3	Satisfactory
				Submission of accurate claims on time.	3	Satisfactory
				Keeping deadlines as per approved program.	3	Satisfactory
Cleaning of alien vegetation on treatment areas in Klein river and Hermanus	The GAIA project	Alien vegetation clearing	0.24	Alien vegetation clearing according to working for water standards	2	Unperformed-the contractor could not complete the work allocated to him and other arrangements had to be made to ensure that work was completed
Riool-els: construction of a 500 kl reservoir	Fcs Civils	Construction of a new reservoir	0.70	Compliance with technical specifications	3	Satisfactory
				Completion within programme	3	Satisfactory
				Completion within budget	3	Satisfactory
				Compliance with health & safety specifications	3	Satisfactory
				Compliance with environmental specifications	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Supply and delivery of mechanical and electrical equipment for sewerage pump station 2 in Stanford	Tricom africa	Mech/elec. Equipment for Stanford sewer p/s	1.20	Compliance with technical specifications	3	Satisfactory
				Compliance within programme	3	Satisfactory
				Completion within budget	3	Satisfactory
				Compliance with health & safety specifications	3	Satisfactory
Upgrading of the pearly beach ,Gansbaai and de Kelders water reticulation networks	Burmar civils (PTY) LTD	Construction of water pipelines	0.45	Compliance with technical specifications	4	Good
				Compliance within programme	4	Good
				Completion within budget	4	Good
				Compliance with health & safety specifications	4	Good
Electrification of asazani informal settlements in Hermanus	Solethu energy (racec electrification)	Electrification of informal settlement	0.36	Payment certificates	3	Satisfactory
				OHS act	3	Satisfactory
				Site meetings	3	Satisfactory
				As built	3	Satisfactory
Supply and installation of gas insulated 12 KV indoor switchgear Kleinmond	Adenco construction (PTY) LTD		0.83	Payment certificates	3	Satisfactory
				OHS act	3	Satisfactory
				Local labor	3	Satisfactory
				Site meetings	3	Satisfactory
				As built	3	Satisfactory
Paving of roads in Hawston-phase 3	Peter starke civils cc	Paving of roads in Hawston phase 3	0.50	Quality	3	Satisfactory
				Budget	3	Satisfactory
				Time	3	Satisfactory
Upgrading of medium and low voltage networks in Gansbaai and Franskraal	Adenco construction (PTY) LTD	Contracted	0.84	Number of local jobs created and money retained in community.	4	Good

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
				Training provided for local residents employed.	4	Good
				Regular updating and final submission of as built information.	4	Good
				Adherence to occupational health and safety act.	4	Good
				Submission of accurate claims on time.	4	Good
				Keeping deadlines as per approved program.	4	Good
				Response time to queries.	4	Good
				Acceptable level for contract administration and quality of work.	4	Good
				Monthly claims strictly in accordance with the tendered cash flow program.	4	Good
Design and mechanical, civil and electrical works for a new water treatment plant for Baardskeerdersbos	Ikusasa chemicals (PTY) LTD	Construction of water treatment plant	0.67	Compliance with technical specifications	3	Satisfactory
				Completion within programme	3	Satisfactory
				Compliance with health & safety specifications	3	Satisfactory
Upgrading of Kleinmond soccer field and facilities	MEC landscapes	Construction	0.52	Quality	4	Good
				Budget	4	Good
				Time	4	Good

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Upgrade of kwaaiwater and Hawston substation and 11kv electrical network	Adenco construction (PTY) LTD	upgrade kwaaiwater, Hawston substation and s/gear	0.52	Payment certificates	3	Satisfactory
				Site meetings	3	Satisfactory
Upgrading of residential roads in Zwelihle ,phase1	Cape asphalt cc	Construction of roads	1.29	Time	4	Good
				Quality	4	Good
				Budget	4	Good
Cleaning of alien vegetation on treatment areas Klein river and Hermanus	Teslaarsdal landcare	Alien vegetation clearing	0.22	Alien vegetation clearing according to working for water standards	3	Satisfactory
Construction of a new cell at Gansbaai landfill	RJ Mullins Civils cc		1.36	Compliance with OHS act regulations	3	Satisfactory
				Compliance with rendering specified service	3	Satisfactory
				Compliance with environmental "duty of care" principle	3	Satisfactory
				Compliance with specified response time	3	Satisfactory
				Positive effect on public's perception of Municipal service delivery	3	Satisfactory
Supply and delivery of a plotter	Chantmerc investments	Installation	0.15	HP design jet t920 printer series	5	Excellent
Mechanical and electrical equipment for Kleinmond and Gansbaai WWTW sludge dewatering.	Inenzo water (PTY) LTD	Supply & installation of mechanical equipment	0.66	Compliance with technical specifications	3	Satisfactory
				Completion within programme	3	Satisfactory
				Completion within budget	3	Satisfactory
				Compliance with environmental specifications	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
The appointment of professionals for architectural, consulting engineering services (structural) and quantity surveying for building projects for three years	Overberg consulting engineers	Engineering services	2.53	Work done to required standard.	4	Good
				Work done within budget.	4	Good
				Work to be done within time.	4	Good
The appointment of professionals for architectural, consulting engineering services (structural) and quantity surveying for building projects for three years	Ulwazi consulting engineers	Engineering services	2.53	Work done to required standard.	4	Good
				Work done within budget.	4	Good
				Work done within time.	4	Good
The appointment of professionals for architectural, consulting engineering services (structural) and quantity surveying for building projects for three years	Andrew greeff architect	Architectural services	2.53	Work done to required standard	4	Good
				Work done within time	4	Good
The appointment of professionals for architectural, consulting engineering services (structural) and quantity surveying for building projects for three years	Engelbrecht & scorgie tekenkantoor bk	Architectural technology services	2.53	Work done to required standards.	4	Good
				Work done within budget.	4	Good
				Work done within time.	4	Good
The appointment of professionals for architectural, consulting engineering services (structural) and quantity surveying for building projects for three years	Michael georgala enterprises	Qs services	2.53	Work to be done within time	3	Satisfactory
				Work done to required standard.	3	Satisfactory
				Work done within budget.	3	Satisfactory
Amendment for the contract: paving of roads phase 3	Peter starke civils CC	Construction	0.55	Quality	4	Good
				Budget	4	Good
				Time	4	Good

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Supply and delivery of arc flash oil protection suits	At work health and safety cc	Supply of arc flash oil protection suits	0.09	Quality of product	3	Satisfactory
Electrification of Tsepe-Tsepe extension, new camp and service site informal settlements, Hermanus	Adenco construction (PTY) LTD	Electrification of tsepe-tsepe ext, new camp, services	0.24	Payment certificates	3	Satisfactory
				Site meetings	3	Satisfactory
Appointment of consultants for the compilation and implementation of an environmental management system for Overstrand Municipality	Eon consulting (PTY) LTD	Appointment of consultants for the compilation and	2.28	Kpi time	3	Satisfactory
				Kpi cost	3	Satisfactory
				Kpi quality	3	Satisfactory
Variation of the contract: Hermanus parallel road project phase 1: construction of Mbeki street and associated roads-completion of side walks	Annev / peter starke civils JV	Construction	0.17	Time	3	Satisfactory
Appointment of consulting engineers for various projects in the Overstrand Municipal area	SRK consulting	Various projects in the Overstrand Municipal area	3.00	Compliance with technical specifications	5	Excellent
				Completion within programme	5	Excellent
				Completion within budget	5	Excellent
				Compliance with health and safety specifications	5	Excellent
				Compliance with environmental specifications	5	Excellent
Appointment of consulting engineers for various projects in the Overstrand	Arcus gibb (PTY) LTD	Electrical infrastructure	3.00	Korrekte ontwerp en konstruksie-planne	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Municipal area				Korrekte tenderdokumentasie en akkurate evaluering van tender	3	Satisfactory
				Monitering van kpi's van kontrakteurs	3	Satisfactory
				Korrekte finansiële bestuur van projekte insluitend korrekte indiening van eise - beide vir kontrakteur en konsultant	3	Satisfactory
				Reaksietyd ten opsigte van navrae	3	Satisfactory
				Aanvaarbare vlak van kontrak administrasie	3	Satisfactory
				Aanvaarbare opdatering van soos gebou inligting	3	Satisfactory
				Korrekte afsluiting van projek. Alle kontraktuele aspekte afgehandel en alle dokumentasie in plek	3	Satisfactory
Appointment of consulting engineers for various projects in the Overstrand Municipal area	Pambili consulting	Appointment of consulting engineers for various projects in the Overstrand Municipal area	3.00	Compliance with technical specifications	3	Satisfactory
				Completion within programme	3	Satisfactory
				Completion within budget	3	Satisfactory
				Compliance with health & safety specifications	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
				Compliance with environmental specifications	3	Satisfactory
Appointment of consulting engineers for various projects in the Overstrand Municipal area	Daveng consulting engineers cc		3.05	Completion within programme	3	Satisfactory
Appointment of consulting engineers for various projects in the Overstrand Municipal area	AJ Louw raadgewende ingenieur	Appointment of consulting engineers for various projects in the Overstrand Municipal area	3.00	Employers objectives	3	Satisfactory
				Extent of the work	3	Satisfactory
Appointment of consulting engineers for various projects in the Overstrand Municipal area	BDE consulting engineers (PTY) LTD	Appointment of consulting engineers for various projects in the Overstrand Municipal area	3.05	Compliance with technical specifications	3	Satisfactory
				Completion within programme	3	Satisfactory
				Completion within budget	3	Satisfactory
				Compliance with health & safety specifications	3	Satisfactory
				Compliance with environmental specifications	3	Satisfactory
Appointment of consulting engineers for various projects in the Overstrand Municipal area	AVDM consulting engineers	Professional services	3.00	Technical quality	3	Satisfactory
				Project administration	3	Satisfactory
				Budget	3	Satisfactory
				Time	3	Satisfactory
Appointment of consulting engineers for various projects in the Overstrand Municipal area	Qunu consulting PTY LTD	Appointment of consulting engineers for various projects in the Overstrand Municipal area	3.00	Completion within programme	3	Satisfactory
Appointing of consulting engineers for various projects in	V & V consulting engineers (PTY) LTD	Appointing of consulting engineers for	3.00	Cost	3	Satisfactory
				Technical quality	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
the Overstrand Municipal area		various projects in the Overstrand Municipal area		Response time	3	Satisfactory
Appointing of consulting engineers for various projects in the Overstrand Municipal area	BKS (PTY) LTD - Bellville	Appointing of consulting engineers for various projects in the Overstrand Municipal area	3.00	Compliance with technical specifications	5	Excellent
				Completion within programme	5	Excellent
				Completion within budget	5	Excellent
				Compliance with healthy and safety specifications	5	Excellent
				Compliance with environmental specifications	5	Excellent
Appointment of consulting engineers for various projects in the Overstrand Municipal area	Netgroup south africa (PTY) LTD	Electrical infrastructure	3.05	Tender documentation	3	Satisfactory
				Correct design and construction plans	3	Satisfactory
				Monitor kpi's of contractors	3	Satisfactory
				Correct financial management plus correct issuing of payment certificates	3	Satisfactory
				Reaction time regarding enquiries	3	Satisfactory
				Acceptable updating of ass-built information	3	Satisfactory
				Contractor to make sure that all documentation is in place at end of contract	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Appointment of consulting engineers for various projects in the Overstrand Municipal area	Neil Lyesners & associates cc	Various projects in the Overstrand Municipal area	3.00	Compliance with technical specifications	5	Excellent
				Completion within programme	5	Excellent
				Completion within budget	5	Excellent
				Compliance with health & safety specifications	5	Excellent
				Compliance with environmental specifications	5	Excellent
Appointment of consulting engineers for various projects in the Overstrand Municipal area	Mastakimu	Professional services	3.00	Technical quality	3	Satisfactory
				Time	3	Satisfactory
				Project administration	3	Satisfactory
				Budget		Satisfactory
Appointment of consulting engineers for various projects in the Overstrand Municipal area	Vela VKE consulting engineers (PTY) LTD	Professional services	3.00	Technical quality	3	Satisfactory
				Budget	3	Satisfactory
				Time		Satisfactory
				Project administration	3	Satisfactory
Appointment of consulting engineers for various projects in the Overstrand Municipal area	Umvoto Africa PTY LTD	Professional services	3.00	Compliance with technical specifications	5	Excellent
				Completion within programme	5	Excellent
				Completion within budget	5	Excellent
				Compliance with health & safety specifications	5	Excellent
				Compliance with environmental specifications	5	Excellent
Appointment of consulting engineers for various projects in	SSI engineers & environmental consultants PTY	Appointment of consulting engineers for	3.00	Compliance with technical specifications	5	Excellent

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
the Overstrand Municipal area	LTD	various projects in the Overstrand Municipal area		Completion within programme	5	Excellent
				Completion within budget	5	Excellent
				Compliance with health & safety specifications	5	Excellent
				Compliance with environmental specifications	5	Excellent
Appointment of consulting engineers for various projects in the Overstrand Municipal area	KV3 engineers	Professional services	3.00	Compliance with technical specifications	5	Excellent
				Completion within budget	5	Excellent
				Compliance with health & safety specifications	5	Excellent
				Compliance with environmental specifications	5	Excellent
Appointment of consulting engineers for various projects in the Overstrand Municipal area	Aurecon (PTY) LTD SA	Professional services	3.00	Compliance with technical specifications		Excellent
				Completion within programme	5	Excellent
				Completion within budget	5	Excellent
				Compliance with health & safety specifications	5	Excellent
				Compliance with environmental specifications	5	Excellent
Appointment of consulting engineers for various projects in the Overstrand Municipal area	Worley parsons RSA (PTY) LTD (Kwezi v3)	Consulting engineers	3.00	Correct design and construction plans.	3	Satisfactory
				Correct tender documentation and accurate evaluation of tender.	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
				Accurate contract management of projects and of financial claims of contractors and consultant, as well as contractors' kpi-evaluations.	3	Satisfactory
				Reaction time of enquiries and acceptable level of contract administration.	3	Satisfactory
				Acceptable updating of as-build plans and asset register.	3	Satisfactory
Appointment of consulting engineers for various projects in the Overstrand area	Aurecon	Professional services	3.00	Technical quality	3	Satisfactory
				Budget	3	Satisfactory
				Time	3	Satisfactory
				Project administration	3	Satisfactory

**Table 72.: Service Providers Performance – Infrastructure and Planning Services**

### vi) Community Services

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Supply & deliver playground equipment	Rizik link CC	Supply of play park equipment	0.95	Time taken to deliver	3	Satisfactory
				Cost	3	Satisfactory
				Quality of equipment	3	Satisfactory
Supply & deliver playground equipment	Rhode bros steel projects CC	Supply of play park equipment	0.95	Cost	3	Satisfactory
				Time taken to deliver	3	Satisfactory
				Quality of equipment	3	Satisfactory
Supply & deliver playground	CVC gear corporation	Supply of play park equipment	0.95	Cost	3	Satisfactory
				Time taken to deliver	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
equipment	100 CC			Overall quality	3	Satisfactory
Provision of small bore sewerage network connection in Hermanus	Du plessis SW	Connection of sewer connections - Hermanus	2.37	Time	3	Satisfactory
Provision of hygiene services to Overstrand Municipality	Steiner hygiene (PTY) LTD	Provision of hygiene services to Overstrand Municipality	3.00	Provision of hygiene services as requested on specs to Overstrand	3	Satisfactory
				Regular supply, deliver and replenish consumables on weekly and monthly basis	3	Satisfactory
Supply and delivery of construction material	IB construction	Supply and delivery	2.25	Time	3	Satisfactory
				Quality	3	Satisfactory
Supply and delivery of construction material	Melvin's transport cc	Supply and delivery	2.25	Supply and delivery of construction material	3	Satisfactory
				Cost	3	Satisfactory
				Quality	3	Satisfactory
Supply and delivery of construction material	FG Jacobs transport CC	Supply and delivery	2.25	Time	3	Satisfactory
				Quality	3	Satisfactory
				Cost	3	Satisfactory
Supply and delivery of construction material	Balamanzi	Supply and delivery	2.25	Timeous delivery	3	Satisfactory
				Quality of products	3	Satisfactory
Repair of small plant(lawnmowers, weed eaters, etc)	Lawnmower & chainsaw clinic Hermanus	Repair of small plant (lawnmowers, weed eaters, etc.)	2.71	Repair of small plant(lawnmowers, weed eaters, etc),	3	Satisfactory
Provision of cleaning services in the Hermanus areas	Van Rooyen tuindienste	Cleaning services in Hermanus area	2.69	Rendering of cleaning service timeously and to the satisfactory of the Municipality	3	Satisfactory
				Time	3	Satisfactory
Provision of cleaning services in the Hermanus area	Zuki garden and forestry service	Cleaning services in Hermanus area	2.69	Cleaning services at the Zwelihle area.	3	Satisfactory
				Cleaning services at the Zwelihle area	3	Satisfactory
Provision of cleaning services in the	Lobi development	Cleaning services in Hermanus area	2.69	Cleaning services at the Zwelihle 2 area	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Hermanus area	design CC (LOBI landscaping)			Cleaning services at the Zwelihle 2 area.	3	Satisfactory
Provision of cleaning services in the Hermanus areas	Rhangana civil and construction	Cleaning services in Hermanus area	2.69	Cleaning services at the Zwelihle 3 area	3	Satisfactory
				Cleaning services in Zwelihle 3 area	3	Satisfactory
Provision of cleaning services in the Hermanus areas	Autumn skies trading 491 CC	Cleaning services in Hermanus area	2.69	Rendering of cleaning service timeously and to the satisfactory of the Municipality.	3	Satisfactory
Provision of cleaning services in the Hermanus area	Nicky's cleaning services	Cleaning services	2.50	Rendering of cleaning services timeously and to the satisfactory of the Municipality	3	Satisfactory
Provision of cleaning services for the Hermanus area	Louw D	Cleaning services	2.50	Rendering of cleaning services timeously and to the satisfactory of the Municipality	3	Satisfactory
Provision of small works and maintenance as and when needed	Alan bailey civil engineering & construction cc	Civil engineering	1.98	Time	3	Satisfactory
Borehole and irrigation installations at various sites in the greater Hermanus	Bluewood landscaping	Drilling of borehole and supply of pumps & irrigate	0.22	Drilling of borehole & supply of pumps & irrigation equipment	3	Satisfactory
Vehicle fuel-and maintenance management	Wesbank first auto	Vehicle fuel-and maintenance management	2.71	Provide for a refueling and managed maintenance solution for its fleet services	3	Satisfactory
Supply and delivery of new/ retread tyres and collection of casings	Supa quick Caledon	Supply and delivery of new/retread tyres and collection	2.18	Timeous delivery of product	3	Satisfactory
Supply and delivery of new/retread tyres and collection of casings	AJ tyres	Supply and delivery of new/retread tyres and collection	2.18	Timeous delivery of product	3	Satisfactory
Supply and delivery of new/retread tyres and collection of casings	Supa quick Kleinmond	Supply and delivery of new/retread tyres and collection	2.16	Timeous delivery of product	3	Satisfactory
Supply & delivery of	Ikusasa		2.58	Time (delivery)	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
water and sewerage purification chemicals to the Overstrand Municipal area	chemicals PTY(LTD)			Quality	3	Satisfactory
				Supply and delivery of water purification chemicals	3	Satisfactory
Supply and delivery of water-and sewerage purification chemicals	Wetchem (white earth trading)		2.58	Cost (price)	3	Satisfactory
Supply and delivery of water-and sewerage purification chemicals	Metsi chem ikapa	Supply and delivery of water-and sewerage purification	2.58	Time (delivery)	3	Satisfactory
				Cost (price)	3	Satisfactory
Supply and delivery of water-and sewerage purification chemicals	Omnia group (PTY) LTD (protea chemicals cape)	Supply and delivery of water-and sewerage purification	2.58	Time (delivery)	3	Satisfactory
				Quality	3	Satisfactory
Supply and delivery of water-and sewerage purification chemicals	Sud-chemie sa (PTY) LTD		2.58	Time(delivery)	3	Satisfactory
				Quality	3	Satisfactory
Leak detection in water pipelines in the Overstrand area	Bosch munitech (PTY) LTD	Leak detection in water pipelines	1.83	Time	3	Satisfactory
				Cost	3	Satisfactory
				Quality	3	Satisfactory
Replacement of water meters and repair of internal water and sewerage installations-contract period ending 30 June 2017	Sakh'ikhaya suppliers cc		2.83	Replacement of water meters	3	Satisfactory
Supply and delivery of a diesel powered refuse compactor vehicle with bin lifter	Aad truck & bus/Millerton/ Cape town/coachworks man truck & b	Supply and delivery of a diesel powered refuse com	0.22	Supply and deliver diesel powered refuse compactor with bin lifter as per specifications	3	Satisfactory
Appointment of consulting engineers for various projects in the Overstrand Municipal area	Dombo du plessis and partners (Africa) (PTY) LTD	Appointment of consulting engineers for various projects in the Overstrand Municipal area	3.00		3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Supply & installation of web based bulk sms sending software	Mukoni software CC	Electronic communication	2.75	Effective emergency communication	4	Good
Appointment of a contractor for the operation and maintenance of the pearly beach and de Kelders membrane water treatment plants	Quality filtration systems CC	Appointment of a contractor for the operation and maintenance of the pearly beach and de kelders membrane water treatment plants	2.04	Time	3	Satisfactory
				Cost	3	Satisfactory
				Quality	3	Satisfactory
Provision of lifesaving services for the Overstrand area for the period ending 30 June 2014, after the withdrawal of the successful tenderer of SC 1393/2013: lifesaving services for Overstrand area.	Nasionale see en sand instituut	Lifesaving services - blue flag	0.59	Timeously deliverance of service and reports within specified quality/quantities and cost frame work as agreed in tender specification	3	Satisfactory
Provision of cleaning services, Kleinmond	Sunshine services	Cleaning of pda	2.58	Cleaning of pda areas	3	Satisfactory
Supply and/or application of fertilizer on sports fields in the Overstrand	Henchem	Supply & application of fertilizer	1.00	Application	3	Satisfactory
				Application period	3	Satisfactory
				Cost	3	Satisfactory
Management of informal settlements within the Overstrand area	Metro urban support services (PTY) LTD		1.91	The relocation and reconstruction of informal housing units for affected residents within seven days after disaster, i.e. fire/flooding or other, if required by the Municipality.	2	Underperformance-mapping to be done. Letter to service provider informing him of the outstanding matter and corrective action required.
				The accurate, daily numbering and mapping of all housing units, per informal settlement.	2	Underperformance-mapping to be done. Letter to service provider informing him of the outstanding matter and corrective action required.

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
				The execution of at least one daily preventative patrol by vehicle and foot patrol	2	Underperformance-mapping to be done. Letter to service provider informing him of the outstanding matter and corrective action required.
				The immediate demolition of newly built/erected illegal informal housing unit/structures.	2	Underperformance-mapping to be done. Letter to service provider informing him of the outstanding matter and corrective action required.
				The immediate removal of newly built/erected informal housing units/structures where additional security is required.	2	Underperformance-mapping to be done. Letter to service provider informing him of the outstanding matter and corrective action required.
Supply and installation of irrigation system at the mount pleasant soccer field and Hawston rugby field, Hermanus	Hydro cape turf services CC	Installation of irrigation system	0.08	Installation period	3	Satisfactory
				Quality	3	Satisfactory
Alterations and additions for the Overstrand Municipality to the Hawston sports grounds ablution facilities.	Coalition trading 1317	Alterations to building	0.22	Time	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Supply, installation and delivery of a:stage curtains Moffat hall, and b: stage curtains Zwelihle community hall	Lamb's chemical manufacturers CC	Supply, installation and delivery of stage curtain	0.06		3	Satisfactory
Supply and delivery of vehicles	Seventh avenue trading 612 CC	Supply and delivery of vehicles	0.28	Supply and deliver vehicles as per specifications	3	Satisfactory
Maintenance of water and wastewater infrastructure equipment in the Overstrand.	WSSA (PTY) LTD	Maintenance of water and wastewater infrastructure	2.28	Call-out and completion times	3	Satisfactory
Imvusa tyres t/a aj tyres-tender no. SC 1155/2011:supply & delivery of new / retread tyres and collection of casings	AJ tyres	Supply & deliver new / retread tyres, collect casing	2.00	Supply & delivery of new / retread tyres and collection of casings	3	Satisfactory
Supa quick Kleinmond - tender no. SC 1155/2011:supply & delivery of new / retread tyres and collection of casings	Supa quick Kleinmond-h90871/k9135 2	Supply & deliver new / retread tyres, collect casing	2.00	Supply & delivery of new / retread tyres and collection of casings	3	Satisfactory
SC1155/2011- supply and delivery of new/rethread tyres and collection of casings	Supa quick - Caledon	Supply and delivery of new/rethread tyres and collect	2.00	Supply and delivery of new/rethread tyres and collection of casings	3	Satisfactory
Lifesaving services for the Overstrand area	Overstrand community lifeguards	Lifesaving services - swimming pools	2.66	Timeously deliverance of service and reports within specified quality/quantities and cost frame work as agreed in tender specification	3	Satisfactory
Lifesaving services for the Hermanus area	Nasionale see en sand instituut	Lifesaving services - other beaches - Hermanus are	2.59	Timeously deliverance of service and reports within specified quality/quantities and cost frame work as agreed in tender specification	2	Underperformed -action taken - see e-mail from don kearney to marian moolman 2014/6/02
Cleaning of sewerage pump stations	Lazar civil engineering cc	Cleaning of pump stations &	2.53	Cost	3	Satisfactory
				Quality	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
		blockages		Time	3	Satisfactory
Supply and delivery of water purification chemicals in Gansbaai	Quality filtration systems cc	Supply and delivery of water purification chemical	1.95	Cost	3	Satisfactory
				Time	3	Satisfactory
				Quality	3	Satisfactory
Garden maintenance services Hermanus, Overstrand	MEC landscapes	Garden maintenance	3.00	Tasks completed	3	Satisfactory
				Quality of work	3	Satisfactory
				Cost	3	Satisfactory
Garden maintenance services, Hermanus Overstrand	Eco creations		3.00	Invoicing	3	Satisfactory
The re-surfacing and rehabilitation of roads in the Overstrand	Zebra / isidima JV	The re-surfacing and rehabilitation of roads in the	1.50	Cost (price)	3	Satisfactory
				Quality	3	Satisfactory
				Safety	3	Satisfactory
				Time	3	Satisfactory
Management of the Gansbaai caravan park for the period of 1 July 2013-30 June 2015	Nowers P	Management of caravan park	2.00	Standard of work	4	Good
				Management of office administration	4	Good
				Receipt and safe keeping of revenue, incl. Reconciliations	4	Good
				Supervision of subordinates	4	Good
				Proper maintenance of stands and ablution facilities	4	Good
Provision of cleaning services Eluxolweni, Gansbaai	Siyanda alien clearing and cleaning services	Cleaning services of informal settlements	2.83	Cleanliness of public areas, informal settlements, open stormwater channels, etc. And ablution blocks	3	Satisfactory
Amendment of ICT contract-SCD2489/2013 and SCD2510/2013	PSD distribution Africa (PTY) LTD	Licensing of booking system	3.00	Licensing of booking system	3	Satisfactory
Application of road markings in the Overstrand Municipal area	Coalition trading 606 CC	Application of road markings	2.24	Time	3	Satisfactory
				Cost	3	Satisfactory
				Quality	3	Satisfactory
Provision of cleaning services, Kleinmond	Dawethi ML	Cleaning pd areas	2.58	Cleaning service informal service	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Supply and delivery of water-and sewerage purification chemicals	Wetchem (white earth trading)	Supply and delivery of water-and sewerage purification	2.62	Quality	3	Satisfactory
Provision of cleaning services Masakhane, Gansbaai	SISWANA TM	Cleaning of informal settlements	2.83	Cleaning of public open spaces, informal settlements, open stormwater channels, etc. & ablution blocks	3	Satisfactory
Provision of cleaning services, Masakhane/Beverly Hills, Gansbaai	Twala NA	Cleaning of informal settlements	2.50	Cleanliness of areas	3	Satisfactory
				Cleanliness of area	3	Satisfactory
Supply and delivery of swimming pool chemicals in the Overstrand, Hermanus	Microzone trading 529 cc	Supply and delivery of pool chemicals	1.32	Time of delivery	3	Satisfactory
				Quality of chemicals delivered	3	Satisfactory
Cleaning projects Gansbaai/Stanford: thembilihle / die kop	Henry Moses Spandiel projects	Cleaning contract	2.84	Cleaning of informal settlements	3	Satisfactory
				Cleaning of open storm water channels and kerbs, catch pits and manholes	3	Satisfactory
				Cleaning of ablution blocks	3	Satisfactory
				Reporting of problems	3	Satisfactory
				Cleaning of public open spaces and play parks and roads	3	Satisfactory
Supply & delivery of water and sewerage purification chemicals to the Overstrand Municipal area	Ikusasa chemicals PTY (LTD)	Supply of water purification chemicals	2.58	Cost	3	Satisfactory
Appointment of service providers for the supply and erecting of fences in the Overstrand area	Tee gee building suppliers CC	Supply and erecting fencing in the Overstrand are	2.49	Time	3	Satisfactory
Appointment of service providers for the supply and erecting of fencing in the Overstrand area	Mr spike Overberg CC	Fencing services	2.50	Time - completion of fencing	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Appointment of service providers for the supply and erecting of fencing in the Overstrand area	Gateway metal works CC	Supply and erecting fencing in the Overstrand	2.49	Time	3	Satisfactory
Maintenance of water and wastewater infrastructure equipment in the Overstrand.	Hidro tech systems	Repair of water and wastewater infrastructure	2.38	Completion of tasks within specified time	3	Satisfactory
				Completion of tasks according to approved rates	3	Satisfactory
				Repairs and inspections according quality specifications	3	Satisfactory
				Completion of tasks to the required quality standards	3	Satisfactory
The resurfacing and rehabilitation of roads, Overstrand (amendment) sc1218/2012	Zebra / Isidima JV	Repair of roads	0.55	Quality	3	Satisfactory
				Cost	3	Satisfactory
				Time	3	Satisfactory
Altech netstar	Altech netstar	Monitoring of vehicles	9.33	Effective reporting of netstar tracking system	3	Satisfactory
The procurement of services for the hiring of sewerage vacuum tankers for the peak festive periods December 2013/January 2014 and April 2014, ending 30 April 2014.	Jetvac South Africa (PTY) LTD	Hire of vacuum tankers	0.39	Quality	3	Satisfactory
				Cost	3	Satisfactory
				Time	3	Satisfactory
Supply and delivery of diesel fuel for Onrus caravan park	Easy mix	Supply and delivery of fuel	2.62	Timeous delivery of product	3	Satisfactory
Supply and delivery of chemicals for sludge thickening purposes	Blendtech (PTY) LTD	Supply and delivery	1.00	Time (delivery)	3	Satisfactory
				Quality	3	Satisfactory
				Price	3	Satisfactory
Garden maintenance services, Hermanus Overstrand	Eco creations	Garden maintenance	3.00	Time allocated	3	Satisfactory

**Table 73.: Service Provider Performance – Community Services**

## Chapter 3: Service Delivery Performance

### vii) Protection Services

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Supply and delivery of protective clothing and uniforms: SC1318/2013	FG uniforms cc	Provision of uniform and protective clothing	2.00	Timeous delivery of items	3	Satisfactory
				Quality of items according to specs	3	Satisfactory
				Correct items	3	Satisfactory
Supply and delivery of protective clothing and uniforms: SC1318/2013	TRF sport	Supp. & del. of Uniform protective clothing	2.00	Timeous delivery of items	3	Satisfactory
				Quality of items delivered are in accordance to specifications	3	Satisfactory
Supply and delivery of protective clothing and uniforms: SC1318/2013	Marce marketing cc	Supp. & del. of Uniform protective clothing	2.00	Timeous delivery of items ordered	3	Satisfactory
				Items delivered are according to specs	3	Satisfactory
Supply and delivery of protective clothing and uniforms: SC1318/2013	Invuyani safety	Supp. & del. of Uniform protective clothing	2.00	Timeous delivery of items ordered	3	Satisfactory
				Items delivered according to specifications	3	Satisfactory
Supply and delivery of protective clothing and uniforms: protection services	FG uniforms cc	Delivery of clothing	1.52	Timeous delivery of items	3	Satisfactory
				Items delivered according to specs	3	Satisfactory
Supply and delivery of protective clothing and uniforms: protection services	TRF sport	Delivery of clothing	1.52	Timeous delivery of items	3	Satisfactory
				Items delivered according to specs	3	Satisfactory
Supply and delivery of protective clothing and uniforms: protection services	Invuyani safety	Delivery of clothing	1.52	Timeous delivery of items ordered	3	Satisfactory
				Items delivered according to specs	3	Satisfactory
Supply and delivery of protective clothing and uniforms	Steven Ridge CC	Supply and delivery of clothing	1.52	Items delivered on time	3	Satisfactory
				Quality of items delivered	3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Provision of accommodation for impounded dogs and cats in the Overstrand area	BARC dieresorg trust	Accommodation of impounded animals	2.66	Tax invoice submitted in accordance to job cards issued	3	Satisfactory
Provision of accommodation for impounded dogs and cats: Kleinmond	Kleinmond animal welfare society	Accommodation of impounded dogs & cats	2.66	Items on invoice/statement submitted is in agreement with job cards issued	3	Satisfactory
Supply and delivery of armored vests for Overstrand traffic and law enforcement services	Startune (PTY) LTD	Delivery of armored vests	0.13	Items delivered before end June 2014	3	Satisfactory
				Items delivered are according to specifications	3	Satisfactory
Supply and delivery of a major fire fighting/rescue pumper	Marce projects	Supply and delivery of major fire/rescue pump	0.47	Delivery of vehicle on date and in order as required	3	Satisfactory
Provision of security services for the Overstrand Municipal fixed properties	Quintessential security cc	Security guards	2.96	Guards on duty	3	Satisfactory
				Guards' conduct conducive with the image of the Overstrand Municipality	3	Satisfactory
				Registers up to date	3	Satisfactory
Provision of security services for the Overstrand Municipal fixed properties	Securiteam	Security services	3.00	Guards on duty in correct attire and with equipment	3	Satisfactory
				Guards conduct conducive with image of Overstrand Municipality	3	Satisfactory
				Registers up to date and available for inspection, monthly reports submitted before 10 days after end of month	3	Satisfactory
The procurement of emergency firefighting services on the 08/02/2014, 22/02/2014, 23/02/2014 and 28/02/2014.	FFA aviation (working on fire aviation)	Combatting of fires	0.07		3	Satisfactory

## Chapter 3: Service Delivery Performance

Contract name	Supplier name	Type of services rendered	Term of contract (in months)	Performance area	Average rating	Comment and/or corrective action when under performed
Plot clearing contract - Gansbaai	W J Peverelli	Plot clearing	2.76	Plot cleared timeously and correctly within agreed terms	3	Satisfactory
Manual clearing of Municipal & private erven in Hangklip-Kleinmond area	Carelse EG	Cleaning of erven	2.97	Plot cleared timeously and correctly within agreed terms	3	Satisfactory
Provision and maintenance of fire safety equipment	Hermanus extinguisher services	Installation and maintenance of fire safety equipment	2.63	Fire safety equipment serviced and installed on request	3	Satisfactory
				Provide and install symbolic fire safety signs on request	3	Satisfactory
Traffic speed measuring, fixed cameras for speed and robot violations, number plate recognition system and back office for fine collection.	Syntell	Speed measuring	3.00	Monthly reports	3	Satisfactory
				Rollout of cameras	3	Satisfactory
				Back-up services & support system	3	Satisfactory
				Equipment	3	Satisfactory
Provision of accommodation of impounded dogs and cats: Hermanus	Hermanus animal welfare society	Housing of impounded dogs and cats	2.66	Invoice tasks claimed corresponds with job cards issued	3	Satisfactory
Provision of security services for the Overstrand Municipal fixed properties	ADT security (PTY) LTD	Provision of security services	3.00	Guards on duty	3	Satisfactory
				Guards' conduct conducive with the image of the Overstrand Municipality	3	Satisfactory
				Registers up to date	3	Satisfactory
Manual clearing of Municipal & private erven in the Hermanus & Stanford Municipal area	Eco creations	Clearing of properties	2.49	Plot cleared timeously and correctly within agreed terms	3	Satisfactory

**Table 74.: Service Providers Performance – Safety and Protection Services**

### 3.2.3 Municipal Functions

#### a) Analysis of Functions

The municipal functional areas are as indicated below:

## Chapter 3: Service Delivery Performance

Municipal Function	Municipal Function Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	Yes
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
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 harbors, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
<b>Constitution Schedule 5, Part B functions:</b>	
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlors 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
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

## Chapter 3: Service Delivery Performance

Municipal Function	Municipal Function Yes / No
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

**Table 75.: Functional Areas**

### b) Performance Highlights per Functional Areas

Directorate/ Functional area	Sub Directorate	Highlights
<b>Council and Municipal Manager</b>	Internal Audit	The Chief Audit Executive (CAE) of Overstrand Municipality was elected as Chairperson of the Western Cape Chief Audit Executive Forum, which consists of all CAE's/ Heads of Internal Audit Departments of Municipalities in the Western Cape.
<b>Management Services</b>	Communications	<p><b>COMMUNICATION ACTIVITIES:</b></p> <p><b>External</b></p> <ul style="list-style-type: none"> <li>→ Municipal Newsletter (Bulletin) – 6 (Bi-monthly fully available in Afrikaans, English and isiXhosa)</li> <li>→ Website: 158 updates 113 word documents, 24 images and 325 PDF's)</li> <li>→ Media releases and opportunities used: 390</li> <li>→ Events/Handovers/Commissioning: 15</li> <li>→ Special requests (speeches, designs, projects): 35</li> <li>→ Corporate advertising and special notices: 12 issues of (bulletin posters)</li> </ul> <p><b>Internal</b></p> <ul style="list-style-type: none"> <li>→ Staff Newsletter (Phambili) – 6 times (Afrikaans/English and isiXhosa)</li> <li>→ Internal Communication Committee – 4 meetings</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>→ Municipal Showcase, planning, co-ordination and execution of the event.</li> <li>→ Involvement in planning of Madiba memorial</li> <li>→ Madiba day</li> <li>→ Madiba mosaic planning and implementation</li> <li>→ Junior Council – best practice model</li> <li>→ Report on drinking water quality to public</li> <li>→ Orientation tours for Councilors</li> <li>→ Orientation tours for Junior Town Councillors</li> </ul>

## Chapter 3: Service Delivery Performance

Directorate/ Functional area	Sub Directorate	Highlights
		<ul style="list-style-type: none"> <li>→ Involvement in Tournament of Mayoral Cups project</li> <li>→ Involvement in handing overs and openings of key projects of municipality.</li> </ul>
	Information Technology	<p><b>Development of Management Information System (MIS):</b></p> <p>The nature of MIS is such that it will always remain a moving challenge as much for management, as it is for ICT Services that need to extract and transform data sets from disparate systems into a seamless and flexible architecture framework that can assist management to assess, interpret and take informed decisions on the way forward when alternative solutions are considered.</p> <p>The primary focus during 2013/14 financial year was to:</p> <ul style="list-style-type: none"> <li>→ Ongoing improvement in financial reporting;</li> <li>→ Ongoing improvements of a monthly statements by providing a more comprehensive and transparent presentation of water and electricity usage by account holders;</li> <li>→ Implement a interim budget forecasting system to determine real-time changes without affecting live data in the financial system;</li> <li>→ The use of the GIS System has also been expanded as the key systems integrator, not only for the core financial system, but also for Town Planning, Erf Lookup Tables, statement reviews, building plans status, and Ward Based Planning initiatives.</li> </ul> <p>Research is in progress to exploit the functionalities of existing operations software and toolsets to improve employee productivity and also to work smarter. Example: Novell/Vibe Product set for workflow and document management as well as Novell Filr for mobile document access.</p>
		<p><b>Upgrading of the Data Centre Servers</b></p> <ul style="list-style-type: none"> <li>→ The Servers in the Data Centre in Hermanus have been in operation for at least five years and have reached the end of its technical life. Workload growth as well as the revised SCOA requirements from National Treasury to provide for more detailed and bigger data sets necessitated the replacement of the older Servers in the Data Centre with latest technology Servers that will also support the ongoing demand for faster and more reliable performance and systems throughput.</li> <li>→ Disk space upgrades to facilitate growth of platform and load analysis to determine optimal usage</li> </ul>
		<p><b>Disaster Recovery Site (DR Site)</b></p> <ul style="list-style-type: none"> <li>→ Systems applications and data bases are replicated at the DR site every night to ensure full recovery of any system at any only losing the current day's data, which can in most cases easily be recovered.</li> <li>→ DR testing was completed during May and June 2014 and will be done on an annual basis.</li> <li>→ The DR plan is updated on a quarterly basis.</li> </ul>
		<p><b>PC Refresh project</b></p>

## Chapter 3: Service Delivery Performance

Directorate/ Functional area	Sub Directorate	Highlights
		<ul style="list-style-type: none"> <li>→ Limited new PC's procured end of financial year</li> <li>→ Used in conjunction with a PC refresh project to:               <ul style="list-style-type: none"> <li>○ Migrate to Windows 7, with patches and updates</li> <li>○ Upgrade MS Office</li> <li>○ Ensure standard packages are installed and ensure virus protection</li> <li>○ Upgrade machines where feasible</li> <li>○ Replace machines where needed</li> </ul> </li> </ul> <p><b>Consolidation of Similar Application Systems Functionalities and Normalization of Systems Data.</b></p> <ul style="list-style-type: none"> <li>→ Various business applications systems with similar functionalities are currently deployed in the Overstrand Municipality, resulting in ongoing increases in annual licensing fees and support fees. Also, ongoing data integration between disparate business application systems results in increased complexities whilst attempting to maintain data integrity between systems.</li> <li>→ It remains the strategic intent of the municipality to assimilate similar functionalities from the other business application systems deployed in the municipality into the municipality's core Financial System (Samras) in cases where it is cost effective and functionally viable.</li> <li>→ Priorities and time-lines to do the conversions are dependent on business needs and available funding over the next few years.</li> <li>→ Initiatives currently on the way include the building of the Supply Chain Management process on SamrasClassic and SamrasPlus as well as integration between the works order system and Samras, GIS and payroll system.</li> <li>→ Investigation into an integrated Asset Maintenance Management system will start in the first quarter of the financial year.</li> </ul> <p>The Senior ICT Business Analyst assists management in driving this initiative forward.</p>
	Legal Services	<p>No successful appeals against the municipality regarding the awarding of tenders and quotations</p> <p>90% turnaround time for referrals by user departments</p> <p>Increase in the provision of legal updates to respective user departments</p> <p>The adoption of two new by – laws, and the development of three other draft by – laws</p> <p>Coordinate all litigious matters by and against the municipality, with no court orders issued against the municipality</p> <p>As member of the advisory body legal services made sound and objective recommendations, with no application for review brought by the public against any decision made by the municipal manager on the basis of the advisory body recommendations</p>
<b>Financial Services</b>	Supply Chain Management	Development and Implementation of a Contract Management Policy which is in line with the Supply Chain Management Policy.

## Chapter 3: Service Delivery Performance

Directorate/ Functional area	Sub Directorate	Highlights																										
		<p>The development of the SCMU IT system (SCM, Contract Management and Records Management), to be implemented in the new financial year (envisaged: September 2014)</p> <p>Reduction in the total number of Clause 36 Deviations approved during the financial year.</p>																										
	System Administration	New billing tables and formulas in accordance with the 2013/14 budget were implemented successfully and levied on a monthly basis																										
		<p><u>Indigent Household Register</u></p> <p><u>Financial Year Amount Households</u></p> <table> <tr> <td>30 June 2014</td> <td>6,543</td> </tr> <tr> <td>30 June 2013</td> <td>6,423</td> </tr> <tr> <td>30 June 2012</td> <td>5,852</td> </tr> <tr> <td>30 June 2011</td> <td>5,241</td> </tr> <tr> <td>30 June 2010</td> <td>2,864</td> </tr> </table>	30 June 2014	6,543	30 June 2013	6,423	30 June 2012	5,852	30 June 2011	5,241	30 June 2010	2,864																
	30 June 2014	6,543																										
	30 June 2013	6,423																										
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	30 June 2010	2,864																										
	Revenue	<table> <thead> <tr> <th>Training</th> <th>Staff Members</th> </tr> </thead> <tbody> <tr> <td>Advanced Computer Training</td> <td>1</td> </tr> <tr> <td>Intermediate Computer Training</td> <td>1</td> </tr> <tr> <td>Effective Business Writing</td> <td>14</td> </tr> <tr> <td>Fire Marshall</td> <td>8</td> </tr> <tr> <td>Leadership Concepts</td> <td>12</td> </tr> <tr> <td>LGAAC</td> <td>8</td> </tr> <tr> <td>MFMA</td> <td>6</td> </tr> <tr> <td>Telephone Etiquette -</td> <td>45</td> </tr> <tr> <td>OHS Reps</td> <td>2</td> </tr> <tr> <td>Samras</td> <td>2</td> </tr> <tr> <td>First Aid</td> <td>12</td> </tr> <tr> <td>Initiator &amp; Chairperson</td> <td>2</td> </tr> </tbody> </table>	Training	Staff Members	Advanced Computer Training	1	Intermediate Computer Training	1	Effective Business Writing	14	Fire Marshall	8	Leadership Concepts	12	LGAAC	8	MFMA	6	Telephone Etiquette -	45	OHS Reps	2	Samras	2	First Aid	12	Initiator & Chairperson	2
	Training	Staff Members																										
Advanced Computer Training	1																											
Intermediate Computer Training	1																											
Effective Business Writing	14																											
Fire Marshall	8																											
Leadership Concepts	12																											
LGAAC	8																											
MFMA	6																											
Telephone Etiquette -	45																											
OHS Reps	2																											
Samras	2																											
First Aid	12																											
Initiator & Chairperson	2																											
	<p>Currently the collection rate for billing is:</p> <p>90days is 97.20%</p> <p>60days is 95.51%</p> <p>30days is 85.5%</p>																											
	Information sessions were held during ward meetings for ward 4 & 5 to explain the criteria for registration as an indigent household, tariffs, accounts and to answer general queries																											
Budget & Accounting Services	<p>Comprehensive quarterly budget statements as per the Municipal Budget and Reporting regulations were tabled in Council during 2013/14</p> <p>Comprehensive monthly budget statements as per the Municipal Budget and Reporting regulations were introduced and submitted monthly to the Executive Mayor. Provincial Treasury aims to use this report as a template for other Western Cape municipalities.</p> <p>All required monthly, quarterly and annual National Treasury return forms (Appendix B) and all required National Treasury budget return</p>																											

## Chapter 3: Service Delivery Performance

Directorate/ Functional area	Sub Directorate	Highlights
		forms relating to the draft, final and adjustments budgets were submitted during 2013/2014 (MFMA & MBRR).
		The AFS for 2012/2013 financial year was submitted by 31 August 2013 and an unqualified audit opinion was received from the Auditor General
		Quarterly financial statements are being produced for submission to the Audit Committee.
	Expenditure and Asset Management	Municipal Financial Management Programme Training – In total seven officials, out of the twenty in this division, successfully completed the Municipal Financial Management Programme Training. A further four officials are currently enrolled in this programme and will complete the training by the end of 2014. This will result in the attainment of the required competency levels in terms of National Treasury's minimum MFMA Competency Regulations. Unfortunately one of the seven who already completed the programme, left the employment of the municipality during the course of the year.
		The reconciling of Creditor Statements per the SAMRAS Financial System, developed and incorporated by Bytes Systems Integration (Pty) Ltd as part of their Financial System during the 2012/13 financial year, continues to support this division in providing detailed and meaningful reporting whilst also performing an integral part of the internal control measures.
Community Services	Hangklip/Kleinmond Administration	Very active and vibrant citizenry co-operation between the different sectors of the community and the municipality. This is amplified by the well-organized ward committee system for Wards 9 and 10.
		Budget information sessions were arranged by the budget office and addressed by the Mayor, Councilors and Directors during April 2014 for wards 9 and 10, which were well attended and vigorously debated.
		The new reservoir at Rooiels has been completed and operational since April 2014.
		A Unimog fire truck was donated to the Municipality by the Pringle Ratepayers Association in May 2014. This demonstrates the community's level of involvement and dedication.
		The erection of a brand new soccer field with clubhouse is currently in progress in Overhills and will be finished by September 2014.
		A water pipe replacement project has been approved which will reduce water losses at a huge scale.
		Kleinmond beach once again obtained blue flag status and evaluations proofed that a high standard of management by the municipal officials were rendered.
		The penguin colony at Stony Point was well managed and more than

## Chapter 3: Service Delivery Performance

Directorate/ Functional area	Sub Directorate	Highlights	
		80 000 people visited the colony, 56% of which were visitors from outside the borders of South Africa.	
		Blue drop status was obtained for Kleinmond Water Treatment Works and for the fourth time for Buffels River Water Treatment Works.	
		The specific areas which will benefit from the Greenest Town Competition have been identified and the business plan approved by National Government. Activities will commence in September 2014.	
		A paved parking area at the Kleinmond beach area adjacent to the lagoon was extended and completed to accommodate hawkers during summer seasons.	
		Various tar roads in Kleinmond and Pringle Bay were re-sealed and rehabilitation to some existing tar roads was done.	
		Achieved Blue Drop Status for Preekstoel Water Treatment Works.	
		Achieved Green Drop status for Hermanus and Hawston Waste Water Treatment Works.	
		Large number of roads resealed in all neighbourhoods.	
		Last section of the Cliff Path Tourist attraction upgraded.	
		Blue Flag Status awarded to Grotto & Hawston Beaches.	
		Swallow Park (Heritage Site) in CBD upgrading completed.	
		New extension to Hawston Sports ground Change Rooms completed.	
		Irrigation installed two sports fields.	
		Upgraded various parking areas and surrounds at estuaries and beaches.	
		Large number of sidewalks was paved and streets tarred making the CBD and residential areas very attractive and functional.	
		9 granite history plaques were erected on stone clad pedestals at various historical sites.	
		Three community halls were upgraded and provided with new improved kitchen and other equipment.	
		Storm water systems which are the highest risk were installed at hotspots throughout the Hermanus Area.	
		The Head Office gardens were beautified with indigenous plants only and watered with purified waste water supply.	
		The Onrus Caravan Park achieved 3 star tourist rating for the first time.	
		The Onrus Caravan Park boasted a 9 month incident free period in respect of theft.	
		The Onrus Caravan Park hosted the Wines to Whales MTB event attracting over 3000 visitors to the Park.	
		Gansbaai/Stanford Administration	The introduction of Government's EPWP initiative for clean up along water courses is making a huge impact along the Klein River in Stanford. The Khoisan Group, consisting of 10 local people, is very enthusiastic and hardworking and has made and is still making a big difference in Stanford.

## Chapter 3: Service Delivery Performance

Directorate/ Functional area	Sub Directorate	Highlights
		Working for the Coast (WFTC) teams consisting of an average of 50 - 60 team members performed duties along the coastline and public open spaces between Stanford and Quin Point for the entire financial year. This project delivered remarkable and valuable results which is recognised and appreciated by the local residents.
		As part of the approved capital budget, a substantial amount was provided for the drilling of boreholes to enhance water resources for irrigation of the local golf club as well as the bowling club. The project was important for the financial sustainability of these sport facilities.
		The Executive Mayor and full time Councillors attended public meetings during April 2014 to explain the content and implications of the proposed 2014/15 budget as well as tariff structure for municipal services. The meetings were well attended by ward committee members and leading role players in the community.
		The establishment of a herbarium combined with a trauma centre was completed in the Pearly Beach area as a project funded from ward specific budget allocations. The local community contributed financially to complete the building and the evidence is their already to proof that this was an awesome investment.
		A play-park and fynbos garden was added to the development of the village green on erf 629, Pearly Beach (Phase II). The completed project listed a couple of community gatherings recently. The first Pearly Beach Affair took place on 21 March 2014.
		The market square in Stanford is host of popular community events and provision was made in the budget (ward specific allocation) to install irrigation systems on the lawn. The completed product was received by the local community with great excitement and appreciation.
	Housing Administration	Eluxolweni (Pearly Beach) 211 sites: <ul style="list-style-type: none"> <li>→ The development of services for 211 sites has been completed. 183 top structures and 28 serviced sites have been completed.</li> </ul>
		Access to Basic Services (ABS) Project <ul style="list-style-type: none"> <li>→ Project has been completed. Every household in the 12 informal settlements has access to water (1 tap per 25 families) and sanitation (1 toilet per 5 families)</li> </ul>
		Title Deeds: Overstrand <ul style="list-style-type: none"> <li>→ 423 title deeds have been registered in the Deeds Office for the 2013/2014 financial year.</li> </ul>
		Informal settlement survey : June 2014 <ul style="list-style-type: none"> <li>→ The successful bi-annual survey of the informal settlements - 3330 units were counted and verified</li> </ul>
Special Projects	33 projects completed during the 2013/14 financial year <ul style="list-style-type: none"> <li>→ Kleinmond: 6</li> <li>→ Fisherhaven: 0</li> <li>→ Hawston: 6</li> <li>→ Mount Pleasant: 6</li> </ul>	

## Chapter 3: Service Delivery Performance

Directorate/ Functional area	Sub Directorate	Highlights
		<ul style="list-style-type: none"> <li>→ Hermanus: 9</li> <li>→ Zwelihle: 5</li> <li>→ Stanford: 1</li> </ul>
		Deductions from Workers salary in respect of municipal account in arrears. <ul style="list-style-type: none"> <li>→ Deducted 30% of workers and allocated to municipal accounts in arrears which amounted to R61,380.00</li> </ul>
		<ul style="list-style-type: none"> <li>→ 197 new job opportunities were created</li> </ul>
		<ul style="list-style-type: none"> <li>→ 146 unemployed people were employed through projects</li> </ul>
<b>Protection Services</b>	Fire Management	International Fire fighters Day  24 Hours manned stations: <ul style="list-style-type: none"> <li>→ A First for Overstrand Fire &amp; Rescues Services</li> </ul>
	Law Enforcement and Security Services	The Overstrand public was well informed with regard to Municipal By-laws as By-law training was conducted and information booklets were distributed in the communities. 158 candidates successfully completed their By-law training and were awarded with certificates. The number of By-law infringements investigated has decreased notably due to the By-law training.  A court dealing with Municipal Matters is in the process of being established. This court will assist in bringing by-law and other municipal legislation offenders to justice.)
	Traffic Services	Successful management of big events.  There were no fatal accidents over Easter weekend. Although there is a lack of manpower, the members still obtained the targets set for them. Because of experience, planning was done efficiently. The EPWP members were utilized as additional manpower to obtain the targets.
<b>Economic Development and Tourism</b>	LED	<p><b>i. STRATEGIC PARTNERSHIPS</b></p> <p>The department has entered into MOU's with various partners to ensure effective delivery of support programs to accelerate the development and capacitation of people equipping them with skills necessary to take advantage of opportunities both current and potential.</p> <p><b>a. AFRIMAT – MOU</b></p> <p>The agreement is a collaboration between Overstrand Municipality, LED department, the Department of Mineral Resources and Afrimat, a mining company, to empower the youth by providing them with driving skills thus increasing their employability. Local driving schools were appointed as service providers. The beneficiaries for this project are those from previously disadvantaged communities in the Overstrand area, namely Hawston, Zwelihle, Stanford, Kleinmond and Masakhane. The project will be administered from the LED department in conjunction with the traffic department. The ultimate objective is to promote and increase the employability of youth upon successfully</p>

## Chapter 3: Service Delivery Performance

Directorate/ Functional area	Sub Directorate	Highlights
		<p>attaining their driver's licenses and public drivers permit.</p> <p><b>b. WORLD WIDE FUND for NATURE - MOU:</b></p> <p>The purpose of this agreement is to advance a small scale fisheries implementation plan in Kleinmond. Funds will be sourced by WWF from different sources for the project activities. The agreement is a partnership between Overstrand Municipality, WWF and LED to develop a support plan for the activities and to work with the community and small scale fisheries stakeholders of Kleinmond and the entire Kogelberg area in order to fulfill the objectives of the Fisheries Improvement programme and achieve the ultimate goal of economic development and better environment management. The partnership is needed to collaborate and combine programs that will have a long term socio economic impact.</p> <p>The LED department will also be responsible for linking and supporting the Fisheries Improvement Programme to local businesses and access to market opportunities including value adding opportunities and business ventures that are emanating from fisheries.</p> <p><b>c. PRODUCTIVITY-SA, OVERSTRAND MUNICIPALITY and CASIDRA – MOU:</b></p> <p>The MOU is a partnership between Overstrand Municipality, Productivity SA and Casidra to improve co-operatives growth and job creation potential. Productivity SA undertakes to provide further training for the co-operatives. The co-operatives will also be assisted to apply for the grants from DTI; Casidra will assist with the business plan and funding. The LED department will be responsible for ensuring the attendance in the workshops, completion of action plans and provision of mentorship assistance for the selected co-operatives.</p> <p><b>ii. Business Development and Support</b></p> <p>LED actively sought cooperation with organizations mandated to bring practical assistance to budding as well as established entrepreneurs such as NYDA, DEDAT, DTI, SARS, DAFF, etc. We worked directly with individual businesses in accordance with their developmental programs. They participated in a number of outreach programs that were organized in the financial year 2013/2014.</p> <p><b>iii. EPWP</b></p> <p><b>a. EPWP Grant Funding Projects</b></p> <p>Grant funding received from the Department of Public Works to roll out EPWP projects in the financial year of 2013-2014 to the value of R1,236,919.00. Further job opportunities were recorded from internal projects improving the municipality's performance in labour intensive</p>

## Chapter 3: Service Delivery Performance

Directorate/ Functional area	Sub Directorate	Highlights
		<p>initiatives. This has propelled the municipality to one of the best performing municipalities.</p> <p>Overstrand is leading in the district in terms of both delivery on the program as well as cooperating internally to create further opportunities for the people of the Overstrand.</p> <p><b>b. EPWP Municipal Own Funding</b></p> <p>The municipality augmented its EPWP grant funding through its MIG funding to further deal a decisive blow to poverty and unemployment through using EPWP principles in its infrastructure projects. The total value of projects that were rolled out in the year 2013/2014 was to the tune of R21m and created 517 job opportunities.</p> <p><b>iv. Symposiums</b></p> <p>A number of symposiums were organized to mobilize people interested in pursuing business initiatives and most importantly to provide information that will be useful to them to as they take crucial decisions with regards to their businesses. The following are some of the symposiums that were hosted by the Overstrand:</p> <p><b>a. SAWEN Consultative Forum</b></p> <p>Women from across the Overstrand converged in the auditorium to be addressed by SAWEN as well as other key speakers with regards to the business opportunities that exist for women and support mechanism that SAWEN provides to ensure they succeed.</p> <p><b>b. Department of Trade and Industry (DTI)</b></p> <p>An open day was hosted to afford business persons in the Overstrand to interact directly with DTI primarily around the Incentive Scheme programs. The meeting bridged the gap between DTI and local entrepreneurs and provided practical assistance to the challenges that they were faced with. It was through this interaction that DTI committed to support us in assisting at least 20 cooperatives to access the Cooperative Incentive Scheme (CIS) grant. Since this interaction 5 cooperatives have been assistance to apply and DTI has confirmed that they are following through with the process.</p> <p><b>v. Emerging Contractor Development and Service Provider</b></p> <p>A workshop was organized for all the budget holders within the Overstrand Municipality to be taken through the draft policy: 'Emerging Contractor Development' and the said document was adopted in principle.</p> <p>Construction Industry Development Board (CIDB) was further</p>

## Chapter 3: Service Delivery Performance

Directorate/ Functional area	Sub Directorate	Highlights
		<p>approached to provide guidance and assistance to the municipality with regards to finalizing the policy and most importantly the Implementation Strategy thereof.</p> <p>The process is well underway to afford the general public of the Overstrand to comment on the proposed policy through newspaper adverts and direct contributions at the municipal offices. It is envisaged that the policy will be tabled at the Council Meeting for adoption towards the end of August 2014.</p> <p><b>vi. Cooperatives Development Initiative</b></p> <p>Two hundred and ninety five (295) people from across Overstrand were trained on setting up co-operatives which enabled them to form groups based on their planned initiatives. This initiative was made possible with the assistance of Productivity SA who provided the training and support.</p> <p><b>viii. Entrepreneurship</b></p> <p>A focused number of entrepreneurs were identified for more focused and mentorship interventions and as a measure of assessing effectiveness of training programmes</p> <p>The introduction of entrepreneurship in schools is receiving the Department of Education's attention. A process was initiated and broad community participation will be followed to solicit community buy-in and ownership.</p> <p><b>ix. Overstrand Bakery Initiative</b></p> <p>An initiative by a group of local women who were provided with necessary skills and support through a local NGO (Learn to Earn). Their products were taken through a market test and received positive feedback. They will continue to operate as a co-operative going further.</p> <p><b>x. Youth Conference</b></p> <p>A total of 134 young people attended the youth focus day which was organized to give the youth an opportunity to gain access to information and people who can help in assisting them to realize their dreams. Amongst the speakers were the Executive Mayor and the Director Economic Development including other relevant people motivating and pointing young people in the right direction.</p> <p><b>xi. LED Maturity Assessment</b></p> <p>SALGA and DEDAT conduct periodic maturity assessments of how the LED strategy is formulated and implemented in the Western Cape. In February 2014 the second report came out where it was stated that</p>

## Chapter 3: Service Delivery Performance

Directorate/ Functional area	Sub Directorate	Highlights
		<p>there has been a significant progress in the Overstrand. All areas being evaluated and assessed produced positive results for the Overstrand and though there is still much work to be done yet the positive report demonstrates that LED Overstrand is on an upward trajectory.</p> <p>All care will be taken to ensure that all matters raised for improvement will be taken forward and that all internal stakeholders will be roped in to deliver, collectively, a far improved and effective LED strategy.</p> <p>The LED Maturity Assessment is one of the most critical tools to assess the municipality's ability to better implement and practice LED. The municipality rates amongst the top performers in LED and is improving with time.</p>
<b>Infrastructure and Planning Services</b>	Building Services	<p>The number of building plans approved during the year under review was 1 471 compared to the 1 338 plans approved in the previous year. This represents an increase of 10%.</p> <p>The value of building work approved during the year under review was R957m, compared to the R809m in the previous year. This represents an increase of 18%.</p>
	GIS	<p>Besides the many facets of GIS our biggest projects this year was the automated Process deployed and we constantly had to do e-shaping and amend the process in order to get the best possible results from this very complex process.</p> <p>Comparison and cleanup of the whole Overstrand erf data set using various other sources in order to create a credible dataset and determine a good join. This process also allows us to investigate and eliminate all mistakes.</p> <p>ELA negotiations were reached and a new 3year contract was signed.</p> <p>A new viewer was discussed, input and design was finalized for this in order to have more capabilities within the viewer.</p> <p>A formal quotation was advertised for a new plotter, it was finalized the plotter was received and installed.</p>
	Project Management and Development Control	Completion of Hermanus Parallel road and completion of Hermanus Parallel road (cycling and pedestrian ways)
	Town Planning, Spatial Development and Property Administration	→ Overstrand Integrated Zoning Scheme being enacted from 1 January 2014
		→ Overstrand Integrated Development Framework adopted in June 2014
	Engineering Planning	→ Successfully completed 11 capital projects.
→ The Water Services Development Plan for 2014/15 was approved		

## Chapter 3: Service Delivery Performance

Directorate/ Functional area	Sub Directorate	Highlights
		by Council on 28 May 2014.
		→ Completed construction of new landfill cell at Gansbaai.
		→ Achieved Green Drop status at 4 waste water treatment plants
		→ Innovation award for new biological water treatment plant at Hermanus at Western Cape Greenest Municipality 2013

**Table 76.:** Performance highlights per functional area

### c) Overview of performance per directorate

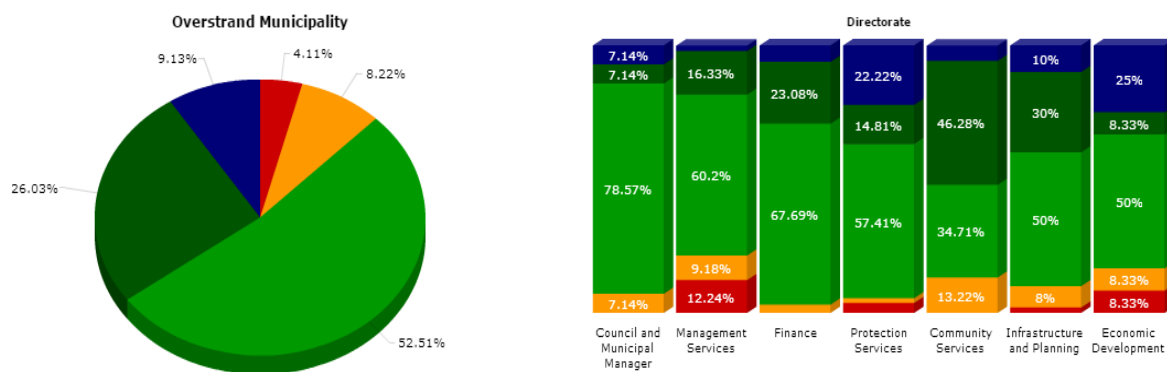
The performance statistics in the table below and all the graphs in the following sub paragraphs include performance in terms of the SDBIP for the 2013/14 financial year and where applicable, in comparison to the 2012/13 financial year.

Directorates	Financial Year	Total KPIs	KPIs Extremely Well Met	KPIs Well Met	KPIs Met	KPIs almost Met	KPIs not Met	% of KPI's met (100% and above)
Council and Municipal Manager	2012/13	23	2	0	17	2	2	83
	<b>2013/14</b>	<b>14</b>	<b>1</b>	<b>1</b>	<b>11</b>	<b>1</b>	<b>0</b>	<b>93</b>
Management Services	2012/13	116	6	12	79	9	10	84
	<b>2013/14</b>	<b>98</b>	<b>2</b>	<b>16</b>	<b>59</b>	<b>9</b>	<b>12</b>	<b>79</b>
Protection Services	2012/13	59	14	7	25	9	4	78
	<b>2013/14</b>	<b>54</b>	<b>13</b>	<b>7</b>	<b>31</b>	<b>1</b>	<b>2</b>	<b>94</b>
Financial Services	2012/13	70	3	12	53	1	1	97
	<b>2013/14</b>	<b>65</b>	<b>4</b>	<b>15</b>	<b>44</b>	<b>2</b>	<b>0</b>	<b>97</b>
Community Services	2012/13	147	8	44	69	23	3	82
	<b>2013/14</b>	<b>121</b>	<b>7</b>	<b>56</b>	<b>42</b>	<b>16</b>	<b>0</b>	<b>88</b>
Infrastructure and Planning Services	2012/13	92	6	11	51	17	7	74
	<b>2013/14</b>	<b>50</b>	<b>5</b>	<b>15</b>	<b>25</b>	<b>4</b>	<b>1</b>	<b>90</b>
Economic Development Services	2012/13	46	7	3	33	1	2	93
	<b>2013/14</b>	<b>36</b>	<b>9</b>	<b>3</b>	<b>18</b>	<b>3</b>	<b>3</b>	<b>83</b>

**Table 77.:** Summary of total performance per Directorate

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The graphs provide an illustrative overview of the overall performance results of all the KPI's measured as at 30 June 2014



**Graph 5:** Overall performance of directorates for 2013/14

Overall, the municipality met 384 (87, 67%) of a total number of 438 key performance indicators (KPIs) for the period 01 July 2013 – 30 June 2014. 36 (8, 22%) of KPIs were almost met and 18 (4, 11%) of the indicators were not met.

### d) Performance per functional area (Departmental/Operational SDBIP)

#### f) Council and Municipal Manager consist of the following divisions:

- Council
- Municipal Manager
- Internal Audit

The Operational Key Performance Indicators for Council and Municipal Manager are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

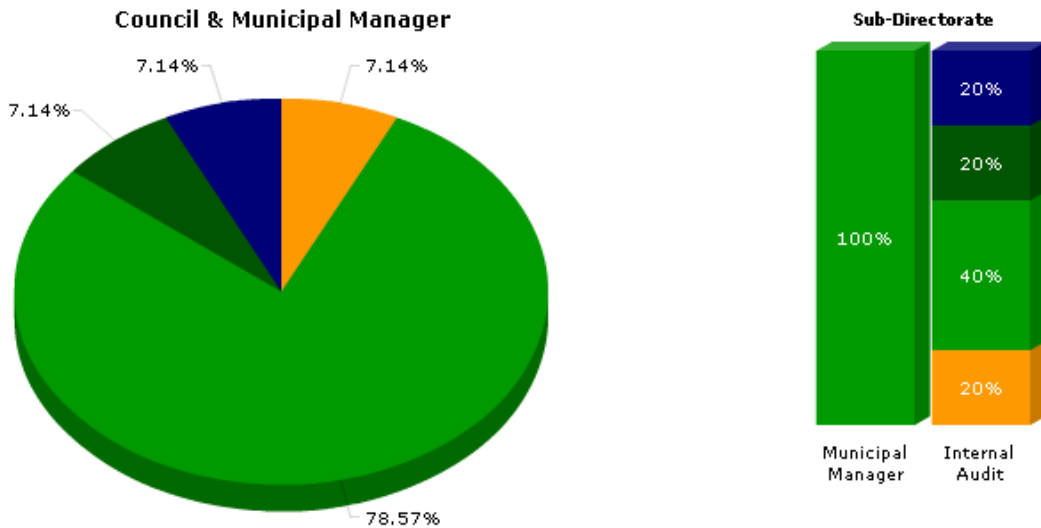
National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Encouragement of structured community participation in the affairs of the municipality
Municipal Financial Viability and Management	Optimisation of financial resources	Provision of democratic, accountable and ethical governance
Municipal Transformation and Institutional Development	Good governance	Provision of democratic, accountable and ethical governance
Basic Service Delivery	Basic Service Delivery	Provision and maintenance of

## Chapter 3: Service Delivery Performance

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
		municipal services
Local Economic Development	Social upliftment and Economic Development	Promotion of tourism, economic and social development Creation and maintenance of a safe and healthy environment

**Table 78.: Functional alignment – Council and Municipal Manager**

The following graph indicates the performance of the various sub-directorates within Council and Municipal Manager directorate



	Council & Municipal Manager	Sub-Directorate	
		Municipal Manager	Internal Audit
<b>KPI Not Met</b>	-	-	-
<b>KPI Almost Met</b>	<u>1 (7.1%)</u>	-	<u>1 (20%)</u>
<b>KPI Met</b>	<u>11 (78.6%)</u>	<u>9 (100%)</u>	<u>2 (40%)</u>
<b>KPI Well Met</b>	<u>1 (7.1%)</u>	-	<u>1 (20%)</u>
<b>KPI Extremely Well Met</b>	<u>1 (7.1%)</u>	-	<u>1 (20%)</u>
<b>Total:</b>	<b>14</b>	<b>9</b>	<b>5</b>

**Graph 6.: Council and Municipal Manager sub-directorate performance**

## Chapter 3: Service Delivery Performance

**g) Management Services consists of the following divisions:**

- Director: Management Services
- Communications
- Council and Support Services
- Human Resources
- Information Technology
- Legal Services
- Strategic Services

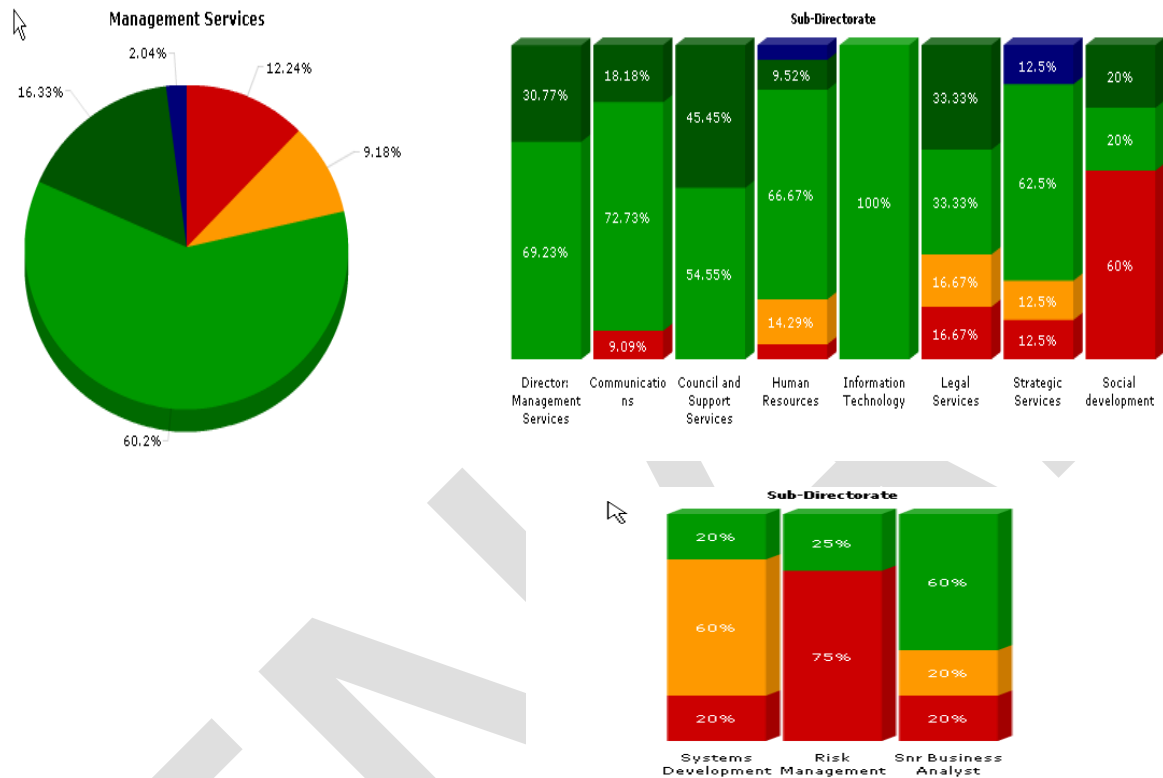
The Operational Key Performance Indicators for Management Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Encouragement of structured community participation in the affairs of the municipality
Municipal Financial Viability and Management	Optimisation of financial resources	Provision of democratic, accountable and ethical governance
Municipal Transformation and Institutional Development	Good governance	Provision of democratic, accountable and ethical governance
Basic Service Delivery	Basic Service Delivery	Provision and maintenance of municipal services
Local Economic Development	Social upliftment and Economic Development	Promotion of tourism, economic and social development Creation and maintenance of a safe and healthy environment

**Table 79.: Functional alignment – Management Services**

## Chapter 3: Service Delivery Performance

The following graph indicates the performance of the various sub-directorates within the Management Services directorate



Management Services		Sub-Directorate					
		Director: Management Services	Communications	Council and Support Services	Human Resources	Information Technology	Legal Services
<b>KPI Not Met</b>	<u>12 (12.2%)</u>	-	<u>1 (9.1%)</u>	-	<u>1 (4.8%)</u>	-	<u>1 (16.7%)</u>
<b>KPI Almost Met</b>	<u>9 (9.2%)</u>	-	-	-	<u>3 (14.3%)</u>	-	<u>1 (16.7%)</u>
<b>KPI Met</b>	<u>59 (60.2%)</u>	<u>9 (69.2%)</u>	<u>8 (72.7%)</u>	<u>6 (54.5%)</u>	<u>14 (66.7%)</u>	<u>9 (100%)</u>	<u>2 (33.3%)</u>
<b>KPI Well Met</b>	<u>16 (16.3%)</u>	<u>4 (30.8%)</u>	<u>2 (18.2%)</u>	<u>5 (45.5%)</u>	<u>2 (9.5%)</u>	-	<u>2 (33.3%)</u>
<b>KPI Extremely Well Met</b>	<u>2 (2%)</u>	-	-	-	<u>1 (4.8%)</u>	-	-
<b>Total:</b>	<b>98</b>	<b>13</b>	<b>11</b>	<b>11</b>	<b>21</b>	<b>9</b>	<b>6</b>

## Chapter 3: Service Delivery Performance

Continue: Management Services	Sub-Directorate				
	Strategic Services	Social development	Systems Development	Risk Management	Snr Business Analyst
■ KPI Not Met	<a href="#">1 (12.5%)</a>	<a href="#">3 (60%)</a>	<a href="#">1 (20%)</a>	<a href="#">3 (75%)</a>	<a href="#">1 (20%)</a>
■ KPI Almost Met	<a href="#">1 (12.5%)</a>	-	<a href="#">3 (60%)</a>	-	<a href="#">1 (20%)</a>
■ KPI Met	<a href="#">5 (62.5%)</a>	<a href="#">1 (20%)</a>	<a href="#">1 (20%)</a>	<a href="#">1 (25%)</a>	<a href="#">3 (60%)</a>
■ KPI Well Met	-	<a href="#">1 (20%)</a>	-	-	-
■ KPI Extremely Well Met	<a href="#">1 (12.5%)</a>	-	-	-	-
<b>Total:</b>	<b>8</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>5</b>

*Graph 7.: Management Services sub-directorate performance*

*h) Finance consists of the following divisions:*

- Director: Finance
- Accounting Services
- Deputy Director Finance
- Expenditure and Asset Management
- Revenue
- SCM
- Systems Administrator Finance

The Operational Key Performance Indicators for Finance are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

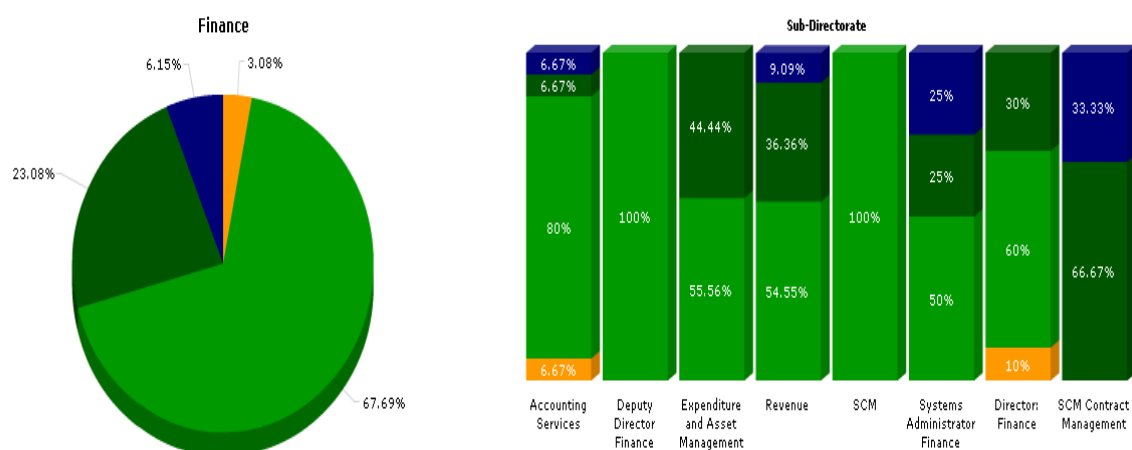
National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Encouragement of structured community participation in the affairs of the municipality
Municipal Financial Viability and Management	Optimisation of financial resources	Provision of democratic, accountable and ethical governance
Municipal Transformation and Institutional Development	Good governance	Provision of democratic, accountable and ethical governance
Basic Service Delivery	Basic Service Delivery	Provision and maintenance of municipal services

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National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Local Economic Development	Social upliftment and Economic Development	Promotion of tourism, economic and social development Creation and maintenance of a safe and healthy environment

Table 80.: Functional alignment – Finance

The following graph indicates the performance of the various sub-directorates within Finance directorate



	Finance	Sub-Directorate			
		Accounting Services	Deputy Director Finance	Expenditure and Asset Management	Revenue
<b>KPI Not Met</b>	-	-	-	-	-
<b>KPI Almost Met</b>	2 (3.1%)	1 (6.7%)	-	-	-
<b>KPI Met</b>	44 (67.7%)	12 (80%)	7 (100%)	5 (55.6%)	6 (54.5%)
<b>KPI Well Met</b>	15 (23.1%)	1 (6.7%)	-	4 (44.4%)	4 (36.4%)
<b>KPI Extremely Well Met</b>	4 (6.2%)	1 (6.7%)	-	-	1 (9.1%)
<b>Total:</b>	<b>65</b>	<b>15</b>	<b>7</b>	<b>9</b>	<b>11</b>

	Continue Finance	Sub-Directorate			
		SCM	Systems Administrator Finance	Director: Finance	SCM Contract Management
<b>KPI Not Met</b>	-	-	-	-	-

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	Continue Finance	Sub-Directorate			
		SCM	Systems Administrator Finance	Director: Finance	SCM Contract Management
<b>KPI Almost Met</b>	<u>2 (3.1%)</u>	-	-	<u>1 (10%)</u>	-
<b>KPI Met</b>	<u>44 (67.7%)</u>	<u>6 (100%)</u>	<u>2 (50%)</u>	<u>6 (60%)</u>	-
<b>KPI Well Met</b>	<u>15 (23.1%)</u>	-	<u>1 (25%)</u>	<u>3 (30%)</u>	<u>2 (66.7%)</u>
<b>KPI Extremely Well Met</b>	<u>4 (6.2%)</u>	-	<u>1 (25%)</u>	-	<u>1 (33.3%)</u>
<b>Total:</b>	<b>65</b>	<b>6</b>	<b>4</b>	<b>10</b>	<b>3</b>

*Graph 8.: Finance sub-directorate performance*

*i) Community Services consists of the following divisions:*

- Director: Community Services
- Deputy Director: Community Services
- Area Management: Gansbaai
- Area Management: Hangklip/Kleinmond
- Area Management: Hermanus
- Area Management: Stanford
- Housing Administration
- Operational Management: Gansbaai
- Operational Management: Hangklip/Kleinmond
- Operational Management: Hermanus
- Operational Management: Stanford
- Special Projects

The Operational Key Performance Indicators for Community Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

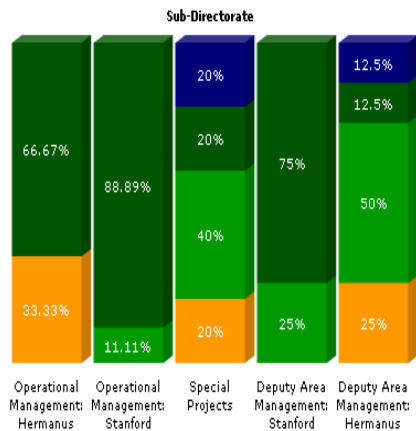
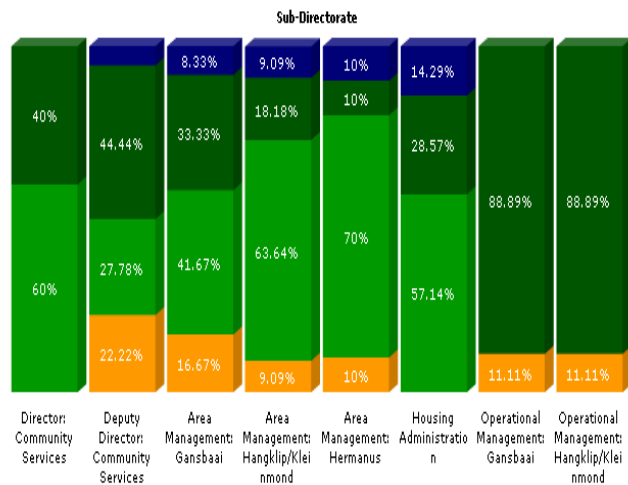
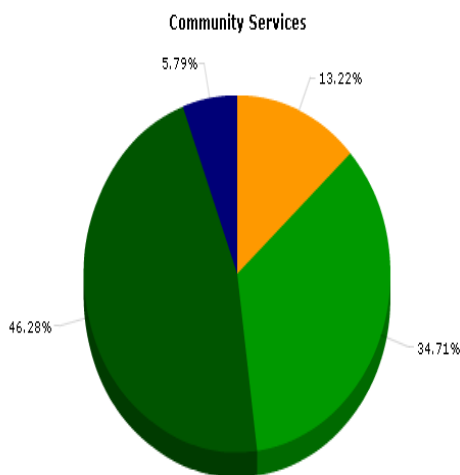
National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Encouragement of structured community participation in the affairs of the municipality
Municipal Financial Viability and Management	Optimisation of financial resources	Provision of democratic, accountable and ethical governance

## Chapter 3: Service Delivery Performance

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Municipal Transformation and Institutional Development	Good governance	Provision of democratic, accountable and ethical governance
Basic Service Delivery	Basic Service Delivery	Provision and maintenance of municipal services
Local Economic Development	Social upliftment and Economic Development	Promotion of tourism, economic and social development Creation and maintenance of a safe and healthy environment

**Table 81.:** Functional alignment – Community Services

The following graph indicates the performance of the various sub-directorates within the Community Services directorate



## Chapter 3: Service Delivery Performance

Community Services		Sub-Directorate					
		Director: Community Services	Deputy Director: Community Services	Area Management: Gansbaai	Area Management: Hangklip/ Kleinmond	Area Management: Hermanus	Housing Administration
KPI Not Met	-	-	-	-	-	-	-
KPI Almost Met	<u>16 (13.2%)</u>	-	<u>4 (22.2%)</u>	<u>2 (16.7%)</u>	<u>1 (9.1%)</u>	<u>1 (10%)</u>	-
KPI Met	<u>42 (34.7%)</u>	<u>6 (60%)</u>	<u>5 (27.8%)</u>	<u>5 (41.7%)</u>	<u>7 (63.6%)</u>	<u>7 (70%)</u>	<u>4 (57.1%)</u>
KPI Well Met	<u>56 (46.3%)</u>	<u>4 (40%)</u>	<u>8 (44.4%)</u>	<u>4 (33.3%)</u>	<u>2 (18.2%)</u>	<u>1 (10%)</u>	<u>2 (28.6%)</u>
KPI Extremely Well Met	<u>7 (5.8%)</u>	-	<u>1 (5.6%)</u>	<u>1 (8.3%)</u>	<u>1 (9.1%)</u>	<u>1 (10%)</u>	<u>1 (14.3%)</u>
<b>Total:</b>	<b>121</b>	<b>10</b>	<b>18</b>	<b>12</b>	<b>11</b>	<b>10</b>	<b>7</b>

Continue: Community Services		Sub-Directorate					
		Operational Management : Hermanus	Operational Management: Stanford	Special Projects	Deputy Area Management : Stanford	Deputy Area Management: Hermanus	Operational Management: Gansbaai
KPI Not Met	-	-	-	-	-	-	-
KPI Almost Met	<u>3 (33.3%)</u>	-	<u>1 (20%)</u>	-	<u>2 (25%)</u>	<u>1 (11.1%)</u>	<u>1 (11.1%)</u>
KPI Met	-	<u>1 (11.1%)</u>	<u>2 (40%)</u>	<u>1 (25%)</u>	<u>4 (50%)</u>	-	-
KPI Well Met	<u>6 (66.7%)</u>	<u>8 (88.9%)</u>	<u>1 (20%)</u>	<u>3 (75%)</u>	<u>1 (12.5%)</u>	<u>8 (88.9%)</u>	<u>8 (88.9%)</u>
KPI Extremely Well Met	-	-	<u>1 (20%)</u>	-	<u>1 (12.5%)</u>	-	-
<b>Total:</b>	<b>9</b>	<b>9</b>	<b>5</b>	<b>4</b>	<b>8</b>	<b>9</b>	<b>9</b>

Graph 9.: Community Services sub-directorate performance

j) Protection Services consists of the following divisions:

→ Director: Protection Services

## Chapter 3: Service Delivery Performance

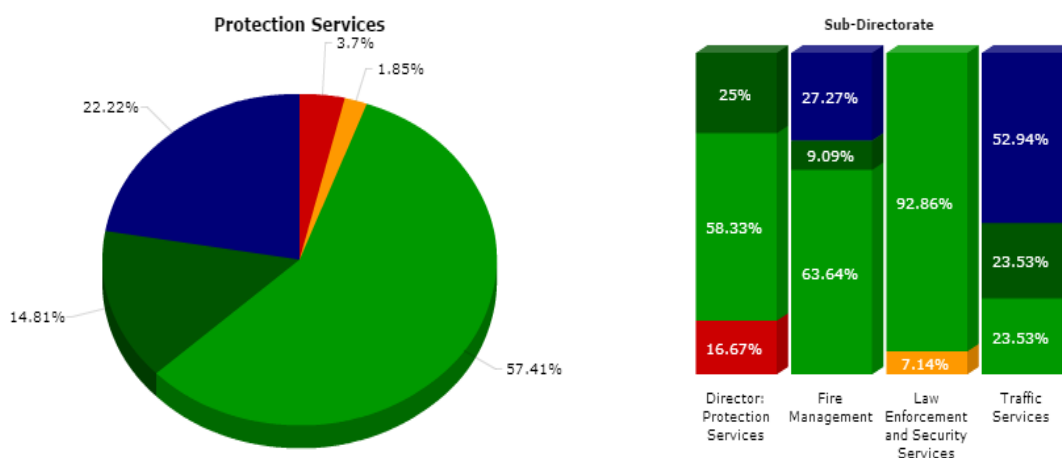
- Fire Management
- Law Enforcement and Security Services
- Traffic Services

The Operational Key Performance Indicators for Protection Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Encouragement of structured community participation in the affairs of the municipality
Municipal Financial Viability and Management	Optimisation of financial resources	Provision of democratic, accountable and ethical governance
Municipal Transformation and Institutional Development	Good governance	Provision of democratic, accountable and ethical governance
Basic Service Delivery	Basic Service Delivery	Provision and maintenance of municipal services
Local Economic Development	Social upliftment and Economic Development	Promotion of tourism, economic and social development Creation and maintenance of a safe and healthy environment

**Table 82.: Functional alignment – Protection Services**

The following graph indicates the performance of the various sub-directorates within the Protection Services directorate



## Chapter 3: Service Delivery Performance

Protection Services		Sub-Directorate			
		Director: Protection Services	Fire Management	Law Enforcement and Security Services	Traffic Services
KPI Not Met	2 (3.7%)	2 (16.7%)	-	-	-
KPI Almost Met	1 (1.9%)	-	-	1 (7.1%)	-
KPI Met	31 (57.4%)	7 (58.3%)	7 (63.6%)	13 (92.9%)	4 (23.5%)
KPI Well Met	8 (14.8%)	3 (25%)	1 (9.1%)	-	4 (23.5%)
KPI Extremely Well Met	12 (22.2%)	-	3 (27.3%)	-	9 (52.9%)
<b>Total:</b>	<b>54</b>	<b>12</b>	<b>11</b>	<b>14</b>	<b>17</b>

**Graph 10.: Protection Services sub-directorate performance**

**k) Infrastructure and Planning Services consists of the following divisions:**

- Director: Infrastructure and Planning
- Building Services
- Electricity distribution and street lighting: Gansbaai & Stanford
- Electricity distribution and street lighting: Hermanus & Hangklip/Kleinmond
- Environmental Services
- GIS
- Engineering Services
- Town Planning, Spatial Development and Property Administration
- Engineering Planning

The Operational Key Performance Indicators for Infrastructure and Planning Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

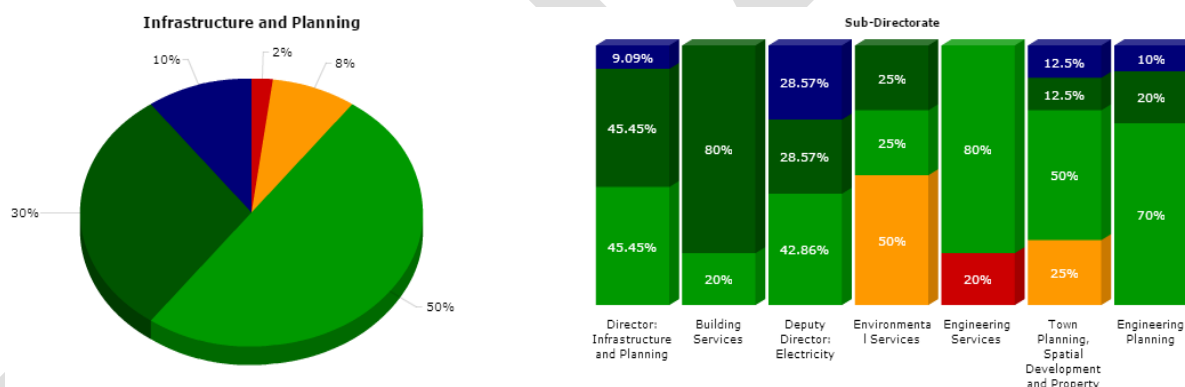
National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Encouragement of structured community participation in the affairs of the municipality
Municipal Financial Viability and	Optimisation of financial resources	Provision of democratic, accountable and ethical

## Chapter 3: Service Delivery Performance

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Management		governance
Municipal Transformation and Institutional Development	Good governance	Provision of democratic, accountable and ethical governance
Basic Service Delivery	Basic Service Delivery	Provision and maintenance of municipal services
Local Economic Development	Social upliftment and Economic Development	Promotion of tourism, economic and social development Creation and maintenance of a safe and healthy environment

**Table 83.: Functional alignment – Infrastructure and Planning Services**

The following graph indicates the performance of the various sub-directorates within Infrastructure and Planning Services directorate



Infrastructure and Planning	Sub-Directorate						
	Director: Infrastructure and Planning	Building Services	Deputy Director: Electricity	Environmental Services	Engineering Services	Town Planning, Spatial Development and Property Administration	Engineering Planning
<b>KPI Not Met</b>	1 (2%)	-	-	-	1 (20%)	-	-
<b>KPI Almost Met</b>	4 (8%)	-	-	2 (50%)	-	2 (25%)	-
<b>KPI Met</b>	25 (50%)	5 (45.5%)	3 (42.9%)	1 (25%)	4 (80%)	4 (50%)	7 (70%)
<b>KPI Well Met</b>	15 (30%)	4 (80%)	2 (28.6%)	1 (25%)	-	1 (12.5%)	2 (20%)

## Chapter 3: Service Delivery Performance

Infrastructure and Planning		Sub-Directorate						
		Director: Infrastructure and Planning	Building Services	Deputy Director: Electricity	Environmental Services	Engineering Services	Town Planning, Spatial Development and Property Administration	Engineering Planning
KPI Extremely Well Met	5 (10%)	1 (9.1%)	-	2 (28.6%)	-	-	1 (12.5%)	1 (10%)
<b>Total:</b>	<b>50</b>	<b>11</b>	<b>5</b>	<b>7</b>	<b>4</b>	<b>5</b>	<b>8</b>	<b>10</b>

**Graph 11.: Infrastructure and Planning Services sub-directorate performance**

*1) Economic Development Services consists of the following sub functions (sub directorates):*

- Director: Economic Development
- LED

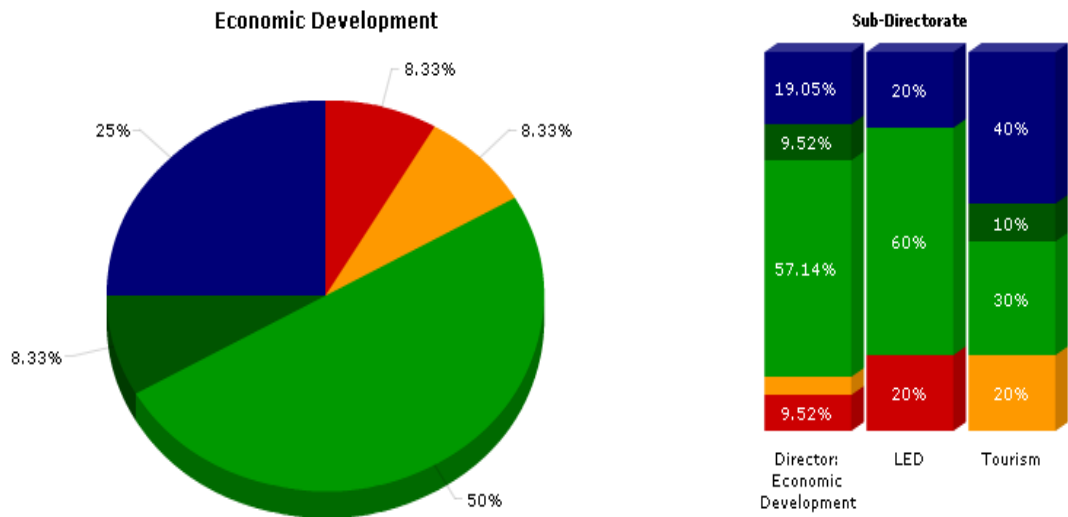
The Operational Key Performance Indicators for Economic Development Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Encouragement of structured community participation in the affairs of the municipality
Municipal Financial Viability and Management	Optimisation of financial resources	Provision of democratic, accountable and ethical governance
Municipal Transformation and Institutional Development	Good governance	Provision of democratic, accountable and ethical governance
Basic Service Delivery	Basic Service Delivery	Provision and maintenance of municipal services
Local Economic Development	Social upliftment and Economic Development	Promotion of tourism, economic and social development Creation and maintenance of a safe and healthy environment

**Table 84.: Functional alignment – Economic Development Services**

## Chapter 3: Service Delivery Performance

The following graph indicates the performance of the various sub-directorates within the Economic Development Services directorate



Economic Development	Sub-Directorate			
	Director: Economic Development	LED	Tourism	
KPI Not Met	<u>3 (8.3%)</u>	<u>2 (9.5%)</u>	<u>1 (20%)</u>	-
KPI Almost Met	<u>3 (8.3%)</u>	<u>1 (4.8%)</u>	-	<u>2 (20%)</u>
KPI Met	<u>18 (50%)</u>	<u>12 (57.1%)</u>	<u>3 (60%)</u>	<u>3 (30%)</u>
KPI Well Met	<u>3 (8.3%)</u>	<u>2 (9.5%)</u>	-	<u>1 (10%)</u>
KPI Extremely Well Met	<u>9 (25%)</u>	<u>4 (19%)</u>	<u>1 (20%)</u>	<u>4 (40%)</u>
<b>Total:</b>	<b>36</b>	<b>21</b>	<b>5</b>	<b>10</b>

Graph 12.: Economic Developments sub-directorate performance

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## Chapter 3: Service Delivery Performance

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### 3.3 COMPONENT A: BASIC SERVICES

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

#### 3.3.1 Water Provision

##### a) Introduction to Water Provision

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Overstrand Municipality has 8 water schemes, providing water to more than 80 000 residents. Water sources include rivers, dams, boreholes, and fountains. All residents have access to at least a basic water supply service. The top priorities are to develop sufficient sources, treatment capacity, as well as bulk and reticulation system capacity to address the housing backlog and to provide for growth and development in the foreseeable future.

In order to counter the possible effects of climate change and future dry periods, a strategy of diversifying water

resources between surface water, groundwater, and eventually waste water re-use and seawater desalination was embarked upon.



*Construction of Rooiels Reservoir*



*Preekstoel Bio-filtration Water Treatment Plant*

The main projects for 2013/14 included the completion of the upgrading of the Preekstoel Water Treatment Plant in Hermanus, which included the development of two new well fields, as well as the construction of a new biological treatment plant for iron and manganese removal from groundwater; construction of a new reservoir at Rooi-Els; continuation of a major water pipe replacement project covering most of the Overstrand areas; and the construction of a new water treatment plant and borehole at Baardskeerdersbos. A household water leak repairs project at indigent households was continued, as well as the replacement of ageing domestic water meters.

## Chapter 3: Service Delivery Performance

A water demand management strategy is in place as part of the municipality's Turn Around Strategy, with the focus to decrease water losses. Overstrand Municipality obtained Blue Drop status in 2010/11 by receiving 3 Blue Drops. This figure increased to 5 Blue Drops out of a potential 8 in 2011/12. The municipality's overall Blue Drop score was 96.82%, putting it in 12<sup>th</sup> position nationally. The next Blue Drop assessment was carried out by the Department of Water Affairs during the first half of 2014, but the results are expected only in 2015.

### b) Highlights: Water Services

Highlights	Description
Water Management and Conservation Award in the Western Cape Provincial Greenest Municipality Competition 2013	Overstrand Municipality received the award for Water Management and Conservation at the Western Cape Provincial Greenest Municipality awards ceremony during November 2013.
Award for innovative project: new Biological Water Treatment Plant at the Preekstoel WTW	An award for innovation was received for the new biological water treatment plant for removal of iron and manganese from groundwater. The plant is the first full scale plant of its kind in South Africa.
Water Pipe Replacement	Two contracts were awarded for the next phases of the replacement of ageing water pipes across the Overstrand area.
Baardskeerdersbos Water Treatment Plant	A new water treatment plant and borehole was constructed and commissioned at Baardskeerdersbos, in order to improve the drinking water quality provided to the community.
Water meter replacement programme	2041 water meters were replaced in the Hermanus area
Preventative maintenance	A preventative maintenance programme was implemented to maintain pumps and equipment

**Table 85.: Water Services Highlights**

### c) Challenges: Water Services

Description	Actions to address
Relatively high water losses in some areas continues, although the trend is decreasing	Continues with water pipe replacement, leak repairs, pressure management, water meter replacement, public awareness.
Climate change	Public awareness. Further development of groundwater sources. Diversifying water resources with planned Theewaterskloof Dam scheme, waste water reclamation plant, and eventually seawater desalination.
Lack of suitably qualified technical staff	On-going training of staff. Section 78 assessment process of service delivery mechanism was embarked upon.
Ageing infrastructure	Increase maintenance budget and enhance asset replacement programmes (capital budget)

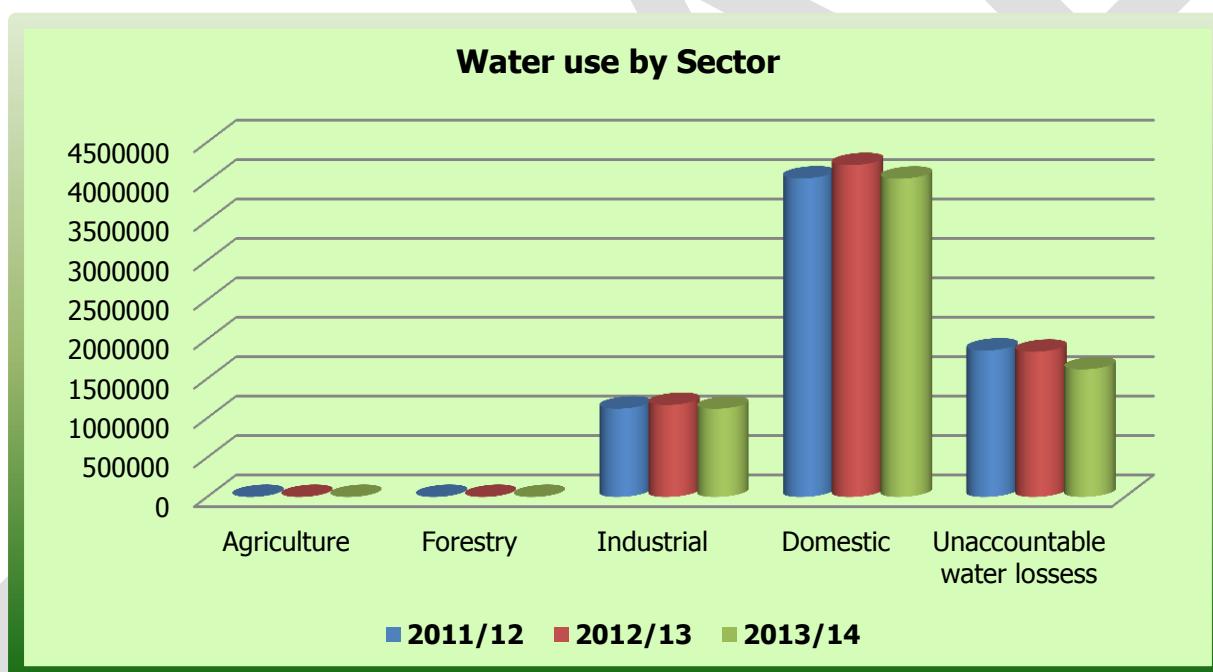
## Chapter 3: Service Delivery Performance

**Table 86.: Water Services Challenges**

Total Use of Water by Sector (cubic meters)					
Year	Agriculture	Forestry	Industrial	Domestic	Un accountable water losses
2011/12	0	0	1 120 359	4 040 527	1 858 105
2012/13	0	0	1 167 319	4 209 885	1 842 214
2013/14	0	0	1 119 546	4 037 849	1 619 350

*The above figures for "Industrial" include commercial, industrial, and "other", being all non-domestic consumption. It is clear that water losses decreased significantly as a result of the water demand management program. The overall water demand also decreased as a result of water demand management, water restrictions, and public awareness.*

**Table 87.: Total use of water by sector (cubic meters)**



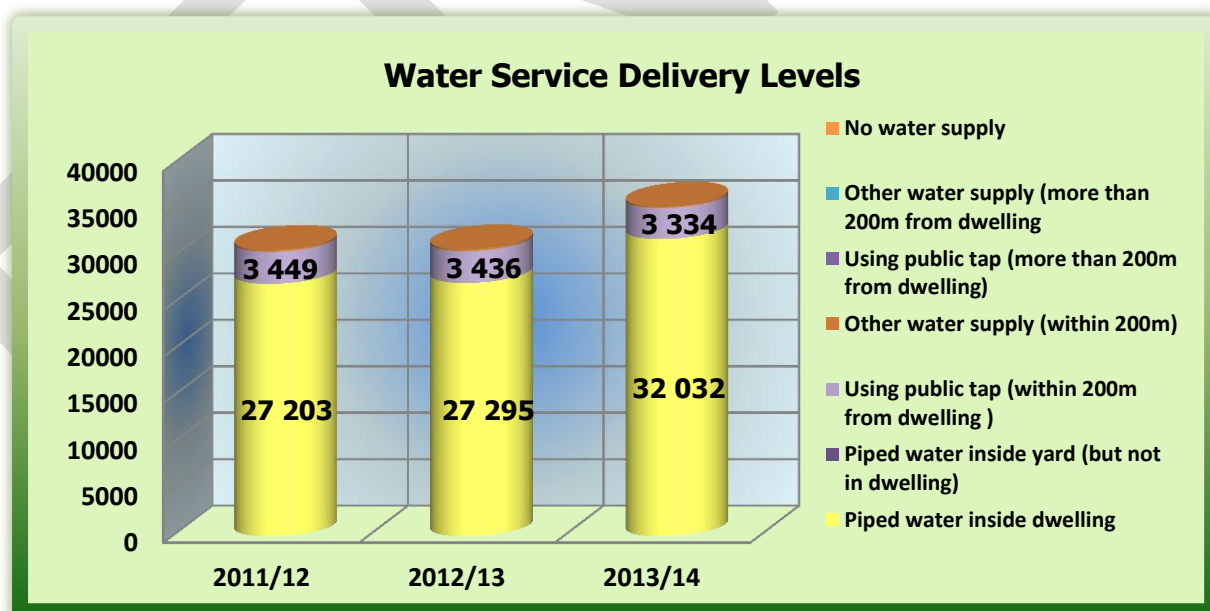
**Graph 13.: Water use by sector**

Water Service Delivery Levels			
Households			
Description	2011/12	2012/13	2013/14
	Actual	Actual	Actual
	No.	No.	No.
<b>Water: (above min level)</b>			
Piped water inside dwelling	27 203	27295	32032
Piped water inside yard (but not in dwelling)	0	0	0
Using public tap (within 200m from dwelling )	3 449	3436	3334

## Chapter 3: Service Delivery Performance

Water Service Delivery Levels			
Households			
Description	2011/12	2012/13	2013/14
	Actual	Actual	Actual
	No.	No.	No.
Other water supply (within 200m)	199	199	155
<i>Minimum Service Level and Above sub-total</i>	30 851	30 930	35 098
<i>Minimum Service Level and Above Percentage</i>	100	100	100
<b>Water: (below min level)</b>			
Using public tap (more than 200m from dwelling)	0	0	0
Other water supply (more than 200m from dwelling)	0	0	0
No water supply	0	0	0
<i>Below Minimum Service Level sub-total</i>	0	0	0
<i>Below Minimum Service Level Percentage</i>	0	0	0
<b>Total number of households</b>	<b>30 851</b>	<b>30 930</b>	<b>35 098</b>
<i>Includes informal settlements</i>			

**Table 88.:** Water service delivery levels: Households



**Graph 14.:** Water Service Delivery levels

## Chapter 3: Service Delivery Performance

Access to Water			
Financial year	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
2011/12	11.8%	100%	100%
2012/13	11.1%	100%	100%
2013/14	9.9%	100%	100%

\* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute  
# 6,000 litres of potable water supplied per formal connection per month

**Table 89.: Access to water**

### d) Service delivery indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/14		Corrective Measures
						Target	Actual	
TL6	The provision and maintenance of municipal services	Quality of potable water comply 95% with SANS 241	% compliance	All	New kpi	95%	95.38%	Target well met
TL7	The provision and maintenance of municipal services	Limit unaccounted water to less than 25%	% of water unaccounted for	All	20.1%	25%	21.5%	Target extremely well met
TL38	The provision and maintenance of municipal services	Replacement of water pipes in Overstrand to limit unaccounted water	% of allocated budget spent	All	15.90	100%	100%	Target met
TL39	The provision and maintenance of municipal services	Complete the bulk water supply upgrade of Baardskeerdersbos by the end of March 2014	Project completed	All	New kpi	1	1	The new Baardskeerdersbos WTW was commissioned and put into operation in March 2014
TL43	The provision and maintenance of municipal services	Report on the implementation of the Water Service Development plan annually by the end of October	Report submitted	All	1	1	1	Target met
TL60	The provision and maintenance of municipal services	Provision of cleaned piped water to all formal HH within 200 m from	No of formal HH that meet agreed service standards for piped water	All	New kpi	27,373	27,373	Target met

**Table 90.: Service delivery indicators: Water services**

## Chapter 3: Service Delivery Performance

Employees: Water Services							
Job Level	2010/11	2011/12	2012/13	2013/14			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	No.	%
0 - 3	25	25	23	36	36	0	0
4 - 6	12	10	8	11	8	3	27.3
7 - 9	16	15	11	14	11	3	21.4
10 - 12	13	13	12	17	15	1.25	11.8
13 - 15	3	3	2	3	3	0	0
16 - 18	0	0	0	0	0	0	0
19 - 20	1	1	1	1	1	0	0
<b>Total</b>	<b>70</b>	<b>67</b>	<b>57</b>	<b>82</b>	<b>74</b>	<b>7.25</b>	<b>9.8</b>

*Employees and Posts numbers are as at 30 June.*

**Table 91.: Employees: Water Services**

Recruiting of suitably qualified (DWA requirements) process controllers at water treatment works is problematic (severe shortage of these skills in the labour market). In-house training to be intensified.

Capital Expenditure 2013/14: Water Services					
R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>15 900</b>	<b>23 832</b>	<b>23 633</b>	<b>7 733</b>	
Replacement of Overstrand water pipes	8 400	8 400	8 400	0	32 000
Preekstoel WTW Upgrade	0	6 839	6 839	6 839	82 446
Baardskeerdersbos Bulk water supply upgrade	5 800	5 487	5 415	(385)	7 427
New Bulk Water Reservoir -Rooi Els	1 500	2 904	2 792	1 292	4 300
Upgrading of "Die Oog" pump station	200	200	187	(13)	200

*Total project value represents the estimated cost of the project on approval by Council*

**Table 92.: Capital Expenditure 2013/14: Water Services**

99.16% of the capital budget for Water for 2013/14 was spent.

## Chapter 3: Service Delivery Performance

### 3.3.2 Waste water (sanitation) provision

#### a) Introduction to Sanitation Provision

Overstrand Municipality has 5 waste water schemes. All residents have access to at least a basic sanitation service.

The main challenges are to:

Provide sufficient waste water treatment capacity as well as bulk and reticulation system capacity in all the schemes to be able to accommodate future growth and development and the planned new low cost housing projects;

- extend the waterborne sewer networks in the different towns; and
- eliminate the tanker truck service over time.

According to the Draft 2014 Green Drop Report for Overstrand Municipality, the municipality will receive 4 Green Drop awards: Hermanus WWTW, Hawston WWTW, Stanford WWTW, and Gansbaai WWTW. The municipality's overall Green Drop score was 89.13%, a slight improvement from the previous 88.



*Gansbaai Waste Water Treatment Works (WWTW) Sludge handling facility*

#### b) Highlights: Waste Water (Sanitation) Provision

Highlights	Description
Green Drop status for the Greater Hermanus, Greater Gansbaai, Stanford, and Hawston schemes	The WWTW's mentioned all scored above 90% in the previous Green Drop audit, giving it Green Drop status.
Installation of mechanical sludge drying equipment at the Kleinmond and Gansbaai WWTW's was completed.	Installation of belt-press sludge drying equipment at the Kleinmond and Gansbaai WWTW's was completed.
The next phase of the sewer network extension at Stanford was completed.	The next phase of sewer main pipelines and a pump station was constructed at Stanford.
Training of process controllers	Two operators from the WWTW's completed their N3 certificate in waste water treatment successfully

**Table 93.: Waste Water (Sanitation) Provision Highlights**

## Chapter 3: Service Delivery Performance

### c) Challenges: Waste Water (Sanitation) Provision

Description	Actions to address
Provision of adequate treatment capacity in all areas	Upgrade of waste water treatment works when required
Extension of waterborne sewer networks	Elimination of septic tanks by laying new sewer pipe networks and connecting properties to it. Ensure provision of sewer networks for new developments.
Sludge handling according to legislation	Disposal of dried waste sludge in acceptable ways remains a challenge.
Extension of basic services	Improvement of ratio of sanitation facilities to households in informal settlements
Lack of suitably qualified personnel	Training of staff. Section 78 investigation of service delivery mechanisms was commenced.
Lack of knowledge of sewer systems by consumers	Public awareness and training
Ageing infrastructure / lack of maintenance funds	Increased maintenance budget as well as capital for replacement of old infrastructure
Stormwater infiltration into sewer networks	Public awareness and law enforcement
High number of blockages	Repair/replace sections of pipelines
Conservancy tanker service	Additional tankers and the replacement of ageing tankers required

**Table 94.: Waste Water (Sanitation) Provision Challenges**

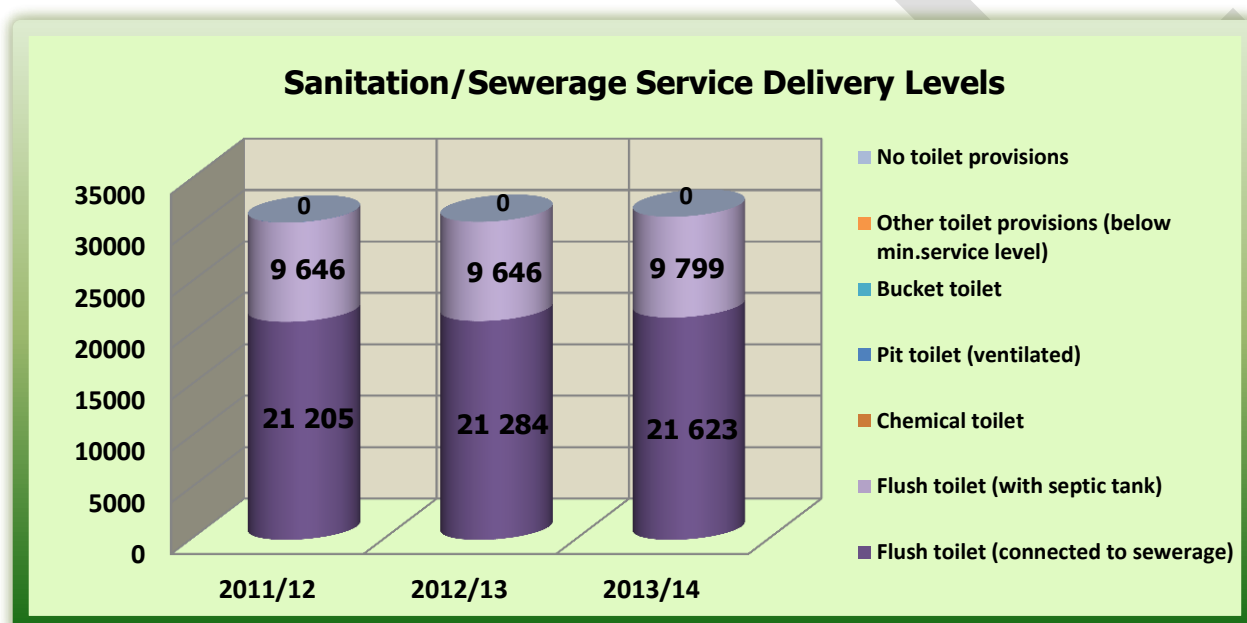
Sanitation Service Delivery Levels			
Households			
Description	2011/12	2012/13	2013/14
	Actual	Actual	Actual
	No.	No.	No.
<b>Sanitation/sewerage: (above minimum level)</b>			
Flush toilet (connected to sewerage)	21 205	21 284	21 623
Flush toilet (with septic tank)	9 646	9 646	9 799
Chemical toilet	0	0	0
Pit toilet (ventilated)	0	0	0
Other toilet provisions (above min. service level)	0	0	0
<i>Minimum Service Level and Above sub-total</i>	30 851	30 930	31 422
<i>Minimum Service Level and Above Percentage</i>	100	100	100
<b>Sanitation/sewerage: (below minimum level)</b>			
Bucket toilet	0	0	0
Other toilet provisions (below min. service level)	0	0	0
No toilet provisions	0	0	0
<i>Below Minimum Service Level sub-total</i>	0	0	0

## Chapter 3: Service Delivery Performance

Sanitation Service Delivery Levels			
Households			
Description	2011/12	2012/13	2013/14
	Actual	Actual	Actual
	No.	No.	No.
<i>Below Minimum Service Level Percentage</i>	0	0	0
<b>Total households</b>	<b>30 851</b>	<b>30 930</b>	<b>31 422</b>

*Including informal settlements*

**Table 95.: Sanitation service delivery levels**



**Graph 15.: Sanitation/Sewerage Service Delivery Levels**

### d) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/14		Corrective Measure
						Target	Actual	
TL5	The provision and maintenance of municipal services	Quality of effluent comply 90% with SANS 241	% compliance	All	86.02%	90%	82.78%	Under performance due to maintenance challenges reported on in the 1 <sup>st</sup> 3 quarters. Complied in the 4 <sup>th</sup> quarter.
TL41	The provision and maintenance of municipal services	Achieve two Green Drop awards	Number of awards	All	0	2	4	Target extremely well met

## Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/14		Corrective Measure
						Target	Actual	
TL66	The provision and maintenance of municipal services	Provision of sanitation systems limited to domestic waste water and sewerage disposal to formal households	Number of formal areas that have at least VIP on site	All	31,221	31,231	31,231	Target met

**Table 96.: Service delivery indicators: Waste Water (Sanitation) Provision**

Employees: Sanitation Services							
Job Level	2010/11	2011/12	2012/13	2013/14			
	Employees	Posts	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	No.	%
0 - 3	51	51	49	43	43	0	0
4 - 6	11	11	10	11	10	0.17	9.1
7 - 9	16	16	17	17	13	4	23.5
10 - 12	4	4	2	4	4	0	0
13 - 15	1	1	1	1	0	0.17	100
16 - 18	0	0	0	1	1	0	0
19 - 20	1	1	1	1	1	0	0
<b>Total</b>	<b>84</b>	<b>84</b>	<b>80</b>	<b>78</b>	<b>72</b>	<b>4.34</b>	<b>7.7</b>

*Employees and Posts numbers are as at 30 June.*

**Table 97.: Employees Waste Water (Sanitation) Provision**

Capital Expenditure 2013/14: Sanitation Services					
R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>11 150</b>	<b>12 153</b>	<b>10 160</b>	<b>(990)</b>	
Sewer network extension -Stanford	3 075	3 075	2 634	(441)	5 075
Hermanus WWTW Upgrading	0	30	17	17	46
Kleinmond and Gansbaai WWTW Sludge Handling	4 575	4 575	4 298	(277)	8 095

## Chapter 3: Service Delivery Performance

Capital Expenditure 2013/14: Sanitation Services					
R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Upgrading of pump stations	2 000	2 973	1 711	(289)	3 973
Eluxolweni: Bulk water upgrade for housing project	1 500	1 500	1 500	0	9 884
<i>Total project value represents the estimated cost of the project on approval by Council</i>					

**Table 98.: Capital Expenditure 2013/14: Waste Water (Sanitation) Provision**

### 3.3.2 Electricity

#### a) Introduction to Electricity

Overstrand Municipality is committed to quality service delivery to the residents of Overstrand and to the expansion of services to those who never previously had access to these. A sustainable supply of sufficient electricity and energy is vital for the growth and development of Overstrand.

Electricity Reticulation is a Local Government Competence in terms of the Constitution and forms the highest earner of revenue within municipalities. Electricity is also the best tool available to control revenue within the municipality. Eskom's 10% required savings however has a negative impact on revenue.

The Municipality is licensed to sell electricity to customers in its designated area of supply.

In this regard, the Municipality has the following responsibilities:

- Preparing a sustainable business for the future through the promotion of alternative energy sources.
- Planning, designing and operating its network
- Proper metering and recording of customers
- Maintaining an acceptable standard of electricity supply to all customers.

The Municipality is tasked with the provision of a safe and reliable electricity supply to all customers in accordance with its legislated mandate and the relevant national standards and, as such, there is no high or low standard of supply.

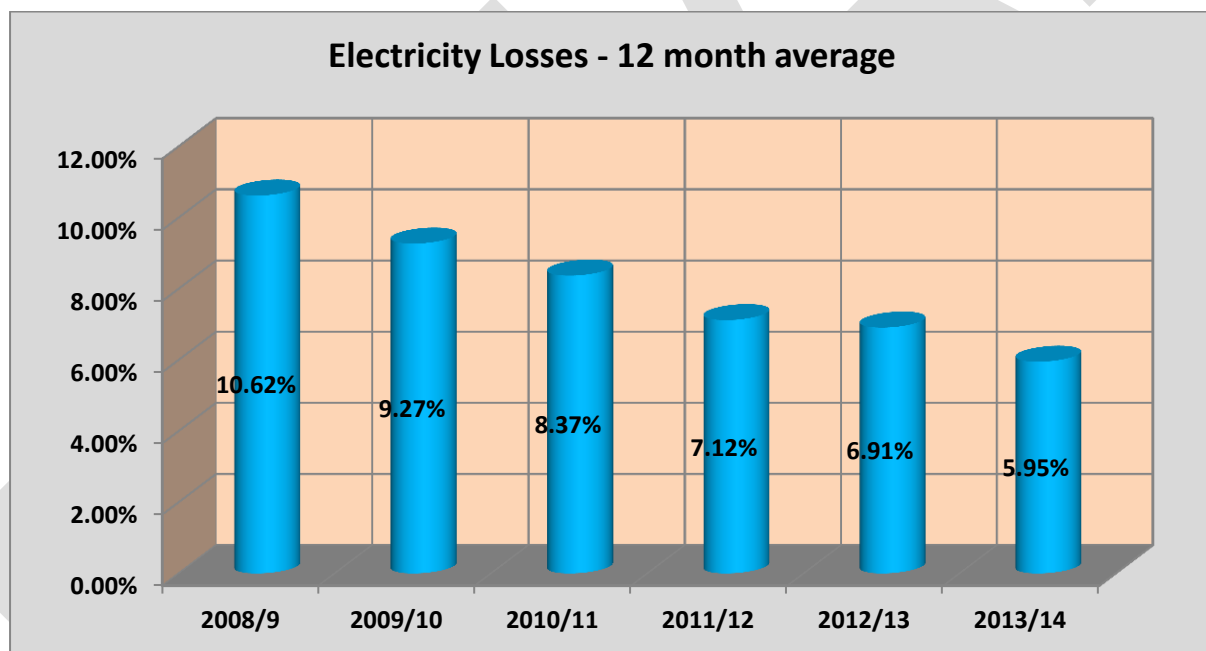
## Chapter 3: Service Delivery Performance

The Department has accelerated its provision of electricity to informal homes. The Construction of a new 66kV substation, the Walker Bay Substation, was completed. This substation is to supply the industrial section as well as the Zwelihle area.

Consultants were appointed to update the master plan and previous status report on the electricity infrastructure in the Overstrand area, as well as to verify the correctness and completeness of data on the GIS platform. This updated master plan report must be read in conjunction with the drawings and other information available on the GIS database. The existing electrical infrastructure for all Overstrand areas is shown on the layout drawings as available on the GIS platform.

### b) Electricity Losses

The electricity losses were determined at 5.95% for the 2013/14 financial year as opposed to the 6.91% in the preceding 2012/13 financial year. Technical losses are calculated at  $\pm 4.9\%$ . In terms of the average electricity losses of 14.5% within South Africa based upon Electricity Distribution entities, this is considered an excellent achievement. A target of 8.5% has been set for the next financial year.



### c) Highlights: Electricity

Highlights	Description
Completion of the Major 66/11kV New Infeed Substation	The construction of the New Major 66/11kV Infeed Walkerbay 66/11 k V Substation in the industrial area of Hermanus, with its 20MVA transformer and 66kV cables, were completed on 23 October 2013.
Medium and Low Voltage Upgrade in Gansbaai and Franskraal area	A R5.45 million Medium and Low Voltage upgrade has been completed in Gansbaai and Franskraal area, which continues with our policy to ensure undergrounding of all electricity networks and to comply with NRS requirements.

## Chapter 3: Service Delivery Performance

Highlights	Description
Eluxolweni Low Cost Housing Electrification	A R1.4 million Housing project was completed, electrifying approximately 210 informal units within Eluxolweni
Replace Main Substation Switchgear at Kleinmond	A R 4.3 million project was launched in Kleinmond area to replace the Main Substation Switchgear. The project was completed on 18 November 2013.
Zwelihle Informal Housing Electrification	<p>Planning and tendering had been completed to spend grant funds in order to electrify 600 informal units within Zwelihle.</p> <p>220 Informal units were electrified in Tsepe -Tsepe and 199 in Mandela Square are completed. Electrification of the Azazani units was completed on 26 September 2013.</p> <p>Electrification of the informal households in Tsepe Tsepe extension, Service site and New Camp (135 units) were completed On 24 March 2014.</p>
Install new streetlights in Kleinmond area	A R 100 000 project was done to install new streetlights in Kleinmond.30 New streetlights were installed by 30 June 2014.
Upgrade of Kwaaiwater and Hawston Substations	A R 7.2 million project was launched to upgrade the Kwaaiwater and Hawston Substations. The project was completed on 27 June 2014.

**Table 99.: Electricity Highlights**

### d) Challenges: Electricity

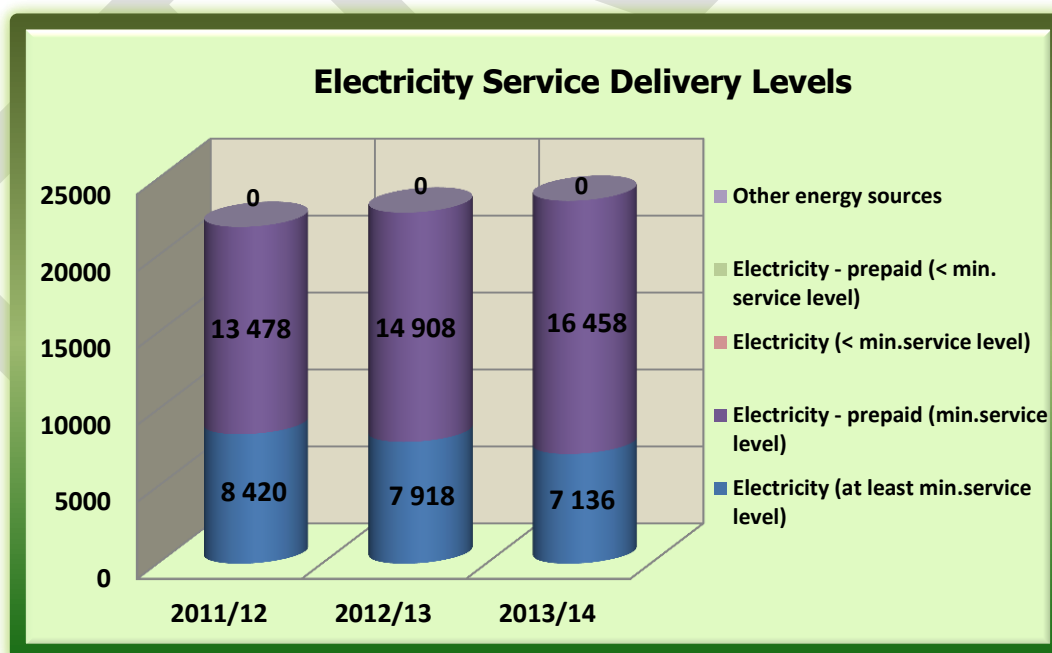
Description	Actions to address
Electrification of Informal Settlements	Funds are being sought to electrify approximately 6215 units
ESKOM's limited capacity and curbing excessive electricity consumption	South Africa has a shortage of electricity generation, which places an onus on all municipalities to reduce electricity consumption by 10%. Unless existing consumers reduce electricity consumption by 10%, it would be very difficult to connect any new customers. Overstrand Municipality launched a project to curb electricity peak consumption by installing hot water cylinder control units. The installation project is close to completion.
Theft of electricity (tampering), cables and vandalism	Theft and vandalism is a growing concern that amounts to great unforeseen expenses. It amounts to power outages and loss of income. Overstrand Municipality works with SAPS and local law enforcement agencies to address this problem. It is however a nation-wide concern that is somewhat uncontrollable.

**Table 100.: Electricity Challenges**

## Chapter 3: Service Delivery Performance

Electricity Service Delivery Levels			
Households			
Description	2011/12	2012/13	2013/14
	Actual	Actual	Actual
	No.	No.	No.
<b><i>Energy: (above minimum level)</i></b>			
Electricity (at least min. service level)	8 420	7918	7136
Electricity - prepaid (min. service level)	13 478	14080	16458
<i>Minimum Service Level and Above sub-total</i>	21 898	21998	23594
<i>Minimum Service Level and Above Percentage</i>	100	100	100
<b><i>Energy: (below minimum level)</i></b>			
Electricity (< min. service level)	0	0	0
Electricity - prepaid (< min. service level)	0	0	0
Other energy sources	0	0	0
<i>Below Minimum Service Level sub-total</i>	0	0	0
<i>Below Minimum Service Level Percentage</i>	0	0	0
<b>Total number of households</b>	<b>21 898</b>	<b>21 998</b>	<b>23 594</b>

Table 101.: Electricity service delivery levels



Graph 16.: Electricity service delivery levels

## Chapter 3: Service Delivery Performance

Households - Electricity Service Delivery Levels below the minimum						
Households						
Description	2010/11	2011/12	2012/13	2013/14		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
<b>Total households</b>	<b>22 488</b>	<b>20 098*</b>	<b>21 998</b>			<b>23 594</b>
Households below minimum service level	0	0	0			0
Proportion of households below minimum service level	0	0	0			0
Informal Settlements						
<b>Total households</b>	<b>3 760</b>	<b>3 800*</b>	<b>4 000</b>			<b>3330</b>
Households below minimum service level	1 440	1 480	1 100			
Proportion of households below minimum service level	38%	39%	28%			

**Table 102.:** Households - Electricity Service Delivery Levels below the minimum

### e) Service Delivery Indicators

Ref	Strategic Objective	KPI	Wards	Actual 2012/13	Overall Performance 2013 /2014		Corrective Measure
					Target	Actual	
TL31	The provision and maintenance of municipal services	Limit electricity losses to 8.5% or less	All	6.88%	8.50%	5.95%	Target extremely well met
TL32	The provision and maintenance of municipal services	Complete construction of the new 66kV substation in Hermanus by the end of December 2013	5	91%	100%	100%	Target met
TL33	The provision and maintenance of municipal services	Replace main substation switch gear in Kleinmond by the end of December 2013	9	100	100%	100%	Target met
TL34	The provision and maintenance of municipal services	Public awareness drives/programmes together with to water programmes, environmental programmes and solid waste	All	14	8	14	Target extremely well met

## Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Wards	Actual 2012/13	Overall Performance 2013 /2014		Corrective Measure
					Target	Actual	
TL62	The provision and maintenance of municipal services	Provision of Electricity: Number of metered electrical connections in formal area (Eskom Areas excluded)	All	New kpi	21,998	25,751.75	Target well met

**Table 103.: Service delivery indicators: Electricity**

Employees: Electricity Services							
Job Level	2010/11	2011/12	2012/13	2013/14			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	No.	%
0 - 3	7	7	28	32	26	6	8%
4 - 6	3	3	6	7	6	1	1%
7 - 9	3	3	5	11	10	1	1%
10 - 12	5	5	9	16	12	4	6%
13 - 15	1	1	4	6	6	0	0%
16 - 18	1	1	1	2	2	0	0%
19 - 20	0	0	0	0	0	0	0%
<b>Total</b>	<b>20</b>	<b>20</b>	<b>43</b>	<b>74</b>	<b>62</b>	<b>12</b>	<b>16%</b>

*Employees and Posts numbers are as at 30 June.*

**Table 104.: Employees: Electricity services**

Capital Expenditure 2013/14: Electricity Services					
R'0000					
Capital Projects	Budget	Adjustment Budget	Actual Expenditure	2013/14	
				Variance from original budget	Total Project Value
				R	
<b>Total All</b>	<b>37,194</b>	<b>39,229</b>	<b>36,732</b>	<b>(462)</b>	
New 66 KV S/S	14,261	16,252	16,244	1 983	34 773
Kleinmond: Replace Main Substation Switchgear	4,300	4,344	4,328	28	9 264

## Chapter 3: Service Delivery Performance

Capital Expenditure 2013/14: Electricity Services					
R'0000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Stanford: MV and LV upgrading in Industrial area	1,800	1,800	1,800	0	3 750
Eluxolweni Housing electrification	1,083	1,083	199	(884)	1 083
Apie Le Roux -Franskraal upgrade	2,500	2,350	2,230	(270)	2 350
FK Upgrading of LV network Meyerstreet	850	850	821	(29)	850
Gansbaai: Miniature substation upgrading	1,150	1,355	1,355	205	1 355
BP Upgrading of Low voltage network	950	895	805	(145)	895
Upgrade Kwaiwater Feeder Cables	3,000	2,998	2,992	(8)	2 998
Main Road Overhead line replacement and streetlight replacement: Circle to Spar	1,000	1,000	651	(349)	1 000
Hawston S/S Upgrade	3,200	3,202	3,184	(16)	3 202
Streetlights	100	100	97	(3)	100
Eluxolweni/Zwelihle Electrification - Part 1 (INEP)	3,000	3,000	2,026	(974)	3 000

**Table 105.: Capital Expenditure 2013/14: Electricity Services**

### 3.3.4 Waste management (Refuse collections, waste disposal, street cleaning and recycling)

#### a) Introduction to Waste Management

Overstrand Municipality is delivering a first world solid waste service to the residents of Overstrand and all residents are receiving the service at least once a week. A two bag system is applied, i.e. a black bag for wet waste and a clear bag for recycling. Overstrand Municipality has two material recovery facilities, one in Hermanus and the other one in Gansbaai which is operated by private contractors on behalf of Overstrand Municipality. The temporary closure of the regional landfill Karwyderskraal in December 2011 is still a major challenge for Overstrand Municipality, because all the refuse must still be rerouted to our own landfill site in Gansbaai,

## Chapter 3: Service Delivery Performance

resulting in a big financial burden to the municipality. An agreement with the Overberg District Municipality has been reached to lease the operational area of Karwyderskraal to build a new cell for the Overstrand Municipalities account and to operate the cell as long as its life span last. A tender for the building of the cell was advertised and will close on the 18th of July and the estimated date of completion of the cell and operational thereafter will be April 2015. The informal areas are serviced with swing bins and mini disposal sites for the residents to dispose of their refuse. In the disadvantaged areas private contractors are deployed for area and road cleaning. The criteria are that the contractor must stay in the area and is only allowed to employ unemployed people from that area. Although their main purpose is cleaning, they must also do awareness about cleanliness. The three service priorities are to provide a service that is affordable, effective and efficient to the residents.



*Johan van Taak, Manager: Solid Waste Planning with Junior Town Council at landfill site*

### b) Highlights: Waste Management

Highlights	Description
Greenest Municipality Competition	Winners of the waste management section

**Table 106.: Waste Management Highlights**

### c) Challenges: Waste Management

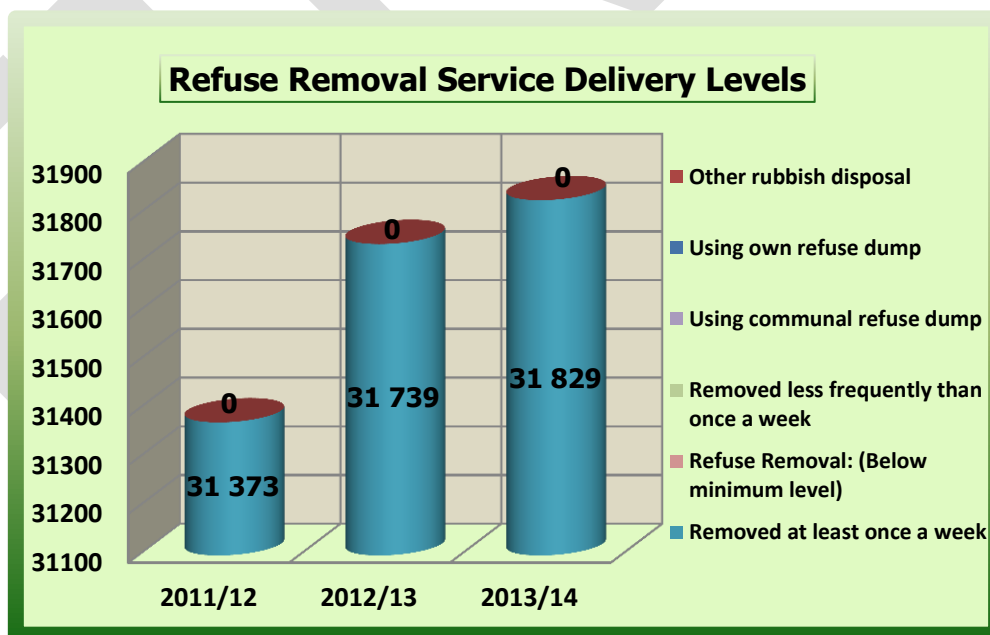
Description	Actions to address
Illegal dumping	Extra cost to transport the illegal dumping to Gansbaai Landfill instead of builders take it to Karwyderskraal at their own cost
Closing of Karwyderskraal regional landfill site	Transport of waste to the Gansbaai landfill site at substantial additional cost and time.

**Table 107.: Waste Management Challenges**

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Solid Waste Service Delivery Levels			
Households			
Description	2011/12	2012/13	2013/14
	Actual	Actual	Actual
	No.	No.	No.
<b>Solid Waste Removal: (Minimum level)</b>			
Removed at least once a week	31 373	31 739	31 829
<i>Minimum Service Level and Above sub-total</i>	<b>31 373</b>	<b>31 739</b>	<b>31 829</b>
<i>Minimum Service Level and Above percentage</i>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Solid Waste Removal: (Below minimum level)</b>			
Removed less frequently than once a week	0	0	0
Using communal refuse dump	0	0	0
Using own refuse dump	0	0	0
Other rubbish disposal	0	0	0
No rubbish disposal	0	0	0
<i>Below Minimum Service Level sub-total</i>	0	0	0
<i>Below Minimum Service Level percentage</i>	0	0	0
<b>Total number of households</b>	<b>31 373</b>	<b>31 739</b>	<b>31 829</b>

Table 108.: Solid Waste Service Delivery Levels



Graph 17.: Refuse Removal Service Delivery Levels

## Chapter 3: Service Delivery Performance

### d) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance 2013/2014		Corrective Measure
						Target	Actual R	
TL40	The provision and maintenance of municipal services	Complete development of a new cell at Gansbaai landfill site by the end of December 2013	% completion of the project	All	77%	100%	100%	Project completed in May 2014 due to unforeseen delays (rainy season)
TL61	The provision and maintenance of municipal services	Provision of refuse removal, refuse dumps and solid waste disposal to all formal households	Number of formal areas for which refuse is removed at least once a week	All	New kpi	34,299.75	34,299.75	Target met

**Table 109.: Service delivery indicators: Solid waste management**

Employees: Solid Waste Services							
Job Level	2010/11	2011/12	2012/13	2013/14			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	No.	%
0 - 3	91	91	111	111	110	1	.90%
4 - 6	3	3	4	5	5	0	0%
7 - 9	15	15	16	17	15	2	11.76%
10 - 12	2	2	2	3	3	0	0%
13 - 15	-	-	-	0	0	0	0%
16 - 18	1	1	1	1	1	0	0%
19 - 20	-	-	-	-	-	-	-
<b>Total</b>	<b>112</b>	<b>112</b>	<b>134</b>	<b>137</b>	<b>134</b>	<b>3</b>	<b>2.19%</b>

*Employees and Posts numbers are as at 30 June.*

**Table 110.: Employees: Solid Waste Services**

Capital Expenditure 2012/13 and 2013/14: Solid Waste Services	
R' 000	
Capital Projects	2013/14

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	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>					
Gansbaai landfill new cell	8 400 000		8 399 999.68		8 399 999.68
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)</i>					

**Table 111.:** Capital Expenditure 2013/14 Solid waste services

### Capital expenditure on waste management

The building of a new cell at Gansbaai was over two financial years. The percentage of capital spent in 2012/2013 was 77% and the reason for not spending 100% is delaying of work due to rain as the liners use for the new cells cannot be installed if it's raining but the second year 2013/2014 100% capital were spend.

Waste management provides a good and effective refuse removal service and is coping well with the high season (peak) periods. All Overstrand's solid waste facilities have been issued with permits. Overstrand Municipality provides transfer stations and drop off facilities and weekend drop off facilities for the convenience of the community. The municipality has through the years committed themselves to not only the delivery of collection and disposal service for all its residents, but also to Best Environmental Practice. The municipality is also regarded as being on the forefront of waste recovery in South Africa, by means of source separation and separate collection and continues to improve and expand on the current situation.

### 3.3.5 Housing

#### a) Introduction to Housing



The Overstrand Municipality has over the last few years had its portion of in migration of people, which is a function of the urbanization process. As a result of this in migration a backlog developed in the provision of housing accommodation. It manifests in the growth in the number of backyard dwellers and in informal settlements that are scattered over the entire

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municipal area.

To address this problem, a comprehensive strategy has been developed and is in the process of being implemented. An 8-year programme of development has been compiled, which addresses this backlog and identifies projects in each area where the need exists for development. The approach has the following main objectives:

- Firstly to provide basic services in the form of rudimentary services in those areas where it is most needed, namely the informal settlements. This objective has been fully met in the past year, and the national standard of one tap for every 25 families and one toilet for every 5 families has been achieved.



*Installation of basic services in Masakhane*

- Secondly, the upgrading of informal settlements has been made a priority in the 8-year housing programme. Application for funding has been lodged with the Provincial Department of Human Settlements during the 2011/12 financial year and approval has been received for the development of the informal settlement in Pearly Beach, as well as the seven settlements in Zwelihle. Development of Eluxolweni in Pearly Beach commenced during the 2012/13 financial year, with the installation of civil services completed by end of June 2013. Development of top structures has commenced during July 2013 and was completed at the end of June 2014.



*Preparation of site and installation of services at Eluxolweni, Pearly Beach*

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- The planning for the first of the Zwelihle informal settlements has been completed by the end of May 2013 and all planning and funding approvals were obtained during the 2013/14 financial year. It is expected that development will commence during the 2014/15 financial year”.

Planning for the upgrading of the informal settlements Masakhane and Beverley Hills has also commenced in the 2012/13 financial year after conditional approval has been received from the Provincial department.

- Thirdly, the development of communities through the Integrated Residential Development Programme (IRDP and GAP programme) has been addressed in the 8-year programme in order to reduce the housing waiting list as far as possible. During the 2011/12 financial year two projects were delivered, namely 410 units in Kleinmond and 13 in Betty’s Bay. Application for funding for all the areas with people on the waiting list has been lodged with Province and once approval is received, the availability of funding will dictate the tempo of delivery. During the 2012/13 financial year planning approval has been received for the following projects: Hawston, Blompark and Mt Pleasant, and planning for the projects are all under way. The Mt Pleasant planning went particularly well and all planning approvals have been obtained during the 2013/14 financial year. Development will commence as soon as funding has been allocated for this project by the Provincial Department of Human Settlements. The Gansbaai GAP project of 155 units was also approved during the 2013/14 financial year. The services have been installed the 90% level by the end of 2013/14 and will be completed by August 2014.
- Lastly, the Municipality has signed a MoU with Cape Town Community Housing Company to develop 329 Institutional Subsidy Housing Units in the Zwelihle and Mount Pleasant areas of Hermanus. This project was fully planned and approved during the 2013/14 financial year and as soon as funds become available during 2014/15, development will commence.

All in all, the 8-year programme will affect the lives of the 6 000 odd families in need of basic services and housing in the municipal area in order to give them a much better quality of life.

The Municipality finalised the acquisition of 28 ha of land in Stanford in the 2012/13 financial year in order to house people on the waiting list. Planning of this land commenced during the 2013/14 financial year.

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### b) Highlights: Housing

Highlights	Description
Eluxolweni (Pearly Beach) 211 sites	The development of services for 211 sites has been completed.  A total of 183 houses for beneficiaries have been constructed and 28 wet cores (water and toilets) have been provided for non-qualifiers.
ABS Project	Project has been completed
Title Deed	423 title deeds have been registered in the Deeds Office for the 2013/14 financial year
Informal settlement survey : June 2014	The successful bi-annual survey of the informal settlements – 3330 units were counted and verified

**Table 112.: Housing Highlights**

### c) Challenges: Housing

Description	Actions to address
Housing waiting list : 6 719 (30 June 2014)	Progressive addressing of the housing needs of potential beneficiaries through a number of programs, i.e IRDP ( Integrated Residential Development Programme), UISP (Upgrading of informal settlements Programme), Institutional Subsidy Programme and GAP housing

**Table 113.: Housing Challenges**

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of households with access to basic housing
2011/12	31 339	27 918	89%
2012/13	31 736	28 330	89%
2013/14	31 829	28 499	100%

**Table 114.: Percentage of households with access to basic housing**

The following table shows the increase in the number of people on the housing waiting list.

Financial year	Nr of applicants on waiting list	% Housing waiting list increase/decrease
2011/12	6 152	3.50% Increase
2012/13	6402	4.06% increase

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Financial year	Nr of applicants on waiting list	% Housing waiting list increase/decrease
2013/14	6 719 (as on 30 June 2014)	4.79% increase

**Table 115.: Housing waiting list**

### d) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance 2013/ 2014		Corrective Measure
						Target	Actual	
TL35	The provision and maintenance of municipal services	Construct top structures for the Eluxolweni housing project by the end of June	Number of top structures	11	New kpi	150	183	Target well met

**Table 116.: Service delivery indicators: Housing**

## 3.3.6 Free Basic Services and Indigent Support

### a) Introduction

The free basic services were funded from the "equitable share" grant received from National Treasury plus an amount from the municipality's own income as budgeted for in the financial year under review.

The criteria for an Indigent Household was extended as follows:

- Indigent households with a property value greater than R100 000
- Indigent households with a property value less than R100 000
- Poor households

All water leaks on the consumer side of indigent households were repaired at no cost to the household by the municipality. Great savings on water losses were affected by these actions.

Pre-paid electricity and water flow limited meters were installed in all indigent households at no cost to the consumer.

The Indigent basket indication for 2012/13 was R521.33 and for 2013/14 R598.17.

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

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households earning less than **R5 140.00** per month will receive the free basic services as prescribed by national policy.

The table below indicates that **20.24 %** of the total number of households received free basic services in 2012/13 financial year whilst it increased to **20.56%** in the 2013/14 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	%
2011/12	31 373	5 852	18.65	5 852	18.65	5 852	18.65	5 852	18.65
2012/13	31 739	6 423	20.24	6 423	20.24	6 423	20.24	6 423	20.24
2013/14	31 829	6 543	20.56	6 543	20.56	6 543	20.56	6 543	20.56

**Table 117.: Free basic services to indigent households**

Financial year	Electricity								
	Indigent Households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000
2011/12	5 852	50	2 882	25 521	0	0	0	0	0
2012/13	6 423	50	3 495	25 316	0	0	94	50	n/a
2013/14	6 543	50	3 667	25 286	0	0	95	50	n/a

**Table 118.: Free basic Electricity to indigent households**

Financial year	Water					
	Indigent Households			Non-indigent households		
	No. of HH	Unit per HH (kl)	Value R'000	No. of HH	Unit per HH (kl)	Value R'000
2011/12	5 852	6	3 371	19 458	6	9 924
2012/13	6 423	6	3 931	18 983	6	11 618
2013/14	6 543	6	1 649	19 373	0	0

**Table 119.: Free basic Water services to indigent households**

## Chapter 3: Service Delivery Performance

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
2011/12	5852	700	4 094	25 521	0	0
2012/13	6 423	744	4 779	25 316	0	0
2013/14	6 543	792	5 182	25 286	0	0

**Table 120.:** Free basic Sanitation 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
2011/12	5 852	1	6 671	25 521	0	0
2012/13	6 423	1	9 934	25 316	0	0
2013/14	6 543	1	10 992	25 286	0	0

**Table 121.:** Free basic Refuse Removal services to indigent households per type of service

Financial Performance 2013/14: Cost to Municipality of Free Basic Services Delivered						
Services Delivered	2011/12	2012/13	2013/14			
	Actual	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
	R'000					
Water	5 470	6 020	6582	6582	6502	1.21
Waste Water (Sanitation)	5 046	8 756	9574	9574	9459	1.21
Electricity	11 665	13 482	14740	14740	14562	1.21
Waste Management (Solid Waste)	5 903	7 198	7870	7870	7775	1.21
<b>Total</b>	<b>28 084</b>	<b>35 458</b>	<b>3 8766</b>	<b>3 8766</b>	<b>3 8298</b>	1.21

**Table 122.:** Financial Performance 2013/14: Cost to Municipality of Free Basic Services Delivered

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## Chapter 3: Service Delivery Performance

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### 3.4 COMPONENT B: ROAD TRANSPORT

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In accordance with the Integrated Transport Plan for the Overstrand Municipality the focus areas was on the following;

- To increase capacity for main transport routes into, through and around towns and villages, provision of regular and safe public transport all routes, including upgraded public transport facilities for commuters. The provision of facilities for non-motorised transport and disabled were also a focus point.
- Increased road rehabilitation and maintenance.

Progress with the provision of storm water infrastructure in especially the previously disadvantaged areas was made, with a number of projects completed.

#### 3.4.1 Roads

##### a) Introduction to Roads

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##### **PARALLEL ROAD**



Due to increase of traffic flow to and from Hermanus, an alternative route (Parallel Road), to the Main Road 28/1 (MR 28/1 also known as R43) has been planned which will serve local traffic travelling between Fisherhaven/Hawston/Onrus River/Sandbaai/Hermanus and alleviate the pressure on the R43. It is assumed that The Parallel Road will thus accommodate 25% of the traffic of R43 in future. The Road will also provide direct access to the communities of Zwelihle and Mount Pleasant (previous disadvantages areas) to business opportunities in the Sandbaai, Industrial Area and Hermanus Central Business District (CBD). The proposed route will also serve as a Public Transport route for the Greater Hermanus. The road will also be provided, with dedicated sidewalks and cycle lanes both sides to promote road safety.

The phase 2 of the Parallel Road between Swartdam Road and Schulphoek Road in the extent of 1,185 km has been successfully completed in 2013/2014 financial year.



## Chapter 3: Service Delivery Performance

### **MAINTENANCE**

The resealing of roads in terms of Overstrand's pavement management programme continued. Scheduled repair of potholes in all areas; as well as attending to ad-hoc complaints are conducted. A re-assessment of the condition of all surfaced roads was completed. It is estimated that R35, 6 million will have to be spent annually on the road network to erase the backlog and restore the condition to an excellent level of service.

#### **b) Highlights: Roads**

Highlights	Description
Parallel road phase 2	The phase 2 of the project has been successfully completed.
Reseal/rehabilitation programme	The Main road in the Hermanus CBD was rehabilitated under difficult conditions and completed earlier than anticipated.

**Table 123.: Roads Highlights**

#### **c) Challenges: Roads**

Description	Actions to address
Lack of sufficient funding to reduce backlogs	Increase reseal operational funding
Regular price increases of bitumen products	Beyond municipality's control
Deterioration of gravel roads	Provision of storm water infrastructure

**Table 124.: Roads Challenges**



*Road construction in Hawston*

## Chapter 3: Service Delivery Performance

Gravel Road Infrastructure: Kilometres				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2011/12	159	0	1	158
2012/13	158	0	0	158
2013/14	154	0	3	151

**Table 125.: Gravel road infrastructure**

Tarred Road Infrastructure: Kilometres					
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads resealed	Tar roads maintained
2011/12	293	1	0	20	294
2012/13	477	0	2,5	33,4	477
2013/14	481	3	1	16,7	481

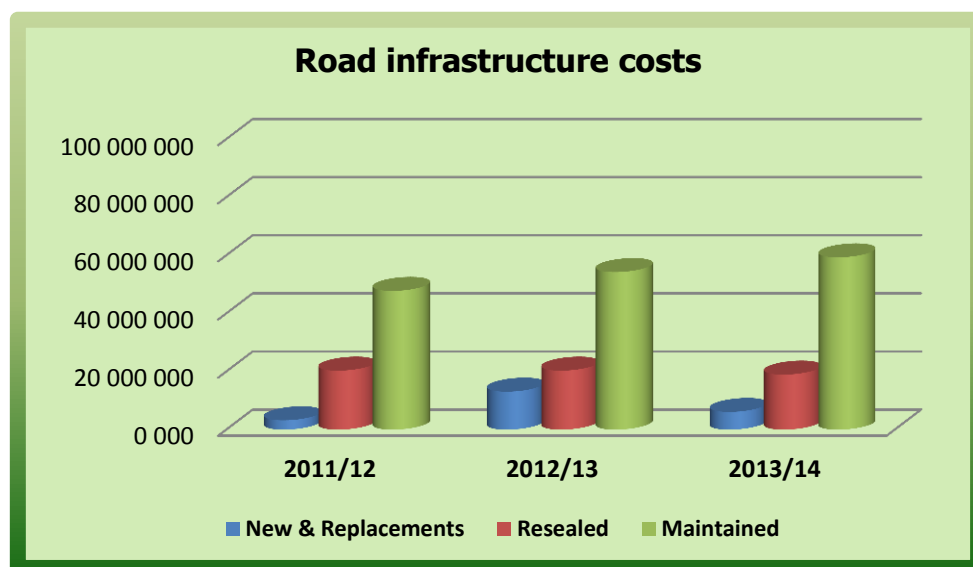
**Table 126.: Tarred road infrastructure**

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

Financial year	New & Replacements	Resealed	Maintained
	R		
2010/11	2 460 000	21 504 897	4 8136 467
2011/12	3 218 000	20 300 000	4 7758 252
2012/13	13 072 296	20 300 000	54 231 605
2013/14	6 085 270	18 941 618	59 296 662

**Table 127.: Cost of construction/maintenance of roads**

## Chapter 3: Service Delivery Performance



Graph 18.: Road infrastructure costs

### d) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/2014		Corrective Measure
						Target	Actual	
TL3	The provision and maintenance of municipal services	m <sup>2</sup> of roads resealed according to approved Paveman Management System within available budget	m <sup>2</sup> of roads resealed	All	216,162	120,000	101,560	Budget allocation was increased with the objective to achieve target in the 2014/15 financial year
TL4	The provision and maintenance of municipal services	Cleaning of stormwater infrastructure twice per annum	Number of cleaning cycles	All	2	2	2	Target met
TL36	The provision and maintenance of municipal services	Complete construction of Phase 1 of the Hermanus parallel road by the end of March 2014	% completion of the project	3	78%	100%	100%	Target met
TL37	The provision and maintenance of municipal services	Complete the upgrade (gravel to paved) of roads in Hawston by the end of June	Km's of gravel paved	8	New kpi	1.7	1.7	Target met

Table 128.: Service delivery indicators: Road transport

## Chapter 3: Service Delivery Performance

Employees: Roads							
Job Level	2010/11	2011/12	2012/13	2013/14			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	No.	%
0 - 3	58	58	58	44	43	0.17	2.3
4 - 6	25	25	25	12	10	2	16.7
7 - 9	16	16	16	11	11	0	0
10 - 12	5	5	5	6	4	1.17	33.3
13 - 15	1	1	1	3	3	0	0
16 - 18	1	1	1	2	2	0	0
19 - 20	0	0	0	0	0	0	0
<b>Total</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>78</b>	<b>73</b>	<b>3.34</b>	<b>6.4</b>

*Employees and Posts numbers are as at 30 June.*

**Table 129.: Employees: Roads**

A shortage of grader operators with suitable experience is hampering the efficient maintenance of gravel roads. In- house training is conducted to transfer skills to existing personnel. Unreliable machinery also poses a challenge.

Capital Expenditure 2013/14: Roads					
R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>17 870</b>	<b>16 229</b>	<b>16 052</b>	<b>(1 818 )</b>	
Hermanus parallel road	6 228	4 587	4 410	(1 818)	15 307
Hermanus parallel road (Cycling & pedestrian ways)	2 482	2 482	2 482	0	2 482
Hawston: Upgrade roads	6 034	6 034	6 034	0	6 034
Upgrade roads- Zwelihle	3 126	3 126	3 126	0	3 126

*Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.*

**Table 130.: Capital Expenditure 2013/14: Roads**

## Chapter 3: Service Delivery Performance

### 3.4.2 Waste water (Storm water drainage)

#### a) Introduction to Storm water Drainage

Various storm water plans has been compiled amongst others, were the Hermanus CBD Stormwater management plan and Industrial Area. These two areas along with other areas in the Overstrand have experienced huge flooding during the November 2013 – January 2014 rainy season.

The storm water flooding has further been caused due to insufficient storm water systems in the Overstrand Area and LED to damages of residential and business property damages.



#### b) Highlights: Waste Water (Storm water Drainage)

Highlights	Description
Compilation of storm water master plans	To identify storm water problems areas

**Table 131.: Waste Water (Storm water drainage) Highlights**

#### c) Challenges: Waste Water (Storm water Drainage)

Description	Actions to address
Backlog in infrastructure provision	Provision to be made on the capital budget for storm water projects
Damage and flooding of infrastructure and properties	Provide storm water infrastructure, worst affected areas being Betty's Bay, Pringle Bay, Franskraal, Hermanus CBD & Industrial areas
More frequent and high intensity storms	Early warning alerts

**Table 132.: Waste Water (Storm water drainage) Challenges**

## Chapter 3: Service Delivery Performance

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

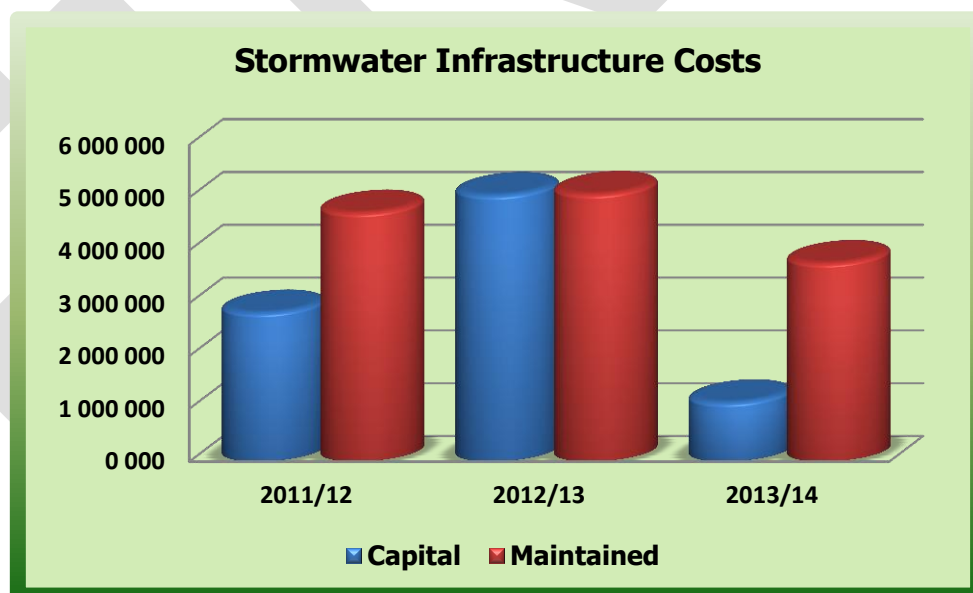
Storm water Infrastructure: Kilometres				
Year	Total Storm water measures	New storm water measures	Storm water measures upgraded	Storm water measures maintained
2011/12	557	0	2	557
2012/13	557	1,3		558
2013/14	558	0.861	0	559

**Table 133.: Storm water infrastructure**

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

Financial year	Storm water Measures	
	Capital	Maintained
	R	
2011/12	2 818 000	4 710 774
2012/13	5 043 556	5 063 425
2013/14	1 119 586	3 756 320

**Table 134.: Cost of construction/maintenance of storm water systems**



**Graph 19.: Storm water infrastructure costs**

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### d) Service Delivery Indicator

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/2014		Corrective Measure
						Target	Actual	
TL4	The provision and maintenance of municipal services	Cleaning of stormwater infrastructure twice per annum	Number of cleaning cycles	All	2	2	2	Target met

**Table 135.: Service delivery indicators: Waste Water (Storm water drainage)**

Employees: Storm Water (Storm water drainage)							
Job Level	2010/11	2011/12	2012/13	2013/14			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	No.	%
0 - 3	12	12	12	42	42	0	0
4 - 6	4	3	4	16	15	1	6.25
7 - 9	3	3	3	8	7	0.17	12.5
10 - 12	0	0	0	3	3	0	0
13 - 15	1	1	1	0	0	0	0
16 - 18	1	1	1	1	1	0	0
19 - 20	0	0	0	0	0	0	0
<b>Total</b>	<b>21</b>	<b>20</b>	<b>21</b>	<b>70</b>	<b>68</b>	<b>1.17</b>	<b>0.3</b>

*Employees and Posts numbers are as at 30 June.*

**Table 136.: Employees: Waste Water (Storm water drainage)**

Capital Expenditure 2013/14: Waste Water (Storm water drainage)					
R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>		<b>200</b>	<b>43</b>	<b>0</b>	
Whale Bay Cascades	0	200	43	0	200

*Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).*

**Table 137.: Capital Expenditure 2013/14: Waste water (Storm water drainage)**

## Chapter 3: Service Delivery Performance

### 3.5 COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT

#### 3.5.1 Planning

##### a) Introduction to Planning

The municipality's key planning deliverables in the 2013/14 financial year were to compile the following policies and strategies:

- 5 Year Housing Strategy
- Overstrand Environmental Management Framework (approved June 2014)
- Long term vision resulting in an Integrated Development Framework (approved June 2014)

##### b) Highlights: Planning

Highlights	Description
Integrated Scheme Regulations	Enacted from 1 January 2014
Integrated Development Framework (IDF)	Approved June 2014
Environmental Management Framework (EMF)	Approved June 2014

**Table 138.: Planning Highlights**

##### c) Challenges: Planning

Description	Actions to address
Spatial Planning and Land Use Management Act	Aligning decision making and planning processes
Land Use Planning Act (WC)	Draft and adopt a Planning By-law for Overstrand
Coastal Setback Lines	Partake in process to determine the setback line
SPLUMA Regulations	Comment on the regulations before adoption

**Table 139.: Planning Challenges**

Applications for Land Use Development			
Detail	2011/12	2012/13	2013/14
Applications withdrawn	12	6	13
Applications closed	272	281	14
Applications outstanding at year end	34	107	159
Awaiting DEA&DP decision	12	56	35

**Table 140.: Applications for Land Use Development**

## Chapter 3: Service Delivery Performance

Additional Performance Town Planning and Building Control			
Type of service	2011/12	2012/13	2013/14
Building plans application processed	1422	1338	1643
Approximate value	R796 880 600	R 809 495 345	R956 715 456
New residential dwellings	250	216	472 (RDP 180)
Residential extensions	1045	1101	1031
New Business buildings	33	8	8 (2 church & 1 school)
Rural applications	0	10	2

Table 141.: Additional Performance Town Planning and Building Control

### d) Service Delivery Indicator

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 12/13	Overall Performance 2013/2014		Corrective Measure
						Target	Actual	
TL42	The provision and maintenance of municipal services	Development and approval of the Spatial Development Framework and Environmental Management Framework by the end of June	Plan developed and approved	All	1	1	1	Target met

Table 142.: Service delivery indicator- Planning

Employees: Planning							
Job Level	2010/11	2011/12	2012/13	2013/14			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-	-	
4 - 6	4	4	4	4	4	4 Planning 3 Building	
7 - 9	6	6	6	5	5	5 Planning 1 Building	
10 - 12	1	1	2	1	1	1 Planning	

## Chapter 3: Service Delivery Performance

Employees: Planning							
Job Level	2010/11	2011/12	2012/13	2013/14			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	No.	%
						7 Building	
13 - 15	6	6	6	5	5	5 Planning	
16 - 18	2	2	2	2	2	2 Planning 1 Building	
19 - 20	0	0	-	-	-	-	
<b>Total</b>	<b>19</b>	<b>19</b>	<b>20</b>			<b>17 Planning</b> <b>12 Building</b>	
<i>Employees and Posts numbers are as at 30 June.</i>							

**Table 143.: Employees: Planning**

Capital Expenditure 203/14: Planning					
R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>1 400</b>	<b>3 041</b>	<b>3 041</b>	<b>1 641</b>	
Karwyderskraal Regional Cemetery	1 400	3 041	3 041	1 641	10 041
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)</i>					

**Table 144.: Capital Expenditure 2013/14: Planning**

## Chapter 3: Service Delivery Performance

### 3.5.2 Local Economic Development (Including Tourism and Market places)



#### a) Highlights: LED

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

Highlights	Description
Township Development and creation of economic spaces	Integrating transport and economic nodes aimed at beautification of townships to encourage and promote private investment.
Sector support and development	Identify constraints and support programmes to promote key economic sectors such as aquaculture, tourism and agriculture.
Enterprise development and promotion of locally based economic initiatives	Provide training and support / access to resources and livelihoods to strengthen capacity for business improvement. Monitor sector performance and introduce intervention programmes.
Position of the Overstrand through marketing and branding	Positioning the Overstrand as a destination of choice, exposing the brand at local and international shows/exhibitions.  Overstrand Municipality is host to a vibrant tourism centre in the area, experiencing rapid growth in key industries contributing to tourism. Marketing and branding initiatives included exhibits in the following exhibitions: Cape Argus Expo, Cape Getaway Show, JHB Getaway, Vindaba and Beeld Holiday Show.
Information, support and mentoring	Collaborate with other spheres of government, developmental agencies and NGO's in supporting and maintaining local initiatives to grow.  Access to funding and other relevant services direct to SMME's. Linkages between the first and second economy.
Informal Sector Development	Supporting the sector, making doing business easy with reduced red tape and provision of trading spaces and

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Highlights	Description
	infrastructure.

**Table 145.: LED Highlights**



*Participants at the Entrepreneur Development Workshop – Mount Pleasant*



*Training Up-skills women, an article on the successful SAWEN candidate from Overstrand*

### b) Challenges: LED

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

Description	Actions to address challenges
High level of unemployment and poverty	Implement municipal capital projects through EPWP principles and facilitate an environment that will attract sectors with high value and support industries that yield employment opportunities and are prevalent in the area.
Co-operation with the private sector	Introduce activities that build co-operation with the private sector – clarify roles and responsibilities including implementation of joint projects aimed at improving the local economy. Introduce participatory tools such as PACA to instil ownership.
Seasonality	Vigorous marketing campaign as a destination of all seasons. Encourage on all year round programmes for festivals and events. Encourage “buy local” campaigns and better business management strategies to cushion businesses from impact of seasonality.
Low skill base, brain drain and inequality	Implement joint programmes with other spheres of government and NGO’s focussing on skills development, learnerships and promotion of early childhood development.
Skewed gini-co-efficiency [the gap between the rich and the poor]	Work with the private sector and other spheres of government to improve income levels through quality jobs, education and entrepreneurship.
Restrictive environmental considerations	Co-operation between the municipality, responsible government department and the community and introduction of appropriate planning methods with

## Chapter 3: Service Delivery Performance

Description	Actions to address challenges
	improved responses.
Inward focus economy attracting few provincial and national focus enterprises	Conducive business environment taking into consideration business needs – effective and efficient systems to do business in the area. Improve business attraction strategies.
Financial and investment support programmes	Understanding the eco-system of entrepreneurs and financiers to better understand the types of companies suited for the area and which are not. Tapping into government development incentives.
Exporting	Investigate and apply for consideration as an [SEZ] Special Economic Zone to boost export potential. Need to expand export potential.

**Table 146.: Challenges LED**

### c) LED Strategy

The Overstrand municipality has a formidable and credible LED Strategy which is up for review in the 2014/15 financial year. It is a strategy that economic development considerations and approaches including interventions such as the following:

Strategic areas	Description
Infrastructure development	Good and efficient infrastructure facilitates a seamless approach to economic growth. It also promotes, encourages and attracts private and community investment. The Overstrand Municipality has amongst other good quality water, roads infrastructure with kilometres of tarred roads and excellent service delivery
Marketing	To competitively market the Overstrand as a preferred tourist destination to local and international visitors, and to ensure that the benefit is spread to all our communities, whilst maintaining a balance with nature. This can be achieved by: <ul style="list-style-type: none"> <li>▪ Increasing the level of awareness of Overstrand in international and local markets</li> <li>▪ Promoting an environmentally responsible tourism industry that will benefit the whole community</li> <li>▪ Increase tourism spend and length of stay</li> <li>▪ Increase visitor numbers LED outside of peak season</li> </ul>
Enabling business environment	Small to medium enterprises constitute a large percentage of businesses in the Overstrand; therefore, the municipality has to always ensure that an enabling environment is created for businesses to prosper. Efficient and affordable destination to set-up a business, setting up friendly legislation with less red tape, approval of town planning applications timeously and providing support and training for new entrants. Timeous approval of tenders and quotations with focus on local content.
Resource and asset management	The Overstrand Municipality has a vast resource of natural resources, heritage and beautiful landscapes. To ensure that the municipality achieves sustainable development, management of these resources and assets is prioritised for long-term competitive advantage.

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Strategic areas	Description
Economies of the poor	Integrating economies of the poor within the main economic hub to ensure participation and shared growth. Ensure availability of developmental services and access to infrastructure and facility that promotes trade. Township development activities aimed at promoting investment, transport hub including informal trading and beautification of townships. Implement pro-poor tourism strategies.
Human resource development	Addressing skills shortage to bolster economic growth, ensuring availability of important services. Skills training aimed at meeting market demands for long term sustainable human development. Skills development initiatives conducted in partnership with NGO's and other public bodies.

**Table 147.: LED Strategic areas**

**Note: Economic data for the 2012/13 and 2013/14 years are not available at the time of compiling this report – therefore the report can only re-state the 2011/12 figures.**

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

Sector	2011/12 (R)
Agriculture, forestry and fishing	101.0
Mining and quarrying	0.4
Manufacturing	426.0
Wholesale and retail trade	366.6
Finance, property, etc.	793.7
Community and social services	108.8
Infrastructure services	7.3

**Table 148.: Economic Activity by Sector**

Economic Employment by Sector		
Sector	2010/11	2011/12
	No.	No.
Agriculture, forestry and fishing	(3 005)	(3 005)
Mining and quarrying	(8)	(8)
Manufacturing	572	572
Wholesale and retail trade	479	479
Finance, property, etc.	2 380	2 380
Government, community and social services	996	996
Infrastructure services	321	321
<b>Total</b>	<b>1 735</b>	<b>1 735</b>

*Note: Information for 2013/14 was not available, therefor the 2011/12 figures are restated*

**Table 149.: Economic Employment by Sector**

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## Chapter 3: Service Delivery Performance

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The Overstrand has the strongest economic growth in the region, it accounts for about 46% of the employment creation in the region. It has the most vibrant sub-regional economy, albeit only marginally so compared with the other municipalities. The financial and business services are the leading growth sector and provide more job opportunities

### d) Tourism

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The global economy improved in 2013 with a 3, 1% increase from 2, 0% in 2012, a gain that contributed to the increase in foreign tourism in SA. The high infrastructure investment in the Overstrand is matched by high growth rate. Tourism related sectors are the fastest growing sectors confirming tourism as a key economic driver in the municipality.

The municipality had the fastest growing economy in the region [growing by 6.8% per annum], if with the neighbouring municipality [Theewaterskloof] have the largest municipal economies and combined accounted close to 70% of the region-wide GDP. In order to drive economic growth, sustain job creation and minimize seasonality, more attention and investment should be given to improve domestic and business tourism.



Developing a calendar of events and festivals spread throughout the year to address seasonality and continue with the vibrant economy is one of the key strategies to promote tourism. Marketing the Overstrand as a destination can help spread economic benefits throughout the towns and ensure continued visit to the municipality. Forging effective partnerships with many different industry players will contribute to the success of marketing the Overstrand as a destination.

Overstrand is host to a vibrant tourism centre in the District which has contributed significantly to the relatively stronger economic growth in the municipality.

Safe to say; given the diverse economic sectors and their resilience to economic meltdown it is noted that growth is likely to remain under pressure during this year due to sustained weaknesses in the global economy. Finance, insurance, real estate and business services sector is the largest and fastest growing sector in the municipality and due to its broadness it contributed to growth during the economic recovery.

### e) Informal Street Trading

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The recent study conducted by DEDAT in the Overberg on the informal sector indicates a 95% confidence level that indicates a vibrant sector that contributes significantly to the GDP and

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## Chapter 3: Service Delivery Performance

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employment in the region. For example the report point to the diverse products and activities the sector offers:

### Product orientated informal business per sector in the Overberg

Product per sector	Percentage
• Retail food and drinks	39,9%
• Retail attire	20,7%
• Household goods	6,3%
• Personal requirements	3,8%
• Services orientated per sector (micro-manufacturing, personal services, business services and social services)	29,3%
<b>TOTAL</b>	<b>100%</b>

*Source: DEDAT 2013, MERO 2013*

The survival, sustainability and longevity of the studied informal economy enterprises are considerably high. A relatively small number (10,6%) of enterprises are less than a year old. The majority interview had been in operation for between 1-5 years with a further 19,2% operating between 6-10 years and a further 18,8% operating for over 11 years.

It is also understandable that there are a number of these enterprises that failed (most likely within the first year of operation) for various reasons. It is important to note the reasons stated by respondents as justifications to start own business, such as; I could not find alternative employment (42%). I did not enjoy working for someone else. I wanted to earn more money/financial hardship (25%). I am good at running this business, opportunity (0,5%) and have passion for it/it is a calling.

The most important one of identifying an opportunity or gap in the market is lowest indicating a sector that moves products than inventing. Therefore a focus on entrepreneurship will assist with sustainability and profitability in the sector.

Statistics South Africa defines the informal sector as "one where firstly employees work in establishments of less than five employees, where income tax is not deducted from their salaries and wages and secondly where employees are not registered with the Receiver of Revenue for income tax or value added tax.

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The Overstrand municipality has an ever growing informal sector which in many respect compliment the tourism and retail sectors. Informal trade contributes about 12% of the local GDP and has potential to grow.

One of the fundamental reasons for supporting this sector is to acknowledge the sector's relevance and contribution to the economic and social life of the area. This sector provides some income to those who are unemployed, as well as providing an alternative to established traditional formal sector retail options. The introduction of systems and controls will continually assist the municipality to assist the sector and its participants to grow into a commercially viable and dynamic sector which contribute to economic development and growth aimed at improving the quality of life of the local people.

Overstrand is amongst some of the municipalities which has provided infrastructure in form of trading stalls for use by the sector including demarcated and dedicated space for trading. This is further linked to transport and economic nodes facilitating easy access to markets.

The table below identifies the detail of the jobs created through EPWP initiatives in the municipal area:

Job creation through EPWP projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2011/12	34	616
2012/13	36	675
2013/14	25	517

**Table 150.:** *Job creation through EPWP\* projects*



*Parking Marshals, EPWP program*

## Chapter 3: Service Delivery Performance

### f) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance 2013/2014		Corrective Measure
						Target	Actual	
TL13	The promotion of tourism, economic and social development	Develop of a world class website/e-business platform for marketing and branding of Overstrand by the end of December	Website/e-business platform completed	All	1	1	1	Target met
TL14	The promotion of tourism, economic and social development	Assess impact of 2 major festivals into the local economy	Assessments completed	All	New kpi	2	2	Target met
TL15	The promotion of tourism, economic and social development	Support thirty SMME's and startup businesses	Number of startup businesses and SMME's	All	23	30	45	Target extremely well met
TL16	The promotion of tourism, economic and social development	Implement eight initiatives aimed at SSME support and stakeholder engagement	Number of initiatives	All	New kpi	8	23	Target extremely well met
TL17	The promotion of tourism, economic and social development	The number of people supported through the walk in centre and outreach	Number of people supported	All	New kpi	120	1,261	Target extremely well met
TL18	The promotion of tourism, economic and social development	The number of job opportunities created through the EPWP programme and as per set targets (grant agreement - 77 FTE's)	Number of temporary jobs created	All	609	500	517	Target well met
TL19	The promotion of tourism, economic and social development	Complete the informal trade policy/management of trading sites by the end of September	Policy completed	All	1	1	1	Target met
TL20	The promotion of tourism, economic and social development	Outreach programme inclusive of Overstrand municipal area	Number of initiatives	All	New kpi	8	16	Target extremely well met
TL21	The promotion of tourism, economic and social development	Review the LED strategy by the end of March 2014	Strategy reviewed	All	New kpi	1	0	Currently extracting information from the Municipal Economic Review & Outlook 2013 (MERO) to engage a service provider to conduct the economic review and profile based on new statistics and context.
TL22	The promotion of tourism, economic and social development	Improve the LED maturity assessment position by 2 points	Points improved	All	New kpi	2	1	Assessment was done in February 2014. Only 1 date was received from Provincial Dept of Economic Development and Tourism for 2013/14.
TL23	The promotion of tourism, economic and social	Compile an action plan to improve on the LED maturity assessment	Plan completed	All	New kpi	2	2	Target met

## Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance 2013/2014		Corrective Measure
						Target	Actual	
	development							
TL24	The promotion of tourism, economic and social development	Develop a Tourism Marketing and Branding Strategy by the end of December 2013	Strategy developed	All	New kpi	1	1	Target met

**Table 151.: Service delivery indicators: Local Economic Development**

Employees: Local Economic Development							
Job Level	2010/11	2011/12	2012/13	2013/14			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0	0	0
4 – 6	0	0	0	0	0	0	0
7 - 9	0	0	0	0	0	0	0
10 - 12	2	2	2	4	4	0	0
13 - 15	1	1	2	1	1	0	0
16 - 18	1	1	0	-	-	-	-
19 - 20	1	1	0	1	1	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>

*Employees and Posts numbers are as at 30 June (includes 3 [three] additional people on learnership)*

**Table 152.: Employees: Local Economic Development**

### 3.6 COMPONENT D: COMMUNITY AND SOCIAL SERVICES

#### 3.6.1 Libraries

##### a) Highlights: Libraries

Highlights	Description
100% Spending of library conditional grant	Extra funding for upgrading and permanent appointment of contract workers at the libraries
Internet facilities	Free internet access to the public especially the learners and students

## Chapter 3: Service Delivery Performance

Highlights	Description
Friends of the Hermanus Library	Regular coffee shop on Fridays mornings running in the library to promote the Friends of the Library and their fundraising efforts. Promotes new books, introduce local authors and artists to patrons and manage various outreach projects to encourage literacy in schools
Launching of National Book Week	The Minister of Sport, Recreation and Cultural Affairs was the motivational speaker at the opening day at the Zwelihle library.
Visits to and from primary schools and early childhood development centres (crèches)	Class visits, storytelling sessions, reading and art programmes Programmes and book talks
Holiday program at Hawston Library	Holiday program accommodate about 250 kids. Program included meals, fun games, craft activities, different themes for each day based on different values. This program keeps kids safe from street during holidays.
Extension of Kleinmond Library	A major extension of the Kleinmond Library in the amount of R5m has been approved by the Provincial Department. It will include an additional floor area. Work will commence in 2015.
Migration to slims	Implementing the new system
Friends of the Hangklip Library	Regular fundraising efforts to promote the library. Promotes new books, introduce local authors and artists to patrons and manage various outreach projects to encourage grow in library. Make research material available for members of the public.
Painted the exterior of the library	The outside walls and gables were painted.

**Table 153.: Libraries Highlights**

### b) Challenges: Libraries

Description	Actions to address
Finance/Sponsorship	It is very difficult to organize outreach programs with no budget
Outreach campaigns	Need funding for literacy projects
Minimize the theft of books	To install a security systems at specific libraries
To encourage children to read more	Exhibitions, book reading sessions
New Books	Satisfying the need of avid readers is the greatest challenge
Book Accommodation	Patrons and Friends of the Library supported Kleinmond Library and Gansbaai Library with book donations. Space that is not always readily available is quite a challenge
Study space/ Children section	Renovate libraries to cater for study space/ children's section
Fax and scan facilities	Possible savings on budget to purchase a fax machine and scanner for Stanford library

**Table 154.: Libraries Challenges**

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### c) Service statistics for Libraries

Type of service	2011/12	2012/13	2013/14
Library members	30 539	19 937	47 814
Books circulated	557 767	644 208	863 552
Exhibitions held	165	234	364
Internet users	3 678	8119	15 316
New library service points or Wheelie Wagons	1	1	1
Children programmes	325	345	463
Visits by school groups	141	136	629
Book group meetings for adults	36	33	156
Primary and Secondary Book Education sessions	128	125	197

**Table 155.: Service statistics for Libraries**

Employees: Libraries							
Job Level	2010/11	2011/12	2012/13	2013/14			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No	No.	No.	No.	%
0 - 3	0	0	1	0	0	0	0
4 - 6	10	10	12	19	19	0	0
7 - 9	1	1	4	6	6	0	0
10 - 12	3	3	5	5	5	0	0
13 - 15	0	0	0	0	0	0	0
16 - 18	0	0	0	0	0	0	0
19 - 20	0	0	0	0	0	0	0
<b>Total</b>	<b>14</b>	<b>14</b>	<b>22</b>	<b>30</b>	<b>30</b>	<b>0</b>	<b>0</b>

*Employees and Posts numbers are as at 30 June (includes 3 [three] additional people on learnership)*

**Table 156.: Employees: Libraries**

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### 3.6.2 Cemeteries

#### a) Highlights: Cemeteries

Highlights	Description
Measuring and layout of graveyards	Gravesites in graveyards listed below were mapped and available sites were identified. Affected graveyards include Hawston, Onrus, Hermanus and Stanford.
Interest by private enterprise in erection of a crematorium	To alleviate the quest for burial land, a crematorium may provide a solution.
Neat and clean cemeteries	The appearances of all cemeteries are in good shape. Very few complaints received regarding the condition of cemeteries as they are reasonably well maintained. Dedicated staff appointed to maintain the grave yards.
Proper and effective booking and management system regarding burial information	Electronic Burial Management System
Survey on grave capacity	Conducted a survey to determine the life span of cemeteries/availability of grave sites in Overstrand.

**Table 157.: Cemeteries Highlights**

#### b) Challenges: Cemeteries

Description	Actions to address
High water-table	To assist families to pump out ground water or to provide grave space at an alternative graveyard.
No grave space available at Kleinmond area	Residents of Kleinmond area to make use of graveyard at Hawston and Onrus.
Vandalism	Community awareness and involvement in protection of cemeteries.
Very wet and rocky earth conditions at Stanford grave yard	At all times a digger loader must be hired to dig the graves.

**Table 158.: Cemeteries Challenges**

#### c) Service Statistics for Cemeteries

Type of service	2011/12	2012/13	2013/14
Pauper burials	2	1	0

**Table 159.: Service stats for Cemeteries**

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## Chapter 3: Service Delivery Performance

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### 3.6.3 Child Care; Aged Care; Social Programmes

#### a) Introduction to Child Care; Aged Care; Social Programmes

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*Elderly awareness  
day at Thusong  
Centre, Hawston*



Children's, ascendance of the Children's Act (Act, 38 of 2005), it is no longer optional and day care centres must register with the Department of Social Development.

It is internationally recognized that Early Childhood Development (ECD) is one of the most effective interventions in addressing poverty. It is also one of the key strategic objectives of the Overstrand Municipality not only because of its long term benefits to the individual and society in general, but also because it provides an opportunity to develop women and youth. Despite ECD being a key strategic objective, the municipality is aware of the other social challenges facing our communities. There is a growing number of unemployed youth, teenagers who fall pregnant, others who drop out of school, some get involved with drugs, gangs and other illegal activities. Women continue to be marginalized or discriminated against whether it is directly or indirectly, driven out of anger, fear, culture or tradition, we have a long way to go to realize a society of gender equality. The perils of HIV/AIDS continue to plague our communities. People with disabilities are not offered the opportunities they deserve, for many of them our society still very much discriminates against them. The Overstrand municipality has the highest percentage of elderly people in relation to its population in South Africa. Many of them have come here to live out their remaining days in the tranquil serenity of the Overstrand, for others survival has become a daily challenge.

Whether it is children, youth, women, people with disabilities, elderly or people living with HIV/AIDS the struggle for survival increase when economic prosperity decrease. For all of these vulnerable groups the key challenge is to create the necessary services to address all their needs in a meaningful manner. This needs to be done in a local government context by a sphere of government not primarily tasked with welfare services but close enough to the people that it must have a developmental mandate none the less.

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To address the needs of the most vulnerable groups in society is not something that the municipality will ever be able to achieve by itself. However, if we all work together, and there are a lot of well-meaning concerned citizens in Overstrand, people with expertise in various fields, potential funders, and people willing to sacrifice their spare time to help others, we can make a difference. For all those who believe this and who are willing to assist, the Overstrand municipality will be there to work with you and assist where possible to make the Overstrand a place where everyone can fulfill their full potential.



*Early Childhood Development (ECD)*

### b) Highlights: Child Care; Aged Care; Social Programmes

Highlights	Description
Registered ECD programmes in Overstrand	<ul style="list-style-type: none"> <li>→ The number of registered ECD programmes at crèches in the Overstrand has increased from 0 in 2011 to 3 in 2014.</li> <li>→ Through our partnership with a local NGO we have also assisted with the roll-out of the ECD programmes to more than 8 crèches that had no programmes in place.</li> <li>→ We have also availed training space for another organization that provides free accredited ECD training and a registered programme to ECD practitioners in the Overstrand.</li> </ul>
16 Days of Activism	During 2013/14 the municipality distributed 50 trauma packs. 5 police stations across the Overstrand received 10 packs each for their trauma rooms.
Child Care	<ul style="list-style-type: none"> <li>→ Three crèches are planned for construction in the next 3 years</li> <li>→ A Draft ECD Strategy has been drawn up.</li> </ul>
Disability	<ul style="list-style-type: none"> <li>→ People with disabilities participated in the prestigious Mayoral Cup event. All the sporting codes had their finals on the day and this included the wheelchair domino teams who competed for the disability trophy on the same day at the same venue amongst the rugby and soccer teams.</li> <li>→ The municipality also supported Disability day in partnership with a local NGO</li> <li>→ Through EPWP principles, the municipalities supported 5 disabled youth to host weekly workshops in their areas</li> </ul>

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Highlights	Description
	with disabled persons.
Elderly	→ Elderly awareness day was a big success. The municipality brought close to 120 elderly from service centers across the Overstrand together for tea, lite lunch and entertainment to celebrate this special day with them.

**Table 160.: Child care; Aged care; Social programmes Highlights**



*Trauma packs issued,  
16 Days of Activism campaign*

### c) Challenges: Child care; Aged care; Social programmes

Description	Actions to address
No Intergovernmental cooperation, in the delivery of social programmes, especially with the Department of Social Development	Cooperation with the Department of Social Development remains challenging.
The Overberg District municipality no longer performs Social Development Functions. Local municipalities are required to implement own initiatives	We are engaging with SALGA
The municipal social development department is under staffed	We are forming partnerships with role players to assist in the delivery of programmes.

**Table 161.: Child care; Aged care; Social programmes Challenges**

### d) Service Statistics for Child Care; Aged Care; Social Programmes

Child care; Aged care; Social programmes			
Description	2011/12	2012/13	2013/14
Trees planted	160	153	2 (during holiday programme)

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Child care; Aged care; Social programmes			
Description	2011/12	2012/13	2013/14
Veggie gardens established	0	0	0
Soup kitchens established or supported	0	0	0
Initiatives to increase awareness on child abuse	1	2	1
Initiatives to increase awareness on disability	2	2	3
Initiatives to increase awareness on women	2	1	2
Initiatives to increase awareness on HIV/AIDS	2	1	0
Initiatives to increase awareness on Early Childhood Development	2	2	112 (libraries ECD reading program 3 times a week)
Special events hosted (World's Aids Day, World Arbour day, World Disability Day, Youth Day, 16 Days of activism against women abuse)	3	3	3

**Table 162.: Service statistics for Child care; Aged care; Social programmes**

### e) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance for 2013/2014		Corrective Measure
						Target	Actual	
TL50	The promotion of tourism, economic and social development	Establish partnerships to assist social development strategy delivery	Number of partnerships	All	New performance indicator for 2013/14. No comparatives available.	3	3	Target met

**Table 163.: Service delivery Child care; Aged care; Social programmes**

Employees: Child care, aged care, social programmes							
Job Level	2010/11	2011/12	2012/13	2013/14			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0	0	0
4 - 6	0	0	0	0	0	0	0
7 - 9	0	0	0	0	0	0	0

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Employees: Child care, aged care, social programmes							
Job Level	2010/11	2011/12	2012/13	2013/14			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	No.	%
10 - 12	0	0	0	0	0	0	0
13 - 15	1	1	1	1	1	0	0
16 - 18	0	0	0	0	0	0	0
19 - 20	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>

*Employees and Posts numbers are as at 30 June.*

**Table 164.: Employees: Child care, aged care, social programmes**

### 3.7 COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and coastal protection.

#### 3.7.1 Introduction to Environmental Protection

The Environmental Management Section strives to achieve the following:

##### **To ensure declared protected area status for Nature Reserves in terms of the NEM:PAA.**

- ➔ Withers Environmental Consultants (cc) were appointed to draft the Integrated Management Plan for the Fernkloof Nature Reserve. The IMP is in a draft form and will undergo public participation. The IMP contains a Conservation Development Framework which addresses historical proclamation errors and the future protected area expansion policy. Land parcels which are due to be incorporated into the Fernkloof Nature Reserve have received a positive recommendation from a CapeNature Conservation Stewardship Review panel. The incorporation of additional land, as well as the registration of Fernkloof Nature Reserve as a Section 23 NEM:PAA (2003)

The Biodiversity Conservation subsection will focus on the constitution of steering committees for the development of management plans for the Kleinmond Nature Reserve and the Cape Hangklip stewardship sites in the 2014/2015 financial year. The committees will drive the process for the registration of these areas as Protected Areas in terms of the Protected Areas Act.

- ➔ To institute management strategies for all natural areas according to the IMP and IDF  
Withers Environmental Consultants have been appointed to deliver a draft Integrated Management Plan, which will address environmental management strategies for natural

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## Chapter 3: Service Delivery Performance

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areas. The Plan is in a draft phase and will undergo public participation prior to its adoption by Council.

- ➔ To institute management of biodiversity for all areas under the guidelines of the IMP and IDF through invasive alien plant clearing, fire management and coastal management.



*Environmental Services at Municipal Showcase, September 2013*



*Learners attending Sustainability Expo for Schools, May 2014*

### **Invasive Alien Clearing:**

Alien vegetation in various densities has been cleared in each administration during the 2013/4 financial year. The Environmental Management section spent a total of R 306 126 to clear 185 ha's alien infested municipal land in the Greater Hermanus, Kleinmond and Gansbaai regions.

The Working for Water Programme which is a sub-section of the Environmental Management Section, has cleared 3070 ha of privately and state owned alien infested properties during the 2013/2014 financial year. The total budget was R 5,6 mil and 17 000 person days were generated with this external funding from the National Working for Water Programme.

### **The Clearing of Firebreaks:**

A total firebreak network of 49 km has been identified within the Overstrand Region. This network will have to be maintained in rotation on an annual basis as a minimum fire risk prevention measure. An amount of 20 km worth firebreaks, constituting 17 ha of natural vegetation has been cleared on nature reserves and Open Spaces in Overstrand Municipality by local contractors under the Environmental Management operational budget and the supervision of the Field Rangers for each administrative region.

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### Coastal Management:

Overstrand Municipality has addressed the cleansing and cleaning of public beaches as well as the maintenance of infrastructure (signs, trails, paths, benches, ablutions, boardwalks and bridges) in the coastal zone and nature reserves by means of the Working for the Coast Programme. Inputs have been delivered into the processes with respect to the amendment of the National



*May 2014, Blue Flag EE*

Off-road Vehicle Regulations concerning the registration of slipways, as well as into the development of coastal setback lines for the Overberg Region. The Environmental Management Section represents the Municipality on the Municipal Coastal Committee. The EMS section is also supporting the development of the District Coastal Management Programme.

The Overstrand Municipality supports the Estuary Management Forums with administration and logistical support.

- ➔ To institute invasive alien vegetation clearing and management according to the Integrated Invasive Vegetation Management Plan.
- ➔ To lead a better understanding, appreciation, use and conservation of the limited natural resources within OSM (including biodiversity, soil, water and energy) by the owners and staff of, and visitors to OSM.
- ➔ Environmental Officers assist the regional building control committees with respect to the reviewing of building plans, land use applications and environmental impact assessment applications. This service continually promotes communication with respect to the environmental impacts associated with development processes and facilitates the implementation of environmental impact assessments in realization of the environmental rights of the citizens of the Overstrand region. The Environmental Management Section facilitates communication between the public and the National and Provincial spheres of government and furthermore provides ecosystem management information services for stakeholders in each administrative region.
- ➔ To promote the conservation of the environment (biophysical, socio-economic and cultural-historic characteristics) by formally entering into Stewardship Programmes and /or Conservation Management Agreements with neighboring property owners.

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## Chapter 3: Service Delivery Performance

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Stewardship review processes have been completed with respect to Fernkloof Nature Reserve, the Cape Hangklip Stewardship sites and the Stony Point complex. Additional work is required with respect to the registration of these sites as Local Nature Reserves and the development of operational integrated management plans for each nature reserve. This process is still underway.

Overstrand Municipality is a member of the Greater Overberg Fire Protection Association which includes the Groot Hagelkraal, Babilonstoring and Theewaters-Groenland Fire Protection Associations. Attention must be devoted to the development and signature of Memoranda of Agreement with these associations in order to facilitate communication and co-operation between the parties to the agreement.

- To promote and continue with the integrated management of Reserves and natural areas by the Municipality in partnership with current and any other NGO's which may be formed who wish to be involved with the management of the natural areas in OSM.

The Environmental Management Section interacted with the following stakeholders forums during the 2013/2014 financial year:

- The Fernkloof Advisory Board (incorporating the Hermanus branch of the Botanical Society of South Africa, the Hermanus Cliff Path Management Group, BOTSTAP, the Hermanus Bird Club and the Friends of Hoy's Koppie w.r.t the management of Fernkloof Nature Reserve;
- The Vermont Conservation Trust – with respect to the development of a management plan for the Vermont Greenbelt System and the management of the Vermont Salt Pan;
- The Whale Coast Conservation Foundation with respect to the provision of Environmental Education services for the Blue Flag Programme;
- The Kleinrivier, Uilenkraal and Botriver Estuary Forums with respect to the management of the Uilenkraalsmond, Klein River and Bot River Estuaries;
- The Onrus Lagoon Trust for the development of the Onrus Estuary Management Plan.
- The Kleinmond Nature Conservation Society (incorporating the Botanical Society, Kleinmond Bird Club & Kleinmond hiking club) with respect to the management of the Kleinmond Nature Reserve;
- The Pringle Bay Baboon Management Group with respect to baboon management in the Pringle Bay area;



*Right- Leon Steyn, Environment Specialist with baboon monitors*

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## Chapter 3: Service Delivery Performance

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- The Stanford Conservation Trust with respect to the planning of infrastructure at the Willem Appel Dam and the treatment of water lettuce in the upper reaches of the Klein River;
  - The Hermanus Hacking Group which co-ordinates the management of the Klipgat Trail in Gansbaai.
- To develop and maintain high quality visitor infrastructure, facilities and recreational activities along sound financial lines.
- Plans for the rehabilitation of the Grotto East Parking area in Hermanus were published for public participation during the 2013/2014 financial year. The public participation process and the application for an environmental authorization are still pending completion.

The Environmental Section, in partnership with the Working for the Coast Project, played an important oversight role in the maintenance of existing infrastructure in all coastal zone areas during the 2013/14 financial year, with an amount of 175 temporary beneficiaries employed with a total of 57 708 person days.

To enhance the tourist potential of the Overstrand Municipal area by offering the local public, and local and overseas tourists the opportunity to visit well-managed and accessible Reserves. The National Department of Tourism has completed the Construction Phase of the Stony Point Eco-centre Development Project. This project aimed to upgrade the existing tourist facilities at Stony Point and to provide economic development opportunities for the Mooiuitsig Community Trust.

- To encourage research which contributes to national and international endeavours to conserve natural habitats and indigenous fauna and flora within OSM.

### **Environmental Management System:**

The Environmental Management Section has appointed a consultant to assist with the compilation and implementation of an Environmental Management System. An Environmental Management System is that part of an organisation's overall management structure and arrangements that addresses the immediate and long-term impact of its activities, products, services, facilities and process on the environment. By implementing an EMS the Municipality seeks to instill "Good Practice" procedures in the operational aspects.

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### 3.7.2 Pollution Control

An Air Quality Plan has been developed by the Environmental Section. The document was submitted to DEA and District for comment but comments has not yet been received. The Environmental Section does not have staff dedicated to Air quality and therefore an MOU with District will have to be drawn up in order to assist with Air Quality Management.

### 3.7.3 Bio-Diversity and Landscape



The Overstrand Municipality is the landowner of open spaces, nature reserves and coastal zones within the Overstrand Area stretching from Pringle Bay to Buffeljagsdam. The Municipality is in the process of re-proclamation of its Nature Reserves and expansion of protected areas. OSM is also in the process of the finalization of the coastal setback lines and coastal zone identification within its coastal areas. This process is driven by Province, Coastal Unit.

The long-term **vision** for the future is to “manage, protect and sustainably use the natural assets of our areas, in partnership with the relevant communities, to preserve and ensure the continued existence of our rich biodiversity and its associated ecological processes and services of our environment”.

Our **mission** is to “conserve the rich biodiversity, diverse natural ecosystems and cultural heritage characteristics of our environment through the implementation of management programmes that have clearly defined management goals and objective for the enlightenment, enjoyment and benefit of present and future generations”.

#### a)Top 3 Service Delivery Priorities:

**Approved Management Plans for our 2 Nature Reserves:** Consultant in the process of finalizing the Integrated Management Plan for Fernkloof Nature Reserve, final draft completed and need to go out for Public Participation Process in the new financial year. Kleinmond Nature Reserve will be drafted after the Fernkloof Plan has been approved.

**Coastal Management Programme:** Overberg District Municipality has commenced with the development of the Coastal Management Plan for the entire Overberg. As part of the district’s coastal

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municipalities, the Overstrand is assisting with the development of the Programme which should be completed in 2016.

**Environmental Management System:** The first element of the project, a Status quo Report has been completed at the end of June 2014. This contract ends in 2016. The new financial year will be dedicated to the development of the Operational Management Plan.

### 3.8 COMPONENT G: SECURITY AND SAFETY

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This component includes: traffic; law enforcement; fire and disaster management

#### 3.8.1 Introduction to Security & Safety

The function of security and safety in the Overstrand Municipality is to provide a safe environment for the residents of the Overstrand and to ensure the safety of the personnel of the Overstrand Municipality through effective and efficient operationalisation of all relevant plans in conjunction with all public safety institutions.

#### 3.8.2 Law Enforcement

##### a) Introduction to Law Enforcement

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The aim of Law Enforcement in a municipality is to create an environment that will further the social and economic development of the community. Given that context the quality of life within a municipality depends to a large extent on the possibility that individuals and their families will be safe. They will also feel safe while using public open spaces and equipment and that conflicts within communities can be resolved peacefully. On a provincial level law is enforced by the South African Police Services. They have an extremely heavy workload and therefore certain laws (By-laws) and laws applicable only to a particular municipality are enforced by the Law Enforcement Officers appointed within its area of jurisdiction.



##### a) Highlights: Law Enforcement

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Highlights	Description
By-law training in the communities (Street Committees)	The Law Enforcement department ensures that the public is well informed with regard to Municipal By-laws by conducting By-law training and distributing

## Chapter 3: Service Delivery Performance

Highlights	Description
	information booklets in the communities. 158 candidates successfully completed their By-law training and were awarded with certificates. Due to the By-law training the number of By-law infringements investigated has decreased notably.
School Visits	Officials from Law Enforcement visit schools on a regular basis to ensure that the youth are well informed of the provisions of the Overstrand By-laws
Fernkloof Nature Reserve	This is a popular tourist destination. No crimes were reported in the reserve due to a Law Enforcement presence.

**Table 165.: Law Enforcement Highlights**

### b) Challenges: Law Enforcement

Description	Actions to address
Staff capacity – The ratio of Law Enforcement officials on duty daily to the number of households in Overstrand is 1: 2154.	EPWP personnel assist in attending to By-law complaints. By-law training for communities and visits to schools informs citizens and visitors of provisions of the By-laws. Distribution of information booklets assists in By-law awareness.
Ignorance with regard to Solid Waste disposal. Problem animals damage waste containers and refuse bags and this leads to health hazards.	Campaigns concentrating on the provisions of the Integrated Waste Management By-law are planned for the Problem Animal Areas.
Vagrants – a number of vagrants are illegally occupying municipal land or are loitering in the Central Business Districts. This creates nuisances, fire and health hazards.	Reallocating vagrants to their families proved not to be effective as all the reallocated vagrants found their way back to the Overstrand. The problems need to be addressed by all role-players eg. SAPS, Social Workers, Community leaders, Charity Organisations.

**Table 166.: Law Enforcement Challenges**

### c) Service statistics for Law Enforcement

Law Enforcement				
No.	Details	2011/12	2012/13	2013/14
		Actual No.	Actual No.	Actual No.
1.	Number of by-law infringements attended	12 753	11569	8063
2.	Number of officers in the field on an average day	18	16	13
3.	Number of officers on duty on an average day	18	16	13
4.	Number of animals impounded	155	213	191

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Law Enforcement				
No.	Details	2011/12	2012/13	2013/14
		Actual No.	Actual No.	Actual No.
5.	Number of awareness initiatives	Not available	10	9

**Table 167.: Law Enforcement Data**

Type of service	2011/12	2012/13	2013/14
Policing and monitoring of Bylaws contraventions	Town Planning and Building Act	266	123
	Internal Investigations	209	157
	Municipal Claims	45	102
	Assisting different role players such as SAPS and SARS.	189	5
	Events Operational Planning	As per event	26
	Safeguarding of Fernkloof and HPP	Leo are place in Fernkloof on daily basis to safeguard	Daily deployment of Law Enforcement Officials
	Safeguarding of Municipal property	Leo's safeguard municipality's properties on daily basis	Law Enforcement Officials and Private Security Guards on duty and protect municipal property on daily basis
Urban Metro, monitoring of illegal structures on informal settlements	Daily patrols , 49 illegal structures demolished	Regular patrols in conjunction with Directorate Community Services. Assisted with demolishing of 11 illegal structures	

**Table 168.: Additional performance information for Law Enforcement**

### d) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance 2013/2014		Corrective Measure
						Target	Actual	
TL53	The creation and maintenance of a safe and healthy environment	Annually review Community Safety Plan by the end of June in conjunction with the Department of Community Safety	Plan reviewed	All	1	1	1	Target met

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance 2013/2014		Corrective Measure
						Target	Actual	
TL54	The creation and maintenance of a safe and healthy environment	Establishment of the Municipal Court by the end of June 2014 to enhance effective law enforcement (MOU signed, appoint staff, facilities)	Number of activities completed	All	New kpi	3	1	MOU: In principle agreement and approval from Dept of Justice. Application from Overstrand Municipality was submitted. Await final approval for department. Staff Establishment: Prosecutor to be appointed. Request for creation of additional posts submitted and restructuring of organogram to be submitted to LLF in September 2014. Building: In progress, to be completed in September '14
TL58	The creation and maintenance of a safe and healthy environment	By-law enforcement education and awareness to the community	Number of initiatives	All	11	4	4	Target met

**Table 169.: Service delivery indicators: Law Enforcement**

Employees: Law Enforcement						
Job Level	2011/12	2012/13	2013/14			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	2	2	1	1	0	0
4 - 6	0	0	0	0	0	0
7 - 9	9	9	9	8	1	11.11%
10 - 12	6	6	6	6	0	0
13 - 15	0	0	0	0	0	0
16 - 18	1	0	1	0	1	100%

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Employees: Law Enforcement						
Job Level	2011/12	2012/13	2013/14			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
19 - 20	0	0	0	0	0	0
<b>Total</b>	<b>18</b>	<b>17</b>	<b>17</b>	<b>15</b>	<b>2</b>	<b>11.8%</b>
<i>Employees and Posts numbers are as at 30 June</i>						

**Table 170.: Employees: Law Enforcement**

Capital Expenditure 2013/14: Law Enforcement					
R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>R0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
No capital expenditure for this reporting period					
Total project value represents the estimated cost of the project on approval by Council					

**Table 171.: Capital Expenditure 2013/14: Law Enforcement**

### 3.8.3 Traffic Services

#### a) Introduction to Traffic Services



The aim and function of the Traffic Department is to educate and create a culture of voluntary compliance with road traffic rules and regulations and to enhance courteous and tolerant road user behavior. We operate on the legal mandate of the NRTA 93/96 & NLTA 5/2009. Our operational activities include roadblocks at strategic places, high visibility in hotspot areas, special intelligence driven

operations, random vehicle check points, execution of traffic related warrants and enforcement of traffic laws. Our operational approaches is to co-ordinate



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and integrate operations, sporadic interventions in hotspot areas as per crime threat analysis e.g. offence patterns, etc. and special operations and speed enforcement in high accident frequency locations and high traffic offence locations.

### b) Highlights: Traffic Services

Highlights	Description
<p>Successful management of big events. There were no fatal accidents over Easter weekend. Although there is a lack of manpower, the members still obtained the targets set for them. Because of experience, planning was done efficiently. The EPWP members were utilized as additional manpower to obtain the targets.</p>	<p>Whale Festival Mountain Bike Run, Arabella Overstrand Sports Festival, Hawston Overstrand Municipal Showcase Poppie Day, Hermanus Harbour Hermanus VAC 2013 Charity Bike Run, Hawston Camp Site Trans Enduro December festive season Onrus Touchies Carols by Candle Light, Old Harbour Fun Run, Onrus Beach Steppies Rally, Hawston Hermanus Primary School Walk Hermanus High School Fun Walk Easter weekend Wheels &amp; Runners Kleinmond Gravity Festival Youth Day Event, Hawston</p>

**Table 172.: Traffic Services Highlights**

### c) Challenges: Traffic Services

Challenges	Actions to overcome
<p>Non-compliance to Traffic Legislation Lack of prosecution</p>	<p>Filling of vacancies. Application and motivations for equipment needed. Application and motivation for vehicles needed. Additional Court</p>

**Table 173.: Traffic Services Challenges**

### d) Service statistics for Traffic Services

No.	Details	2011/12	2012/13	2013/14
		Actual No.	Actual No.	Actual No.
1	Number of road traffic accidents during the year	186	185	99
2	Number of officers in the field on an average day	15	19	13
3	Number of officers on duty on an average day	10	13	15

**Table 174.: Traffic Services Data**

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Type of service	2011/12	2012/13	2013/14
Motor vehicle licenses processed	13 545	n/a	n/a
Learner driver licenses processed and issued	4 557	1 574	4 799
Driver licenses processed	1 458	1 453	2 824
Driver licenses issued	5 861	579	6176
Fines issued for traffic offenses	19 583	16 766	11 115
R-value of fines collected	R4 249 150.00	R 6 385 966.00	R6 033 430.00
Roadblocks held	560	26	9
Special Functions – Escorts	45	30	51
Awareness initiatives on public safety	28	12	5

**Table 175.: Additional performance information for Traffic Services**

### e) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance 2013/2014		Corrective Measure
						Target	Actual	
TL52	The creation and maintenance of a safe and healthy environment	Arrange public safety awareness campaigns	Number of campaigns held	All	60	16	55	Target extremely well met
TL59	The creation and maintenance of a safe and healthy environment	Optimal collection of fines issued for the financial year	R-value of fines collected per quarter	All	R 5,730,902	R 5,000,000	R 5, 154,575	Target well met

**Table 176.: Service delivery indicators: Traffic Services**

Employees: Traffic Services						
Job Level	2011/12	2012/13	2013/14			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 – 3	2	2	2	2	0	0
4 – 6	5	6	6	5	1	16.66%

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Employees: Traffic Services						
Job Level	2011/12	2012/13	2013/14			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
7 – 9	5	5	6	5	1	16.66%
10 – 12	17	17	18	16	2	11.11%
13 – 15	2	2	2	1	1	50%
16 – 18	1	1	1	1	0	0
19 – 20	0	0	0	0	0	0
<b>Total</b>	<b>32</b>	<b>33</b>	<b>35</b>	<b>30</b>	<b>5</b>	<b>14.29%</b>

*Employees and Posts numbers are as at 30 June.*

**Table 177.: Employees: Traffic Services**

Capital Expenditure 2013/14: Traffic Services					
R'000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	-	-	-	-	-
No capital projects for the reporting period					

*Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)*

**Table 178.: Capital Expenditure 2012/13: Traffic Services**



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### 3.8.4 Fire Services and Disaster Management

#### a) Introduction to Fire Services and Disaster Management

Fire Services is responsible for the following functions:

- Fire-fighting of structural fires, veld and bush fires and any other fire;
- Fire safety (the application of the National Building Regulations, Fire codes and municipal by-laws with regard to fire safety);
- Rescue services;
- Support services to municipal and other instances;
- Fire pre-planning and related preparedness plans;
- Testing and basic maintenance work on emergency vehicles and equipment; and
- Fire communications facilities for the particular service.



Our Disaster Management is a continuous and integrated multi-sectoral and multi-disciplinary process of planning and implementation of measures aimed at disaster prevention, -mitigation, -preparedness, -response, -recovery and -rehabilitation.

Highlights: Fire Services and Disaster Management

Highlights	Description
International Firefighters Day on 3 May 2014	International Firefighters Day is one of the biggest events to be held within the industry. This event happens each year on 4 May 2014. This was the first time that Overstrand Fire, Rescue & Disaster Management has hosted an event of this magnitude. A gala evening was hosted with all Fire Chiefs on 2 May and on 3 May many drills and demonstrations were showcased; all emergency services personnel participated. The event was attended and enjoyed by the community.
Delivery of a Major Pumper	Overstrand Municipality received their first Major Pumper which is a Type 1 pumper as per the fire services norms and standards held by the Chief Fire Officers Committee.

**Table 179.: Fire Services and Disaster Management Highlights**

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### b) Challenges: Fire Services and Disaster Management

Description	Actions to address
Vehicles / Equipment	Procurement of new vehicles 2014/2015 financial year
Staff compliment	In the process of obtaining permanent staff members
Climate changes	More floods have been experienced during winter and more vegetation fires were experienced during the summer months

**Table 180.: Fire Services and Disaster Management Challenges**

### c) Service statistics for Fire Services

Fire Service Data				
No.	Details	2011/12	2012/13	2013/14
		Actual No.	Actual No.	Actual No.
1	Total fires attended in the year	372	407	339
2	Total of other incidents attended in the year	336	355	383
3	Average turnout time - urban areas	14 min.	8.6min	3.02min
4	Average turnout time - rural areas	23 min.	N/A	3.21
5	Fire fighters in post at year end	82	59	89
6	Total fire appliances at year end	5	Pumps-7 Bakkies - 8	Pumps – 7 Bakkies - 8
7	Average number of appliance off the road during the year	4	4	7

**Table 181.: Fire Service Data**

### d) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance 2013/2014		Corrective Measure
						Target	Actual	

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance 2013/2014		Corrective Measure
TL51	The creation and maintenance of a safe and healthy environment	Annually review and submit Disaster Management Plan to the District by the end of March	Plan reviewed	All	1	1	1	Target met
TL52	The creation and maintenance of a safe and healthy environment	Arrange public safety awareness campaigns	Number of campaigns held	All	New performance indicator for 2013/14. No comparatives available.	16	55	Target extremely well met
TL55	The creation and maintenance of a safe and healthy environment	Review the Fire Management Plan by the end of March 2014	Plan reviewed	All	1	1	1	Target met
TL56	The creation and maintenance of a safe and healthy environment	Perform compliance inspections in terms of the National Standard for community fire protection as specified in SANS 10090	Number of inspections performed	All	New performance indicator for 2013/14. No comparatives available.	1,200	6,574	Target extremely well met
TL57	The creation and maintenance of a safe and healthy environment	Inspect and assess municipal infrastructure and role players to ensure disaster operational readiness	Assessment report	All	1	1	1	Target met

**Table 182.: Service delivery indicators: Fire Services and Disaster Management**

Employees: Fire Services and Disaster Management						
Job Level	2011/12	2012/13	2013/14			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0	0
4 - 6	1	0	2	2	0	0
7 - 9	6	6	5	5	0	0
10 - 12	2	1	1	1	0	0
13 - 15	2	3	3	3	0	0
16 - 18	1	1	1	1	0	0
19 - 20	0	0	0	0	0	0
<b>Total</b>	<b>12</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>0</b>

*Employees and Posts numbers are as at 30 June.*

**Table 183.: Employees: Fire services and Disaster Management**

Capital Expenditure 2013/14: Fire Services and Disaster Management	
R' 000	
Capital Projects	2013/14

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	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>R0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
No capital expenditure for the reporting period					
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)</i>					

**Table 184.: Capital Expenditure 2013/14: Fire Services and Disaster Management**

### 3.9 COMPONENT H: SPORT AND RECREATION



#### 3.9.1 Introduction to Sport and Recreation

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

##### a) Highlights: Sport and Recreation

Highlights	Description
Overstrand Sports Festival	<ul style="list-style-type: none"> <li>Overstrand Sports Festival was hosted in Hawston Sports Grounds on the 05<sup>th</sup> October 2013. The event included the following activities namely: Rugby, Soccer, Netball, Fun run and disable people dominoes. This event was organised in partnership with Department of Cultural Affairs and Sport and SASCOC.</li> </ul>
Better Together Games	<ul style="list-style-type: none"> <li>Overstrand Municipality participated for the second time in this provincial event which took place in Worcester on the 17<sup>th</sup> October 2013. Overstrand Municipality are the champions of touch rugby</li> </ul>

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Highlights	Description
June 16 Youth Festival	<ul style="list-style-type: none"> <li>Youth festival was hosted on the 14<sup>th</sup> June 2014 at Moffat Hall in Mt Pleasant. The following were the activities of the day namely: mini soccer, netball, mini cricket, dominoes, mrabaraba, chess and kerem.</li> </ul>

**Table 185.: Sport and Recreation Highlights**

### b) Challenges: Sport and Recreation

Description	Actions to address
Vandalism of infrastructure	<ul style="list-style-type: none"> <li>To install more lighting and policing by law enforcement. Structures informed to take responsibility of their community facilities.</li> </ul>
Maintenance of grass	<ul style="list-style-type: none"> <li>Sport fields should have their own equipment.</li> <li>Horticulturist to plat grass on sport fields that needed urgent attention.</li> </ul>
Lack of volunteer(staff)	<ul style="list-style-type: none"> <li>Municipal officials deployed outside section of sport and recreation should be encouraged to assist with sport activities without expectation of compensation.</li> <li>Volunteers should be encouraged through volunteer recognition events(certificare ceremonies)</li> </ul>

**Table 186.: Sport and Recreation Challenges**

### c) Service statistics for Sport and Recreation

Type of service	2011/2012	2012/13	2013/14
<b>Play parks</b>			
Number of parks with play park equipment	42	47	52
Number of wards with community parks	13	14	13
<b>Swimming pools</b>			
Number of visitors per annum	17 350	25 496	38 914
R-value collected from entrance fees	R 13 410	R 12 874	R 12 297
<b>Camp sites/ Resorts</b>			
Number of visitors per annum	17 171	33 321	34 307
R-value collected from visitation and/or accommodation fees	R 3 950 434.91	R 3 144 183.83	R 3 775 345.77
<b>Sports fields</b>			
Number of wards with sport fields	12	10	9

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Type of service	2011/2012	2012/13	2013/14
Number of sport clubs utilizing sport fields	23	30	88
R-value collected from utilization of sport fields	R 3 688	R 7 029	R 2 431
<b>Sport halls</b>			
Number of wards with sport halls	2	1	1
Number of sport associations utilizing sport halls	9	2	1
R-value collected from rental of sport halls	R 6 500	R 4 601	R 1 630.00

**Table 187.: Additional performance information for Sport and Recreation**

<b>Capital Expenditure 2013/14: Sport and Recreation</b>					
<b>R' 000</b>					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>5 296</b>	<b>5 696</b>	<b>5 696</b>	<b>0</b>	
Expanding change rooms –Hawston sports ground	225	225	225	0	325
Extension of gym - Gansbaai	71	71	71	0	71
Sports Complex Load Bearing walls	0	400	400	0	400
Overhills: Kleinmond Soccer Field	5 000	5 000	5 000	0	5 000

*Total project value represents the estimated cost of the project on approval by Council*

**Table 188.: Capital Expenditure 2013/14: Sport and Recreation**

### 3.10 COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: executive and council; financial services; human resource services; ICT services; legal services; and procurement services.

#### 3.10.1 Executive and Council

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

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### a) Highlights: Executive and Council

Highlights	Description
Overstrand Municipality named 2 <sup>nd</sup> best municipality in the country	<p>The unemployment rate, the proportion of people aged 20 and older with a Grade 12 pass and the poverty rate were some of the main indicators used to measure municipal performance.</p> <p>Other indicators include the proportion of households that use electricity for lighting, that have access to piped water within 1 km of a household, that have flush or chemical toilets and households without toilets. Six of the ten main indicators were related to service deliver.</p>
Karwyderskraal landfill site	At the end of June 2013 Council approved an agreement with the Overberg District Municipality and the Theewaterskloof Municipality that will facilitate the future use of the regional land fill at Karwyderskraal.
10 <sup>th</sup> Anniversary of Junior Town Council	The newly elected 2013/2014 Overstrand Junior Town Council was inaugurated on 24 October 2013 - a momentous occasion which marked the 10th anniversary of this council's existence.
International Olympic Committee (IOC) award to the Gansbaai Spaces for Sport Centre	Recognition for centres contribution to promoting the development of Sport for All initiatives
Awards won at the 2013 Greenest Municipality Competition	<ul style="list-style-type: none"> <li>➔ First prize for Solid Waste Management</li> <li>➔ First prize for Water Management and Conservation</li> <li>➔ Award for Innovation Project: Biological Water Treatment Plan in Hermanus</li> <li>➔ Third place in the overall Greenest Municipality Competition in the Western Cape and</li> <li>➔ Prize of R50 000 for third place in the competition</li> </ul>
Overstrand Water Pipe project receives award	Overstrand's project for water pipe replacement boasts an award of excellence from SASTT (South African Society for Trenchless Technology) that was handed over on 18 February 2014. It was the first time that the award was bestowed on a municipality outside a metropole.
Retain Blue drop status	Awarded to 5 plants, also best small plant in the country (Franskraal Water treatment Works)
3 star grading for Onrus Caravan Park	The Tourism Grading Board awarded the grading to Onrus Caravan Park. For many years the facility has been graded a 2-star facility.
Housing delivery	<ul style="list-style-type: none"> <li>➔ 423 title deeds have been registered in the Deeds Office for the 2013/2014 financial year.</li> <li>➔ developed 211 new sites at Eluxolweni (Pearly Beach) as well as 183 houses and 28 wet cores on the sites. Furthermore, a Programme for basic services in the informal areas, called the Access to Basic Services has been</li> </ul>

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Highlights	Description
	completed.

**Table 189.: Executive and Council Highlights**

### b) Challenges: Executive and Council

Description	Actions to address
Ageing infrastructure	Increase maintenance budget and enhance asset replacement programmes (capital budget)

**Table 190.: Executive and Council Challenges**

### c) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/13	Overall Performance 2013/2014		Corrective Measure
						Target	Actual	
TL9	The provision of democratic, accountable and ethical governance	Bi-annual workshop with management to promote sound municipal administration	Number of workshops	All	2	2	2	Target met
TL10	The provision of democratic, accountable and ethical governance	Quarterly revision of top 10 risks and quarterly progress reports on corrective action to address risks to Executive Management Team	Number of progress reports	All	4	4	4	Target met
TL11	The provision of democratic, accountable and ethical governance	Quarterly report to the Audit Committee on progress with implementation of key controls as identified in key control deficiencies	Quarterly reports submitted on achievement of committed dates	All	3	4	4	Target met
TL12	The provision of democratic, accountable and ethical governance	Risk based audit plan approved by the Audit Committee by the end of September	Plan approved	All	1	1	1	Target met

**Table 191.: Service delivery indicators: Executive and Council**

## 3.10.2 Financial Services

### a) Introduction: Financial Services

#### *Financial Services*

The application of sound financial management principles is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainable, economically and equitably to all communities.

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The key objective of the Municipal Finance Management Act (2003) is to modernise municipal financial management in South Africa so as to lay a sound financial base for the sustainable delivery of services. Municipal financial management involves managing a range of interrelated components: planning and budgeting, revenue, cash and expenditure management, procurement, asset management, reporting and oversight. Each component contributes to ensuring that expenditure is developmental, effective and efficient and that municipalities can be held accountable.

The Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. Encouragement of structured community participation in the matters of the municipality is an important focus area.

Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognised accounting practice, uniform expenditure classifications and uniform treasury norms and standards. The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), determines those measures for the local sphere of government and enables the Minister of Finance to further prescribe, by regulation such measures in terms of section 168 thereof.

**Municipal Regulations on a Standard Chart of Accounts (SCOA)** - In terms of section 169(1) (b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the Minister of Finance has signed into effect and subsequently published the Municipal Regulations on a Standard Chart of Accounts (SCOA) in terms of Notice 312 of 2014, Government Gazette No. 37577 subsequent to formal consultation.

The Municipal Regulations on a Standard Chart of Accounts inter alia makes provision for an updated GFS Classification Framework, Detailed Classification Framework of the 7 Segments (SCOA Version 5).

In preparation for the implementation by all 278 municipalities by **1 July 2017**, the National Treasury, in collaboration with the respective provincial treasuries will be undertaking the next phase of the SCOA Project, namely SCOA Project Phase 4 – Change Management and Piloting of the SCOA classification framework version 5. The necessary structures will be established and municipalities and other stakeholders will be informed in due course of the way forward.

Overstrand Municipality was declared as a Pilot Site by National Treasury, in conjunction with Bytes Technologies (SAMRAS Financial System). Before-mentioned implies that the Standard Chart of

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Accounts must be implemented from **1 July 2015**, in order to effectively proof successful roll-out of the SCOA compliant SAMRAS system, to be developed and enhanced over the next few months.

The management of key financial and governance areas is achieved by focusing on:

- reducing the levels of outstanding debt owed to the Municipality, to assist with service delivery spending and maintaining a healthy cash flow;
- maintaining an unqualified audit for the Municipality by resolving audit findings and improving financial governance and over and above before-mentioned, also upholding our Clean Audit status obtained in 2012/2013;
- maintaining a good credit rating to ensure favourable lending rates and terms; and
- successfully implementing the Standard Chart of Accounts (SCOA) as promulgated
- Spending budgets to maximise delivery.

The Municipality's annual budget comprises an operating budget and a capital budget. The operating budget funds employee salaries, operating costs, purchases and assistance for the poor, such as free basic water and sanitation. The Municipality's business and service delivery priorities were reviewed and where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. The focus is to critically review expenditure on non-core items.

The capital budget is set aside for spending on infrastructure and services, such as roads, water and electricity as well as the many other utilities and services that Overstrand needs in order to function, grow and offer opportunities to its residents.

The entire budget amount per annum is based on the income that the Municipality expects to derive from rates, service charges, and grants and subsidies. During the 2013/2014 financial year, the Municipality managed to spend 96% of its capital budget and 98.2% of its operating budget (pre-audit outcome). 100.01% of revenue was collected as a percentage of the total billed amount.

### ***Financial Management Reforms***

In order to achieve our objectives, the Municipality has implemented the following financial management reforms to ensure that resources are used efficiently:

- Efficient costing of services and projects by identifying and managing the cost drivers.
- Active use of forecasts and projections to manage cash flow efficiently.
- Active monitoring of income and expenditure against pre-determined budget targets/projections.
- Set financial benchmarks and monitor performance against them.
- Development of a feasible capital funding strategy.
- Development of a feasible cash and investment strategy.

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→ Exploring additional funding sources.

### b) Highlights: Financial Services

Highlights	Description
Supply Chain Management	<p>Development and Implementation of a Contract Management Policy which is in line with the Supply Chain Management Policy.</p> <p>The development of the SCMU IT system (SCM, Contract Management and Records Management), to be implemented in the new financial year (envisaged: September 2014)</p> <p>Reduction in the total number of Clause 36 Deviations approved during the financial year.</p>
Expenditure and Asset Management	<p>Municipal Financial Management Programme Training – In total seven officials, out of the twenty in this division, successfully completed the Municipal Financial Management Programme Training. A further four officials are currently enrolled in this programme and will complete the training by the end of 2014. This will result in the attainment of the required competency levels in terms of National Treasury's minimum MFMA Competency Regulations. Unfortunately one of the seven who already completed the programme, left the employment of the municipality during the course of the year.</p>
	<p>The reconciling of Creditor Statements per the SAMRAS Financial System developed and incorporated by Bytes Systems Integration (Pty) Ltd as part of their Financial System during the 2012/13 financial year, continues to support this division in providing detailed and meaningful reporting whilst also performing an integral part of the internal control measures.</p>
	<p>The Costing Division, established during 2010, continues to compliment the Expenditure &amp; Asset Management Division in maintaining a Job Costing Framework in respect of all projects. Examples of these are Ward Specific Projects, EPWP Projects and Capital Project components in terms of the management of new assets for inclusion in the Asset Registers (GRAP principles). It is envisaged that this section will play an ever increasing role in analyzing and reporting of management information.</p>

**Table 192.: Financial Services Highlights**

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### c) Challenges: Financial Services

Description	Actions to address
Priorities in terms of Management Information Systems	An optimal solution in terms of a preferred system to accommodate both financial Asset Registers and Asset Maintenance Programmes, are still a major consideration in our strategy to achieve a control environment in maintaining the Asset Register as well as achieving functionality to address both the financial and technical requirements, inclusive of maintenance of assets.
Strategic considerations	A review of existing systems and procedures within the directorate is identified as a priority, in order to ensure increased productivity and efficiency.

**Table 193.: Financial Services Challenges**

Details of the types of account raised and recovered	Debt Recovery								
	R'000								
	2011/12			2012/13			2013/14		
	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %
Property Rates	136 511	132 790	97.27	120,798,946	122,254,233	101.7	134,812,632	135,114,915	100.23
Electricity	233 668	234 030	100.16	247,662,847	246,161,913	100.28	268,362,292	272,659,792	101.6
Water	87 400	89 127	101.98	85,243,449	89,111,251	100.11	95,136,107	94,389,380	99.22
Sanitation	57 018	55 906	98.05	56,895,186	57,979,091	101.54	62,797,583	62,327,702	99.25
Refuse	40 194	39 723	98.83	46,637,284	45,795,593	98.67	52,956,535	52,513,487	99.16

**Table 194.: Debt recovery**

## Chapter 3: Service Delivery Performance

### d) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 12/13	Overall Performance for 2013/2014		Corrective Measure
						Target	Actual	
TL1	The provision of democratic, accountable and ethical governance	98% of the operational conditional grant (Libraries, CDW) spent (Actual expenditure divided by the total grant received)	% of total conditional operational grants spent (Libraries, CDW)	All	100%	98%	100.45%	Target well met
TL25	The provision of democratic, accountable and ethical governance	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	All	3.49	1.7	2.3	Target well met
TL26	The provision of democratic, accountable and ethical governance	Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue-grants received)/debt service payments due within the year) (%)	Ratio achieved	All	17.46	21.6	16.90	The establishment of the targets should be reviewed as it is not in line with current trends relating to the financing strategy of the municipality
TL27	The provision of democratic, accountable and ethical governance	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	All	11.90%	14.50%	10.4%	Target extremely well met
TL28	The provision of democratic, accountable and ethical governance	Achieve a debt recovery rate not less than 90%	% recovered	All	100.44%	90%	100.34%	Target well met
TL29	The provision of democratic, accountable and ethical governance	Financial statements submitted to the Auditor-General by 31 August	Financial statements submitted	All	1	1	1	Target met
TL30	The provision of democratic, accountable and ethical governance	Appointment of a Service Provider by the end of June 2014, to compile and submit a feasible capital funding plan.	Appointment of Service Provider	All	New performance indicator for 2012/13. No comparatives available	1	1	Target met
TL44	The provision of democratic, accountable and ethical governance	1% of the operational budget spent on skills development (Actual expenditure divided by total operational budget)	% of the budget spent on implementation of the WSP	All	New performance indicator for 2012/13. No comparatives available	1%	1%	Target met
TL63	The provision and maintenance of municipal services	Provision of free basic electricity, refuse removal, sanitation and water in terms of the equitable share requirements	Number of households	All	New kpi	5,800	6,536.42	Target well met

## Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 12/13	Overall Performance for 2013/2014		Corrective Measure
						Target	Actual	
TL64	The provision of democratic, accountable and ethical governance	Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP.	% of the capital budget spent	All	New kpi	90%	93.77%	Target well met

**Table 195.: Service delivery indicators: Financial Services**

Employees: Financial Services							
Job Level	2010/11	2011/12	2012/13	2013/14			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0	0	-
4 - 6	54	50	49	54	51	3	5.56%
7 - 9	23	25	25	23	22	1	4.35%
10 - 12	23	22	25	25	24	1	4%
13 - 15	8	10	10	14	12	2	14.29%
16 - 18	4	5	4	4	4	0	-
19 - 20	1	1	1	1	1	0	-
<b>Total</b>	<b>113</b>	<b>113</b>	<b>114</b>	<b>121</b>	<b>114</b>	<b>7</b>	<b>5.79%</b>

**Table 196.: Employees: Financial services**

### 3.10.3 Human Resource Services

#### a) Introduction to Human Resource Services

The Human Resources Department resort under the Director: Management Services and is responsible for the following functions:

- Strategic Human Resources
- Human Resources Administration
- Recruitment and Selection
- Labour Relations
- Performance Management
- Occupational Health and Safety
- Training and Development

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The challenge is to move from Human Resources Management to Human Capital Management

### b) Service Delivery Priorities

#### *Strategic Human Resources*

To provide management with effective and efficient strategic advice and support with reference to new and amended legislation, interpretation of policies; organizational change, sound labour relation practices and health and safety environment.

#### *Recruitment and Selection*

To ensure that the right persons are appointed at the right time in the right positions are one of the most important challenges. This priority challenges in terms of legislation, cost and service delivery.

#### *Labour Relations*

To apply sound labour relations within the work place. Inform and advise management on the application of disciplinary code and procedures in order to comply with the necessary legislation and Bargaining Council Agreements.

### c) Highlights: Human Resources

Highlights	Description
Establishment of Human Resources Technical Working group	Human Resources Technical Working group has been established to provide inputs into Human Resources Related policies for the implementation thereof.
Health and Wellness day	A Health and Wellness day was held on 17 July 2013 which was attended by employees at the three different administrations.
Performance Management	Performance Awareness was done in March 2014 for Hermanus, April 2014 for Gansbaai and Kleinmond. Currently busy with Performance agreements for staff salary levels T3 to T7 for completion at 30 June 2014. During July 2014 Performance Agreements will be concluded. During September 2014 the first Performance Evaluation for staff on salary level T3 – T6 will be done.

**Table 197.: Human Resources Highlights**

### d) Challenges: Human Resources

Description	Actions to address
Sound labour relations with specific reference to the availability of initiators and chairpersons for disciplinary hearings, is a challenging aspect of the code.	To provide training, workshops and refresher courses to all relevant role-players.
Rollout PMS to the entire workforce	Limited computer access and computer literacy of Operational staff. HR to provide a supporting role in the

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Description	Actions to address
	roll-out to

**Table 198.: Human Resources Challenges**

### e) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 12/13	Overall Performance 2013/2014		Corrective Measure
						Target	Actual	
TL45	The provision of democratic, accountable and ethical governance	Review the Municipal Organisational Staff Structure by the end of June	Structure reviewed	All	100%	1	1	Target met
TL48	The provision of democratic, accountable and ethical governance	90% of the approved and funded organogram filled	% filled	All	92.86	90%	92.41%	Target well met
TL49	The provision of democratic, accountable and ethical governance	Review identified HR policies by the end of June	Number of policies reviewed	All	New kpi	4	5	Target well met
TL65	The provision of democratic, accountable and ethical governance	Monitor and report on the achievement of employment equity targets	Number of reports to the employment equity committee	All	New kpi	2	2	Target met

**Table 199.: Service delivery indicators: Human Resources**

Employees: Human Resource Services							
Job Level	2010/11	2011/12	2012/13	2013/14			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	No.	%
0 - 3	0	0	0	2	2	0	-
4 - 6	6	5	5	5	4	1	20%
7 - 9	2	0	0	0	0	0	-
10 - 12	7	9	9	9	9	0	-
13 - 15	1	1	2	2	2	0	-
16 - 18	2	2	1	1	1	0	-
19 - 20	0	0	0	0	0	0	-
<b>Total</b>	<b>18</b>	<b>17</b>	<b>17</b>	<b>19</b>	<b>18</b>	<b>1</b>	<b>5.26%</b>

*Employees and Posts numbers are as at 30 June*

**Table 200.: Employees: Human Resource services**

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### 3.10.4 Information and Communication Technology (ICT) Services

#### a) Introduction to Information and Communication Technology (ICT) Services

The traditional role of ICT Departments in local government from being primarily a technical support function and to assist business on a re-active basis to resolve problems of a technical nature is long gone. For municipalities to deliver an ongoing, cost effective and quality service to all its communities it is imperative that the ICT Services Division becomes an equal partner with all Directorates in the municipality when alternative opportunities for improved service delivery mechanisms are contemplated.

The emergence of new ICT technology solutions to enable more effective service delivery while driving costs down necessitates even more than ever before, a sound and strategic alliance between lines of business and the ICT Services Division in the municipality.

Compared to many other municipalities, the ICT Services Division in the Overstrand Municipality is very well positioned with a fully functional ICT Steering Committee that ensures proper governance and management of all ICT related initiatives, ICT policy frameworks and ICT work processes.

The annual ICT Strategy session scheduled during January every year has now become a landmark on the municipal business calendar. This event serves also the platform where the ICT Services Division can:

- Share information with Councilors, Executive management and line management on emerging trends in the ICT Industry;
- Present to business, opportunities to exploit emerging ICT technologies to improve service delivery and
- To demonstrate to the continued alignment between lines of business and ICT and the value adds that can be achieved through ongoing alignment and collaboration.

#### b) Highlights: ICT Services

Highlights	Description
Start of the RF Network Upgrade	Upgrade the RF Network connection the crucial high site and Hermanus main building to a 300Mb/s link.
Reconfigure backbone services and DR server	Based on the backbone upgrade, backups and Disaster Recovery Server was reconfigured and tested
PC Refresh Project	Refresh PC's: Refresh, Upgrade or Replace. Conform O/S and S/W. Ongoing; expect to finish by end of 2014.
Time and Attendance	Collaboration on T&A project from a Technical perspective.
MIS Productivity	Vote Lookup and Order Management, as well as Budget Forecast system.

**Table 201.: ICT Service Highlights**

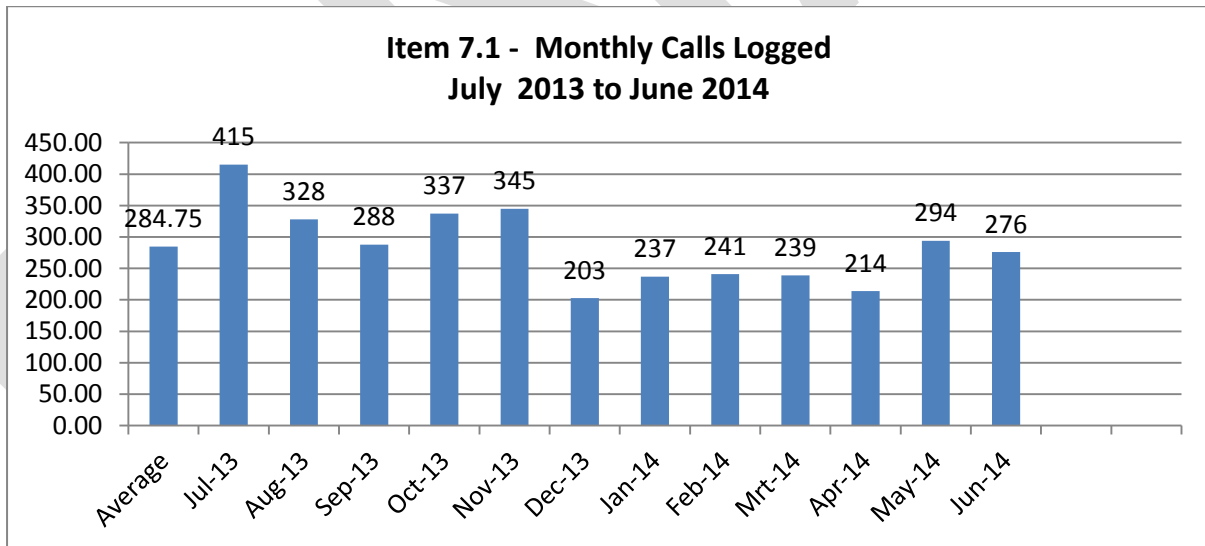
## Chapter 3: Service Delivery Performance

### c) Challenges: ICT Services

Description	Actions to address
Global Service Desk	Investigating Systems, Scoping and gathering requirements that are cross department and functional areas. See how a global service desk can increase communication, response, collaboration, problem resolution and more clearly define responsibility and urgency.
Funds for new PC's	Investigating alternative forms of finance to procure needed PC's
Network monitoring tools	Define why it is needed and build business case for tools to monitor Network (RF and LAN/WAN)

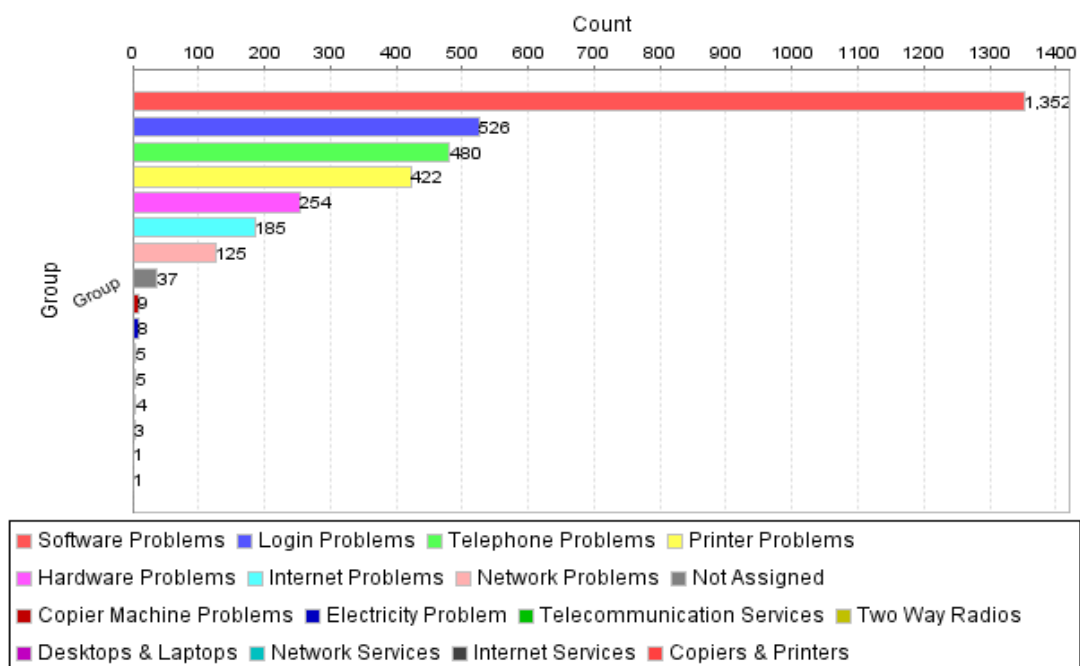
**Table 202.: ICT Service Challenges**

The ICT Department currently does not have all the required toolsets to monitor the performance and throughput of its ICT Infrastructure Services and systems. However, a measurement of ongoing maintenance and support services can be derived from the Help Desk statistics for the year 2013/2014. During 2014/2015 these statistics will be categorised in more detail to assist with identifying specific problem areas that require focus and attention, but also to analyse the data to determine root causes of problems



**Graph 20.: Monthly calls log**

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Graph 21.: Call log distribution

Employees: ICT Services						
Job Level	2011/12	2012/13	2013/14			
	Employees	Employees	Posts	Employees (posts filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0	-
0-3	0	0	0	0	0	-
4 - 6	0	0	0	0	0	-
7 - 9	1	1	1	1	0	-
10 - 12	3	4	4	4	0	-
13 - 15	0	0	0	0	0	-
16 - 18	1	0	1	0	1	100%
19 - 20	0	0	0	0	0	-
ICT Interns		2	2	2	0	-
<b>Total</b>	<b>5</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>1</b>	<b>12.5%</b>

*Employees and post numbers are as at 30 June.*

Table 203.: Employees: ICT Services

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CAPITAL EXPENDITURE 2013/2014: ICT SERVICES						
Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Total Project Value	Budget Variance	
					R.	0%
1) Replacement of the Samras classic Disaster Recovery Server + Configuration	0.00	80,000.00	94,937.72 + 53,326.29	148064.01	68,064.01	46%
2) Upgrade Bandwidth from 10 Mbps to 300 Mbps between the Data Centre to Olifants Berg Mast.	0.00	350,000.00	241,999.00	241,999.00	108,001.00	-31%
3) 3 x PC purchases. <i>purchased from the savings realised from 1) &amp; 2) above</i>	0.00	0.00	R30,000.00	0.00	0.00	0.00
4) Time and Attendance	600,000.00	0.00	567,321.00	1,030,610.00	32,679.00	-0.05%

**Table 204.: Capital Expenditure 2013/14: ICT Services**

The total expenditure for the Disaster Recovery Server and the RF Network Upgrade (capital expenditure points 1 and 2 in table 4) was R430,000, and the total spend was R390,063.01, giving a saving of R39,936.99. However, authorisation was received to purchase new PC's, needed for the PC refresh and upgrade project. The amount left after all capital budget was used, for these 3 items, was about R9000 which is about 0.02% of the R430,000 total. Since the Time and Attendance was a funded source, the savings was returned to that source and re-allocated.

### 3.10.5 Legal Services

#### a) Highlights: Legal Services

Highlights	Description
Legal Services	<p>No successful appeals against the municipality regarding the awarding of tenders and quotations</p> <p>90% turnaround time for referrals by user departments</p> <p>Increase in the provision of legal updates to respective user departments</p> <p>The adoption of two new by – laws, and the development of three other draft by – laws</p> <p>Coordinate all litigious matters by and against the municipality, with no court orders issued against the municipality</p> <p>As member of the advisory body legal services made sound and objective recommendations, with no application for review brought by the public against any decision made by the municipal manager on the basis of the advisory body recommendations</p>

**Table 205.: Legal Services Highlights**

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### b) Challenges: Legal Services

Description	Actions to address
Ensure that the municipal court is a success	Proper project management, people management skills, controls and performance management
Ensure that legal service maintain its existing standard of objectivity and focus on corporate governance, irrespective of external and internal pressure Ensure that each problem is defined correctly and understanding the implications of not resolving the problem. In retrospect legal services not only identify the problem but also find the solution.	Establish the cause of the problem, and not only treat the symptoms.

**Table 206.: Legal Services Challenges**

Employees: Legal Services						
Job Level	2011/12	2012/13	2013/14			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0	-
4 - 6	0	0	0	0	0	-
7 - 9	1	1	1	1	0	-
10 - 12	0	0	0	0	0	-
13 - 15	0	1	2	0	2	100%
16 - 18	1	1	1	1	0	-
19 - 20	0	0	0	0	0	-
<b>Total</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>50%</b>

*Employees and Posts numbers are as at 30 June.*

**Table 207.: Employees: Legal Services**

### 3.10.6 Procurement Services

#### a) Highlights: Procurement Services

Highlights	Description
Contract Management Policy	Overstrand Municipality adopted a Contract Management Policy with effect from 1 July 2014 in order to ensure the effective and efficient management of contract procured via the Supply Chain Management Policy.
Supply Chain Management IT System	During the 2012/2013 financial year, Overstrand Municipality procured the services of Bytes Technology

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Highlights	Description
	Group to develop a fully integrated electronic SCM system. 2013/2014 saw the development and user testing of the system. The estimated implementation date is 1 September 2014.

**Table 208.: Procurement Services Highlights**

### b) Challenges: Procurement Services

Description	Actions to address
The implementation of Clause 44 & 45 of the Overstrand Municipality's Supply Chain Management Policy (SCMP). The Municipality does not have a database of persons in the service of the state, despite making every attempt to achieve 100% compliance with the SCMP.	No database exists that is regularly updated and maintained that is available to Local Government. Continuous engagement with Provincial Treasury and other role players to ensure that a viable solution to address the problem is found.
The eradication of the occurrence of irregular expenditure.	Strengthening of the control environment to ensure that irregular expenditure is effectively detected and prevented. Creating continuous awareness of the risks of non-compliance and the controls that have been implemented to ensure that we obtain the "buy-in" of all the relevant role players.

**Table 209.: Procurement Services Challenges**

### c) Service Statistics for Procurement Services

- The Buyer's Division processed transactions as follows for the 2011/12 financial year. This is a new division and no comparative results are available.

Buyer's Section	Activities	Total No	Monthly Average	Daily Average
<b>2011/2012</b>	Requests processed	10 313	1 719	78
<b>2011/2012</b>	Orders processed	11 661	1 944	88
<b>2012/13</b>	Requests processed	10 804	900	43
<b>2012/13</b>	Orders processed	9 808	817.33	39.39
<b>2013/14</b>	Requests processed	10 556	879	43
<b>2013/14</b>	Orders processed	9 897	825	40

**Table 210.: Activities of the Buyer's Section**

- The Procurement Division is primarily responsible for the formal bidding processes through the bid committee system and has processed the following transactions:

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Bids awarded 2013/14	Total	Monthly average	Value R
Requests registered	151	13	N/A
Requests cancelled or referred back	5	N/A	N/A
Extensions	21	3	R 23,343,818.88
Bids received (number of documents)	477	40	N/A
Bids awarded	131	11	R 181,586,965.21
Bids awarded ≤ R200 000	76	6	R 5,801,610.28
Appeals registered	5	N/A	N/A
Successful Appeals	0	N/A	N/A

**Table 211.: Transactions processed by the Procurement Division**

3. Deviations from Council's Supply Chain Management Policy can be analyzed as follows:

Type of deviation	Number of deviations	%	Value of deviations	Percentage of total deviations value
Clause 36(1)(a)(i)-Emergency	4	4.30	R 384,330.29	5.95
Clause 36(1)(a)(ii)-Sole Supplier	22	23.66	R 381,125.46	5.90
Clause 36(1)(a)(iii)- Unique arts	0	0	R 0.00	0
Clause 36(1)(a)(v)- Impractical / impossible	67	72.04	R 5,690,123.73	88.15
<b>Total</b>	<b>93</b>	<b>100</b>	<b>R 6,455,579.48</b>	<b>100</b>

**Table 212.: Statistics of deviations from the SCM Policy**

### 3.11 COMPONENT I: SERVICE DELIVERY PRIORITIES FOR 2014/15

The main development and service delivery priorities for 2014/15 forms part of the Municipality's top layer SDBIP for 2014/15 and are indicated in the table below:

#### 3.11.1 Basic Service Delivery

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL2	m <sup>2</sup> of roads patched (works orders)	m <sup>2</sup> of roads patched (works orders)	All	120,000

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Ref	KPI	Unit of Measurement	Wards	Annual Target
	and resealed according to approved Paveman Management System within available budget	and resealed		
TL3	Quality of effluent comply 90% with SANS 241	% compliance	All	90%
TL4	Quality of potable water comply 95% with SANS 241	% compliance	All	95%
TL5	Limit unaccounted water to less than 25% $\{(Number\ of\ kiloliter\ water\ purified - Number\ of\ kiloliter\ water\ sold)/Number\ of\ kiloliter\ sold\ \times\ 100\}$	% of water unaccounted for	All	25%
TL26	Limit electricity losses to 8.5% or less $\{(Number\ of\ Electricity\ Units\ Purchased - Number\ of\ Electricity\ Units\ Sold) / Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated\} \times 100\}$	% of electricity unaccounted for	All	8.50%
TL27	Achieve two Green Drop awards	Number of awards	All	2
TL28	Achieve 6 Blue drop awards	Number of awards	All	6
TL29	Report on the implementation of the Water Service Development plan annually by the end of October 2014	Report submitted	All	1
TL43	Provision of water to informal households with access within a 200 m radius	No of informal households that have access to water within a 200 m radius	All	3,406
TL44	Provision of cleaned piped water to all formal households within 200 m from households	No of formal households that meet agreed service standards for piped water	All	28,077
TL45	Provision of refuse removal, refuse dumps and solid waste disposal to all formal households at least once a week	Number of formal households for which refuse is removed at least once a week	All	32,697
TL46	Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week	Number of informal households for which refuse is removed at least once a week	All	3,406
TL47	Provision of Electricity: Number of	Number of formal household that	All	21,998

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Ref	KPI	Unit of Measurement	Wards	Annual Target
	metered electrical connections in formal area (Eskom Areas excluded)	meet agreed service standards		
TL48	Provision of free basic electricity, refuse removal, sanitation and water in terms of the equitable share requirements	Number of households	All	6,580
TL49	Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP $\{(Actual\ amount\ spent\ on\ projects\ as\ identified\ for\ the\ year\ in\ the\ IDP/Total\ amount\ spent\ on\ capital\ projects) \times 100\}$	% of the capital budget spent	All	98%
TL50	The provision of sanitation services to informal households based on the standard of 1 toilette to 5 households	No of informal households that have access to sanitation based on the standard of 1 toilette to 5 households	All	3,406
TL51	Provision of sanitation services to formal residential households	No of formal residential households which are billed for sewerage in accordance to the SAMRAS financial system	All	31,202

**Table 213.: Service Delivery Priorities for 2014/15– Basic Service Delivery**

### 3.11.2 Good Governance

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL6	Ward committee meetings held to facilitate consistent and regular communication with residents	Number of ward committee meetings per ward per annum	All	8
TL7	Submit quarterly progress reports on the revision of the top 10 risks as a corrective action to the Executive Management Team	Number of progress reports submitted	All	4
TL8	Quarterly report to the Management, Executive Mayor,	Quarterly reports submitted on achievement of committed dates	All	4

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Ref	KPI	Unit of Measurement	Wards	Annual Target
	Auditor-General and Audit Committee on progress with implementation of key controls as identified in key control deficiencies			
TL9	Risk based audit plan approved by the Audit Committee by the end of June 2015	Plan approved	All	1
TL30	The percentage of a municipality's budget (training budget) actually spent on implementing its workplace skills plan	% of the training budget spent on implementation of the WSP	All	100%
TL31	Review the Municipal Organisational Staff Structure by the end of June 2015	Structure reviewed	All	1
TL32	Revise the Section 14 Access to Information Manual by the end of June to ensure compliant and up to date policies	Policy revised	All	1
TL33	90% of the approved and funded organogram filled {(actual number of posts filled divided by the funded posts budgeted) x100}	% filled	All	90%
TL34	Review identified HR policies by the end of June 2015	Number of policies reviewed	All	4
TL35	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	The number of people from EE target groups employed	All	54

**Table 214.: Services Delivery Priorities for 2014/15- Good Governance**

### 3.11.3 Optimization of financial resources

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL1	98% of the operational conditional grant (Libraries, CDW) spent (Actual	% of total conditional operational grants spent (Libraries, CDW)	All	98%

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Ref	KPI	Unit of Measurement	Wards	Annual Target
	expenditure divided by the total grant received)			
TL20	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	All	1.2
TL21	Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year) (%)	Ratio achieved	All	17
TL22	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	All	12%
TL23	Achieve a debt recovery rate not less than 95%	% Recovered	All	95%
TL24	Financial statements submitted to the Auditor-General by 31 August 2014	Financial statements submitted	All	1
TL25	Review and submit a feasible capital funding plan by the end of June 2015	Reviewed plan approved	All	1

**Table 215.:** *Services Delivery Priorities for 2014/15 – Optimization of financial resources*

### 3.11.4 Safe and Healthy environment

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL36	Annually review and submit Disaster Management Plan to the District by the end of June	Reviewed plan submitted	All	1
TL37	Arrange public awareness sessions on Protection services	Number of sessions held	All	32
TL38	Annually review Community Safety Plan by the end of June in	Plan reviewed	All	1

## Chapter 3: Service Delivery Performance

Ref	KPI	Unit of Measurement	Wards	Annual Target
	conjunction with the Department of Community Safety			
TL39	Review the Fire Management Plan by the end of June 2015	Plan reviewed	All	1
TL40	Perform compliance inspections in terms of the National Standard for community fire protection as specified in SANS 10090	Number of inspections performed	All	1,200
TL41	Conclude signed disaster directives with the relevant role-players	Signed directives	All	1
TL42	Optimal collection of public safety income for the financial year	R-value of public safety collected income	All	R 10,000,000

**Table 216.: Services Delivery Priorities for 2014/15 – Safe and Healthy environment**

### 3.11.5 Social upliftment and Economic Development

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL10	Report quarterly to Portfolio committee on the development and implementation of tourism marketing tools	Quarterly report on marketing tools	All	4
TL11	Report bi-annually to Director LED on the support to festivals that make an impact on local economic development	Number of reports submitted	All	2
TL12	Identify and support thirty SMME's businesses	Number of SMME's supported	All	30
TL13	Conduct resource mobilization initiatives to support local business	Number of resource mobilization initiatives	All	3
TL14	Report quarterly to Director LED on linkages established with other spheres of government, agencies, donors, SALGA and other relevant bodies for benefit of local area	Quarterly report on linkages established	All	4
TL15	The number of job opportunities created through the EPWP programme and as per set targets	Number of temporary jobs created	All	287

## Chapter 3: Service Delivery Performance

Ref	KPI	Unit of Measurement	Wards	Annual Target
	(grant agreement - 86 FTE's, translates to 287 work opportunities)			
TL16	Develop two policies aimed at increasing participation in local economy	Number of policies developed	All	2
TL17	Review the LED strategy by the end of February 2015	Strategy reviewed	All	1
TL18	Improve the LED maturity assessment position by two basis points	Improved position	All	2
TL19	Compile an action plan to improve on the LED maturity assessment	Plan completed	All	2

**Table 217.:** *Services Delivery Priorities for 2014/15 – Social Upliftment and Economic Development*

## CHAPTER 4



*Wellness day for Overstrand employees*

### 4.1 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
	2011/12	2012/13	2013/14
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	54	64	63
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	100	100	100

**Table 218.: National KPIs– Municipal Transformation and Organisational Development**

## Chapter 4: Organisational Development Performance

### 4.2 Introduction to the Municipal Workforce

For the 2013/14 financial year Overstrand Municipality employed **1 022** (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.

#### 4.2.1 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 June	Actual June	Target June	Actual June	Target June	Actual June
7	4	19	18	0	0	35	41

**Table 219.: 2013/14 EE targets/Actual by racial classification (3 Highest levels of management)**

African		Coloured		Indian		White	
Target June	Actual June	Target June	Actual June	Target June	Actual June	Target June	Actual June
322	322	399	470	1	2	350	231

**Table 220.: 2013/14 EE targets/Actual by racial classification (Total Workforce)**

Male (Including Disabilities)		Female (Including Disabilities)	
Target June	Actual June	Target June	Actual June
503	753	569	272

**Table 221.: 2013/14 EE targets/actual by gender classification**

## Chapter 4: Organisational Development Performance

### b) Employment Equity vs. Population

Description	African	Coloured	Indian	White	Total
Population numbers	29 132	24 979	205	25 131	80 432
<b>% Population</b>	<b>29.98</b>	<b>37.17</b>	<b>0.25</b>	<b>32.60</b>	<b>100</b>
Number for positions filled	322	470	2	231	1025
<b>% for Positions filled</b>	<b>31.41</b>	<b>45.85</b>	<b>0.20</b>	<b>22.53</b>	<b>100</b>

Table 222.: EE population 2013/14

### c) Occupational Levels - Race

The table below categorises 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	1	2	0	2	0	1	0	1	7
Senior management	0	1	0	2	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management	2	10	0	24	1	4	0	12	53
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	15	71	0	53	11	28	1	40	219
Semi-skilled and discretionary decision making	72	124	0	18	19	57	0	59	349
Unskilled and defined decision making	175	165	1	10	19	19	0	2	391
Total permanent	265	373	1	109	50	109	1	114	1022
Non- permanent employees									
<b>Grand total</b>	<b>265</b>	<b>373</b>	<b>1</b>	<b>109</b>	<b>50</b>	<b>109</b>	<b>1</b>	<b>114</b>	<b>1022</b>

Table 223.: Occupational Levels

## 4.2.2 Vacancy Rate

The approved organogram for the municipality had **1022** posts for the 2013/14 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. **81** Posts were vacant at the end of 2013/14, resulting in a vacancy rate of 8%.

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

## Chapter 4: Organisational Development Performance

Per Post Level		
Post level	Filled	Vacant
MM & MSA section 57 & 56	7	0
Middle management (T14-T19)	56	10
Admin Officers (T4-T13)	576	59
General Workers (T3)	383	12
<b>Total</b>	<b>1022</b>	<b>81</b>
Per Functional Level		
Functional area	Filled	Vacant
Municipal Manager	12	0
Management Services	42	7
Financial Services	114	7
Community Services	677	42
Protection Services	61	5
Infrastructure and Planning Services	110	20
Economic Development Services	6	0
<b>Total</b>	<b>1022</b>	<b>81</b>

**Table 224.: 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	Total posts as per organogram	Vacancy job title	Vacancies (as a proportion of total posts per category)
Municipal Manager	0	1	n/a	0
Chief Financial Officer	0	1	n/a	0
Other Section 57 Managers	0	5	n/a	0
Senior management (T14-T19)	7	10	Risk Manager Manager: Expenditure & Assets Town Planner Legal Advisor Legal Advisor: Additional Court Manager: IT Communication & Technology Deputy Director: Electro technical Services	70%

## Chapter 4: Organisational Development Performance

Salary Level	Number of current critical vacancies	Total posts as per organogram	Vacancy job title	Vacancies (as a proportion of total posts per category)
Highly skilled supervision (T4-T13)	22	39	Works Operator Grade II Small Plant Operator Assistant Operator: Water Purification Works Operator Assistant Handyman Plant Operator: Water & Sanitation Supervisor: Purification Works Supervisor: Sewerage Distribution Supervisor: Electrical Services Operator Grade II: Sewerage Works Plant Operator: Purification Works Works Operator: Sewerage Treatment Works Operator: Water Treatment	56%
<b>Total</b>	<b>29</b>	<b>53</b>		<b>54.72%</b>

*Table 225.: Vacancy rate per salary level*

### 4.2.3 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 an **increase** from **5%** in 2012/13 to **5.80%** in 2013/14.

The table below indicates the turn-over rate for the past three financial years:

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2011/12	56	56	59	5.40%
2012/13	57	57	56	5.00%
2013/14	58	58	64	5.80%

*Table 226.: Turnover Rate*

### 4.3 Managing the Municipal Workforce

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

#### 4.3.1 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 an increase for the 2013/14 financial year from **151** employees injured to **140** employees in the 2012/13 financial year. Due to the nature of the injuries the duration of absenteeism due to Injury on duty (IOD) is lengthy in terms of IOD leave.

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

Directorates	2011/12	2012/13	2013/14
Municipal Manager	0	0	0
Management Services	1	1	1
Financial Services	6	6	5
Community Services	127	98	110
Protection Services	24	12	16
Infrastructure and Planning Services	22	23	18
Economic Development Services	3	0	1
<b>Total</b>	<b>183</b>	<b>140</b>	<b>151</b>

*Table 227.: Injuries*

#### 4.3.2 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 2013/14 financial year shows a **decrease** when comparing it with the 2012/13 financial year.

## Chapter 4: Organisational Development Performance

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

Department	2011/12	2012/13	2013/14
Municipal Manager	35	54	14
Management Services	333	237	82
Financial Services	1152	668	471
Community Services	8390	4835	3799
Protection Services	819	463	282
Infrastructure and Planning Services	1176	546	491
Economic Development Services	45	4	28
<b>Total</b>	<b>11950</b>	<b>6807</b>	<b>5167</b>

*Table 228.: Sick Leave*

### 4.3.3 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 Policy	November 2008
Recruitment and Selection	Reviewed August 2013
Collective Agreement Conditions of Service	Adopted (SALGBC) June 2009
Collective Agreement Disciplinary and Grievance Procedure	Adopted (SALGBC) June 2010
Municipal Code of Conduct	Schedule 2 of the Municipal Systems Act 32 of 2000
Uniform /Protective Clothing	November 2008
HIV/AIDS Policy	September 2009
Succession Planning	November 2010
PMS Implementation	November 2008
Rewards and Incentive	November 2008
Retirement Planning	November 2008
Sexual Harassment	November 2008
Leave Policy	August 2010
Employee Study Aid Policy	Reviewed June 2014
OHS Policy	October 2010
TASK Job Evaluation Policy	October 2010

## Chapter 4: Organisational Development Performance

Approved policies	
Gift policy for officials	June 2011
Staff Succession planning policy guidelines	Reviewed June 2014
Performance Management Framework (PMF)	June 2014
Policies still to be developed	
Name of policy	Proposed date of approval
None	

*Table 229.: HR policies and plans*

### 4.4 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).

#### 4.4.1 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 (2013/14)	Number of Employees that received training (2013/14)
MM and S57	Female	0	1
	Male	0	2
Legislators, senior officials and managers	Female	16	29
	Male	28	45
Associate professionals and Technicians	Female	7	6
	Male	88	76
Professionals	Female	29	29
	Male	98	35
Clerks	Female	96	82
	Male	36	20
Service and sales workers	Female	6	5
	Male	35	28
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	0	1
	Male	10	12

## Chapter 4: Organisational Development Performance

Management level	Gender	Number of employees identified for training at start of the year (2013/14)	Number of Employees that received training (2013/14)
Elementary occupations	Female	2	10
	Male	151	98
<b>Sub total</b>	<b>Female</b>	<b>156</b>	<b>163</b>
	<b>Male</b>	<b>446</b>	<b>316</b>
<b>Total</b>		<b>602</b>	<b>479</b>

Table 230.: Skills Matrix

### 4.4.2 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 in 2013/14						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% Variance
Technicians and associate professionals	Female	0	0	6	7	6	7	85%
	Male	2	0	74	88	76	88	86%
Clerks	Female	9	7	73	89	82	96	85%
	Male	4	2	16	34	20	36	55%
Service and sales workers	Female	0	0	5	6	5	6	83%
	Male	4	2	24	33	28	35	80%
Craft and related trade workers	Female	0	0	0	0	0	0	0%
	Male	0	0	0	0	0	0	0%
Plant and machine operators and assemblers	Female	0	0	1	0	1	0	0%
	Male	4	0	8	10	12	10	120%
Elementary occupations	Female	0	0	10	2	10	2	500%
	Male	3	10	95	141	98	151	64%
<b>Sub total</b>	<b>Female</b>	<b>16</b>	<b>7</b>	<b>147</b>	<b>149</b>	<b>163</b>	<b>156</b>	<b>104%</b>
	<b>Male</b>	<b>26</b>	<b>21</b>	<b>290</b>	<b>425</b>	<b>316</b>	<b>446</b>	<b>70%</b>
<b>Total</b>		<b>42</b>	<b>28</b>	<b>437</b>	<b>574</b>	<b>479</b>	<b>602</b>	<b>79%</b>

Table 231.: Skills Development

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## Chapter 4: Organisational Development Performance

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### 4.4.3 Skills Development - Budget allocation

The table below indicates that a total amount of **R2 010 000** were allocated to the workplace skills plan and that **100%** of the total amount was spent in the 2013/14 financial year:

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
2011/12	R193 778 285	R3 171 200	R3 171 200	100
2012/13	R 824 059 000.00	R2 416 000.00	R2 412 976.34	99.87%
2013/14	R260 431 000.00	R2 010 000.00	R2 010 000.00	100%

*Table 232.: Budget allocated and spent for skills development*

### 4.4.4 MFMA Competencies

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013, employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

**115** Employees were identified to obtain the abovementioned qualification and prescribed competencies. The 115 employees were divided into four groups of 30, 30, 26 and 29. The first group completed their training in January 2012, the second group in March 2012, the third group in August 2013 and the fourth group will be in January 2015. The service provider for the first three groups was the University of Pretoria, and the fourth group is the University Stellenbosch.

From the above mentioned it is clear that most of our staff will comply with the requirements of the Government Notice 493 of June 2007.

## 4.5 Managing The Municipal Workforce Expenditure

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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.

## Chapter 4: Organisational Development Performance

### 4.5.1 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 two financial years and that the municipality is well within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances (R'000)	Total Operating Expenditure (R'000)	Percentage
	R'000	R'000	
2011/12	199 476	733 196	29.2
2012/13	224 760	745 589	30.16
2013/14	244,886	823 352	29.74

**Table 233.: Personnel Expenditure**

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

Financial year	2011/12	2012/13	2013/14	
Description	Actual	Actual	Original Budget	Actual
<b><u>Councillors (Political Office Bearers plus Other) R'000</u></b>				
Salary Package	6717	7 084	7 197	7 414
Cell phone allowance	349	361	380	518
<b>Sub Total</b>	<b>7 066</b>	<b>7 445</b>	<b>7 577</b>	<b>7 932</b>
<b>% Increase/(decrease) from 2011/12- 2012/13</b>	<b>38.71%</b>	<b>5.36%</b>	<b>1.77%</b>	<b>6.54%</b>
<b><u>Senior Managers of the Municipality R'000</u></b>				
Salary Package	7 081	8 100	8 657	8 567
Cell phone allowance	128	139	146	137
<b>Sub Total</b>	<b>7 209</b>	<b>8 239</b>	<b>8 803</b>	<b>8 704</b>
<b>% increase</b>	<b>2.26%</b>	<b>6.86%</b>	<b>6.84%</b>	<b>5.64%</b>
<b><u>Other Municipal Staff R'000</u></b>				
Basic Salaries and Wages	116 931	134 300	158 108	157 742
Pension Contributions	19 853	21 754	26 585	23 747
Medical Aid Contributions	7 354	7 983	11 179	8 828
Motor vehicle allowance	7 897	8 763	10 714	9 750
Cell phone allowance	725	1 169	1 356	1 273
Housing allowance	1 023	1 040	945	968
Overtime	12 030	12 423	12 233	14 370
Other benefits or allowances	19 388	21 644	10 389	12 403

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## Chapter 4: Organisational Development Performance

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Financial year	2011/12	2012/13	2013/14	
Description	Actual	Actual	Original Budget	Actual
<b>Sub Total</b>	<b>185 201</b>	<b>209 076</b>	<b>231 509</b>	<b>229 081</b>
<b>% increase</b>	10.44%	12.89%	10.72%	9.56%
<b>Total Municipality</b>	<b>199 476</b>	<b>224 760</b>	<b>247 889</b>	<b>245 717</b>
<b>% increase</b>	10.92%	12.67%	10.29%	9.32%

*Table 234.: Personnel Expenditure*

## Chapter 5: Financial Performance

### CHAPTER 5

This chapter provides details regarding the financial performance of the municipality for the 2013/14 financial year.

The municipality takes inflationary pressures into account when tariffs and operational expenditure are budgeted for.

The table below shows the 5 most expensive consultancy arrangements for the 2013/14 financial year:

Consultant arrangement	Cost	Reason for this engagement
V & V CONSULTING ENGINEERS	R 2,849,155.04	Appointment of Consultants for various groundwater and engineering projects in the Overstrand Municipal area.
AURECON	R 5,199,668.98	Appointment of Consultants for various groundwater and engineering projects in the Overstrand Municipal area.
UMVOTO AFRICA	R 2,741,043.84	Appointment of Consultants for various groundwater and engineering projects in the Overstrand Municipal area.
WBHO	R 2,334,134.04	Replacement of water pipes: Rooi-els to Hermanus
WATER MANAGEMENT SERVICES CC	R 1,706,292.03	The provision of information technology related services and systems

*Table 235.: 5 Most expensive consultants for 2013/14 financial year*

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

#### 5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2013/14 financial year:

Financial Summary						
R'000						
Description	2012/13	2013/14			2013/14 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Property rates	120,799	126,921	126,921	134,813	5.9%	6.2%

## Chapter 5: Financial Performance

<b>Financial Summary</b>						
<b>R'000</b>						
<b>Description</b>	<b>2012/13</b>	<b>2013/14</b>		<b>2013/14 Variance</b>		
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>
Service charges	436,439	497,429	493,840	479,253	-3.8%	-3.0%
Investment revenue	9,754	9,918	9,222	8,470	-17.1%	-8.1%
Transfers recognised - operational	18,923	68,984	69,303	67,835	-1.7%	-2.1%
Other own revenue	93,880	39,889	43,179	57,697	30.9%	33.6%
<b>Total Revenue (excluding capital transfers and contributions)</b>	679,794	743,141	742,465	748,067	0.7%	0.8%
Employee costs	231,642	250,842	252,454	260,645	3.8%	3.2%
Remuneration of councillors	7,084	7,577	7,978	7,933	4.5%	-0.6%
Depreciation & asset impairment	104,408	103,810	102,070	99,361	-4.5%	-2.7%
Finance charges	37,331	42,292	42,292	39,927	-5.9%	-5.6%
Materials and bulk purchases	157,462	171,947	171,645	170,649	-0.8%	-0.6%
Transfers and grants	35,856	38,766	39,217	38,749	0.0%	-1.2%
Other expenditure	178,287	208,825	211,835	221,778	5.8%	4.7%
<b>Total Expenditure</b>	752,070	824,059	827,491	839,043	1.8%	1.4%
<b>Surplus/(Deficit)</b>	(72,277)	(80,918)	(85,026)	(90,975)	11.1%	7.0%
Transfers recognised - capital	53,809	39,387	42,564	38,090	-3.4%	-10.5%
Contributions recognised - capital & contributed assets	6,609	3,583	2,270	7,871	54.5%	246.8%
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	761,213	(37,947)	(40,192)	(45,014)	15.7%	12.0%
Share of surplus/ (deficit) of associate	761,213	(37,947)	(40,192)	(45,014)	15.7%	12.0%
<b>Surplus/(Deficit) for the year</b>	761,213	(37,947)	(40,192)	(45,014)	15.7%	12.0%
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	<b>143,764</b>	<b>109,897</b>	<b>129,697</b>	<b>130,930</b>	<b>16.1%</b>	<b>1.0%</b>
Transfers recognised - capital	53,809	36,028	39,061	38,090	5.4%	-2.5%
Public contributions & donations	5,067	3,583	2,270	7,871	54.5%	246.8%

## Chapter 5: Financial Performance

<b>Financial Summary</b>						
<b>R'000</b>						
<b>Description</b>	<b>2012/13</b>	<b>2013/14</b>		<b>2013/14 Variance</b>		
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>
Borrowing	67,544	59,861	73,427	70,634	15.3%	-3.8%
Internally generated funds	17,345	10,425	14,939	14,336	27.3%	-4.0%
<b>Total sources of capital funds</b>						
<b>Financial position</b>						
Total current assets	206,693	183,501	231,760	179,766	-2.1%	-22.4%
Total non-current assets	3,289,115	3,188,259	3,285,927	3,297,810	3.3%	0.4%
Total current liabilities	160,331	130,310	128,109	148,801	12.4%	16.2%
Total noncurrent liabilities	483,951	527,115	527,115	520,970	-1.2%	-1.2%
Community wealth/Equity	2,851,526	2,714,336	2,862,463	2,807,805	3.3%	-1.9%
<b>Cash flows</b>						
Net cash from (used) operating	79,646	71,124	95,878	79,435	10.5%	-17.2%
Net cash from (used) investing	(146,955)	(115,209)	(128,823)	(130,368)	11.6%	1.2%
Net cash from (used) financing	24,757	36,973	33,204	29,945	-23.5%	-9.8%
<b>Cash/cash equivalents at the year end</b>	84,147	84,406	84,406	63,158	-33.6%	-25.2%
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	95,744	100,786	100,786	80,123	-25.8%	-20.5%
Application of cash and investments	(18,046)	(9,124)	(25,778)	(20,755)	56.0%	-19.5%
<b>Balance - surplus (shortfall)</b>	113,789	109,910	126,563	100,879	-9.0%	-20.3%
<b>Asset management</b>						
Asset register summary (WDV)	3,277,435	3,171,806	3,266,260	3,280,777	3.3%	0.4%
Depreciation & asset impairment	104,408	103,810	102,070	99,361	-4.5%	-2.7%
Renewal of Existing Assets	4,147	39,166	51,088	47,348	17.3%	-7.3%
Repairs and Maintenance	114,414	163,360	154,795	150,358	-8.6%	-2.9%
<b>Free services</b>						

## Chapter 5: Financial Performance

Financial Summary						
R'000						
Description	2012/13	2013/14		2013/14 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Cost of Free Basic Services provided	31,514	36,815	39,766	38,298	3.9%	-3.7%
Revenue cost of free services provided	69,573	52,536	67,253	69,425	24.3%	3.2%
<b>Households below minimum service level</b>						
Water:						
Sanitation/sewerage:						
Energy:	1	2	2	2	-16.9%	0.0%
Refuse:						
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1</i>						

**Table 236.: Financial Performance 2013/14**

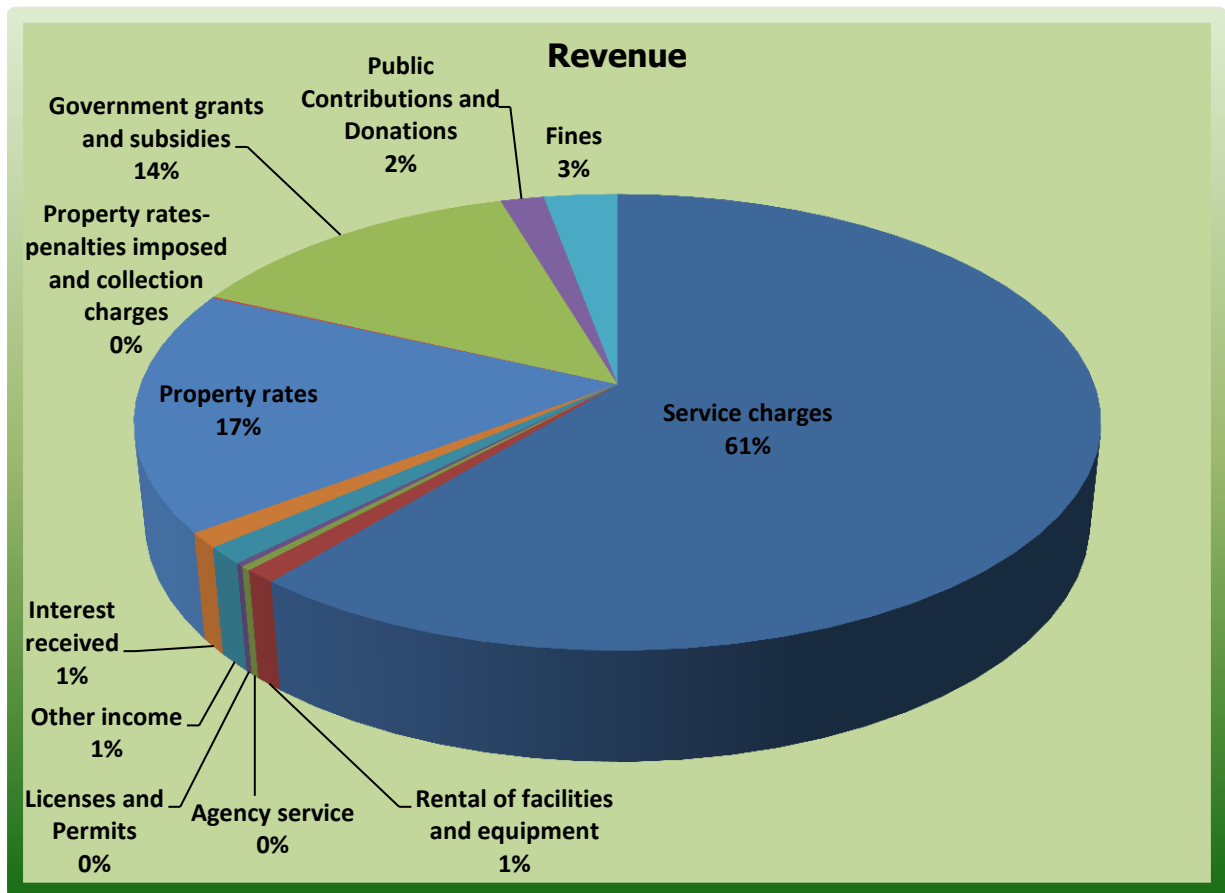
The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000	%	R'000	R'000	R'000	%
<b>2011/12</b>	640,249	615,146	25,103	<b>-4.08%</b>	728,432	762,273	(33,841)	<b>4%</b>
<b>2012/13</b>	695,427	679,794	15,634	<b>-2.30%</b>	791,055	752,070	38,984	<b>-5%</b>
<b>2013/14</b>	743,141	748,067	(4,926)	<b>0.66%</b>	824,059	839,043	(14,983)	<b>2%</b>

**Table 237.: Performance against budgets**

## Chapter 5: Financial Performance

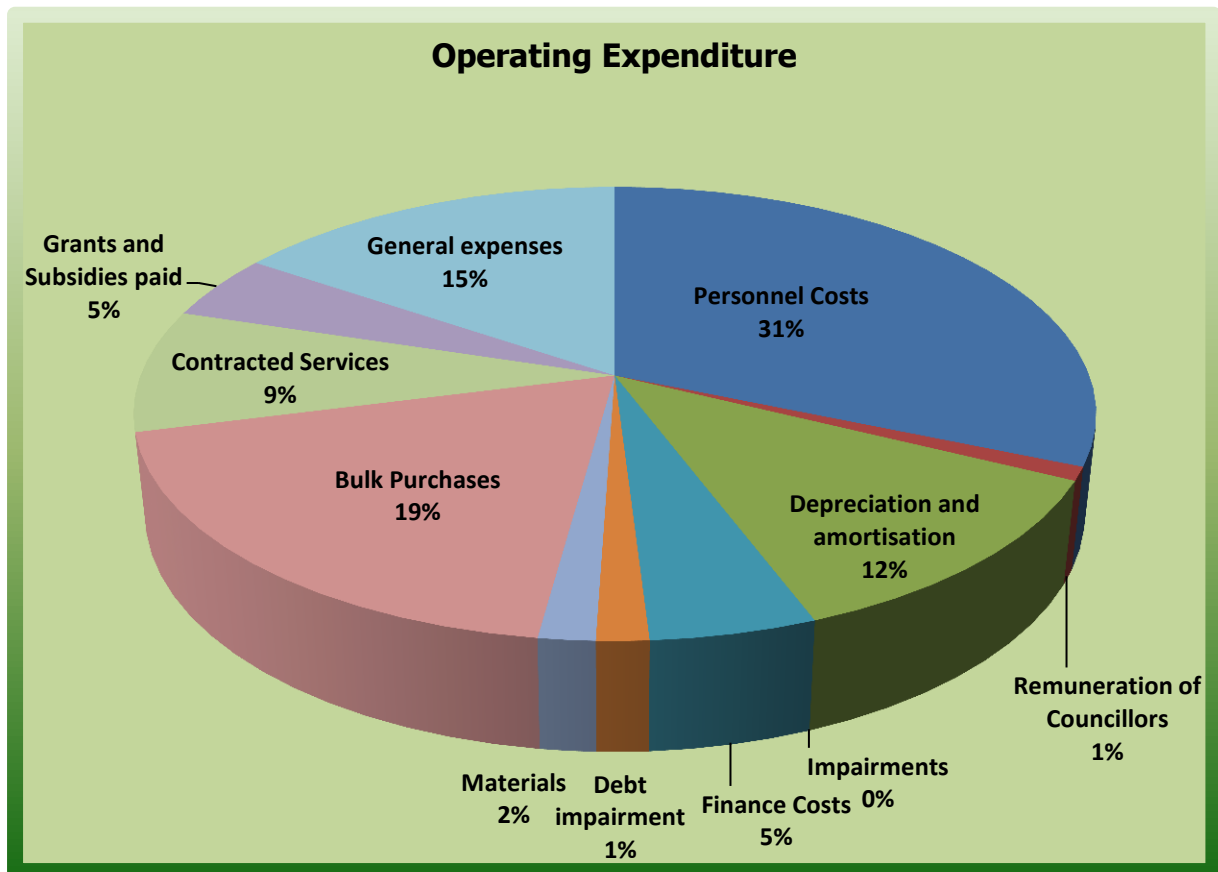
The following graph indicates the various types of revenue items in the municipal budget for 2013/14



Graph 22.: Revenue

## Chapter 5: Financial Performance

The following graph indicates the various types of expenditure items in the municipal budget for 2013/14



**Graph 23.:** *Operating expenditure*

## Chapter 5: Financial Performance

### 5.1.1 Revenue collection by Vote

The table below indicates the Revenue collection performance by Vote:

Vote Description	2012/13	2013/14		2013/14 Variance		
	R'000					
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote1 - Executive and Council	38,427	42,428	43,028	42,355	-0.2%	-1.6%
Vote2 – Budget and Treasury Office	137,914	147,919	148,772	150,786	1.9%	1.4%
Vote3 - Corporate Services	54,741	2,527	2,959	6,363	151.8%	115.0%
Vote4 – Planning and Development	7,907	11,837	11,873	12,853	8.6%	8.3%
Vote5 - Public Safety	20,142	12,493	12,343	28,300	126.5%	129.3%
Vote6 - Health	–	–	–	–	0.0%	0.0%
Vote7 – Community and Social Services	2,538	2,103	2,532	2,574	22.4%	1.7%
Vote8 - Sports and Recreation	7,765	12,546	12,546	11,427	-8.9%	-8.9%
Vote9 - Housing	19,965	31,705	33,991	29,473	-7.0%	-13.3%
Vote10 - Waste Management	46,758	53,020	53,070	53,066	0.1%	0.0%
Vote11 - Road Transport	10,595	17,608	17,608	17,790	1.0%	1.0%
Vote12 – Waste Water Management	68,428	63,017	64,927	65,091	3.3%	0.3%
Vote13 - Water	96,325	99,562	94,062	96,086	-3.5%	2.2%
Vote14 - Electricity	249,645	289,279	289,279	270,880	-6.4%	-6.4%
Vote15 – Environmental Management	65	68	308	319	373.3%	3.9%
<b>Total Revenue by Vote</b>	<b>761,213</b>	<b>786,112</b>	<b>787,299</b>	<b>787,364</b>	<b>0.2%</b>	<b>0.0%</b>

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3*

**Table 238.: Revenue by Vote**

## Chapter 5: Financial Performance

### 5.1.2 Revenue collection by Source

The table below indicates the revenue collection performance by source for the 2013/14 financial year:

Description	2012/13	2013/14			2013/14 Variance	
	R'000					
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	120,799	126,921	126,921	134,813	6.2%	6.2%
Property rates - penalties & collection charges	772	1,000	1,000	821	-17.9%	-17.9%
Service Charges - electricity revenue	247,663	284,936	284,936	268,362	-5.8%	-5.8%
Service Charges - water revenue	85,243	98,642	93,142	95,136	-3.6%	2.1%
Service Charges - sanitation revenue	56,895	60,917	62,827	62,798	3.1%	0.0%
Service Charges - refuse revenue	46,637	52,934	52,934	52,957	0.0%	0.0%
Service Charges - other					0.0%	0.0%
Rentals of facilities and equipment	7,212	8,551	8,551	7,591	-11.2%	-11.2%
Interest earned - external investments	7,555	7,714	7,018	6,352	-17.7%	-9.5%
Interest earned - outstanding debtors	2,199	2,204	2,204	2,118	-3.9%	-3.9%
Dividends received					0.0%	0.0%
Fines	14,244	6,079	7,529	22,739	274.1%	202.0%
Licenses and permits	1,968	2,046	2,046	1,956	-4.4%	-4.4%
Agency services	2,025	2,250	2,255	2,395	6.4%	6.2%
Transfers recognised - operational	41,680	68,984	69,303	67,835	-1.7%	-2.1%
Other revenue	74,267	19,963	21,799	23,046	15.4%	5.7%
Gains on disposal of PPE					0.0%	0.0%
Environmental Protection					0.0%	0.0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>709,160</b>	<b>743,141</b>	<b>742,465</b>	<b>748,917</b>	<b>0.8%</b>	<b>0.9%</b>

*Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.*

**Table 239.: Revenue by Source**

## Chapter 5: Financial Performance

### 5.1.3 Operational Services Performance

The table below indicates the Operational services performance for the 2013/14 financial year:

Financial Performance of Operational Services						
R '000						
Description	2012/13	2013/14		2013/14 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Water	(75,341)	(91,149)	(94,766)	(98,489)	7.45%	3.78%
Waste Water (Sanitation)	(44,562)	(51,951)	(56,011)	(56,400)	7.89%	0.69%
Electricity	(221,952)	(239,953)	(238,344)	(245,340)	2.20%	2.85%
Waste Management	(46,617)	(48,698)	(51,163)	(35,976)	-35.36%	-42.21%
Housing	14,670	4,949	8,621	798	-520.27%	-980.39%
Component A: sub-total	(373,800)	(426,801)	(431,663)	(435,407)	1.98%	0.86%
Waste Water (Stormwater Drainage)	(705)	(6,108)	(6,382)	(5,965)	-2.39%	-6.99%
Roads	(73,627)	(78,874)	(73,580)	(74,869)	-5.35%	1.72%
Transport	-	-	-	-	0.00%	0.00%
Component B: sub-total	(74,331)	(84,982)	(79,962)	(80,835)	-5.13%	1.08%
Planning	(26,446)	(25,088)	(24,880)	(23,003)	-9.07%	-8.16%
Local Economic Development	(3,972)	(3,600)	(4,148)	(3,695)	2.56%	-12.26%
Component C: sub-total	(30,418)	(28,688)	(29,028)	(26,698)	-7.46%	-8.73%
Community & Social Services	(26,399)	(28,437)	(28,598)	(27,681)	-2.73%	-3.31%
Environmental Protection	(6,369)	(7,769)	(7,425)	(6,986)	-11.20%	-6.27%
Health	-	-	-	-	0.00%	0.00%
Security and Safety	(27,769)	(32,185)	(32,890)	(29,084)	-10.66%	-13.09%
Sport and Recreation	(9,646)	(8,678)	(8,614)	(7,210)	-20.36%	-19.47%
Corporate Policy Offices and Other	(97,107)	(153,991)	(152,008)	(150,178)	-2.54%	-1.22%
Component D: sub-total	(167,289)	(231,060)	(229,534)	(221,140)	-4.49%	-3.80%
<b>Total Expenditure</b>	<b>(645,839)</b>	<b>(771,532)</b>	<b>(770,187)</b>	<b>(764,080)</b>	<b>-0.98%</b>	<b>-0.80%</b>

## Chapter 5: Financial Performance

In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

**Table 240.: Operational Services Performance**

Total Net Expenditure variance between the original budget and actual was 0.98%. Total Net Expenditure variance between the amended budget and actual was 0.80%.

### 5.2 Financial Performance per Municipal Function

#### 5.2.1 Water Services

Description	2012/13	2013/14			
		R'000			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	11,081	920	920	950	3.2%
Expenditure:					
Employees	13,309	14,042	14,042	15,188	7.5%
Repairs and Maintenance	6,783	9,678	8,013	7,678	-4.4%
Other	66,331	68,349	73,630	76,573	3.8%
<b>Total Operational Expenditure</b>	<b>86,422</b>	<b>92,069</b>	<b>95,686</b>	<b>99,439</b>	<b>7.0%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(75,341)</b>	<b>(91,149)</b>	<b>(94,766)</b>	<b>(98,489)</b>	<b>-3.9%</b>

Net expenditure to be consistent with summary table T 5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual.

**Table 241.: Financial Performance: Water services**

#### 5.2.2 Waste Water (Sanitation)

Description	2012/13	2013/14			
		R'000			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	7,068	2,100	2,100	2,235	6.0%

## Chapter 5: Financial Performance

Description	2012/13	2013/14			
	R'000				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Expenditure:					
Employees	12,812	13,821	13,821	14,712	6.1%
Repairs and Maintenance	5,539	6,365	8,062	7,223	-11.6%
Other	33,279	33,864	36,228	36,699	1.3%
<b>Total Operational Expenditure</b>	<b>51,630</b>	<b>54,051</b>	<b>58,111</b>	<b>58,635</b>	<b>-4.3%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(44,562)</b>	<b>(51,951)</b>	<b>(56,011)</b>	<b>(56,400)</b>	<b>10.3%</b>

Net expenditure to be consistent with summary table T 5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual.

**Table 242.: Financial Performance: Waste Water (Sanitation) services**

### 5.2.3 Electricity

Description	2012/13	2013/14			
	R'000				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	1,982	4,343	4,343	2,518	-72.5%
Expenditure:					
Employees	13,997	16,395	15,556	15,052	-3.3%
Repairs and Maintenance	4,311	5,294	5,162	5,009	-3.1%
Other	205,625	222,608	221,970	227,798	2.6%
<b>Total Operational Expenditure</b>	<b>223,933</b>	<b>244,296</b>	<b>242,688</b>	<b>247,859</b>	<b>-3.8%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(221,952)</b>	<b>(239,953)</b>	<b>(238,344)</b>	<b>(245,340)</b>	<b>-68.6%</b>

Net expenditure to be consistent with summary table T 5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual.

**Table 243.: Financial Performance: Electricity**

## Chapter 5: Financial Performance

### 5.2.4 Waste Management

Description	2012/13	2013/14			
	R'000				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	121	86	136	109	-24.3%
Expenditure:					
Employees	16,124	17,345	17,485	18,057	3.2%
Repairs and Maintenance	5,513	5,244	6,200	6,175	-0.4%
Other	25,100	26,195	27,614	11,854	-133.0%
<b>Total Operational Expenditure</b>	<b>46,737</b>	<b>48,784</b>	<b>51,299</b>	<b>36,085</b>	<b>-130.2%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(46,617)</b>	<b>(48,698)</b>	<b>(51,163)</b>	<b>(35,976)</b>	<b>105.9%</b>

Net expenditure to be consistent with summary table T 5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual.

*Table 244.: Financial Performance: Waste Management*

### 5.2.5 Housing

Description	2012/13	2013/14			
	R'000				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	19,965	31,705	33,991	29,473	-15.3%
Expenditure:					
Employees	2,078	2,305	2,305	2,502	7.9%
Repairs and Maintenance	180	317	238	224	-6.5%
Other	3,037	24,135	22,827	25,949	12.0%
<b>Total Operational Expenditure</b>	<b>5,294</b>	<b>26,756</b>	<b>25,371</b>	<b>28,675</b>	<b>13.4%</b>
<b>Net Operational (Service) Expenditure</b>	<b>14,670</b>	<b>4,949</b>	<b>8,621</b>	<b>798</b>	<b>-28.7%</b>

Net expenditure to be consistent with summary table T 5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual.

*Table 245.: Financial Performance: Housing*

## Chapter 5: Financial Performance

### 5.2.6 Waste Water (Storm water)

Description	2012/13	2013/14			
	R'000				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	4,465	0	0	59	99.8%
Expenditure:					
Employees	1,602	1,927	1,927	1,794	-7.5%
Repairs and Maintenance	735	1,248	1,465	1,231	-19.0%
Other	2,832	2,933	2,990	3,000	0.3%
<b>Total Operational Expenditure</b>	<b>5,169</b>	<b>6,108</b>	<b>6,382</b>	<b>6,024</b>	<b>-26.1%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(705)</b>	<b>(6,108)</b>	<b>(6,382)</b>	<b>(5,965)</b>	<b>126.0%</b>

Net expenditure to be consistent with summary table T 5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual.

*Table 246.: Financial Performance: Waste Water (Storm water)*

### 5.2.7 Roads

Description	2012/13	2013/14			
	R'000				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	10,595	17,608	17,608	17,790	1.0%
Expenditure:					
Employees	11,886	15,305	15,335	15,425	0.6%
Repairs and Maintenance	25,645	26,593	27,603	27,329	-1.0%
Other	46,691	54,584	48,250	49,905	3.3%
<b>Total Operational Expenditure</b>	<b>84,222</b>	<b>96,482</b>	<b>91,188</b>	<b>92,659</b>	<b>2.9%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(73,627)</b>	<b>(78,874)</b>	<b>(73,580)</b>	<b>(74,869)</b>	<b>-1.9%</b>

Net expenditure to be consistent with summary table T 5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual.

*Table 247.: Financial Performance: Roads*

## Chapter 5: Financial Performance

### 5.2.8 Planning

Description	2012/13	2013/14			
	R'000				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	4,157	6,623	5,442	6,422	15.3%
Expenditure:					
Employees	17,028	17,406	17,406	17,322	-0.5%
Repairs and Maintenance	248	228	148	127	-16.5%
Other	13,328	14,077	12,768	11,975	-6.6%
<b>Total Operational Expenditure</b>	<b>30,603</b>	<b>31,712</b>	<b>30,322</b>	<b>29,424</b>	<b>-23.7%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(26,446)</b>	<b>(25,088)</b>	<b>(24,880)</b>	<b>(23,003)</b>	<b>38.9%</b>

Net expenditure to be consistent with summary table T 5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual.

*Table 248.: Financial Performance: Planning*

### 5.2.9 Local Economic Development

Description	2012/13	2013/14			
	R'000				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	3,750	5,214	6,431	6,431	0.0%
Expenditure:					
Employees	2,508	2,888	4,299	4,449	3.4%
Repairs and Maintenance	4	14	79	24	0
Other	5,211	5,913	6,201	5,653	
<b>Total Operational Expenditure</b>	<b>7,722</b>	<b>8,814</b>	<b>10,579</b>	<b>10,126</b>	<b>3.4%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(3,972)</b>	<b>(3,600)</b>	<b>(4,148)</b>	<b>(3,695)</b>	<b>-3.3%</b>

Net expenditure to be consistent with summary table T 5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual.

*Table 249.: Financial Performance: Local Economic Development*

## Chapter 5: Financial Performance

### 5.2.10 Community & Social Services

Description	2012/13	2013/14			
	R'000				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	2,538	2,103	2,532	2,574	1.6%
Expenditure:					
Employees	19,117	19,701	19,817	19,586	-1.2%
Repairs and Maintenance	2,712	2,959	3,278	2,853	-14.9%
Other	7,109	7,881	8,035	7,816	-2.8%
<b>Total Operational Expenditure</b>	<b>28,937</b>	<b>30,540</b>	<b>31,130</b>	<b>30,255</b>	<b>-18.9%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(26,399)</b>	<b>(28,437)</b>	<b>(28,598)</b>	<b>(27,681)</b>	<b>20.5%</b>

Net expenditure to be consistent with summary table T 5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual.

*Table 250.: Financial Performance: Community & Social Services*

### 5.2.11 Environmental Protection

Description	2012/13	2013/14			
	R'000				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	65	68	308	319	3.7%
Expenditure:					
Employees	3,885	4,504	4,534	4,616	1.8%
Repairs and Maintenance	1,167	969	1,077	972	-10.7%
Other	1,382	2,364	2,122	1,717	-23.6%
<b>Total Operational Expenditure</b>	<b>6,433</b>	<b>7,837</b>	<b>7,732</b>	<b>7,306</b>	<b>-32.5%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(6,369)</b>	<b>(7,769)</b>	<b>(7,425)</b>	<b>(6,986)</b>	<b>36.3%</b>

## Chapter 5: Financial Performance

Net expenditure to be consistent with summary table T 5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual.

**Table 251.: Financial Performance: Environmental Protection**

### 5.2.12 Security and Safety

Description	2012/13	2013/14			
	R'000				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	20,142	12,493	12,343	28,300	56.4%
Expenditure:					
Employees	24,633	27,193	25,458	26,113	2.5%
Repairs and Maintenance	5,080	4,187	5,612	5,079	-10.5%
Other	18,198	13,298	14,164	26,193	45.9%
<b>Total Operational Expenditure</b>	<b>47,910</b>	<b>44,678</b>	<b>45,233</b>	<b>57,385</b>	<b>37.9%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(27,769)</b>	<b>(32,185)</b>	<b>(32,890)</b>	<b>(29,084)</b>	<b>18.5%</b>

Net expenditure to be consistent with summary table T 5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual.

**Table 252.: Financial Performance: Security and Safety**

### 5.2.13 Sport and Recreation

Description	2012/13	2013/14			
	R'000				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	7,765	12,546	12,546	11,427	-9.8%
Expenditure:					
Employees	7,360	8,489	8,505	8,196	-3.8%
Repairs and Maintenance	2,972	3,631	3,555	3,310	-7.4%
Other	7,080	9,105	9,100	7,131	-27.6%

## Chapter 5: Financial Performance

<b>Total Operational Expenditure</b>	<b>17,412</b>	<b>21,224</b>	<b>21,160</b>	<b>18,637</b>	<b>-38.8%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(9,646)</b>	<b>(8,678)</b>	<b>(8,614)</b>	<b>(7,210)</b>	<b>29.0%</b>

Net expenditure to be consistent with summary table T 5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual.

**Table 253.: Financial Performance: Sport and Recreation**

### 5.2.14 Corporate Policy Offices & Other

Description	2012/13	2013/14			
	R'000				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>	110,283	61,717	63,603	64,691	1.7%
Expenditure:					
Employees	92,389	97,098	99,942	105,565	5.3%
Repairs and Maintenance	19,251	23,167	20,790	19,115	-8.8%
Other	95,750	95,444	94,880	90,189	-5.2%
<b>Total Operational Expenditure</b>	<b>207,390</b>	<b>215,708</b>	<b>215,611</b>	<b>214,869</b>	<b>-8.6%</b>
<b>Net Operational (Service) Expenditure</b>	<b>(97,107)</b>	<b>(153,991)</b>	<b>(152,008)</b>	<b>(150,178)</b>	<b>10.3%</b>

Net expenditure to be consistent with summary table T 5.1.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual.

**Table 254.: Financial Performance: Corporate Policy Offices & Other**

## 5.3 Grants

### 5.3.1 Grant Performance

The municipality had a total amount of R43 million for infrastructure and other capital projects available that was received in the form of grants from the National and Provincial Governments during the 2013/14 financial year. The performance in the spending of these grants is summarised as follows:

Grant Performance			
R' 000			
Description	2012/13	2013/14	2013/14 Variance

## Chapter 5: Financial Performance

	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Capital Transfers and Grants</b>						
<b>National Government:</b>	<b>36,911</b>	<b>25,725</b>	<b>25,718</b>	<b>25,094</b>	-2.5%	-2.4%
Financial Management Grant	552					
Municipal Systems Improvement	20	–	–	350	0.0%	0.0%
Municipal Infrastructure Grant	16,947	18,755	18,755	18,755	0.0%	0.0%
Regional Bulk Infrastructure Grant	15,174				0.0%	0.0%
Integrated National Electrification Program	1,800	3,000	3,000	2,026	-32.5%	-32.5%
Neighbourhood Development Partnership Grant	2,418	3,970	3,963	3,963	0.0%	0.0%
<b>Provincial Government:</b>	<b>16,898</b>	<b>13,662</b>	<b>16,846</b>	<b>12,996</b>	-4.9%	-22.9%
Library subsidies	13	–	–	10	0.0%	100.0%
Housing	16,651	11,180	14,364	10,404	-6.9%	-27.6%
Community Development Workers	11				0.0%	0.0%
Development of Sports & Recreation Facilities	–	–	–	100	0.0%	#DIV/0!
Public Transport Infrastructure		2,482	2,482	2,482	0.0%	0.0%
Mobility strategy	223				0.0%	0.0%
<b>Total Capital Transfers and Grants</b>	<b>53,809</b>	<b>39,387</b>	<b>42,564</b>	<b>38,090</b>	-3.3%	-10.5%

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

**Table 255.: Grant Performance for 2013/14**

## Chapter 5: Financial Performance

### 5.3.2 Conditional Grants (Excluding MIG)

Conditional Grants: excluding MIG						
R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor
				Budget	Adjustments Budget	
Financial Management Grant	1,300	1,300	1,300	0.0%	0.0%	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA) As part of strengthening financial and asset management in municipalities, the grant provides funding for water and energy internship programme to graduates in selected water boards and municipalities
Municipal Systems Improvement Grant	890	890	890	0.0%	0.0%	To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act (MSA) and related legislation, policies and local government turnaround strategy
Integrated National Electrification	3,000	3,000	2,026	-32.5%	-32.5%	To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to Eskom to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply
Neighbourhood Development Partnership Grant	3,970	3,963	3,963	-0.2%	0.0%	To support neighbourhood development projects that provide community infrastructure and create the platform for other public and private sector development, towards improving the quality of life of residents in targeted underserved neighbourhoods (townships generally)
Expanded Public Works Programme	1,244	1,244	1,244	0.0%	0.0%	To incentivize municipalities to increase job creation efforts in infrastructure, environment and culture programmes through the use of labour-intensive methods and the expansion of job creation in line with the Expanded Public Works Programme (EPWP) guidelines

## Chapter 5: Financial Performance

Conditional Grants: excluding MIG						
R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor
				Budget	Adjustments Budget	
Regional Bulk Infrastructure Grant	–	–	–	100.0%	100.0%	To develop regional bulk infrastructure for water supply to supplement water treatment works at resource development and link such water resource development with the local bulk and local distribution networks on a regional basis cutting across several local municipal boundaries
Library subsidy	805	805	805	0.0%	0.0%	To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalized programme at provincial level in support of local government and national initiatives
Community Development Workers	–	49	49	0.0%	0.0%	To provide financial assistance to municipalities to cover the operational costs pertaining to the line functions of the community development workers including regional coordinators.
Housing	31,225	33,511	29,072	-6.9%	-13.2%	To provide funding for the creation of sustainable human settlements
Main Road subsidy	2,651	2,651	2,651	0.0%	0.0%	To subsidise municipalities with the maintenance of proclaimed municipal main roads, where the municipality is the Road Authority, within municipal areas.
Thusong Centre Grant	–	218	218	0.0%	0.0%	To provide financial assistance to Municipalities with the establishment of a Thusong Service Centre
Public Transport Infrastructure	2,482	2,482	2,482	0.0%	0.0%	To assist with the provision of public transport facilities in rural communities
Housing Consumer Education Grant	–	–	47	0.0%	0.0%	To inform the community of their rights and responsibilities on becoming homeowners or tenants
Mobility Strategy	–	–	106	0.0%	0.0%	To develop, implement and promulgate impoundment facilities in accordance with the National Land Transport Act, 2009 (Act 5 of 2009).
Development of Sport & Recreation Facilities	100	100	100	0.0%	0.0%	Compliance with section 38(1)(j) of the Public Finance Management Act, 1999
Financial Management Support Grant		800	155	0.0%	-80.6%	Financial Management Systems that can assist in producing legislated reports, multi-year reports, SDBIP,

## Chapter 5: Financial Performance

Conditional Grants: excluding MIG						
R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor
				Budget	Adjustments Budget	
						annual reports and automation of financial management practices
						Adherence to the requirements of the Public Finance Management Act, 1999 and other conditions as determined by the Department of Environmental Affairs and Development Planning.
Greenest Municipality	–	50	12	0.0%	-75.3%	
Memorial Service in Honour of the former President Nelson Mandela		100	100	0.0%	0.0%	Expenditure to be limited to funeral related activities excluding commemorative advertising and clothing.
<b>Total</b>	<b>47,667</b>	<b>51,163</b>	<b>45,221</b>	<b>-5.1%</b>	<b>-11.6%</b>	

*\* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in par 5.9.2. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

**Table 256.: Conditional Grant (excl. MIG)**

Total conditional grants for the 2013/14 financial year was R45mil (excluding MIG grant and equitable share). The total conditional grants comprises of capital as well as operational grants.

The total conditional operating grants for the 2013/14 financial year was R26mil (excluding equitable share) and the total conditional capital grants for the 2013/14 financial year was R19mil (excluding MIG grant).

The operational transfers and grants finance the operational expenditure portion of the conditions attached the each relevant grant.

Total conditional grants variance between the original budget and actual was -5.1%. Total conditional grants variance between the amended budget and actual was -11.6%. This was due to two factors, namely:

- The housing allocation is on a claim basis even though it appears in the DoRA as a global amount.
- Housing, FMSG & Greenest Municipality conditional receipts of R3.06 million remained unspent at 30 June 2014.

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### 5.3.3 Grants received from sources other than the Division of Revenue Act (DORA)

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	R'000			Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
	Actual Grant 2012/13	Actual Grant 2013/14	2013/14 Municipal Contribution			
<b>Private Sector / Organisations</b>						
WWF Table Mountain Fund Grant	–	240	–	N/A	N/A	Nature conservation
Spaces for Sport	200	308	–	N/A	N/A	Recreational purposes
Samras User group	22	–	–	N/A	N/A	Samras User group
Provision of Furniture & Security for ICT Projects at Libraries	–	27	–	N/A	N/A	Public Library Programme of Province
Friedrich Naumann Foundation for Freedom	–	319	–	N/A	N/A	Training & Development of Environmental Framework
National lotto funds	500	–	–	N/A	N/A	Sporting development
Public contributions: non-cash	4,387	7,871	–	N/A	N/A	Various contributions from the public, eg. Fire truck, building, land, container etc.
Public contributions: cash	–	4,671	–	N/A	N/A	Monetary contribution in lieu of GAP housing
Government contributions: non-cash	1,500	–	–	N/A	N/A	Land transferred to municipality
<i>Provide a comprehensive response to this schedule</i>						

**Table 257.: Grants Received sources other than DORA**

The total amount of grants received from other sources during the 2013/14 financial year was R13mil.

The benefits and conditions from conditional grants and grants received from other sources can be seen in the relevant tables above.

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### 5.3.4 Level of Reliance on Grants & Subsidies

Financial year	Total grants	Total	Percentage
	and subsidies received	Operating Revenue	
	R'000	R'000	
2011/12	82,470	617,340	13.4%
2012/13	92,838	660,918	14.0%
2013/14	95,489	713,320	13.4%

Table 258.: Reliance on grants

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

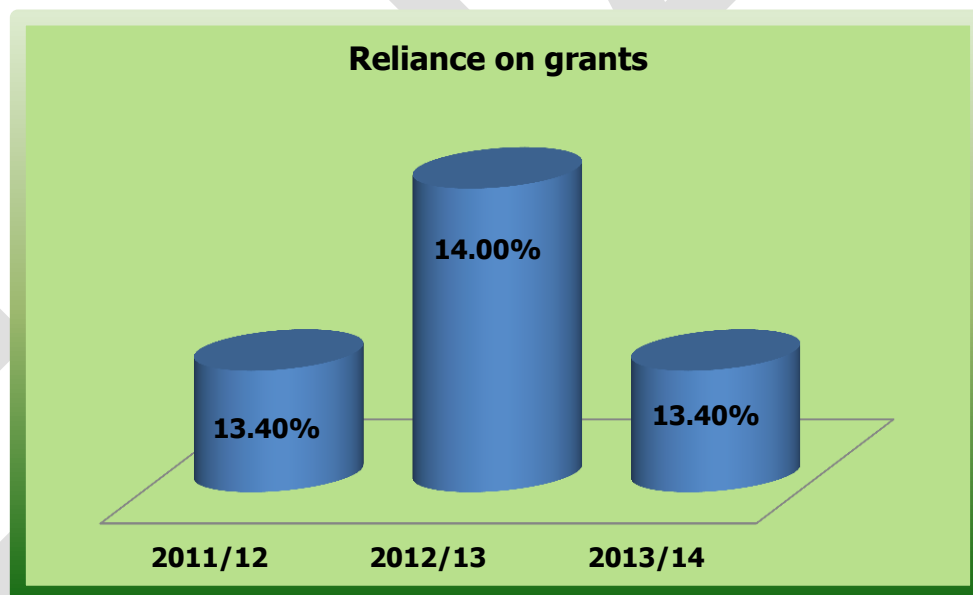


Table 259.: Reliance on grants

Total amount of conditional grants received during the 2013/14 financial year was R45mil (excluding MIG).

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## Chapter 5: Financial Performance

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### 5.4 Asset Management

The objectives of the Asset Management within the Overstrand Municipality are to assist officials in understanding their legal and managerial responsibilities with regard to assets and to ensure the effective and efficient control of the municipality's assets through:

- proper recording of assets from authorisation to acquisition and to subsequent disposal;
- providing for safeguarding procedures,
- setting proper guidelines as to authorised utilisation;and
- prescribing for proper maintenance.

The key elements of the Asset Management Policy represent:

- Statutory and Regulatory Framework / Responsibilities and Accountabilities
- Financial Management / Internal Controls / Management of Control Items
- Management and Operation Of Assets / Classification & Components
- Accounting for Assets / Financial Disclosure

The Asset Management Section consists of three staff members and forms part of the Expenditure & Asset Management Division within the Finance Directorate.

The costing module on the SAMRAS Management Information System is utilized to cost all new asset components up to completion there-of. This approach was deployed over the past year with great success.

Regular Asset counts are conducted in accordance with the prescriptions of the Asset Management Policy. Information regarding Asset Register updates in respect of disposals, adjustments, review of useful life etc. is based on submissions by user departments in accordance with the procedures in place.

Management envisages that the Asset Register will be hosted on software specifically developed for this purpose (currently on Excel) and more to full adherence to GRAP requirements.

#### 5.4.1 Treatment of the Three Largest Assets

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Asset 1	
Name	Preekstoel Water Treatment Works Upgrade
Description	Upgrading of Preekstoel Water Treatment Plant

## Chapter 5: Financial Performance

Asset 1		
Asset Type	Infrastructure	
Key Staff Involved	Hanre Blignaut / Patrick Robinson / Hannes Vorster	
Staff Responsibilities	Project Management / Asset Register Compilation	
	<b>2012/13</b>	<b>2013/14</b>
Asset Value	52 101 983	82 445 522
Capital Implications	External Loan / MIG Funding / Regional Bulk Infrastructure Grant	
Future Purpose of Asset	To treat raw water from the De Bos Dam and the three municipal well fields. The Works provide drinking water to the Greater Hermanus area.	
Describe Key Issues	Access to land (farms) for the installation of new bulk water pipelines	
Policies in Place to Manage Asset	Asset Management Policy	

**Table 260.: Summary of Largest Asset**

Asset 2		
Name	Hermanus Waste Water Treatment Works Upgrading	
Description	Upgrading of the Waste Water Treatment Works at Hermanus	
Asset Type	Infrastructure	
Key Staff Involved	Hanre Blignaut / Patrick Robinson / Hannes Vorster	
Staff Responsibilities	Project Management / Asset Register Compilation	
	<b>2012/13</b>	<b>2013/14</b>
Asset Value	22 897 159	46 694 370
Capital Implications	External Loans Funding / Regional Bulk Infrastructure Grant	
Future Purpose of Asset	To treat waste water (sewerage) from the Greater Hermanus Area	
Describe Key Issues	Proximity of the works to residential areas	
Policies in Place to Manage Asset	Asset Management Policy	

**Table 261.: Summary of 2nd Largest Asset**

Asset 3		
Name	New 66 KV Intake Point	
Description	66 KV Substation	
Asset Type	Infrastructure	
Key Staff Involved	Koos du Plessis / Jamie Klem / Hannes Vorster	
Staff Responsibilities	Project Management / Asset Register Compilation	
	<b>2012/13</b>	<b>2013/14</b>
Asset Value	16 634 716	32 878 614
Capital Implications	External Loan Funding	

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Asset 3	
Future Purpose of Asset	Eskom could not supply enough capacity to cater for the growing demand, therefore second supply intake was needed
Describe Key Issues	Identifying suitable land for construction of substation
Policies in Place to Manage Asset	Asset Management Policy

**Table 262.: Summary of 3rd Largest Asset**

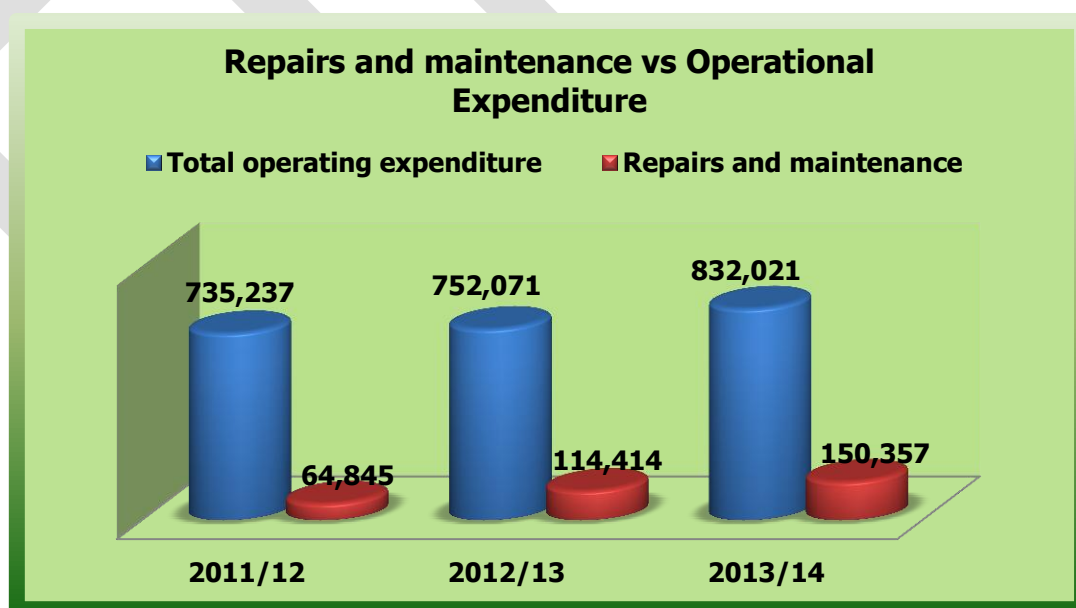
All three projects listed above are revenue generating assets and the costs are recovered through tariffs.

### 5.4.2 Repairs and Maintenance

Description	2011/12	2012/13	2013/14
	R'000	R'000	R'000
Total Operating Expenditure	735,237	752,071	832,021
Repairs and Maintenance	64,845	114,414	150,357
<b>% of total OPEX</b>	<b>8.8%</b>	<b>15.2%</b>	<b>18.1%</b>

**Table 263.: Repairs & maintenance as % of total Operating Expenditure**

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



**Graph 24.: Repairs & Maintenance vs. Operational Expenditure**

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The percentage of repairs and maintenance over the total operating expenditure for the 2013/14 financial year was 18.1% (2012/13: 15.2%). The repairs and maintenance expenditure appears adequate to maintain existing infrastructure as service delivery is not negatively affected.

### 5.5 Financial Ratios Based on Key Performance Indicators

#### 5.5.1 Liquidity Ratio

Description	Basis of calculation	2011/12	2012/13	2013/14
		Audited outcome	Audit outcome	Audited outcome
Current Ratio	Current assets/current liabilities	1.54	1.29	1.21
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.42	1.18	1.09
Liquidity Ratio	Cash and equivalents/Trade creditors and short term borrowings	2.33	1.39	1.08

**Table 264.: Liquidity Financial Ratio**

Financial year	Net current assets	Net current liabilities	Ratio
	R'000	R'000	
2011/12	210,056	136,076	1.54:1
2012/13	205,668	160,331	1.29:1
2013/14	175,465	148,801	1.21:1

**Table 265.: Liquidity Financial Ratio**

#### 5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2011/12	2012/13	2013/14
		Audited outcome	Audit outcome	Audited outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	5.83	3.49	2.3
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	13.3%	11.8%	10.4%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt	17.63	16.37	16.90

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Description	Basis of calculation	2011/12	2012/13	2013/14
		Audited outcome	Audit outcome	Audited outcome
	service payments due within financial year)			

**Table 266.: Financial Viability National KPAs**

### 5.5.3 Creditors Management

Description	Basis of calculation	2011/12	2012/13	2013/14
		Audited outcome	Audit outcome	Audited outcome
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	97%	97%	98%

**Table 267.: Creditors Management**

### 5.5.4 Borrowing Management

Description	Basis of calculation	2011/12	2012/13	2013/14
		Audited outcome	Audit outcome	Audited outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.0%	6.8%	7.3%

**Table 268.: Borrowing Management**

### 5.5.5 Employee costs

Description	Basis of calculation	2011/12	2012/13	2013/14
		Audited outcome	Audited outcome	Audited outcome
Employee costs	Employee costs/ (Total Revenue - capital revenue)	30.5%	32.7%	34.8%

**Table 269.: Employee Costs**

Overstrand Municipality is still functioning inside the acceptable liquidity norm. The Municipality has a positive liquidity ratio. It decreased from 1.39 to 1.08. The Municipality has a positive current ratio. It decreased from 1.29 to 1.21. Efforts to increase the debt collection rate must stay the main focus area for improving this ratio. The largest contributor to the increase in the current liabilities is the unspent government grants and the consumer deposits.

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The creditors' system efficiency increased from 97.4% to 97.8%. The cost coverage decreased from 3.49 to 2.3. The total outstanding service debtors to revenue decreased from 11.8% to 10.4%. The debt coverage increased from 16.37 to 16.90. The capital charges to operating expenditure increased from 6.8% to 7.3%. The employee cost over total operating revenue increased from 32.7% to 34.8%. The repairs and maintenance over total operating expenditure increased from 15.2% to 18.1%. The ratios indicate a sound financial position.

### COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

#### 5.6 Analysis of Capital and operating expenditure

	Original Budget	Adjustment Budget	Actual	Original Budget variance	Adjusted Budget Variance
R'000					
Capital Expenditure	109,897	129,697	130,930	16.1%	0.9%
Operating Expenditure	824,059	827,491	832,379	1.0%	0.6%
<b>Total expenditure</b>	<b>824,059</b>	<b>827,491</b>	<b>832,379</b>	1.0%	0.6%
Water and sanitation	109,127	116,804	121,081	9.9%	3.5%
Electricity	217,921	216,313	221,484	1.6%	2.3%
Housing	25,679	24,293	27,597	7.0%	12.0%
Roads, Pavements, Bridges and storm water	87,706	82,686	83,799	-4.7%	1.3%
Other	383,626	387,395	378,417	-1.4%	-2.4%
External Loans	59,861	73,427	70,634	15.3%	-4.0%
Internal contributions	10,425	14,939	14,336	27.3%	-4.2%
Grants and subsidies	36,028	39,061	38,090	5.4%	-2.6%
Other	3,583	2,270	7,871	54.5%	71.2%
External Loans	51,300	51,300	51,300	0.0%	0.0%
Grants and subsidies	111,955	114,137	119,361	6.2%	4.4%
Investments Redeemed				0.0%	0.0%

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	Original Budget	Adjustment Budget	Actual	Original Budget variance	Adjusted Budget Variance
R'000					
	–	–	–		
Statutory Receipts (including VAT)	50,826	50,826	53,386	4.8%	4.8%
Other Receipts	40,856	45,473	45,090	9.4%	-0.8%
Salaries, wages and allowances	250,842	252,454	260,645	3.8%	3.1%
Cash in bank	84,406	84,406	63,158	-33.6%	-33.6%
Capital payments	109,897	129,697	130,930	16.1%	0.9%
Investments made	16,379	16,379	16,965	3.5%	3.5%
External loans repaid	18,032	21,783	20,626	12.6%	-5.6%
Statutory Payments (including VAT)	27,550	27,550	28,644	3.8%	3.8%
Other payments	36,687	34,486	32,874	-11.6%	-4.9%
Property rates	126,921	126,921	134,813	5.9%	5.9%
Service charges	497,429	493,840	479,253	-3.8%	-3.0%
Other own revenue	161,762	166,538	172,942	6.5%	3.7%
Employee related costs	250,842	252,454	260,645	3.8%	3.1%
Provision for working capital	–	–	12,526	0.0%	0.0%
Materials	15,055	14,752	13,594	-10.7%	-8.5%
Bulk purchases	156,893	156,893	157,055	0.1%	0.1%
Other expenditure	401,270	403,392	388,559	-3.3%	-3.8%
Service charges: Electricity	284,936	284,936	268,362	-6.2%	-6.2%
Grants & subsidies: Electricity	3,000	3,000	2,026	-48.1%	-48.1%
Other revenue: Electricity	1,343	1,343	492	-172.9%	-172.9%
Employee related costs: Electricity	16,395	15,556	15,052	-8.9%	-3.3%
Provision for working capital: Electricity				0.0%	0.0%
Repairs and maintenance: Electricity				-5.7%	-3.1%

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	Original Budget	Adjustment Budget	Actual	Original Budget variance	Adjusted Budget Variance
	<b>R'000</b>				
	5,294	5,162	5,009		
Bulk purchases: Electricity	156,893	156,893	157,055	0.1%	0.1%
Other expenditure: Electricity	65,715	65,077	70,743	7.1%	8.0%
Service charges: Water	98,642	93,142	95,136	-3.7%	2.1%
Grants & subsidies: Water	–	–	–	0.0%	0.0%
Other revenue: Water	920	920	950	3.2%	3.2%
Employee related costs: Water	14,042	14,042	15,188	7.5%	7.5%
Provision for working capital: Water	–	–	(64)	0.0%	0.0%
Repairs and maintenance: Water	9,678	8,013	7,678	-26.0%	-4.4%
Bulk purchases: Water	–	–	–	0.0%	0.0%
Other expenditure: Water	68,349	73,630	76,637	10.8%	3.9%

**Table 270.: Analysis of Capital and Operating Expenditure**

### 5.7 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2013/14 financial year:

<b>Capital Expenditure - Funding Sources 2012/13 to 2013/14</b>							
<b>R' 000</b>							
Details	2012/13	2013/14			Adjustment to OB Variance (%)	Actual to OB Variance (%)	
	Actual	Original Budget (OB)	Adjustment Budget	Actual			
<b>Source of finance</b>							
External loans	67,544	59,861	73,427	70,634	22.66%	18.00%	
Public contributions and donations	5,067	3,583	2,270	7,871	-36.65%	119.68%	
Grants and subsidies	53,809	36,028	39,061	38,090	8.42%	5.72%	
Other	17,345	10,425	14,939	14,336	43.30%	37.51%	
<b>Total</b>					<b>37.73%</b>	<b>180.91%</b>	

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Capital Expenditure - Funding Sources 2012/13 to 2013/14							
R' 000							
Details	2012/13	2013/14			Adjustment to OB Variance (%)	Actual to OB Variance (%)	
	Actual	Original Budget (OB)	Adjustment Budget	Actual			
	143,764	109,897	129,697	130,930			
Percentage of finance							
External loans	47.0%	54.5%	56.6%	53.9%	60.1%	9.9%	
Public contributions and donations	3.5%	3.3%	1.8%	6.0%	-97.1%	66.2%	
Grants and subsidies	37.4%	32.8%	30.1%	29.1%	22.3%	3.2%	
Other	12.1%	9.5%	11.5%	10.9%	114.8%	20.7%	
Capital expenditure							
Water and sanitation	65,387	27,050	35,985	35,925	33.03%	32.81%	
Electricity	26,768	37,194	39,229	38,101	5.47%	2.44%	
Housing	–	11,180	14,364	–	28.48%	-100.00%	
Roads and storm water	30,715	17,870	16,428	27,016	-8.07%	51.18%	
Other	20,895	16,602	23,690	29,888	42.69%	80.03%	
<b>Total</b>	<b>143,764</b>	<b>109,897</b>	<b>129,697</b>	<b>130,930</b>	<b>101.60%</b>	<b>66.45%</b>	
Percentage of expenditure							
Water and sanitation	45.5%	24.6%	27.7%	27.4%	32.5%	49.4%	
Electricity	18.6%	33.8%	30.2%	29.1%	5.4%	3.7%	
Housing	0.0%	10.2%	11.1%	0.0%	28.0%	-150.5%	
Roads and storm water	21.4%	16.3%	12.7%	20.6%	-7.9%	77.0%	
Other	14.5%	15.1%	18.3%	22.8%	42.0%	120.4%	

**Table 271.: Capital Expenditure by funding source**

The Public Contribution variance is as a result of assets recognised at year end.

Capital expenditure amounting to R2.8 million, funded from external loans, remained unspent at 30 June 2014 of which R1.8 million has rolled over to the 2014/2015 capital budget.

## Chapter 5: Financial Performance

### 5.8 Capital Spending on 5 Largest Projects

Projects with the highest capital expenditure in 2013/14

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	2013/14			Variance 2013/14	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Hawston: Upgrade Roads	6,034,120	6,034,120	6,034,029	0%	0%
B - New 66kva Substation - Hermanus	14,261,348	16,252,442	16,243,897	12%	0%
C - Building Of A New Cell At Gansbaai Landfill	1,400,000	3,040,774	3,040,774	54%	0%
D - Replacement Of Water Pipes	8,400,000	8,400,000	8,397,555	0%	0%
E - Sewer Network Extension - Stanford	3,075,000	3,075,000	2,634,119	-17%	-17%

\* Projects with the highest capital expenditure in 2013/14

**Table 272.: Capital Expenditure on the 5 Largest Projects**

Name of Project	<b>A - HAWSTON: UPGRADE ROADS</b>
<b>Objective of Project</b>	Upgrade the existing gravel roads to paved roads, allow sidewalks and install proper stormwater infrastructure in Hawston. The area is situated south of George Viljoen Street, between Victoria Street and Olive Way in Hawston, with 3479 erven/houses that will be served by the proposed upgrading.
<b>Delays</b>	The project was awarded and proceeded as per programme.
<b>Future Challenges</b>	The increase of security during construction phase for the safe keeping of material.
<b>Anticipated citizen benefits</b>	There will be no houses being flooded, standing water and muddy conditions during winter, no severe dust storms during summer, no unsafe and unhealthy living conditions and continuous maintenance to keep roads operational.

**Table 273.: Summary of Hawston- Upgrade Roads**

Name of Project	<b>B - NEW 66KVA SUBSTATION - HERMANUS</b>
<b>Objective of Project</b>	Extend and Increase the Electricity Supply capacity for the Hermanus area of electricity supply
<b>Delays</b>	The project has been awarded and is proceeding as per program. Aim to align

## Chapter 5: Financial Performance

<b>Name of Project</b>	<b>B - NEW 66KVA SUBSTATION - HERMANUS</b>
	Eskom work on project with Overstrand program and end date. Project was completed on 23 October 2013.
<b>Future Challenges</b>	Adjusting the existing electricity network to align with the upgraded and altered position of electricity supply to Hermanus
<b>Anticipated citizen benefits</b>	Increased capacity of electricity supply will allow the addition of complexes such as a shopping mall and additional industry developments

**Table 274.: Summary of New 66kva Substation-Hermanus**

<b>Name of Project</b>	<b>C - BUILDING OF A NEW CELL AT GANSBAAI LANDFILL</b>
<b>Objective of Project</b>	To build a new Cell to discharge general waste at landfill according to specifications by DEADP.
<b>Delays</b>	Adverse weather conditions, but the project was still completed over two financial years as planned.
<b>Future Challenges</b>	To extend the landfill site when existing cells reach its full capacity and to rehabilitate completely filled cells as required by legislation.
<b>Anticipated citizen benefits</b>	A landfill site constructed to the required standards, thereby contributing to a healthy environment

**Table 275.: Summary of Building of a new cell at Gansbaai Landfill**

<b>Name of Project</b>	<b>D - REPLACEMENT OF WATER PIPES</b>
<b>Objective of Project</b>	The replacement and upgrade of ageing water network infrastructure
<b>Delays</b>	None
<b>Future Challenges</b>	To maintain an adequate rate of replacement of ageing infrastructure.
<b>Anticipated citizen benefits</b>	Less water supply interruptions; improved overall water supply service

**Table 276.: Summary of Replacement of Water pipes**

<b>Name of Project</b>	<b>E - SEWER NETWORK EXTENSION - STANFORD</b>
<b>Objective of Project</b>	To extend the waterborne sewer network in Stanford to eventually cover all areas of the town.
<b>Delays</b>	Adverse weather conditions during winter
<b>Future Challenges</b>	The allocation of sufficient funding to complete the entire Stanford sewer network
<b>Anticipated citizen benefits</b>	Improved sanitation service through the eradication of the tanker truck system, replacing it with a waterborne sewer system.

**Table 277.: Summary of Sewerage Network Extension- Stanford**

The variance between the original and adjustment budgets on these projects amount to 1%.

## Chapter 5: Financial Performance

### 5.9 Basic Service and Infrastructure Backlogs – Overview

The backlogs in the provision of water and sanitation in the informal settlements are the result of the historical migration of people into the area. Infrastructure in the informal settlements is, however, upgraded on a continual basis. The Access to Basic Services (ABS) project initiated by the Department of Human Settlement, aligned with Strategic Objective no. 6 of the Provincial Government, is completed. Additional water points and toilets were provided in these areas to improve the ratio of the provision of services to 1 toilet per 5 households and 1 water point per 25 households (these ratios being the minimum standards nationally).

#### 5.9.1 Service Backlogs

Description	Households (HHs)			
	Service level above minimum standard		Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	32032	100%	0	0%
Sanitation	30930	100%	0	0%
Electricity	23594	79%	0	0%
Waste management	31829	100%	0	0%

Table 278.: Service Backlogs

#### 5.9.2 Municipal Infrastructure Grant (MIG)

This grant is intended to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

Municipal Infrastructure Grant (MIG) * Expenditure 2013/14 on Service backlogs					
Details	R'				
	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
<b>Infrastructure - Road transport</b>	<b>12,255,000</b>	<b>12,255,000</b>	<b>12,254,909</b>	0%	0%
<i>Roads, Pavements &amp; Bridges</i>	12,255,000	12,255,000	12,254,909	0%	0%
<i>Storm water</i>					
<b>Infrastructure - Electricity</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<i>Generation</i>					
<i>Transmission &amp; Reticulation</i>				0%	0%

## Chapter 5: Financial Performance

Municipal Infrastructure Grant (MIG) * Expenditure 2013/14 on Service backlogs					
Details	R'				
	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
<i>Street Lighting</i>				0%	0%
<b>Infrastructure - Water</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	0%	0%
<i>Dams &amp; Reservoirs</i>				0%	0%
<i>Water purification</i>					
<i>Reticulation</i>	1,500,000	1,500,000	1,500,000	0%	0%
<b>Infrastructure - Sanitation</b>					
<i>Reticulation</i>				0%	0%
<i>Sewerage purification</i>				0%	0%
<b>Infrastructure - Other</b>	-	-	-	0%	0%
<i>Waste Management</i>				0%	0%
<i>Transportation</i>				0%	0%
<i>Gas</i>				0%	0%
<b>Other Specify:</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	0%	0%
Sport Re-creational facility - Overhills: Kleinmond Soccer Field	5,000,000	5,000,000	5,000,000	0%	0%
<b>Total</b>	<b>18,755,000</b>	<b>18,755,000</b>	<b>18,754,909</b>	<b>0</b>	<b>0</b>

*\* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

**Table 279.: Municipal Infrastructure Grant (MIG)**

The MIG Allocation for 2013/2014 of R 18 755.000 were spent on the following projects:

### **New Bulk Sewer Infrastructure WWTW (R 350 000.00 Spent on professional services):**

The bulk sewer infrastructure project for the housing development in Eluxolweni, Pearly Beach, comprises of a sewage pump station, rising main and an oxidation pond system. Eluxolweni does not have an existing waste water treatment works, the existing 100 erven are currently being serviced by conservancy tanks. The project will benefit the whole population of Eluxolweni. The population consists of a total of 419 households this includes the current 100 households, the proposed new low cost housing development consisting of 211 houses and the future development of 108 houses. The project will ensure safe and healthy living conditions.

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## Chapter 5: Financial Performance

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### **Hermanus Parallel Road (Mbeki Street) (R 3 095 373.00):**

The Purpose of the Parallel Road is to provide an alternative route to the Trunk Road (R43) for local traffic travelling between Fisherhaven/Hawston/Vermont/Onrus and Hermanus. The new portion of the planned road will provide direct access for the communities of Zwelihle and Mount Pleasant to **business opportunities** in the Sandbaai, the Industrial area and Hermanus CBD. The Mbeki Street is approximately 1,4 km long, 11,0 m wide, with 3,0m surfaced sidewalks and cycle lanes. Phase 1 of the project will benefit Sandbaai, Zwelihle and Mount Pleasant communities. The population consists of a total of 11 271 households of which **8 606** can be classified as poor households. The new road infrastructure will contribute to the following: Trade; Promotion of road safety (as proper sidewalks and cycle lanes will be provided); Access to **work opportunities** in the Sandbaai business node, Industrial area and the Hermanus CBD business node.



### **Hawston: Upgrade roads (R 6 034 120.00)**

Hawston is a coastal town situated 10km west of Hermanus on the Atlantic seaboard. It currently consists of approximately 1665 erven with a combination of gravel and paved roads serving the town. The new upgrade will contribute to the following; creation of job opportunities during the construction phase of the project and it will greatly enhance the quality of life of the inhabitants and instill a greater sense of pride in their neighbor. The project has been successfully completed.

### **Upgrade roads (Zwelihle) (R 3125 507.00)**

It is proposed to upgrade the rural roads as well as the stormwater infrastructure in Zwelihle for the following reasons:

- ✓ There is insufficient stormwater infrastructure in these RDP settlements. This leads to standing water and muddy conditions on the roads and sidewalks during the rainy season.
- ✓ There are no kerbs in the streets and this attributes to the sidewalks not being clearly defined. It also leads to edge breaks. This has the consequence that vehicles sometimes encroaching onto the pedestrian areas, which make it very unsafe for them.
- ✓ The gravel roads need continuous maintenance to keep it in decent operational condition.
- ✓ The use of paving will create some job opportunities during the construction phase of the project for the local community.
- ✓ The total project costs is R 7 775 761.00 with the balance of R 4 650 254.00 to be spent in the 2014/2015 financial year.

### **Pearly beach waste water treatment works (WWTW) (R 1 500 000.00)**

The bulk sewer infrastructure project for the housing development in Eluxolweni, Pearly Beach, comprises of a sewage pump station, rising main and an oxidation pond system. Eluxolweni does not have an existing waste water treatment works, the existing 100 erven are currently being serviced by

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## Chapter 5: Financial Performance

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conservancy tanks. The project will benefit the whole population of Eluxolweni. The population consists of a total of 419 households this includes the current 100 households, the proposed new low cost housing development consisting of 211 houses and the future development of 108 houses. The project will ensure safe and healthy living conditions.

The first phase had consisted of the provision of the sewage pipeline to the proposed waste water works and the design of the WWTW. Phase 1 has now been completed. The construction of the WWTW will be executed in the 2014/2015 financial year.

### **Overhills: Kleinmond soccer field (R 5 000 000.00)**

The existing soccer field is utilizing by thirteen teams.

The scope of the project was to determine the status quo of the existing soccer field and a proposal for the upgrading there-off and its supporting infrastructure which includes the following; The access road to the soccer field, A club house including ablution facilities, Spectator seating and fencing around the facilities.



Phase 1 of the project which is the soccer field has been started in the 2013/2014 financial year and will be completed in the 2014/2015 financial year. The project will benefit the whole population of Overhills in Kleinmond and will improve community cohesion; increase the local community's interest in sport; improve people's physical health and well-being, improve sport development & skills and will create temporary job opportunities.

## **COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS**

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Cash flow management is critical to the municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

## Chapter 5: Financial Performance

### 5.10 Cash Flow

Cash Flow Outcomes				
R'000				
Description	2012/13	2013/14		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	599,024	652,431	708,070	683,018
Government - operating	44,140	68,984	69,303	63,477
Government - capital	54,577	42,971	44,834	38,090
Interest	9,754	9,918	9,222	8,470
Dividends	599,024	652,431	708,070	683,018
<b>Payments</b>				
Suppliers and employees	(558,519)	(622,122)	(654,042)	(637,833)
Finance charges	(37,199)	(42,292)	(42,292)	(39,858)
Transfers and Grants	(35,856)	(38,766)	(39,217)	(38,749)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>75,920</b>	<b>71,124</b>	<b>95,878</b>	<b>76,616</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	1,725	–	4,617	5,073
Decrease (Increase) in non-current debtors	–	–	1,025	
Decrease (increase) other non-current receivables	45	48	14	18
Decrease (increase) in non-current investments	(4,960)	(5,359)	(4,783)	(4,529)
<b>Payments</b>				
Capital assets				
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>				
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	(389)	–	–	(730)
Borrowing long term/refinancing	38,700	51,300	51,300	51,300

## Chapter 5: Financial Performance

Cash Flow Outcomes				
R'000				
Description	2012/13	2013/14		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Increase (decrease) in consumer deposits	3,726	3,704	3,686	2,819
<b>Payments</b>				
Repayment of borrowing	(13,554)	(18,032)	(21,783)	(20,626)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>28,482</b>	<b>36,973</b>	<b>33,204</b>	<b>32,764</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(42,552)</b>	<b>(7,112)</b>	<b>259</b>	<b>(20,989)</b>
Cash/cash equivalents at the year begin:	<b>126,699</b>	<b>91,518</b>	<b>84,147</b>	<b>84,147</b>
Cash/cash equivalents at the year-end:	<b>84,147</b>	<b>84,406</b>	<b>84,406</b>	<b>63,158</b>

Source: MBRR SA7

*Table 280.: Cash flow*

Variiances between the amended budget and the actual outcome are as a result of service revenue not fully realized during the financial year and implementation of certain GRAP standards. The municipality has a positive net cash from operating activities.

### 5.11 Gross Outstanding Debtors per Service

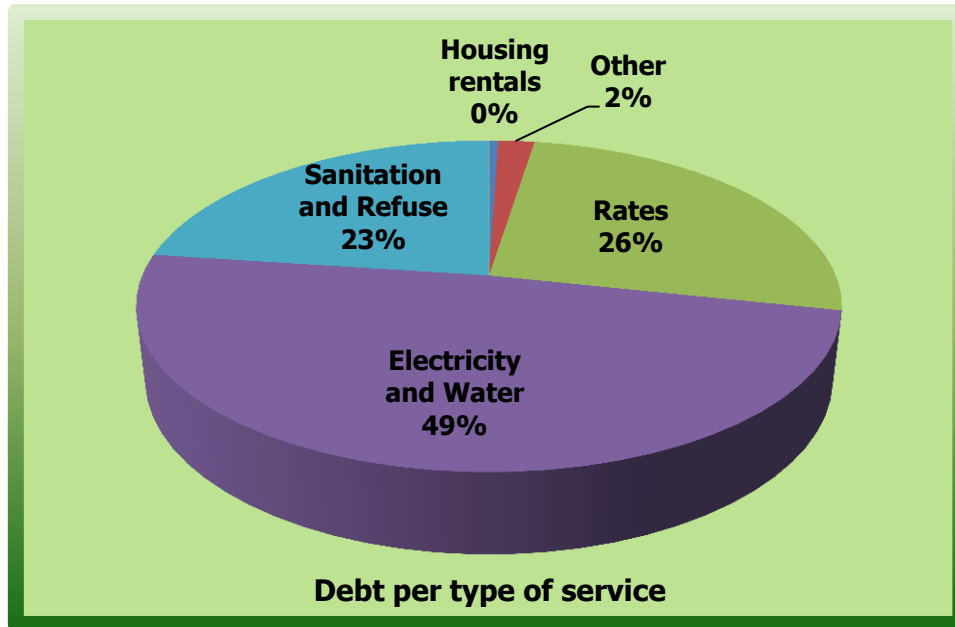
Financial year	Rates R'000	Trading services	Economic services	Housing rentals R'000	Other R'000	Total R'000
		(Electricity and Water) R'000	(Sanitation and Refuse) R'000			
2011/12	14,028	24,873	11,135	227	18,171	68,434
2012/13	16,698	31,377	13,702	321	3,843	65,941
2013/14	16,395	31,181	14,615	295	1,324	63,810
Difference	302	196	(913)	26	2,520	2,131
<b>% growth year on year</b>	2.2%	0.8%	-8.2%	11.4%	13.9%	3.1%

*Note: Figures exclude provision for bad debt*

*Table 281.: Gross outstanding debtors per service*

## Chapter 5: Financial Performance

The following graph indicates the total outstanding debt per type of service for 2013/14



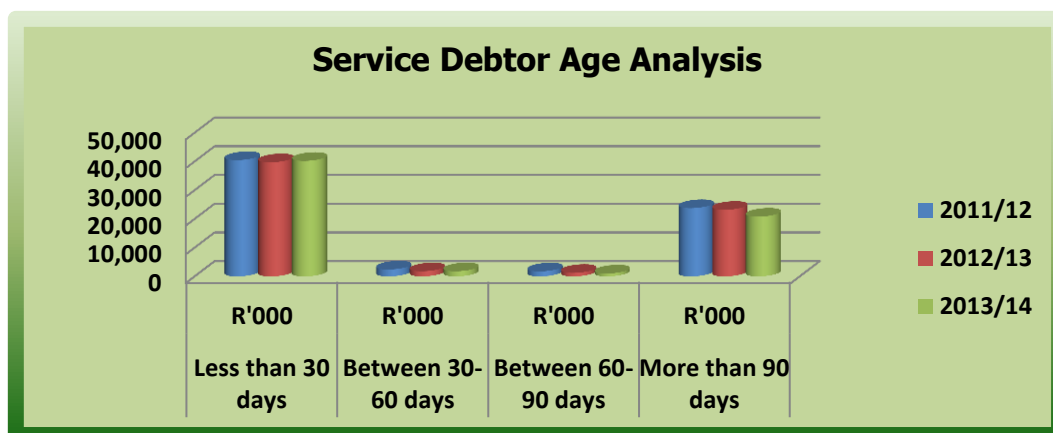
Graph 25.: Debt per type of service

### 5.12 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
2011/12	40,493	2,411	1,761	23,769	68,434
2012/13	39,725	1,799	1,237	23,179	65,941
2013/14	40,209	1,793	1,018	20,790	63,810
Difference	(484)	6	219	2,389	2,131
<b>% growth year on year</b>	<b>-1.2%</b>	<b>0.3%</b>	<b>12.5%</b>	<b>10.1%</b>	<b>3.1%</b>

Table 282.: Service debtor age analysis

## Chapter 5: Financial Performance



Graph 26.: Service debtors age analysis for the 2011/12- 2013/14 financial years

### 5.13 Borrowing and Investments

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

#### 5.13.1 Actual Borrowings

Actual Borrowings 2012/13 to 2013/14		
R' 000		
Instrument	2012/13	2013/14
<b>Municipality</b>		
Long-Term Loans (annuity/reducing balance)	382,150	412,824
Financial Leases	722	63
<b>Municipality Total</b>	<b>382,873</b>	<b>412,887</b>

Table 283.: Actual Borrowings

#### 5.13.2 Municipal Investments

Actual Investments 2012/13 to 2013/14		
R' 000		
Investment* type	2012/13	2013/14
	Actual	Actual
<b>Municipality</b>		
Deposits - Bank	55,493	50,039
Guaranteed Endowment Policies (sinking)	10,470	15,814
Investo Endowment Certificate	675	1,151

## Chapter 5: Financial Performance

Actual Investments 2012/13 to 2013/14		
R' 000		
Investment* type	2012/13	2013/14
	Actual	Actual
<b>Municipality Total</b>	<b>66,638</b>	<b>67,004</b>
T5.10.4		

**Table 284.: Municipal Investments**

### 5.13.3 Declaration of Loans and Grants made by the municipality

Declaration of Loans and Grants made by the municipality: 2013/14					
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2013/14 R'000	Total Amount committed over previous and future years	
				2012/13	2014/15
Africa Inroads	Behavioral counseling for disadvantaged children	MOU	10	0	0
Anima Children's Therapy Centre	Special Needs Children	MOU	10	0	0
BADISA: Hermanus	Hermanus Senior Centre	MOU	15	10	15
BADISA: Hangklip	Hangklip Community Care Centre	MOU	15		0
BADISA: Stanford/Gansbaai	Old Age Care Facility	MOU	30		15
Blompark Ikamva Youth Development	After School Care	MOU	10	0	10
Camphill Farm Community	Alien Vegetation Clearing	MOU	15	30	0
Camphill School	Transportation of learners	MOU	20	50	0
CANSA Relay for life	Cansa Relay for life	MOU	20	40	0
Child Welfare South Africa Hermanus	Child Protection	MOU	20	10	0
Child Welfare South Africa Kleinmond	ECD and Youth Development	MOU	20	0	15
Enlighten Education Trust	Junior Town Council	MOU	70	70	0
Grail Centre Trust	Drug and Alcohol awareness and support	MOU	10	0	0
Grootbos Foundation	Urban Agricultural Programme	MOU	25	0	0
Hermanus Pro Musica	General Support - Charitable Fundraiser	MOU	20	0	0
Hermanus Hacking Group	Alien vegetation clearing	MOU	10	20	0
Overberg Eisteddfod	Develop performing arts among the youth	MOU	10	0	0
Overberg Wheelchair Association	Ability Project	MOU	10	15	20
Overstrand Arts/Kunste	Overstrand Arts	MOU	27	30	20
Overstrand Association for	Assistance for people with	MOU	10	0	8

## Chapter 5: Financial Performance

Declaration of Loans and Grants made by the municipality: 2013/14						
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2013/14 R'000	Total Amount committed over previous and future years		
				2012/13	2014/15	
People with Disabilities	disabilities					
Overstrand Conservation Foundation	Environmental Education	MOU	20	0	25	
Overstrand Hospice	Palliative Care	MOU	25	45	28	
Siyazama Service Centre	Elderly Service Centre	MOU	10	15	20	
Stanford Animal Welfare	General Administration of animal welfare	MOU	10	15	0	
Women Action Group	HIV/AIDS Support	MOU	10	0	0	
Indigent grant	Indigent grant	Have to comply with certain requirements	38,298	n/a		

*\* Loans/Grants - whether in cash or in kind*

**Table 285.: Declaration of Loans and Grants made by the municipality**

Borrowings are incurred to fund infrastructure. Surplus cash is invested in short term instruments. The repayment of certain borrowings is encompassed in sinking funds.

### COMPONENT D: OTHER FINANCIAL MATTERS

#### 5.14 GRAP Compliance

The municipality is 100% GRAP compliant since 2008/09.

## CHAPTER 6

### COMPONENT A: AUDITOR-GENERAL OPINION 2012/13

#### 6.1 Auditor General Report 2012/13

<b>Auditor-General Report on Financial Performance 2012/13</b>	
<b>Audit Report Status:</b>	<b>Unqualified (Clean Audit)</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
There were no findings of any material misstatements in the financial statements prepared by the Municipality in accordance with S122 of the MFMA.	
There were no material findings of any instances of material non-compliance with specific matters in laws and regulations applicable to the Municipality.	

*Table 286.: AG Report on Financial Performance 2012/13*

<b>Auditor-General Report on Service Delivery Performance: 2012/13</b>	
<b>Audit Report Status:</b>	<b>Unqualified (Clean Audit)</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
There were no material findings on the annual performance report concerning the usefulness and the reliability of the information reported by the Municipality.	

*Table 287.: AG Report on Service Delivery Performance 2012/13*

### COMPONENT B: AUDITOR-GENERAL OPINION 2013/14

#### 6.2 Auditor-General Report 2013/14

<b>Auditor-General Report on Financial Performance 2013/14</b>	
<b>Audit Report Status:</b>	<b>Unqualified (Clean Audit)</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
There were no findings of any material misstatements in the financial statements prepared by the Municipality in accordance with S122 of the MFMA.	
There were no material findings of any instances of material non-compliance with specific matters in laws and regulations applicable to the Municipality.	

*Table 288.: AG Report on Financial Performance 2013/14*

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## Chapter 6: Auditor-General Findings

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<b>Auditor-General Report on Service Delivery Performance: 2013/14</b>	
<b>Audit Report Status:</b>	<b>Unqualified (Clean Audit)</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
There were no material findings on the annual performance report concerning the usefulness and the reliability of the information reported by the Municipality.	

**Table 289.: AG Report on Service Delivery Performance 2013/14**



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## Abbreviations

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### LIST OF ABBREVIATIONS

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<b>AG</b>	Auditor-General
<b>CAPEX</b>	Capital Expenditure
<b>CBP</b>	Community Based Planning
<b>CFO</b>	Chief Financial Officer
<b>DPLG</b>	Department of Provincial and Local Government
<b>DWAF</b>	Department of Water Affairs and Forestry
<b>EE</b>	Employment Equity
<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>HR</b>	Human Resources
<b>IDP</b>	Integrated Development Plan
<b>IFRS</b>	International Financial Reporting Standards
<b>IMFO</b>	Institute for Municipal Finance Officers
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>LED</b>	Local Economic Development
<b>MAYCOM</b>	Executive Mayoral Committee
<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)
<b>MIG</b>	Municipal Infrastructure Grant
<b>MM</b>	Municipal Manager
<b>MMC</b>	Member of Mayoral Committee
<b>MSA</b>	Municipal Systems Act No. 32 of 2000
<b>MTECH</b>	Medium Term Expenditure Committee
<b>NGO</b>	Non-governmental organisation
<b>NT</b>	National Treasury
<b>OPEX</b>	Operating expenditure
<b>PMS</b>	Performance Management System
<b>PT</b>	Provincial Treasury
<b>SALGA</b>	South African Local Government Organisation
<b>SAMDI</b>	South African Management Development Institute
<b>SCM</b>	Supply Chain Management
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework

Annexure A:

Audited Financial Statements

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## Annexures

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FINAL



Overstrand Municipality  
Financial statements  
for the year ended 30 June 2014



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**OVERSTRAND MUNICIPALITY  
ANNUAL FINANCIAL STATEMENTS**

**for the year ended 30 June 2014**

**APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS**

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 81, in terms of Section 126(1)(a) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in the notes of these annual financial statement are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



**OC GROENEWALD  
MUNICIPAL MANAGER**

26 November 2014



# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

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# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Statement of Financial Position as at 30 June 2014

Figures in Rand	Note(s)	2014	2013 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	11	13,136,770	20,256,723
Operating lease asset		761,954	850,640
Receivables from exchange transactions	12	26,406,569	26,775,540
Receivables from non-exchange transactions	13	18,600,652	16,248,647
VAT receivable	14	5,934,940	8,346,728
Consumer debtors	15	47,450,936	49,025,188
Long term receivables	10	14,785	17,432
Cash and cash equivalents	16	63,158,415	84,147,296
		<b>175,465,021</b>	<b>205,668,194</b>
<b>Non-Current Assets</b>			
Investment property	4	164,500,500	175,866,200
Property, plant and equipment	5	3,011,484,327	2,997,546,807
Intangible assets	6	5,220,007	4,448,587
Heritage assets	7	99,571,975	99,573,044
Investments	8	16,965,036	11,596,590
Long term receivables	10	68,205	83,571
		<b>3,297,810,050</b>	<b>3,289,114,799</b>
Non-current assets held for sale	17	4,301,069	1,025,005
		<b>3,477,576,140</b>	<b>3,495,807,998</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Borrowings	20	20,380,859	17,756,093
Finance lease obligation	18	62,622	484,773
Payables from exchange transactions	22	61,517,718	71,705,571
Consumer deposits	23	37,750,995	34,932,021
Employee benefit obligation	9	2,173,716	2,033,000
Unspent conditional grants and receipts	19	3,425,499	7,783,323
Provisions	21	23,489,724	25,636,521
		<b>148,801,133</b>	<b>160,331,302</b>
<b>Non-Current Liabilities</b>			
Borrowings	20	392,443,635	364,394,191
Finance lease obligation	18	-	237,664
Employee benefit obligation	9	95,534,792	79,887,000
Provisions	21	32,991,999	39,431,887
		<b>520,970,426</b>	<b>483,950,742</b>
<b>Total Liabilities</b>		<b>669,771,559</b>	<b>644,282,044</b>
<b>Net Assets</b>		<b>2,807,804,581</b>	<b>2,851,525,954</b>
<b>Reserves</b>			
Housing development fund		2,564,844	1,891,493
Accumulated surplus		2,805,239,737	2,849,634,461
<b>Total Net Assets</b>		<b>2,807,804,581</b>	<b>2,851,525,954</b>

\* See Note 47



# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Statement of Financial Performance

Figures in Rand	Note(s)	2014	2013 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	25	479,252,517	436,438,766
Rental of facilities and equipment		7,590,838	7,211,811
Income from agency services		2,394,759	2,025,238
Licences and permits		1,955,766	1,968,301
Other income	28	16,630,507	18,009,140
Interest received	34	8,470,109	9,753,672
<b>Total revenue from exchange transactions</b>		<b>516,294,496</b>	<b>475,406,928</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	24	134,812,632	120,798,946
Property rates - penalties imposed	24	820,635	772,203
<b>Transfer revenue</b>			
Government grants and subsidies	26	105,925,162	95,488,947
Public contributions and donations	27	13,436,150	6,609,119
Fines	13	22,739,348	14,244,131
<b>Total revenue from non-exchange transactions</b>		<b>277,733,927</b>	<b>237,913,346</b>
<b>Total revenue</b>		<b>794,028,423</b>	<b>713,320,274</b>
<b>Expenditure</b>			
Employee costs	31	(260,644,836)	(231,641,558)
Remuneration of councillors	32	(7,932,511)	(7,084,131)
Depreciation and amortisation	36	(99,360,930)	(95,183,487)
Impairment loss / Reversal of impairments	37	-	(9,224,060)
Finance costs	38	(39,927,311)	(37,331,465)
Debt impairment	33	(12,525,633)	(6,688,318)
Materials		(13,594,529)	(12,440,774)
Bulk purchases	42	(157,055,063)	(145,021,600)
Contracted services	40	(72,754,121)	(67,697,215)
Grants and subsidies paid	41	(38,749,289)	(35,856,345)
General expenses	29	(117,460,188)	(102,145,948)
<b>Total expenditure</b>		<b>(820,004,411)</b>	<b>(750,314,901)</b>
<b>Operating surplus / (deficit)</b>	30	<b>(25,975,988)</b>	<b>(36,994,627)</b>
Loss on disposal of assets and liabilities		(12,017,434)	(1,755,579)
Fair value adjustments	35	(7,021,105)	49,648,749
		<b>(19,038,539)</b>	<b>47,893,170</b>
<b>(Deficit) / surplus for the year</b>		<b>(45,014,527)</b>	<b>10,898,543</b>

\* See Note 47

# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Statement of Changes in Net Assets

Figures in Rand	Housing development fund	Accumulated surplus	Total net assets
Opening balance at 01 July 2012 as previously reported	1,919,828	2,847,332,211	2,849,252,039
Adjustments			
Prior year adjustments	-	(9,929,327)	(9,929,327)
<b>Balance at 01 July 2012 restated*</b>	<b>1,919,828</b>	<b>2,837,402,884</b>	<b>2,839,322,712</b>
Changes in net assets			
(Deficit) / surplus for the year	-	10,898,543	10,898,543
Transfer to / (from) housing development fund	(28,335)	-	(28,335)
Transfer to / (from) self insurance fund	-	1,333,034	1,333,034
Total changes	(28,335)	12,231,577	12,203,242
Opening balance at 01 July 2013 as previously reported	1,891,493	2,855,854,062	2,857,745,555
Adjustments			
Prior year adjustments	-	(6,219,606)	(6,219,606)
<b>Balance at 01 July 2013 restated*</b>	<b>1,891,493</b>	<b>2,849,634,456</b>	<b>2,851,525,949</b>
Changes in net assets			
(Deficit) / surplus for the year	-	(45,014,527)	(45,014,527)
Transfer to / (from) housing development fund	673,351	-	673,351
Transfer to / (from) self insurance fund	-	619,808	619,808
Total changes	673,351	(44,394,719)	(43,721,368)
<b>Balance at 30 June 2014</b>	<b>2,564,844</b>	<b>2,805,239,737</b>	<b>2,807,804,581</b>

\* See Note 47

# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Cash Flow Statement

Figures in Rand	Note(s)	2014	2013 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Taxation		135,054,434	120,273,420
Sale of goods and services		485,985,953	440,786,982
Grants		101,567,337	98,716,792
Interest income		8,470,109	9,753,672
Other receipts		63,503,431	40,384,446
Movement in housing development fund and self insurance fund		1,293,159	1,304,700
		<u>795,874,423</u>	<u>711,220,012</u>
<b>Payments</b>			
Employee costs		(244,856,328)	(223,226,558)
Suppliers		(157,055,063)	(145,021,600)
Finance costs		(39,857,502)	(37,198,618)
Other payments		(274,670,862)	(226,127,677)
		<u>(716,439,755)</u>	<u>(631,574,453)</u>
<b>Net cash flows from operating activities</b>	43	<b><u>79,434,668</u></b>	<b><u>79,645,559</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	(128,735,039)	(141,545,358)
Proceeds from sale of property, plant and equipment	5	5,072,932	1,669,546
Purchase of investment property	4	(795,000)	(945,000)
Proceeds from sale of investment property	4	-	55,000
Purchase of other intangible assets	6	(1,400,190)	(1,273,858)
Movement in financial assets		(4,528,851)	(4,960,000)
Movement in long term receivables		18,013	45,067
		<u>(130,368,135)</u>	<u>(146,954,603)</u>
<b>Net cash flows from investing activities</b>		<b><u>(130,368,135)</u></b>	<b><u>(146,954,603)</u></b>
<b>Cash flows from financing activities</b>			
Movement in other financial liabilities		30,674,210	25,146,011
Movement in finance leases		(729,624)	(389,138)
		<u>29,944,586</u>	<u>24,756,873</u>
<b>Net cash flows from financing activities</b>		<b><u>29,944,586</u></b>	<b><u>24,756,873</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>(20,988,881)</u></b>	<b><u>(42,552,171)</u></b>
Cash and cash equivalents at the beginning of the year		84,147,296	126,699,467
<b>Cash and cash equivalents at the end of the year</b>	16	<b><u>63,158,415</u></b>	<b><u>84,147,296</u></b>

\* See Note 47

# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Note reference
Figures in Rand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Service charges	497,428,900	(3,589,360)	<b>493,839,540</b>	479,252,517	<b>(14,587,023)</b>	57
Rental of facilities and equipment	8,550,800	-	<b>8,550,800</b>	7,590,838	<b>(959,962)</b>	57
Income from agency services	2,250,000	4,500	<b>2,254,500</b>	2,394,759	<b>140,259</b>	57
Licences and permits	2,046,000	-	<b>2,046,000</b>	1,955,766	<b>(90,234)</b>	57
Other income	15,249,200	(380,993)	<b>14,868,207</b>	16,630,507	<b>1,762,300</b>	57
Interest received	9,918,000	(696,436)	<b>9,221,564</b>	8,470,109	<b>(751,455)</b>	57
<b>Total revenue from exchange transactions</b>	<b>535,442,900</b>	<b>(4,662,289)</b>	<b>530,780,611</b>	<b>516,294,496</b>	<b>(14,486,115)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Property rates	131,155,600	-	<b>131,155,600</b>	134,812,632	<b>3,657,032</b>	57
Property rates - penalties imposed	1,000,000	-	<b>1,000,000</b>	820,635	<b>(179,365)</b>	57
Government grants and subsidies	108,411,494	3,495,975	<b>111,907,469</b>	105,925,162	<b>(5,982,307)</b>	57
<b>Transfer revenue</b>						
Public contributions and donations	3,923,088	(229,834)	<b>3,693,254</b>	13,436,150	<b>9,742,896</b>	57
Fines	6,078,800	1,450,000	<b>7,528,800</b>	22,739,348	<b>15,210,548</b>	57
<b>Total revenue from non-exchange transactions</b>	<b>250,568,982</b>	<b>4,716,141</b>	<b>255,285,123</b>	<b>277,733,927</b>	<b>22,448,804</b>	
<b>Total revenue</b>	<b>786,011,882</b>	<b>53,852</b>	<b>786,065,734</b>	<b>794,028,423</b>	<b>7,962,689</b>	
<b>Expenditure</b>						
Employee costs	(250,842,008)	(1,612,324)	<b>(252,454,332)</b>	(260,644,836)	<b>(8,190,504)</b>	57
Remuneration of councillors	(7,576,965)	(400,827)	<b>(7,977,792)</b>	(7,932,511)	<b>45,281</b>	57
Depreciation and amortisation	(103,809,910)	1,740,102	<b>(102,069,808)</b>	(99,360,930)	<b>2,708,878</b>	57
Finance costs	(42,291,500)	-	<b>(42,291,500)</b>	(39,927,311)	<b>2,364,189</b>	57
Debt impairment	-	-	-	(12,525,633)	<b>(12,525,633)</b>	
Materials	(15,054,500)	579,274	<b>(14,475,226)</b>	(13,594,529)	<b>880,697</b>	57
Bulk purchases	(156,892,800)	-	<b>(156,892,800)</b>	(157,055,063)	<b>(162,263)</b>	57
Contracted services	(74,836,966)	(1,969,110)	<b>(76,806,076)</b>	(72,754,121)	<b>4,051,955</b>	57
Grants and subsidies paid	(38,766,000)	(451,300)	<b>(39,217,300)</b>	(38,749,289)	<b>468,011</b>	57
General expenses	(133,988,525)	(1,317,659)	<b>(135,306,184)</b>	(117,460,188)	<b>17,845,996</b>	57
<b>Total expenditure</b>	<b>(824,059,174)</b>	<b>(3,431,844)</b>	<b>(827,491,018)</b>	<b>(820,004,411)</b>	<b>7,486,607</b>	
<b>Operating deficit</b>	<b>(38,047,292)</b>	<b>(3,377,992)</b>	<b>(41,425,284)</b>	<b>(25,975,988)</b>	<b>15,449,296</b>	
Loss on disposal of assets and liabilities	100,000	383,000	<b>483,000</b>	(12,017,434)	<b>(12,500,434)</b>	57
Fair value adjustments	-	750,000	<b>750,000</b>	(7,021,105)	<b>(7,771,105)</b>	57
	<b>100,000</b>	<b>1,133,000</b>	<b>1,233,000</b>	<b>(19,038,539)</b>	<b>(20,271,539)</b>	
<b>Deficit before taxation</b>	<b>(37,947,292)</b>	<b>(2,244,992)</b>	<b>(40,192,284)</b>	<b>(45,014,527)</b>	<b>(4,822,243)</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>(37,947,292)</b>	<b>(2,244,992)</b>	<b>(40,192,284)</b>	<b>(45,014,527)</b>	<b>(4,822,243)</b>	



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# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Note reference
Figures in Rand						
<b>Statement of Financial Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Inventories	7,486,288	4,141,600	<b>11,627,888</b>	13,136,770	<b>1,508,882</b>	57
Operating lease asset	-	-	-	761,954	<b>761,954</b>	57
Receivables from exchange transactions	40,769,317	4,617,000	<b>45,386,317</b>	26,406,569	<b>(18,979,748)</b>	57
Receivables from non-exchange transactions	-	-	-	18,600,652	<b>18,600,652</b>	57
VAT receivable	-	-	-	5,934,940	<b>5,934,940</b>	
Consumer debtors	50,826,051	-	<b>50,826,051</b>	47,450,936	<b>(3,375,115)</b>	57
Long term receivables	13,534	-	<b>13,534</b>	14,785	<b>1,251</b>	57
Cash and cash equivalents	84,406,046	-	<b>84,406,046</b>	63,158,415	<b>(21,247,631)</b>	57
	<b>183,501,236</b>	<b>8,758,600</b>	<b>192,259,836</b>	<b>175,465,021</b>	<b>(16,794,815)</b>	
<b>Non-Current Assets</b>						
Investment property	87,289,228	88,576,972	<b>175,866,200</b>	164,500,500	<b>(11,365,700)</b>	57
Property, plant and equipment	3,080,474,281	8,685,059	<b>3,089,159,340</b>	3,011,484,327	<b>(77,675,013)</b>	57
Intangible assets	4,042,957	405,630	<b>4,448,587</b>	5,220,007	<b>771,420</b>	57
Heritage assets	-	-	-	99,571,975	<b>99,571,975</b>	57
Investments	16,379,460	-	<b>16,379,460</b>	16,965,036	<b>585,576</b>	57
Long term receivables	73,049	-	<b>73,049</b>	68,205	<b>(4,844)</b>	57
	<b>3,188,258,975</b>	<b>97,667,661</b>	<b>3,285,926,636</b>	<b>3,297,810,050</b>	<b>11,883,414</b>	
Non-current assets held for sale	-	39,500,000	<b>39,500,000</b>	4,301,069	<b>(35,198,931)</b>	57
<b>Total Assets</b>	<b>3,371,760,211</b>	<b>145,926,261</b>	<b>3,517,686,472</b>	<b>3,477,576,140</b>	<b>(40,110,332)</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Borrowings	20,623,002	-	<b>20,623,002</b>	20,380,859	<b>(242,143)</b>	57
Finance lease obligation	-	-	-	62,622	<b>62,622</b>	57
Payables from exchange transactions	64,237,355	(2,154,437)	<b>62,082,918</b>	61,517,719	<b>(565,199)</b>	57
Consumer deposits	38,618,185	-	<b>38,618,185</b>	37,750,995	<b>(867,190)</b>	57
Employee benefit obligation	-	-	-	2,173,716	<b>2,173,716</b>	57
Unspent conditional grants and receipts	-	-	-	3,425,499	<b>3,425,499</b>	57
Provisions	6,831,377	-	<b>6,831,377</b>	23,489,724	<b>16,658,347</b>	57
	<b>130,309,919</b>	<b>(2,154,437)</b>	<b>128,155,482</b>	<b>148,801,134</b>	<b>20,645,652</b>	
<b>Non-Current Liabilities</b>						
Borrowings	391,789,234	-	<b>391,789,234</b>	392,443,635	<b>654,401</b>	57
Employee benefit obligation	-	-	-	95,534,792	<b>95,534,792</b>	57
Provisions	135,325,362	-	<b>135,325,362</b>	32,991,999	<b>(102,333,363)</b>	57
	<b>527,114,596</b>	-	<b>527,114,596</b>	<b>520,970,426</b>	<b>(6,144,170)</b>	
<b>Total Liabilities</b>	<b>657,424,515</b>	<b>(2,154,437)</b>	<b>655,270,078</b>	<b>669,771,560</b>	<b>14,501,482</b>	
<b>Net Assets</b>	<b>2,714,335,696</b>	<b>148,080,698</b>	<b>2,862,416,394</b>	<b>2,807,804,580</b>	<b>(54,611,814)</b>	
<b>Reserves</b>						
Housing development fund	317,102,859	(315,176,077)	<b>1,926,782</b>	2,564,844	<b>638,062</b>	57
Accumulated surplus	2,397,232,837	463,256,775	<b>2,860,489,612</b>	2,805,239,736	<b>(55,249,876)</b>	57
<b>Total Net Assets</b>	<b>2,714,335,696</b>	<b>148,080,698</b>	<b>2,862,416,394</b>	<b>2,807,804,580</b>	<b>(54,611,814)</b>	

# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Note reference
Figures in Rand						
<b>Cash Flow Statement</b>						
<b>Cash flows from operating activities</b>						
<b>Receipts</b>						
Taxation	126,816,928	(12,085,737)	<b>114,731,191</b>	135,054,434	<b>20,323,243</b>	57
Sale of goods and services	500,727,715	12,688,763	<b>513,416,478</b>	485,985,953	<b>(27,430,525)</b>	57
Grants	111,954,582	2,136,268	<b>114,090,850</b>	101,567,337	<b>(12,523,513)</b>	57
Interest income	9,918,000	(696,436)	<b>9,221,564</b>	8,470,109	<b>(751,455)</b>	57
Other receipts	28,590,636	55,018,230	<b>83,608,866</b>	63,503,431	<b>(20,105,435)</b>	57
Movement in housing development fund and self insurance fund	-	-	-	1,293,159	<b>1,293,159</b>	57
	<b>778,007,861</b>	<b>57,061,088</b>	<b>835,068,949</b>	<b>795,874,423</b>	<b>(39,194,526)</b>	
<b>Payments</b>						
Employee costs	(241,876,349)	(2,529,583)	<b>(244,405,932)</b>	(244,856,328)	<b>(450,396)</b>	57
Suppliers	(156,892,800)	-	<b>(156,892,800)</b>	(157,055,063)	<b>(162,263)</b>	57
Finance costs	(42,291,500)	-	<b>(42,291,500)</b>	(39,857,502)	<b>2,433,998</b>	57
Other payments	(262,118,988)	(29,795,252)	<b>(291,914,240)</b>	(274,670,863)	<b>17,243,377</b>	57
	<b>(703,179,637)</b>	<b>(32,324,835)</b>	<b>(735,504,472)</b>	<b>(716,439,756)</b>	<b>19,064,716</b>	
<b>Net cash flows from operating activities</b>	<b>74,828,224</b>	<b>24,736,253</b>	<b>99,564,477</b>	<b>79,434,667</b>	<b>(20,129,810)</b>	
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment	(109,897,130)	(19,799,550)	<b>(129,696,680)</b>	(128,735,039)	<b>961,641</b>	57
Proceeds from sale of property, plant and equipment	-	4,617,000	<b>4,617,000</b>	5,072,932	<b>455,932</b>	57
Purchase of investment property	-	-	-	(795,000)	<b>(795,000)</b>	
Purchase of other intangible assets	-	-	-	(1,400,190)	<b>(1,400,190)</b>	57
Movement in financial assets	(5,359,460)	576,590	<b>(4,782,870)</b>	(4,528,851)	<b>254,019</b>	57
Movement in long term receivables	47,627	(33,207)	<b>14,420</b>	18,014	<b>3,594</b>	57
Movement in non-current assets held for sale	-	1,025,005	<b>1,025,005</b>	-	<b>(1,025,005)</b>	57
<b>Net cash flows from investing activities</b>	<b>(115,208,963)</b>	<b>(13,614,162)</b>	<b>(128,823,125)</b>	<b>(130,368,134)</b>	<b>(1,545,009)</b>	
<b>Cash flows from financing activities</b>						
Movement in other financial liabilities	33,268,350	(3,750,952)	<b>29,517,398</b>	30,674,210	<b>1,156,812</b>	57
Movement in finance lease obligation	-	-	-	(729,624)	<b>(729,624)</b>	57
<b>Net cash flows from financing activities</b>	<b>33,268,350</b>	<b>(3,750,952)</b>	<b>29,517,398</b>	<b>29,944,586</b>	<b>427,188</b>	
Net increase/(decrease) in cash and cash equivalents	(7,112,389)	7,371,139	<b>258,750</b>	(20,988,881)	<b>(21,247,631)</b>	57
Cash and cash equivalents at the beginning of the year	91,518,435	(7,371,139)	<b>84,147,296</b>	84,147,296	-	57
<b>Cash and cash equivalents at the end of the year</b>	<b>84,406,046</b>	-	<b>84,406,046</b>	<b>63,158,415</b>	<b>(21,247,631)</b>	



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**OVERSTRAND MUNICIPALITY**  
Financial Statements for the year ended 30 June 2014

**Appropriation Statement**

Figures in Rand	2014						2013								
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of MFMA)	Final Adjustment Budget	Shifting of Funds S31 of MFMA	Virement R'000 (i.t.o. council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised i.t.o. s32 of MFMA	Balance to be recovered	Restated outcome
<b>Financial Performance</b>															
Property rates	126,921,437	-	126,921,437	-	-	126,921,437	134,812,632	-	7,891,195	106%	106%	-	-	-	117,246,304
Service charges	497,428,900	(3,589,360)	493,839,540	-	-	493,839,540	479,252,517	-	(14,587,023)	97%	96%	-	-	-	437,073,874
Investment Revenue	9,918,000	(696,436)	9,221,564	-	-	9,221,564	8,470,109	-	(751,455)	92%	85%	-	-	-	9,752,077
Transfers recognised - Operational	68,984,000	319,280	69,303,280	-	-	69,303,280	67,835,315	-	(1,467,965)	98%	98%	-	-	-	41,661,304
Other own revenue	39,888,963	3,289,823	43,178,786	-	-	43,178,786	65,568,003	-	22,389,217	152%	164%	-	-	-	89,336,722
<b>Total Revenue (excl. capital transfers and contributions)</b>	<b>743,141,300</b>	<b>(676,893)</b>	<b>742,464,607</b>	-	-	<b>742,464,607</b>	<b>755,938,576</b>	-	<b>13,473,969</b>	<b>102%</b>	<b>102%</b>	-	-	-	<b>695,070,281</b>
Employee costs	(250,842,008)	(1,612,324)	(252,454,332)	-	-	(252,454,332)	(260,644,836)	5,669,791	(8,190,504)	103%	104%	-	-	-	(231,565,778)
Remuneration of councillors	(7,576,965)	(400,827)	(7,977,792)	-	-	(7,977,792)	(7,932,511)	-	45,281	99%	105%	-	-	-	(7,084,131)
Debt impairment	-	-	-	-	-	-	-	-	-	0%	0%	-	-	-	(934,421)
Depreciation and asset impairment	(103,809,910)	1,740,102	(102,069,808)	-	-	(102,069,808)	(99,360,930)	-	2,708,878	97%	96%	-	-	-	(105,280,446)
Finance charges	(42,291,500)	-	(42,291,500)	-	-	(42,291,500)	(39,927,311)	-	2,364,189	94%	94%	-	-	-	(37,334,541)
Bulk purchases	(156,892,800)	-	(156,892,800)	-	-	(156,892,800)	(157,055,063)	-	(162,263)	100%	100%	-	-	-	(145,021,600)
Transfers and grants	(38,766,000)	(451,300)	(39,217,300)	-	-	(39,217,300)	(38,749,289)	-	468,011	99%	100%	-	-	-	(35,656,345)
Other expenditure	(223,879,991)	(2,707,485)	(226,587,486)	-	-	(226,587,486)	(235,373,010)	12,151,366	(8,785,524)	104%	105%	-	-	-	(183,959,959)
<b>Total Expenditure</b>	<b>(824,059,174)</b>	<b>(3,431,844)</b>	<b>(827,491,018)</b>	-	-	<b>(827,491,018)</b>	<b>(839,042,950)</b>	<b>18,021,157</b>	<b>(11,551,932)</b>	<b>101%</b>	<b>102%</b>	-	-	-	<b>(747,055,215)</b>
<b>Surplus (Deficit)</b>	<b>(80,917,874)</b>	<b>(4,708,537)</b>	<b>(85,626,411)</b>	-	-	<b>(85,626,411)</b>	<b>(83,104,374)</b>	-	<b>1,922,037</b>	<b>98%</b>	<b>103%</b>	-	-	-	<b>(51,985,934)</b>
Transfers recognised - capital	39,387,494	3,176,695	42,564,189	-	-	42,564,189	38,089,847	-	(4,474,342)	89%	97%	-	-	-	53,808,707
Contributions recognised - capital and contributed assets	3,583,088	(1,313,150)	2,269,938	-	-	2,269,938	-	-	(2,269,938)	0%	0%	-	-	-	5,289,119
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>(37,947,292)</b>	<b>(2,244,992)</b>	<b>(40,192,284)</b>	-	-	<b>(40,192,284)</b>	<b>(45,014,527)</b>	-	<b>(4,822,243)</b>	<b>112%</b>	<b>119%</b>	-	-	-	<b>7,111,892</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	0%	0%	-	-	-	-
<b>Surplus (Deficit) for the year</b>	<b>(37,947,292)</b>	<b>(2,244,992)</b>	<b>(40,192,284)</b>	-	-	<b>(40,192,284)</b>	<b>(45,014,527)</b>	-	<b>(4,822,243)</b>	<b>112%</b>	<b>119%</b>	-	-	-	<b>7,111,892</b>
<b>Capital expenditure and funds sources</b>															
<b>Total capital expenditure</b>	109,897,129	19,799,552	129,696,681	-	-	129,696,681	130,930,228	-	1,233,547	101%	119%	-	-	-	-
<b>Sources of capital funds</b>															
Transfers recognised - capital	36,027,693	3,220,545	39,248,238	-	-	39,248,238	34,207,446	-	(5,040,792)	87%	95%	-	-	-	-
Public contributions and donations	3,583,088	(1,500,000)	2,083,088	-	-	2,083,088	8,984,655	-	6,901,567	431%	251%	-	-	-	-
Borrowing	59,861,348	13,565,429	73,426,777	-	-	73,426,777	70,633,706	-	(2,793,071)	96%	118%	-	-	-	-
Internally generated funds	10,425,000	4,513,578	14,938,578	-	-	14,938,578	17,104,421	-	2,165,843	114%	164%	-	-	-	-
<b>Total sources of capital funds</b>	<b>109,897,129</b>	<b>19,799,552</b>	<b>129,696,681</b>	-	-	<b>129,696,681</b>	<b>130,930,228</b>	-	<b>1,233,547</b>	<b>101%</b>	<b>119%</b>	-	-	-	-
<b>Cash flows</b>															
Net cash from (used) operating	71,123,867	21,540,156	92,664,023	-	-	92,664,023	79,434,668	-	(13,229,355)	86%	112%	-	-	-	-
Net cash from (used) investing	(115,208,963)	(10,399,872)	(125,608,835)	-	-	(125,608,835)	(130,368,135)	-	(4,759,300)	104%	113%	-	-	-	-
Net cash from (used) financing	36,972,707	(3,769,145)	33,203,562	-	-	33,203,562	29,944,586	-	(3,258,976)	90%	81%	-	-	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(7,112,389)</b>	<b>7,371,139</b>	<b>258,750</b>	-	-	<b>258,750</b>	<b>(20,988,981)</b>	-	<b>(21,247,631)</b>	<b>-812%</b>	<b>295%</b>	-	-	-	-
Cash and Cash equivalents at the beginning of the year	94,518,435	(7,371,139)	84,147,296	-	-	84,147,296	84,147,296	-	-	100%	92%	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>84,406,046</b>	-	<b>84,406,046</b>	-	-	<b>84,406,046</b>	<b>63,158,415</b>	-	<b>(21,247,631)</b>	<b>75%</b>	<b>75%</b>	-	-	-	-

# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

The financial statements have been prepared on a going-concern basis.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

#### 1.1 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the municipality.

#### 1.2 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

##### Impairment testing

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors.

##### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 21 - Provisions.

##### Useful lives of infrastructure and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

##### Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

#### 1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.



# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1.3 Investment property (continued)

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

#### Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Property interests held under operating leases are classified and accounted for as investment property.

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, are as follows:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties.
- Land held for currently undetermined future use.
- Leases properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as Investment Properties. The rental revenue generated is incidental to the purposes for which the property is held.

### 1.4 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of assets and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.



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# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1.4 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	5 - 30
Furniture and fixtures	3 - 15
Motor vehicles	4 - 10
Infrastructure	
• Road and paving	3 - 60
• Pedestrian malls	25 - 80
• Electricity	3 - 60
• Water	5 - 100
• Sewerage	10 - 60
• Housing	30
Community	
• Improvements	5 - 30
• Recreational facilities	5 - 30
• Security	5 - 15
Bins and containers	10 - 15

The residual value, the useful life and depreciation method of each asset are reviewed at least at of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use or disposal of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Land is not depreciated as it is deemed to have an indefinite useful life.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

### 1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.



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Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1.5 Intangible assets (continued)

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life in years
Computer software, other	2 - 5

### 1.6 Heritage assets

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

#### Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

#### Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

#### Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

#### Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

#### Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.



# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1.6 Heritage assets (continued)

#### Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

### 1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Derecognition is the removal of a previously recognised financial asset or financial liability from a municipality's statement of financial position.

#### Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

#### Class

Operating lease assets  
Receivables from exchange transactions  
Receivables from non-exchange transactions  
VAT receivable  
Consumer debtors  
Long term receivables  
Cash and cash equivalents  
Other financial assets

#### Category

Financial asset measured at amortised cost  
Financial asset measured at amortised cost  
Financial asset measured at amortised cost  
Financial asset measured at amortised cost  
Financial asset measured at amortised cost  
Financial asset measured at amortised cost  
Financial asset measured at amortised cost  
Financial asset measured at fair value

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

#### Class

Other financial liabilities  
Finance lease obligations  
Payables from exchange transactions  
Consumer deposits

#### Category

Financial liability measured at amortised cost  
Financial liability measured at amortised cost  
Financial liability measured at amortised cost  
Financial liability measured at amortised cost

#### Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

#### Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Accounting Policies

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### 1.7 Financial instruments (continued)

#### Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

#### Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

#### Impairment and uncollectibility of financial assets

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

The calculation in respect of the impairment of fines receivable (receivables from non-exchange transactions) is based on an assessment of the past payment history of fines per category.

#### Derecognition

##### Financial assets

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality :
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.



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### 1.7 Financial instruments (continued)

If a transfer does not result in derecognition because the municipality has retained substantially all the risks and rewards of ownership of the transferred asset, the municipality continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the municipality recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

#### Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

### 1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

#### Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

#### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

#### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

### 1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.



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### 1.9 Inventories (continued)

Subsequently inventories are measured at the lower of cost and net realisable value or the lower of cost and current replacement cost.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Water is valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Low cost housing properties are subsequently valued at the lower of cost and current replacement cost. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

### 1.10 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

The gain or loss on the eventual sale of non-current assets held for sale is included in the statement of financial performance as a gain or loss on sale of assets. The gain or loss on the eventual sale of non-current assets held for sale is calculated on the difference between the net disposal proceeds and the carrying amount of the individual asset.

### 1.11 Impairment of cash-generating assets

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

#### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.



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### 1.11 Impairment of cash-generating assets (continued)

#### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

### 1.12 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

#### Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

### 1.13 Employee benefits

Employee benefits are all forms of consideration given by a municipality in exchange for service rendered by employees.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from a municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.



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### 1.13 Employee benefits (continued)

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

#### Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to the fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued bi-annually on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.



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### 1.13 Employee benefits (continued)

#### Other post retirement obligations

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

### 1.14 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 45.

### 1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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### 1.15 Revenue from exchange transactions (continued)

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption from the first reading after the reporting date.

Revenue from the sale of pre-paid electricity units is recognised when the risks and rewards of ownership has passed to the buyer.

Revenue received from pre-paid electricity sales are deferred and recognised as revenue on the consumption basis, commencing on the date of purchase. The consumption of pre-paid electricity is measured by using a trend analysis and other historical data about electricity usage, including how often an electricity card is purchased or additional units of electricity loaded onto a pre-paid card.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has a water connection. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are charged on both vacant and developed property using the tariffs approved from Council and are levied monthly.



# Overstrand Municipality

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### 1.15 Revenue from exchange transactions (continued)

#### Interest and other revenue

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

Revenue arising from the application of the approved tariff of charges is recognised when the service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

### 1.16 Revenue from non-exchange transactions

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.



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### 1.16 Revenue from non-exchange transactions (continued)

#### Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

#### Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

#### Fines

Fines constitute both spot fines and camera fines. Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the municipality is entitled to collect.

Subsequent to initial recognition and measurement, the municipality assesses the collectability of the revenue and recognises a separate impairment loss, where appropriate.

#### Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality, and the fair value of the assets can be measured reliably.

#### Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

#### Services in-kind

Services in-kind are not recognised.

### 1.17 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the municipality on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

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Financial Statements for the year ended 30 June 2014

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### 1.17 Borrowing costs (continued)

All other borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.18 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### 1.19 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.20 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.21 Irregular expenditure

According to section 1 of the MFMA: "irregular expenditure", in relation to a municipality or municipal entity, means -

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act and which has not been condoned in terms of section 170; or
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act and which has not been condoned in terms of that Act; or
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy and which has not been condoned in terms of such policy or by-law,

but excludes expenditure by a municipality which falls within the definition of unauthorised expenditure.

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debtor's account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the council may write off the amount and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly.



# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

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### 1.21 Irregular expenditure (continued)

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.22 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

### 1.23 Internal reserves

#### Self insurance reserve

The municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term cash investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

### 1.24 Budget information

Municipalities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipalities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2013/07/01 to 2014/06/30.

The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the financial statements as the recommended disclosure when the financial statements and the budget are on the same basis of accounting as determined by National Treasury.

Comparative information is not required.

### 1.25 Related parties

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

### 1.26 Changes in accounting policies, estimates and errors

Changes in accounting policies that are effected by management are applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

# Overstrand Municipality

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### 1.26 Changes in accounting policies, estimates and errors (continued)

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

### 1.27 Events after reporting date

Events after reporting date that are classified as adjusting events are accounted for in the annual financial statements. The events after reporting date that are classified as non-adjusting events are disclosed in the notes to the annual financial statements.

### 1.28 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

### 1.29 Standards issued but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18	Segment reporting - issued February 2011
GRAP 108	Statutory receivables - issued September 2013

Application of all the above GRAP standards will be effective from the date to be announced by the Minister of Finance. This date is not currently available.

The ASB Directive 5 paragraph 29 allows for the municipality to apply the principles established in a standard of GRAP that has been issued, but is not yet effective, in developing an appropriate accounting policy dealing with a particular transaction or event before applying paragraph 12 of GRAP 3 on Accounting policies, Changes in accounting estimates and Errors.

The municipality applied the principles established in a standard of GRAP that has been issued, but is not yet effective, in developing an appropriate accounting policy dealing with the following transactions, but have not early adopted these standards:

GRAP 20	Related parties - issued June 2011
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Management has considered all the above standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

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### 2. Changes in accounting policy

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards and interpretation of the standards.

- GRAP 25 Employee benefits - effective 1 July 2013
- IGRAP1 Applying the probability test on initial recognition of revenue - effective 1 July 2013

Refer to note 47 for more detail.

### 3. New standards and interpretations

#### 3.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25: Employee benefits	01 April 2013	Immaterial
• IGRAP1 (as revised 2012):Applying the probability test on initial recognition of revenue	01 April 2013	On the initial recognition of traffic fines debtor and the subsequent impairment thereof

### 4. Investment property

	2014			2013		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	164,500,500	-	164,500,500	175,866,200	-	175,866,200

#### Reconciliation of investment property - 2014

	Opening balance	Additions	Transfers	Fair value adjustments	Total
Investment property	175,866,200	795,000	(4,300,000)	(7,860,700)	164,500,500



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# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

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### 4. Investment property (continued)

#### Reconciliation of investment property - 2013

	Opening balance	Additions	Disposals	Transfers	Fair value adjustments	Total
Investment property	104,672,500	945,000	(55,000)	21,149,090	49,154,610	175,866,200

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Revenue earned on Investment properties during the period under review was R342,264 (2012/13 : R358,919)

Transfers to Investment properties were from owner-occupied property and non-current assets held for sale.

Investment properties are adjusted to their fair value on an annual basis. The valuations are performed by Boland Valuers, independent valuers who are not connected to the municipality.

### 5. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	355,127,927	(425,208)	354,702,719	346,042,386	(425,208)	345,617,178
Buildings	136,543,588	(27,006,096)	109,537,492	133,993,587	(21,397,607)	112,595,980
Infrastructure	5,121,515,656	(2,682,545,926)	2,438,969,730	5,065,867,783	(2,630,009,669)	2,435,858,114
Community	98,455,082	(35,640,724)	62,814,358	91,462,841	(32,680,117)	58,782,724
Other	79,844,947	(34,475,920)	45,369,027	73,742,861	(30,107,686)	43,635,175
Leased equipment	139,288	(48,287)	91,001	1,379,399	(321,763)	1,057,636
<b>Total</b>	<b>5,791,626,488</b>	<b>(2,780,142,161)</b>	<b>3,011,484,327</b>	<b>5,712,488,857</b>	<b>(2,714,942,050)</b>	<b>2,997,546,807</b>



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### 5. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Transfers	Under construction	Depreciation	Total
Land	345,617,178	9,085,541	-	-	-	-	354,702,719
Buildings	112,595,980	1,493,665	-	1,056,335	-	(5,608,488)	109,537,492
Infrastructure	2,435,858,114	86,506,721	(15,404,959)	(1,056,335)	18,167,465	(85,101,276)	2,438,969,730
Community	58,782,724	1,182,959	-	-	5,809,281	(2,960,606)	62,814,358
Other	43,635,175	6,489,407	(660,402)	735,706	-	(4,830,859)	45,369,027
Leased equipment	1,057,636	-	-	(735,706)	-	(230,929)	91,001
	<b>2,997,546,807</b>	<b>104,758,293</b>	<b>(16,065,361)</b>	<b>-</b>	<b>23,976,746</b>	<b>(98,732,158)</b>	<b>3,011,484,327</b>

#### Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Disposals	Transfers	Under construction	Depreciation	Impairment loss	Total
Land	345,447,078	1,346,702	-	(751,394)	-	-	(425,208)	345,617,178
Buildings	114,902,671	3,319,769	(1,728,000)	1,568,431	-	(5,466,891)	-	112,595,980
Infrastructure	2,390,744,704	65,652,638	(708,815)	(644,552)	62,744,663	(81,930,524)	-	2,435,858,114
Community	59,780,718	2,328,158	-	(747,881)	273,191	(2,851,462)	-	58,782,724
Other	42,791,879	5,708,744	(538,380)	-	-	(4,327,068)	-	43,635,175
Leased equipment	1,121,147	171,493	-	-	-	(235,004)	-	1,057,636
	<b>2,954,788,197</b>	<b>78,527,504</b>	<b>(2,975,195)</b>	<b>(575,396)</b>	<b>63,017,854</b>	<b>(94,810,949)</b>	<b>(425,208)</b>	<b>2,997,546,807</b>

A register containing the information required by section 63 of the Local Government: Municipal Finance Management Act (56 of 2003) is available for inspection at the registered office of the municipality.

# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

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### 6. Intangible assets

	2014			2013		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	4,405,449	(1,545,442)	2,860,007	3,005,259	(916,672)	2,088,587
Water rights	2,360,000	-	2,360,000	2,360,000	-	2,360,000
<b>Total</b>	<b>6,765,449</b>	<b>(1,545,442)</b>	<b>5,220,007</b>	<b>5,365,259</b>	<b>(916,672)</b>	<b>4,448,587</b>

#### Reconciliation of intangible assets - 2014

	Opening balance	Additions	Amortisation	Total
Computer software, other	2,088,587	1,400,190	(628,770)	2,860,007
Water rights	2,360,000	-	-	2,360,000
	<b>4,448,587</b>	<b>1,400,190</b>	<b>(628,770)</b>	<b>5,220,007</b>

#### Reconciliation of intangible assets - 2013

	Opening balance	Additions	Amortisation	Total
Computer software, other	1,187,265	1,273,858	(372,536)	2,088,587
Water rights	2,360,000	-	-	2,360,000
	<b>3,547,265</b>	<b>1,273,858</b>	<b>(372,536)</b>	<b>4,448,587</b>

### Other information

Intangible assets with indefinite lives:

Water right	2,360,000	2,360,000
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The municipality entered into a contract with Kraai Bosch Plase (Pty) Ltd on 28 May 1999. The useful life of the water right is considered to be indefinite as the contract does not define when the municipality will cease to enjoy the right to use the water from the Kraaibosch dam. There is no reason to believe that the right to the Kraaibosch dam has a limited useful life due to the condition of the dam. Regular assessments are performed to determine whether the conditions that existed at the inception of the contract have changed.

### 7. Heritage assets

	2014			2013		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Conservation areas	107,905,466	(9,250,000)	98,655,466	107,906,535	(9,250,000)	98,656,535
Stamp collections, military insignia, medals, coin	99,309	-	99,309	99,309	-	99,309
Recreational parks	817,200	-	817,200	817,200	-	817,200
<b>Total</b>	<b>108,821,975</b>	<b>(9,250,000)</b>	<b>99,571,975</b>	<b>108,823,044</b>	<b>(9,250,000)</b>	<b>99,573,044</b>



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# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

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### 7. Heritage assets (continued)

#### Reconciliation of heritage assets 2014

	Opening balance	Transfers	Total
Conservation areas	98,656,535	(1,069)	98,655,466
Stamp collections, military insignia, medals, coin	99,309	-	99,309
Recreational parks	817,200	-	817,200
	<b>99,573,044</b>	<b>(1,069)</b>	<b>99,571,975</b>

#### Reconciliation of heritage assets 2013

	Opening balance	Impairment losses recognised	Total
Conservation areas	107,906,535	(9,250,000)	98,656,535
Stamp collections, military insignia, medals, coin	99,309	-	99,309
Recreational parks	817,200	-	817,200
	<b>108,823,044</b>	<b>(9,250,000)</b>	<b>99,573,044</b>

### 8. Investments

#### Designated at fair value

Liberty - Sinking funds	15,814,408	10,469,952
Momentum - Sinking fund	1,150,628	675,490
New Republic Bank	-	451,148

The municipality has an investment with New Republic Bank. The bank is under receivership since October 1999. Interest only accrued until 31 December 2007. There is no guarantee that the municipality will receive the full value of the investment. After the 2013 financial year-end, a dividend of R0.5268 on the capital still outstanding was received. Therefore a portion of the impairment was reversed. This brings the total payout to 99.15% of the original investment.

<b>16,965,036</b>	<b>11,596,590</b>
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#### Non-current assets

Designated at fair value	16,965,036	11,596,590
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In determining the recoverability of other financial assets, the Overstrand Municipality considers any change in the credit quality of the other financial assets from the date the credit was initially granted up to the reporting date.



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# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

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### 9. Employee benefit obligations

#### Defined benefit plan

The plan is a post-employment health care benefit plan.

#### Post-employment health care benefit plan

The municipality provides certain post-employment health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas;
- LA Health;
- Prosano; - Hosmed;
- Samwumed; and
- Keyhealth

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2014 by ARCH Actuarial Consulting, Fellow of the Actuarial Society of South Africa, including projections for the 2015 and 2016 financial periods. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

#### The members of the Post-employment health care benefit plan are made up as follows:

In-service members (employees)	367	387
Continuation members (retirees, widowers and orphans)	71	70
	<b>438</b>	<b>457</b>

#### The amounts recognised in the statement of financial position are as follows:

##### Carrying value

Present value of the defined benefit obligation-wholly unfunded	(97,708,508)	(81,920,000)
Non-current liabilities	(95,534,792)	(79,887,000)
Current liabilities	(2,173,716)	(2,033,000)
	<b>(97,708,508)</b>	<b>(81,920,000)</b>

#### Changes in the present value of the defined benefit obligation are as follows:

Opening balance	81,920,000	73,505,000
Net expense recognised in the statement of financial performance	15,788,508	8,415,000
	<b>97,708,508</b>	<b>81,920,000</b>

#### Net expense recognised in the statement of financial performance

Current service cost	4,940,000	4,580,000
Interest cost	6,439,000	5,778,000
Actuarial (gains) losses	6,445,136	83,043
Benefits	(2,035,628)	(2,026,043)
	<b>15,788,508</b>	<b>8,415,000</b>



# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

Figures in Rand 2014 2013

### 9. Employee benefit obligations (continued)

#### Key assumptions used

Assumptions used at the reporting date:

Discount rates used	8.94 %	7.86 %
Medical cost trend rates	7.86 %	6.37 %
Net effective discounted rate	1.00 %	1.40 %

Management assessed the assumptions used and found it to be adequate.

#### Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effect:

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	13,526,605	9,667,614
Effect on defined benefit obligation	113,598,000	84,795,000

Amounts for the current and previous four years are as follows:

	2014 R	2013 R	2012 R	2011 R	2010 R
Defined benefit obligation	97,708,508	81,920,000	73,505,000	63,437,000	56,587,000

#### Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all its employees. A number of defined contribution plan, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

### 10. Long term receivables

Land sales	752	1,452
Housing selling scheme	16,738	17,710
Sport clubs	65,500	81,841
	<b>82,990</b>	<b>101,003</b>
<b>Non-current assets</b>		
Long term receivables	68,205	83,571
<b>Current assets</b>		
Long term receivables	14,785	17,432
	<b>82,990</b>	<b>101,003</b>

In determining the recoverability of long term receivables, the Overstrand Municipality considers any change in the credit quality of the long term receivables from the date the credit was initially granted up to the reporting date.



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## Notes to the Financial Statements

Figures in Rand	2014	2013
<b>11. Inventories</b>		
Stores and materials	6,949,949	7,868,690
Work-in-progress - Low cost housing	1,851,413	1,460,129
Low cost housing properties not transferred to beneficiaries	3,912,600	10,664,800
Water	422,808	263,104
	<b>13,136,770</b>	<b>20,256,723</b>

### Inventories recognised as an expense during the year:

Water	27,647,556	21,944,511
Stores and materials	8,880,495	7,831,644
Low cost housing	18,119,392	-
	<b>54,647,443</b>	<b>29,776,155</b>

### 12. Receivables from exchange transactions <sup>1</sup>

Trade debtors	16,733,329	14,631,066
Prepayments	2,472,249	-
Deposits	535,372	491,418
Accrued interest	-	10,685
Insurance debtor	330,178	735,326
Other debtors	6,335,441	10,907,045
	<b>26,406,569</b>	<b>26,775,540</b>

In determining the recoverability of receivables from exchange transactions, the Overstrand Municipality considers any change in the credit quality of the trade and other receivables from the date the credit was initially granted up to the reporting date.

### 13. Receivables from non-exchange transactions <sup>1</sup>

Fines	9,465,278	6,565,827
Government grants and subsidies	6,265,099	6,552,223
Control accounts - sundry	2,870,275	3,130,597
	<b>18,600,652</b>	<b>16,248,647</b>

In determining the recoverability of receivables from non-exchange transactions, the Overstrand Municipality considers any change in the credit quality of the trade and other receivables from the date the credit was initially granted up to the reporting date.

#### Receivables from non-exchange transactions impaired

As at 30 June 2014, fines receivable from non-exchange transactions of R 29,323,598 (2013: R 13,834,252) were impaired and provided for. Revenue from fines recognised for the year amounts to R 22,739,348 (2013: R 14,244,131).

The amount of the provision was R 19,858,320 as of 30 June 2014 (2013: R 7,268,425).

Fines receivable from non-exchange transactions after the provision of impairment amounted to R 9,465,278 (2013: R 6,565,827).

The ageing of the afore-mentioned is as follows:

< 12 months	3,706,054	3,573,205
> 1 year	5,759,224	2,992,622

<sup>1</sup> See Note 15 for further details of receivables from exchange and non-exchange transactions



# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

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### 13. Receivables from non-exchange transactions (continued)

#### Reconciliation of provision for impairment of receivables from non-exchange transactions

Opening balance	7,268,425	1,514,529
Provision for impairment	12,589,895	5,753,896
	<b>19,858,320</b>	<b>7,268,425</b>

The calculation in respect of the impairment of fines receivable (receivables from non-exchange transactions) is based on an assessment of the past payment history of fines per category.

### 14. VAT receivable

VAT	5,934,940	8,346,728
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In determining the recoverability of VAT receivable, the Overstrand Municipality considers any change in the credit quality of the VAT receivable from the date the credit was initially granted up to the reporting date.

Overstrand Municipality is registered on the cash/payment basis for VAT.

### 15. Consumer debtors

#### Gross balances

Rates	16,395,359	16,697,642
Electricity	17,546,629	19,149,129
Water	13,634,858	12,228,131
Sewerage	8,233,807	7,763,926
Refuse	6,380,938	5,937,890
Property rental	294,826	320,671
Other	1,323,744	3,843,364
	<b>63,810,161</b>	<b>65,940,753</b>

#### Less: Allowance for impairment

Rates	(4,203,333)	(4,263,813)
Electricity	(4,461,826)	(1,270,055)
Water	(3,495,614)	(3,907,440)
Sewerage	(2,110,929)	(2,853,395)
Refuse	(1,635,903)	(1,573,294)
Property rental	(75,585)	(221,261)
Other	(376,035)	(2,826,307)
	<b>(16,359,225)</b>	<b>(16,915,565)</b>

#### Net balance

Rates	12,192,026	12,433,829
Electricity	13,084,803	17,879,074
Water	10,139,244	8,320,691
Sewerage	6,122,878	4,910,531
Refuse	4,745,035	4,364,596
Property rental	219,241	99,410
Other	947,709	1,017,057
	<b>47,450,936</b>	<b>49,025,188</b>



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Figures in Rand	2014	2013
<b>15. Consumer debtors (continued)</b>		
<b>Included in the above is receivables from exchange transactions</b>		
Electricity	13,084,803	17,879,074
Water	10,139,244	8,320,691
Sewerage	6,122,878	4,910,531
Refuse	4,745,035	4,364,596
Property rental	219,241	99,410
	<b>34,311,201</b>	<b>35,574,302</b>
<b>Included in the above is receivables from non-exchange transactions</b>		
Rates	12,192,026	12,433,829
Other	947,709	1,017,057
	<b>13,139,735</b>	<b>13,450,886</b>
<b>Net balance</b>	<b>47,450,936</b>	<b>49,025,188</b>
<b>Rates</b>		
Current (0 -30 days)	8,946,093	7,828,846
31 - 60 days	308,703	259,014
61 - 90 days	201,022	178,391
91 - 120 days	171,392	142,197
+ 120 days	2,564,816	4,025,381
	<b>12,192,026</b>	<b>12,433,829</b>
<b>Electricity</b>		
Current (0 -30 days)	8,942,047	12,043,462
31 - 60 days	345,839	305,716
61 - 90 days	168,179	176,579
91 - 120 days	121,948	125,352
+ 120 days	3,506,790	5,227,965
	<b>13,084,803</b>	<b>17,879,074</b>
<b>Water</b>		
Current (0 -30 days)	6,720,433	4,639,419
31 - 60 days	439,638	307,209
61 - 90 days	140,579	248,512
91 - 120 days	162,686	224,380
+ 120 days	2,675,908	2,901,171
	<b>10,139,244</b>	<b>8,320,691</b>
<b>Sewerage</b>		
Current (0 -30 days)	3,905,089	2,687,782
31 - 60 days	146,515	148,507
61 - 90 days	110,743	108,477
91 - 120 days	87,846	91,421
+ 120 days	1,872,685	1,874,344
	<b>6,122,878</b>	<b>4,910,531</b>



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## Notes to the Financial Statements

Figures in Rand	2014	2013
<b>15. Consumer debtors (continued)</b>		
<b>Refuse</b>		
Current (0 -30 days)	3,225,487	2,581,655
31 - 60 days	110,394	113,360
61 - 90 days	78,834	81,451
91 - 120 days	64,933	66,878
+ 120 days	1,265,387	1,521,252
	<b>4,745,035</b>	<b>4,364,596</b>
<b>Property rental</b>		
Current (0 -30 days)	93,193	48,133
31 - 60 days	9,271	6,927
61 - 90 days	5,267	4,608
91 - 120 days	4,321	3,583
+ 120 days	107,189	36,159
	<b>219,241</b>	<b>99,410</b>
<b>Other</b>		
Current (0 -30 days)	266,813	370,326
31 - 60 days	30,004	73,549
61 - 90 days	77,471	41,718
91 - 120 days	68,116	21,706
+ 120 days	505,305	509,758
	<b>947,709</b>	<b>1,017,057</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(16,915,565)	(18,113,692)
Contributions to / (from) allowance	-	(594,272)
Debt impairment written off against allowance	449,073	1,792,399
Reversal of allowance	107,267	-
	<b>(16,359,225)</b>	<b>(16,915,565)</b>



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# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

Figures in Rand 2014 2013

### 16. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	15,980	16,230
Bank balances	13,103,058	29,089,520
Short-term deposits	50,039,377	55,041,546
	<b>63,158,415</b>	<b>84,147,296</b>

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2014	30 June 2013	30 June 2012	30 June 2014	30 June 2013	30 June 2012
ABSA - Cheque - 322-000-0035	36,997,660	56,932,992	70,318,621	12,210,480	27,959,806	51,031,117
ABSA - Cheque - 405-589-9787	57	235	6,994	5,022	2,485	1,686
ABSA - Cheque - 405-642-0921	65,977	81,327	63,400	81,487	93,290	74,237
ABSA - Cheque - 405-657-8021	563,302	693,477	404,637	438,922	359,548	331,156
ABSA - Cheque - 405-298-3157	367,147	674,390	244,941	367,147	674,391	244,941
ABSA Call accounts	50,039,378	30,041,546	25,000,000	50,039,377	30,041,546	25,000,000
Nedbank Call account	-	25,000,000	-	-	25,000,000	-
STB Call account	-	-	50,000,000	-	-	50,000,000
Cash on hand	-	-	-	15,980	16,230	16,330
<b>Total</b>	<b>88,033,521</b>	<b>113,423,967</b>	<b>146,038,593</b>	<b>63,158,415</b>	<b>84,147,296</b>	<b>126,699,467</b>

### 17. Non-current assets held for sale

Assets meeting the definition and recognition criteria of non-current assets held for sale are reclassified and measured in accordance with GRAP 100 requirements.

ERF 11154 (portion of ERF 384), Hermanus

The Council's approval for the transfer of the property was obtained on 28 May 2014. The deed of sale was signed and attorneys were instructed to attend to the registration of the transfer in the Deeds Office, which will be effected by 30 June 2015.

ERF 10573 (portion of ERF 572), Hermanus

The Council's approval for the transfer of the property was obtained on 22 April 2008. The deed of exchange was signed and attorneys were instructed to attend to the registration of the transfer in the Deeds Office. The attorneys could only proceed with the necessary after approval was obtained from the Provincial Department for the lifting of a restrictive condition against the title deed, which was only obtained in November 2013. The transaction will most probably register in the Deeds Office before 30 June 2015.

**Non-current assets held for sale comprises of the following:**

Erf no. 109 - Van Dyksbaai	-	1,025,000
Erf no. 217 - Zwelihle	-	5
Erf no. 11154 - Hermanus	4,300,000	-
Erf no. 10573 - Hermanus	1,069	-
	<b>4,301,069</b>	<b>1,025,005</b>

# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

Figures in Rand	2014	2013
<b>18. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	69,325	560,631
- in second to fifth year inclusive	-	266,484
	<u>69,325</u>	<u>827,115</u>
less: future finance charges	(6,704)	(172,643)
<b>Present value of minimum lease payments</b>	<u><b>62,621</b></u>	<u><b>654,472</b></u>
<b>Present value of minimum lease payments due</b>		
- within one year	62,621	484,773
- in second to fifth year inclusive	-	259,781
	<u><b>62,621</b></u>	<u><b>744,554</b></u>
Non-current liabilities	-	237,664
Current liabilities	62,622	484,773
	<u><b>62,622</b></u>	<u><b>722,437</b></u>

The municipality has entered into contracts with suppliers for the rental of office equipment and has agreed to accept the option to purchase the equipment at the end of the lease term.

The average lease term was 3 years and the average effective borrowing rate was 13% (2013: 13%).

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

Refer to note 5 for the carrying value of assets under finance lease.

### 19. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

#### Unspent conditional grants and receipts

Housing consumer education grant	-	47,385
Human settlements development grant	2,381,752	5,460,898
Mobility strategy grant	-	105,868
Public transport non-motorised infrastructure grant	-	1,500,000
Financial management support grant	645,189	-
Greenest municipality competition grant	37,640	-
Unspent public contributions and donations	360,918	669,172
	<u><b>3,425,499</b></u>	<u><b>7,783,323</b></u>

#### Movement during the year

Balance at the beginning of the year	7,783,323	4,555,477
Additions during the year	61,888,978	63,292,914
Income recognition during the year	(66,246,802)	(60,065,068)
	<u><b>3,425,499</b></u>	<u><b>7,783,323</b></u>

The nature and extent of government grants recognised in the financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 26 for reconciliation of grants from National/Provincial Government and note 27 for the public contributions.

# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

Figures in Rand 2014 2013

### 20. Borrowings

#### At amortised cost

Annuity loans 412,824,494 382,150,284

The fair values of the financial liabilities were determined as follows:

a) The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values. The fair value of Financial Assets and Financial Liabilities were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratio's of the municipality's debtors.

b) At the reporting date there are no significant concentrations of credit risk for other financial liabilities. The carrying amount reflected above represents the municipality's maximum exposure to credit risk for such other financial liabilities.

Refer to note 48 for maturity analysis of financial liabilities.

#### Non-current liabilities

At amortised cost 392,443,635 364,394,191

#### Current liabilities

At amortised cost 20,380,859 17,756,093

### 21. Provisions

#### Reconciliation of provisions - 2014

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Reduction due to re-measurement or settlement without cost to entity	Total
Rehabilitation of tip sites	40,123,493	-	-	-	(12,360,729)	27,762,764
Clearing of alien vegetation	1,487,477	9,000	(306,126)	-	(46,976)	1,143,375
Gratification payable	443,500	-	(10,681)	(24,979)	-	407,840
Long service awards	6,449,000	3,587,158	(781,655)	-	-	9,254,503
Leave pay	10,061,040	2,246,025	(956,654)	-	(587,256)	10,763,155
Bonuses	6,503,898	646,188	-	-	-	7,150,086
	<b>65,068,408</b>	<b>6,488,371</b>	<b>(2,055,116)</b>	<b>(24,979)</b>	<b>(12,994,961)</b>	<b>56,481,723</b>

#### Reconciliation of provisions - 2013

	Opening Balance	Additions/ Adjustments	Utilised during the year	Total
Rehabilitation of tip sites	36,869,450	3,254,043	-	40,123,493
Clearing of alien vegetation	1,716,292	(8,354)	(220,461)	1,487,477
Gratification payable	464,606	-	(21,106)	443,500
Long service awards	6,095,136	1,044,125	(690,261)	6,449,000
Leave pay	8,601,764	2,138,142	(678,866)	10,061,040
Bonuses	5,692,062	811,836	-	6,503,898
	<b>59,439,310</b>	<b>7,239,792</b>	<b>(1,610,694)</b>	<b>65,068,408</b>

Non-current liabilities 32,991,999 39,431,887

Current liabilities 23,489,724 25,636,521

**56,481,723 65,068,408**

# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

Figures in Rand

2014

2013

### 21. Provisions (continued)

#### Rehabilitation of tip sites

Provision is made in terms of the Overstrand Municipality's licensing stipulations on the landfill sites, for the estimated cost of rehabilitating landfill sites. The estimation of landfill sites was conducted by JPCE specialist waste management consultants, independent consultants who are not connected to the municipality.

The costs are determined by calculating the volumes of excavations, materials required and legal requirements according to the footprint of each individual site. The previous year's figures are escalated using the latest CPI of 6%. The individual rates are then again cross-checked to determine if they are still in line with current rates for similar activities and adjusted accordingly.

The scheduled dates of total closure and rehabilitation for the operational site is at present anticipated to take place between 2016 and 2031.

The cost to rehabilitate all identified sites in the Overstrand are estimated at R27,762,763.

#### Clearing of alien vegetation

The average cost of alien clearing within the Overstrand is derived from the actual expenditure of the Department of Environmental Affairs, working for water programme. During the financial year, the programme cleared 3,070 ha at a total cost of R5,096,955. This equates to an average cost of R1,660 per ha.

Approximately 10.34% of a total area of 6,659 ha must be cleared during the next 3 to 10 years and the estimated cost amounts to R1,143,375.

#### Gratification payable

The cost of the gratification payable was based on employees not belonging to a pension fund up until February 2003 and is only payable on retirement. The estimated cost amounts to R407,840.

#### Long service awards

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the Municipality. The said award comprises a certain number of vacation leave days which, in accordance with the option exercised by the beneficiary employee, can be converted into a cash amount based on his/her basic salary applicable at the time the award becomes due or, alternatively, credited to his/her vacation leave accrual. The provision represents an estimation of the awards to which employees in the service of the Municipality at 30 June 2014 may become entitled to in future, based on an actuarial valuation performed at 30 June 2014, to the amount of R9,254,503.

#### Discount rate:

A discount rate of 7.84% per annum has been used. This is derived by using a liability-weighted average of the yields corresponding to the average term until payment of long service awards, for each employee.

#### Key assumptions:

Discount rate of 7.84% (2012: 8.34%), a general salary inflation rate of 7.03% (2012: 6.23%) and a net discount rate of 0.75% (2012: 1.99%).

#### Leave pay

Annual leave accrues to employees on a monthly basis, subject to certain conditions. The provision is an estimate of the amount due to staff as at the financial year-end, based on the value of leave and the estimated cost amounts to R10,763,155.

It is not the municipality's policy to encash leave in the normal course of business.



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# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

Figures in Rand 2014 2013

### 21. Provisions (continued)

#### Bonuses

Annual bonuses accrues to employees on a monthly basis, subject to certain conditions. The provision is an estimate of the amount due to staff as at the financial year-end, based on assumptions and the estimated cost amounts to R7,150,086.

### 22. Payables from exchange transactions

Trade payables	28,643,986	27,668,915
Payments received in advanced	6,358,825	6,442,338
Retention monies	5,313,978	8,800,316
Builders' deposits	8,519,007	7,811,036
Accrued interest	5,980,832	9,012,949
Deposits received	420,312	376,329
Other payables	3,473,285	6,115,333
Deferred income	390,394	379,706
Control accounts - salaries	52,549	52,915
Control accounts - sundry	2,364,550	5,045,734
	<b>61,517,718</b>	<b>71,705,571</b>

### 23. Consumer deposits

Electricity	25,555,677	23,941,493
Water	12,195,318	10,990,528
	<b>37,750,995</b>	<b>34,932,021</b>

### 24. Property rates

#### Rates received

Residential and business	165,939,231	153,076,672
Less: Income forgone	(31,126,599)	(32,277,726)
	134,812,632	120,798,946
Property rates - penalties imposed	820,635	772,203
	<b>135,633,267</b>	<b>121,571,149</b>

Income forgone is defined as any income that the Overstrand Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

### 25. Service charges

Sale of electricity	268,362,292	247,662,847
Sale of water	95,136,107	85,243,449
Sewerage and sanitation charges	62,797,583	56,895,186
Refuse removal	52,956,535	46,637,284
	<b>479,252,517</b>	<b>436,438,766</b>

# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

Figures in Rand	2014	2013
<b>26. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	41,949,000	36,146,000
National Financial management grant	1,300,000	697,782
National Municipal systems improvement grant	540,000	780,270
Provincial Library grant	794,800	691,159
Provincial Community development workers grant	49,200	69,909
Provincial Thusong service centres grant	218,000	218,000
Provincial Main road subsidy	2,651,200	65,000
National Expanded public works programme	1,244,000	1,332,000
Provincial Financial management support grant	154,811	-
Provincial Nelson Mandela memorial grant	100,000	-
Provincial Human settlement developments grant	18,668,691	1,659,228
Provincial Housing consumer education	47,385	18,936
Provincial Mobility strategy	105,868	1,956
Provincial Greenest municipality	12,360	-
	<b>67,835,315</b>	<b>41,680,240</b>
<b>Capital grants</b>		
National Financial management grant	-	552,218
National Municipal systems improvement grant	350,000	19,730
Provincial Library grant	10,200	12,841
Provincial Community development workers grant	-	11,091
Provincial Sport and recreation grant	100,000	-
Provincial Human settlement developments grant	10,403,709	16,650,723
Provincial Municipal infrastructure grant	18,754,909	16,947,000
National Integrated national electricity grant	2,026,029	1,800,000
National Neighbourhood development partners grant	3,963,000	2,418,000
Provincial Mobility strategy	-	223,015
National Regional bulk infrastructure grant	-	15,174,089
Provincial Public transport non-motorised infrastructure grant	2,482,000	-
	<b>38,089,847</b>	<b>53,808,707</b>
	<b>105,925,162</b>	<b>95,488,947</b>

### Equitable Share

This grant is primarily used to subsidise the provision of basic services to indigent households.

All registered indigent households receive a monthly subsidy based on the basic service charges for water, electricity, sewerage, refuse and up to 4,2kl waste water, which is funded from the grant. Indigent households also receive 6kl free water and 50kwh units free electricity per month.

### National Financial management grant

Current-year receipts	1,300,000	1,250,000
Conditions met - transferred to revenue	(1,300,000)	(1,250,000)
	-	-

### National Municipal systems improvement grant

Current-year receipts	890,000	800,000
Conditions met - transferred to revenue	(890,000)	(800,000)
	-	-



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# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

Figures in Rand	2014	2013
<b>26. Government grants and subsidies (continued)</b>		
<b>Provincial Library grant</b>		
Current-year receipts	805,000	704,000
Conditions met - transferred to revenue	(805,000)	(704,000)
	-	-
<b>Provincial Community development workers grant</b>		
Current-year receipts	49,200	81,000
Conditions met - transferred to revenue	(49,200)	(81,000)
	-	-
<b>Provincial Thusong service centres grant</b>		
Current-year receipts	218,000	218,000
Conditions met - transferred to revenue	(218,000)	(218,000)
	-	-
<b>Provincial Main road subsidy</b>		
Current-year receipts	2,651,200	65,000
Conditions met - transferred to revenue	(2,651,200)	(65,000)
	-	-
<b>Provincial Housing consumer education grant</b>		
Balance unspent at beginning of year	47,385	66,321
Conditions met - transferred to revenue	(47,385)	(18,936)
	-	<b>47,385</b>
Conditions still to be met - remain liabilities (see note 19).		
<b>National Expanded public works programme</b>		
Current-year receipts	1,244,000	1,332,000
Conditions met - transferred to revenue	(1,244,000)	(1,332,000)
	-	-
<b>Provincial Sport and recreation grant</b>		
Current-year receipts	100,000	-
Conditions met - transferred to revenue	(100,000)	-
	-	-
<b>Provincial Nelson Mandela commemoration grant</b>		
Current-year receipts	100,000	-
Conditions met - transferred to revenue	(100,000)	-
	-	-

# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

Figures in Rand	2014	2013
<b>26. Government grants and subsidies (continued)</b>		
<b>Provincial Human settlement developments grant</b>		
Balance unspent at beginning of year	5,460,898	3,418,697
Current-year receipts	26,395,422	20,352,152
Conditions met - transferred to revenue	(29,072,399)	(18,309,951)
Transfer to creditor	(402,169)	-
	<b>2,381,752</b>	<b>5,460,898</b>
Conditions still to be met - remain liabilities (see note 19).		
<b>Provincial Municipal infrastructure grant</b>		
Current-year receipts	18,755,000	16,947,000
Conditions met - transferred to revenue	(18,754,909)	(16,947,000)
Transfer to creditor	(91)	-
	-	-
<b>National Integrated national electricity grant</b>		
Current-year receipts	3,000,000	1,800,000
Conditions met - transferred to revenue	(2,026,029)	(1,800,000)
Transfer to debtor	(973,971)	-
	-	-
<b>National Neighbourhood development partners grant</b>		
Current-year receipts	3,963,000	2,418,000
Conditions met - transferred to revenue	(3,963,000)	(2,418,000)
	-	-
<b>Provincial Mobility strategy</b>		
Balance unspent at beginning of year	105,868	330,839
Conditions met - transferred to revenue	(105,868)	(224,971)
	-	<b>105,868</b>
Conditions still to be met - remain liabilities (see note 19).		
<b>Provincial Public transport non-motorised infrastructure grant</b>		
Balance unspent at beginning of year	1,500,000	-
Current-year receipts	982,000	1,500,000
Conditions met - transferred to revenue	(2,482,000)	-
	-	<b>1,500,000</b>
Conditions still to be met - remain liabilities (see note 19).		



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# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

Figures in Rand	2014	2013
<b>26. Government grants and subsidies (continued)</b>		
<b>Provincial Financial management support grant</b>		
Current-year receipts	800,000	-
Conditions met - transferred to revenue	(154,811)	-
	<b>645,189</b>	<b>-</b>
Conditions still to be met - remain liabilities (see note 19).		
<b>Provincial Greenest municipality competition grant</b>		
Current-year receipts	50,000	-
Conditions met - transferred to revenue	(12,360)	-
	<b>37,640</b>	<b>-</b>
Conditions still to be met - remain liabilities (see note 19).		
<b>National Regional bulk infrastructure grant</b>		
Current-year receipts	-	15,174,089
Conditions met - transferred to revenue	-	(15,174,089)
	<b>-</b>	<b>-</b>
<b>27. Public contributions and donations</b>		
Spaces for sport	308,255	200,447
National lotto funds	-	500,000
SAMRAS usergroup	-	21,672
Public contributions non-cash	7,871,168	4,387,000
Government contributions non-cash	-	1,500,000
Friedrich Naumann foundation for freedom	318,809	-
Table mountain fund	240,000	-
Public contributions cash	4,670,571	-
ICT projects for libraries	27,347	-
	<b>13,436,150</b>	<b>6,609,119</b>
<b>Reconciliation of conditional contributions</b>		
Balance unspent at beginning of year	669,172	739,620
Current-year receipts	13,119,496	651,672
Conditions met - transferred to revenue	(13,427,750)	(722,120)
	<b>360,918</b>	<b>669,172</b>
Conditions still to be met - remain liabilities (see note 19)		



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Awaiting to build public confidence

# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

Figures in Rand	2014	2013
<b>28. Other income</b>		
Administration charges	129,686	156,546
Admission fees	713,886	707,355
Application fees	8,535	19,996
Baboon proof bins	47,741	70,650
Building clause levy	47,579	34,537
Building plan fees	3,439,415	2,879,523
Cemetery fees	160,824	169,446
Collection charges	2,287,593	2,541,512
Commission received	126,068	109,081
Construction of benches	6,140	13,138
Developers contributions	2,766,148	2,614,576
Duplicating charges	39,349	30,298
Legal fees	433,570	220,235
Library fees	35,510	37,144
Parking fees	1,420,922	1,283,802
Plot clearing charges	372,853	307,429
Post office fees	24,926	33,340
Pound fees	217,879	179,462
Private telephone calls recovered	223,662	276,230
Reconnection fees	809,363	894,129
Roadworthy certificates	492,953	463,153
SETA claims	132,866	1,058,174
Searching fees	35,140	29,561
Sundry income	1,330,165	2,636,723
Swimming pool fees	20,112	62,111
Town planning fees	907,767	793,312
Valuation and clearance certificates	399,855	387,677
	<b>16,630,507</b>	<b>18,009,140</b>



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# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

Figures in Rand	2014	2013
<b>29. General expenses</b>		
Advertising	1,905,263	1,510,821
Assets expensed	396,447	299,105
Auditors remuneration	3,558,922	2,869,365
Baboon proof bins	71,339	52,280
Bank charges	1,331,696	1,098,499
Chemicals	10,553,141	8,487,761
Commission paid	1,019,238	4,014,225
Conditional receipts expenses - Housing grants	24,112,109	300,000
Conditional receipts expenses - Other grants	3,960,070	3,832,611
Consulting fees	9,431,297	9,375,545
Contribution to/(from) provisions	(12,398,706)	3,245,690
Delegate expenses	173,145	174,484
Diesel for boilers	313,181	289,184
Electricity	3,651,711	3,247,947
Fuel and oil	11,476,637	9,903,227
Hermanus public protection	4,250,718	3,920,805
Hire	1,340,807	631,046
Insurance	2,363,018	2,144,527
LED project implementation	458,759	428,811
Lease rentals	751,883	774,276
Legal fees	3,016,539	1,669,414
Management of informal settlements	1,982,309	1,512,589
Occupational health and safety	194,081	222,337
Plot clearing costs	552,799	426,935
Postage and courier	1,317,998	1,285,607
Printing and stationery	2,035,187	1,874,725
Property valuation charges	442,118	1,030,036
Public functions	210,480	276,584
Reference library	157,798	141,962
Refuse/recycle bags	303,878	285,307
Removal costs	33,020	32,001
Security services	4,262,267	3,759,272
Skills development levies	2,090,299	1,921,236
Solid waste chipping	2,075,900	2,151,497
Solid waste haulage	7,742,491	6,318,195
Special projects	714,259	1,270,328
Staff welfare	127,630	89,708
Subscriptions and membership fees	2,226,053	1,829,315
Subsistence and transport	942,074	949,110
Sundry expenses	2,193,586	259,796
Telephone and fax	2,839,367	2,933,650
Title deed search fees	93,406	97,845
Tourism development	2,796,426	2,731,785
Tow in fees	10,811	16,311
Training	1,803,644	2,362,777
Uniforms and protection clothing	1,949,842	1,551,934
Union representative	38,793	-
Veterinary services	355,824	404,006
Ward committee meetings	509,800	214,700
Water catchment, research and testing	4,266,354	5,294,832
Workmen's compensation assurance	1,454,480	2,631,945
	<b>117,460,188</b>	<b>102,145,948</b>

Membership fees paid over to SALGA during the period amounted to R2,169,247 (2013: R1,768,725).



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# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

Figures in Rand	2014	2013
<b>30. Operating surplus / (deficit)</b>		
Operating surplus / (deficit) for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	67,760	67,760
• Contingent amounts	568,339	527,829
Equipment		
• Contractual amounts	115,784	178,687
	<b>751,883</b>	<b>774,276</b>
Loss on sale of property, plant and equipment	(12,017,434)	(1,755,579)
Impairment on property, plant and equipment	-	425,208
Impairment on heritage assets	-	9,250,000
Reversal of impairment on other financial assets	-	451,148
Amortisation on intangible assets	628,771	372,536
Depreciation on property, plant and equipment	98,732,159	94,810,951
Employee costs	268,577,347	238,725,689
<b>31. Employee related costs</b>		
Basic	146,853,707	133,031,945
Bonus	11,534,889	10,825,254
Medical aid - company contributions	8,828,462	8,176,057
UIF	1,357,626	1,283,965
Leave pay provision charge	1,658,769	2,138,141
Group life - company contributions	993,414	956,960
Other payroll levies	78,232	73,024
Post-employment benefits - Pension - Defined contribution plans	41,545,855	33,561,988
Overtime payments	14,370,227	12,427,574
Long-service awards	3,587,158	690,261
Acting allowances	1,257,839	1,146,202
Car allowance	9,749,853	9,178,222
Housing benefits and allowances	967,485	1,046,492
Standby allowance	6,073,431	5,367,241
Scarcity allowance	1,541,022	1,528,196
Sundry allowance	1,680,449	2,063,562
Full time union representative	-	46,543
	<b>252,078,418</b>	<b>223,541,627</b>
<b>31.1. Remuneration of municipal manager</b>		
Annual Remuneration	1,248,736	1,173,620
Contributions to UIF, Medical and Pension Funds	297,210	280,368
Entertainment	12,000	14,400
	<b>1,557,946</b>	<b>1,468,388</b>
Cellphone allowance	19,872	19,872



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# Overstrand Municipality

Financial Statements for the year ended 30 June 2014

## Notes to the Financial Statements

Figures in Rand	2014	2013
<b>31. Employee related costs (continued)</b>		
<b>31.2. Remuneration of chief finance officer</b>		
Annual Remuneration	1,131,589	1,047,628
Car Allowance	48,000	4,000
Contributions to UIF, Medical and Pension Funds	249,259	291,983
entertainment	6,000	7,200
	<b>1,434,848</b>	<b>1,350,811</b>
Cellphone allowance	19,872	19,872
Acting allowance	-	2,990
Leave	-	82,440
	<b>19,872</b>	<b>105,302</b>
<b>31.3. Remuneration of director: Management services</b>		
Annual Remuneration	807,831	753,544
Car Allowance	72,000	72,000
Contributions to UIF, Medical and Pension Funds	185,166	174,436
Entertainment	6,000	5,917
Housing subsidy	5,736	6,000
	<b>1,076,733</b>	<b>1,011,897</b>
Cellphone allowance	19,872	19,872
<b>31.4. Remuneration of director: Community services</b>		
Annual Remuneration	1,060,092	994,401
Car Allowance	78,000	78,000
Contributions to UIF, Medical and Pension Funds	39,697	36,680
Entertainment	8,082	8,082
Computer allowance	3,912	3,912
	<b>1,189,783</b>	<b>1,121,075</b>
Cellphone allowance	19,872	19,872
<b>31.5. Remuneration of director: Infrastructure and planning</b>		
Annual Remuneration	1,108,245	1,039,368
Car Allowance	48,000	48,000
Contributions to UIF, Medical and Pension Funds	268,450	249,340
Entertainment	9,000	8,825
Computer allowance	4,800	5,256
	<b>1,438,495</b>	<b>1,350,789</b>
Cellphone allowance	19,872	19,872



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Figures in Rand	2014	2013
<b>31. Employee related costs (continued)</b>		
<b>31.6. Remuneration of director: Local economic development</b>		
Annual Remuneration	745,132	743,975
Car Allowance	110,000	120,000
Contributions to UIF, Medical and Pension Funds	39,673	34,181
Entertainment	16,667	19,995
	<b>911,472</b>	<b>918,151</b>
Cellphone allowance	19,872	19,872
<b>31.7. Remuneration of director: Protection services</b>		
Annual Remuneration	792,044	744,316
Car Allowance	120,000	93,000
Contributions to UIF, Medical and Pension Funds	35,097	34,616
Entertainment	10,000	6,888
	<b>957,141</b>	<b>878,820</b>
Cellphone allowance	19,872	19,872
<b>Total employee related costs</b>	<b>260,644,836</b>	<b>231,641,558</b>
<b>32. Remuneration of councillors</b>		
Executive Major	677,826	645,549
Deputy Executive Mayor	542,261	516,439
Mayoral Committee Members [2014: 4; 2013: 4]	2,033,480	1,936,648
Speaker	542,261	516,439
Councillors [2014: 18; 2013: 18]	3,618,934	3,469,056
Cellphone allowance	517,749	-
	<b>7,932,511</b>	<b>7,084,131</b>
<b>33. Debt impairment</b>		
Contributions to debt impairment provision	12,525,633	6,683,018
Debts impaired	-	5,300
	<b>12,525,633</b>	<b>6,688,318</b>
<b>34. Investment revenue</b>		
<b>Interest revenue</b>		
Other financial assets	3,172,131	5,991,154
Bank	2,327,900	1,535,352
Interest charged on trade and other receivables	2,117,868	2,199,158
Interest received - other	852,210	28,008
	<b>8,470,109</b>	<b>9,753,672</b>

The amount included in Investment revenue arising from exchange transactions amounted to R 2,117,868 (2013: R 2,199,158).

The amount included in Investment revenue arising from non-exchange transactions amounted to R 6,352,241 (2013: R 7,554,514).



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Figures in Rand	2014	2013
<b>35. Fair value adjustments</b>		
Investment property (Fair value model)	(7,860,700)	49,154,610
Other financial assets		
• Other financial assets (Designated as fair value)	839,595	494,139
	<b>(7,021,105)</b>	<b>49,648,749</b>
<b>36. Depreciation and amortisation</b>		
Property, plant and equipment	98,732,159	94,810,951
Intangible assets	628,771	372,536
	<b>99,360,930</b>	<b>95,183,487</b>
<b>37. Impairment of assets</b>		
<b>Impairments</b>		
Property, plant and equipment	-	425,208
Heritage assets	-	9,250,000
	-	<b>9,675,208</b>
<b>Reversal of impairments</b>		
Other financial assets	-	(451,148)
<b>Total impairment losses (recognised) / reversed</b>	-	<b>9,224,060</b>
<b>38. Finance costs</b>		
Finance leases	69,809	132,847
Current borrowings	39,857,502	37,198,618
	<b>39,927,311</b>	<b>37,331,465</b>
<b>39. Auditors' remuneration</b>		
Fees	3,558,922	2,869,365
<b>40. Contracted services</b>		
Vehicle maintenance	5,665,481	4,925,230
Ward projects	2,129,194	5,678,549
Maintenance contractors	49,471,279	45,380,300
Contracted services	15,488,167	11,713,136
	<b>72,754,121</b>	<b>67,697,215</b>
<b>41. Grants and subsidies paid</b>		
<b>Other subsidies</b>		
Low income house-hold subsidies	38,297,993	35,458,345
Grants to organisations	451,296	398,000
	<b>38,749,289</b>	<b>35,856,345</b>
<b>42. Bulk purchases</b>		
Electricity	157,055,063	145,021,600

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Figures in Rand	2014	2013
<b>43. Cash generated from operations</b>		
(Deficit) / surplus	(45,014,527)	10,898,543
<b>Adjustments for:</b>		
Depreciation and amortisation	99,360,930	95,183,487
Gain on sale of assets and liabilities	12,017,434	1,755,579
Fair value adjustments	7,021,105	(49,648,749)
Finance costs - Finance leases	69,809	132,847
Impairment deficit	-	9,224,060
Debt impairment	12,525,633	6,688,318
Movements in operating lease assets and accruals	88,686	75,263
Movements in retirement benefit assets and liabilities	15,788,508	8,415,000
Movements in provisions	(8,586,685)	5,629,098
Movement in housing development fund	673,351	(28,335)
Movement in self insurance fund	619,808	1,333,035
<b>Changes in working capital:</b>		
Inventories	7,119,953	(3,811,083)
Receivables from exchange transactions	368,971	(5,109,968)
Consumer debtors	1,638,513	406,809
Other receivables from non-exchange transactions	(14,941,900)	(9,501,557)
Payables from exchange transactions	(10,187,859)	3,967,037
VAT	2,411,788	(2,917,268)
Unspent conditional grants and receipts	(4,357,824)	3,227,845
Consumer deposits	2,818,974	3,725,598
	<b>79,434,668</b>	<b>79,645,559</b>

## 44. Commitments

### Authorised capital expenditure

#### Contracts entered into

• Property, plant and equipment	5,287,778	13,565,429
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#### Contracts not initiated but budget approved by council

• Property, plant and equipment	97,720,534	123,509,115
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### Operating leases - as lessee (expense)

#### Minimum lease payments due

- within one year	74,280	133,010
- in second to fifth year inclusive	-	74,280
	<b>74,280</b>	<b>207,290</b>

Operating lease payments represent rentals payable by the municipality for office equipment and office space. Leases are negotiated for an average term of 3 years and rentals are fixed for the lease term.

### Operating leases - as lessor (income)

#### Minimum lease payments due

- within one year	263,957	353,771
- in second to fifth year inclusive	508,895	772,852
- later than five years	3,090,621	3,090,621
	<b>3,863,473</b>	<b>4,217,244</b>

Certain of the municipality's property is held to generate rental income. Lease agreements are non-cancellable and have terms from 3 to 99 years. There are no contingent rents receivable.

# Overstrand Municipality

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### 45. Contingencies

#### Contingent liabilities

Kleynhans Family Trust vs Overstrand Municipality

The applicant filed a notice of motion in the Western Cape High Court requesting that the municipality be ordered to ensure that the Fernkloof Estate is fully protected by electrified fencing that is designed to prevent unauthorised access to the estate.

The matter is still pending in the Western Cape High Court. An application to dismiss the claim is expected to be heard December 2014. The municipality's exposure is approximately R3,500,000.

David Abbot vs Overstrand Municipality

The applicant filed for damages to property due to flooding of the Klein River estuary. The matter served before the Western Cape High Court in August 2014. We received written confirmation from our attorneys that the court dismissed the application with cost including the cost of two counsel's. We are currently awaiting the courts judgment. The municipality's exposure was approximately R500,000.

H Myburgh vs the Minister of Police and two others

A senior official of the Municipality was alleged to have assaulted a member of the public. The municipality was joined as a third party respondent by the defendant, being the Minister of Police. The claim is R600,000 however, Overstrand Municipality has no financial exposure to this claim as it is covered in terms of the municipality's insurance portfolio.

Erf 17 Van Dyks Bay

The municipality is involved in settlement discussions with the Pierre Smit Family Trust to register a servitude over the portion of its property where on a public road has been built. The owners of the adjoining properties have already paid for the registration costs and await signature of the agreement and registration of the servitude. The municipality's exposure is approximately R400,000.

#### Contingent assets

New Republic Bank

The municipality has an investment with New Republic Bank. The bank is under receivership since October 1999. Interest only accrued until 31 December 2007. There is no guarantee that the municipality will receive the full value of the investment. After the 2013 financial year-end, a dividend of R0.5268 on the capital still outstanding has been received. Therefore the a portion of the impairment was reversed. This brings the total payout to 99.15% of the original investment.

Due to the fact that the majority of the debt still to be collected, by the receivers, involve some form of legal action, it is not possible to determine a date as to when the liquidation process will be completed.

Management impaired this investment from R2,631,821 to Rnil in 2010/2011 financial year. The exposure is approximately R405,181.

### 46. Related parties

#### Relationships

Members of key management

Refer to note 31.1 to 31.7 and 32

There were no related party transactions that occurred during the period under review.



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# Overstrand Municipality

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### 47. Comparative figures

The information presented below is only the statement of financial position and statement of financial performance items that have been affected by adjustments to comparative figures. The comparative figures have been adjusted for the following reasons:

#### Accounting errors:

Accounting errors relating to prior periods have been identified during the 2013/2014 financial period. These errors include mathematical errors<sup>1</sup>, misapplication of accounting policies<sup>2</sup>, oversight or misinterpretation of facts<sup>3</sup>, and effects of fraud<sup>4</sup>

#### Changes in classification:

Changes in classification were due to bringing items in line with National Treasury's budget guidelines.

#### Changes in accounting policies:

Changes in accounting policies were due to GRAP 25 regarding Employee benefits that became effective on 1 July 2013 and needs to be implemented retrospectively.

Refer to note 2

The correction of errors and change in accounting policy detailed below has the following impact on the global opening balances as at 1 July 2012:

Assets:	Receivables from non-exchange transactions	3,988,662
	Receivables from exchange transactions	31,895
	Fixed assets	(9,402,516)
Liabilities:	Payables from exchange transactions	(4,566,408)
	Finance lease obligation	19,041
Reserves:	Accumulated surplus	9,929,327



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## Notes to the Financial Statements

Figures in Rand	2014	2013			
<b>47. Comparative figures (continued)</b>					
	<b>Amount previously reported</b>	<b>Accounting errors</b>	<b>Change in classification</b>	<b>Changes in accounting policy</b>	<b>Restated amount</b>
<b>Statement of financial position</b>					
<b>Assets</b>					
<b>Current assets</b>					
Inventories <sup>1 3</sup>	18,936,723	1,320,000	-	-	20,256,723
Receivables from exchange transactions <sup>1</sup>	25,548,796	33,490	1,193,255	-	26,775,541
Receivables from non-exchange transactions <sup>1 2</sup>	11,606,866	5,835,036	(1,193,255)	-	16,248,647
Consumer debtors <sup>1</sup>	49,080,265	(55,078)	-	-	49,025,187
<b>Non-current assets</b>					
Property, plant and equipment <sup>1 3</sup>	3,006,327,423	(8,780,616)	-	-	2,997,546,807
Heritage assets <sup>1 3</sup>	99,322,044	251,000	-	-	99,573,044
<b>Liabilities</b>					
<b>Current liabilities</b>					
Payables from exchange transactions <sup>1 3</sup>	(66,860,021)	(4,845,554)	-	-	(71,705,575)
<b>Non-current liabilities</b>					
Finance lease obligation <sup>1</sup>	(259,781)	22,117	-	-	(237,664)
<b>Net assets</b>					
<b>Reserves</b>					
Accumulated surplus <sup>1 2 3</sup>	(2,855,854,062)	6,219,606	-	-	(2,849,634,456)
<b>Statement of financial performance</b>					
<b>Revenue</b>					
<b>Revenue from exchange transactions</b>					
Service charges <sup>1</sup>	437,030,176	(591,409)	-	-	436,438,767
Rental of facilities and equipment <sup>1</sup>	7,208,321	3,490	-	-	7,211,811
Other income <sup>1</sup>	21,812,393	114,962	(3,918,214)	-	18,009,141
<b>Revenue from non-exchange transactions</b>					
Property rates <sup>1</sup>	116,321,052	559,679	3,918,214	-	120,798,945
Property rates-penalties imposed <sup>1</sup>	914,328	(142,124)	-	-	772,204
Public contributions and donations <sup>1 3</sup>	5,289,119	1,320,000	-	-	6,609,119
Fines <sup>1 2</sup>	6,643,860	7,600,271	-	-	14,244,131
Interest received <sup>1</sup>	9,752,077	1,595	-	-	9,753,672
<b>Expenditure</b>					
Employee related costs <sup>1</sup>	(231,527,296)	(114,262)	-	-	(231,641,558)
Finance costs <sup>1</sup>	(37,309,747)	(21,718)	-	-	(37,331,465)
Materials <sup>1</sup>	(12,436,890)	(3,884)	-	-	(12,440,774)
Contracted services <sup>1</sup>	(67,600,660)	(96,555)	-	-	(67,697,215)
General expenses <sup>1</sup>	(102,106,629)	(39,327)	-	-	(102,145,956)
Depreciation <sup>1 3</sup>	(96,076,386)	892,900	-	-	(95,183,486)
Impairment loss <sup>1 3</sup>	(9,204,060)	(20,000)	-	-	(9,224,060)
Debt impairment <sup>1 2</sup>	(934,421)	(5,753,897)	-	-	(6,688,318)



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### 48. Risk management

#### Financial risk management

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Finance directorate monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk and liquidity risk. Compliance with policies and procedures are reviewed by the internal auditors on a continuous basis and annually by the external auditors. The municipality does not enter into or trade with financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

#### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

#### Counter parties with external credit rating (Fitch's):

##### Investments

F1	50,039,377	55,041,546
F2	16,965,036	11,596,589

##### Counter parties without external credit rating:

##### Receivables from exchange and non-exchange transactions

Group1	9,465,278	6,565,827
Group3	15,800,993	21,325,191
Group4	19,740,950	15,133,169

##### Consumer debtors

Group1	13,179,322	16,771,547
Group2	782,095	839,736
Group3	1,390,364	1,214,282
Group4	32,099,155	30,199,623

##### Long term receivables

Group4	91,447	101,003
	<b>159,554,017</b>	<b>158,788,513</b>



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### 48. Risk management (continued)

- F1 = Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.
- F2 = Good credit quality. A satisfactory capacity for timely payment of financial commitments.
- F3 = Fair credit quality. The capacity for timely payment of financial commitments is adequate.
- Group 1 = Speculative. Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse changes in the financial and economic conditions.
- Group 2 = Fair credit quality. The capacity for timely payment of financial commitments is adequate.
- Group 3 = Good credit quality. A satisfactory capacity for timely payment of financial commitments.
- Group 4 = Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.

### Market risk

#### Interest rate risk

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk. The municipality policy is to maintain approximately 60% of its borrowings in fixed rate instruments. During 2014 and 2013, the municipality's borrowings at variable rate were denominated in the Rand.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment. In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Interest rate risk for trade and other payables is managed by ensuring that all payments are made within 30 days of receipt of statement, as prescribed by the MFMA.

#### Interest rate sensitivity analysis:

##### Financial assets:

If the average interest rate at a given date had been 100 basis points higher, with all other variables held constant, the fair value impact on the Statement of Financial Performance would have been R124,690 (2013: R175,933) with the opposite effect if the interest rate had been 100 basis points lower.

##### Financial liabilities:

If the average interest rate at a given date had been 100 basis points higher, with all other variables held constant, the fair value impact on the Statement of Financial Performance would have been R58,637 (2013: R70,691) with the opposite effect if the interest rate had been 100 basis points lower.

### Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to five years	Due after five years	Total
Trade and other receivables - normal credit terms	12.75 %	38,587,592	8,863,343	-	-	47,450,935
Cash in current banking institutions	4.81 %	63,142,435	-	-	15,980	63,158,415
Fixed interest rate instruments	10.43 %	61,504,237	61,096,639	180,167,482	442,256,721	745,025,079
Variable interest rate instruments	8.09 %	1,382,872	1,293,488	3,334,789	1,067,742	7,078,891

# Overstrand Municipality

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## Notes to the Financial Statements

Figures in Rand	2014	2013
<b>49. Unauthorised expenditure</b>		
Overspending of the total amount appropriated in the municipality's approved budget	4,887,858	-
<b>Overspending of the total amount per vote appropriated in the municipality's approved budget</b>		
Directorate: Council general	5,869,791	-
Directorate: Protection services	12,151,366	-
	<b>18,021,157</b>	<b>-</b>

Unauthorised expenditure awaiting authorisation.

Directorate: Councils' general budget was overspent due to the adjustment of the actuarial valuation for health care benefits to the latest actuarial valuation.

Directorate: Protection services' budget was overspent due to the implementation of IGRAP 1 regarding the measurement of impairment for traffic fines.

The total budget was overspent due to the net effect of the items listed above.

### 50. Fruitless and wasteful expenditure

Opening balance	176,250	203,050
Non-compliance with NEMA	-	10,000
Plot clearing charges not collected	3,848	-
Interest paid on overdue account	738	-
Administration fee for plot clearing charges not collected	1,000	-
Recovered / written-off by council	-	(36,800)
	<b>181,836</b>	<b>176,250</b>

### 51. Irregular expenditure

Opening balance	34,416,090	22,428,829
Procuring goods and services without obtaining three quotations	-	16,479
Procuring goods and services without following any official procurement process	250,109	234,913
The procurement of goods from a person in the service of the state	-	15,600
Tenders not advertised for 30 days as prescribed	4,579,371	10,546,029
Procuring goods and services without adhering to the provisions of contracts longer than 3 years	504,720	1,174,240
Certified as irrecoverable and written-off / Recovered / Condoned	(34,603,060)	-
	<b>5,147,230</b>	<b>34,416,090</b>

Expenditure was incurred in contravention with the municipality's supply chain management policy. Irregular expenditure was approved in accordance with the supply chain management policy.

### 52. Actual operating expenditure versus budgeted operating expenditure

Refer to Appendix E(1) for the comparison of actual operating expenditure versus budgeted expenditure.

### 53. Actual capital expenditure versus budgeted capital expenditure

Refer to Appendix E(2) for the comparison of actual capital expenditure versus budgeted expenditure.



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### 54. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the council and includes a note to the financial statements.

Refer to pages 64 - 68 for the supply chain management deviations.

### 55. Multi-employer retirement benefit information

Overstrand Municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes.

One councillor belongs to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R41.5 million (2013: R33.5 million) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

#### DEFINED BENEFIT SCHEMES

Cape Joint Pension Fund:

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2013. The scheme both operates a Defined benefit and Defined contribution scheme.

Defined Benefit Scheme:

The contribution rate payable under the defined benefit section is 27%, 9% by the members and 18% (up to 31 January 2012) and 23.06% (from 1 February 2012) by their councils. The actuarial valuation report at 30 June 2013 disclosed an actuarial valuation amounting to R3,226,863 million (2012 : R3,014,878 million), with a net accumulated deficit of R10,030 million (2012 : R18,287 million), with a funding level of 99.7% (2012 : 99.4%).

Defined Contribution Scheme:

The actuarial valuation report at 30 June 2013 indicated that the defined contribution scheme of the fund is in a sound financial position, with a assets amounting to R483.6 million (2012 : R421.9 million), net investment reserve of R21,231 million (2012 : R21,231 million) and a funding level of 99.8% (2012 : 105.3%).

South African Local Authorities Pension Fund (SALA):

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 1 July 2013.

The statutory valuation performed as at 1 July 2013 revealed that the assets of the fund amounted to R10,439.2 million (2012 : R8,753.4 million), with funding levels of 100% (2012 : 100%). The contribution rate paid by members was 9% and by Council 18% and is sufficient to fund the benefits accruing from the fund in the future.



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### 55. Multi-employer retirement benefit information (continued)

#### DEFINED CONTRIBUTION SCHEMES

Cape Joint Retirement Fund:

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2013.

The statutory valuation performed as at 30 June 2013 revealed that the assets of the fund amounted to R13,639,228 million (2012 : R11,348,285 million), with funding levels of 100.2% and 105% (2012 : 99.9% and 108%) for the Share Account and the Pensions Account respectively. The contribution rate paid by the members (8%) and the municipalities (19%) is sufficient to fund the benefits accruing from the fund in the future.

Municipal Councillors Pension Fund:

The scheme is subject to an actuarial valuation every three years. The last statutory valuation was performed as at 30 June 2012.

The statutory valuation performed as at 30 June 2012 revealed that the assets of the fund amounted to R1,384,387,612 (2009 : R1,123,672,020) with funding levels of 101.6% (2009 : 102.0%). The contribution rate paid by the members (13,75%) and the municipalities (15,00%) is sufficient to fund the benefits accruing from the fund in the future.

South African Municipal Workers Union National Provident Fund:

The last statutory valuation was performed as at 30 June 2008.

The statutory valuation performed as at 30 June 2008 revealed that the fund had a funding level of 100,0% (30 June 2005 : 100,0%). The contribution rate paid by the members not less than 7.50% (2005 : 5,00%) and Council not less than 18.00% (2005 : 12,00%) is sufficient to fund the benefits accruing from the fund in the future.

The next statutory valuation is due not later than 30 June 2011. Valuation not yet received.

### 56. Distribution losses

#### Water

##### Technical losses

Rand value	544,084	818,413
No. of units (kl)	164,119	397,361
% loss	2.42 %	5.50 %

##### Non-technical losses

Rand value	5,726,220	3,829,726
No. of units (kl)	1,455,231	1,444,853
% loss	21.47 %	20.01 %

#### Electricity

##### Technical losses

Rand value	5,903,985	-
No. of units (kWh)	11,482,704	-
% loss	5.00 %	-

##### Non-technical losses

Rand value	1,124,096	7,101,127
No. of units (kWh)	2,186,263	15,831,477
% loss	0.95 %	6.91 %

Water losses to the amount of R 5,726,220 (21.47 %) were incurred as a result of unmetered connections, aging pipeline infrastructure, burst pipes, old reticulation networks and other leakages. Alien vegetation infestation in watercourses and catchment areas are also a contributing factor.



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### 56. Distribution losses (continued)

Cost per kilolitre was calculated using the following basis:

The cost of water treatment and raw water is used in calculating the cost per kilolitre as follows:

General expenses (excluding departmental charges), direct labour attributable to the purification of water, depreciation based on the cost of attributable infrastructure assets and all repair and maintenance.

The total expenditure is then divided by the total kilolitres of water purified during the year and this equals the cost per kilolitre.

Electricity losses to the amount of R 5,903,985 ( 5.00 %) were incurred as a result of technical losses caused by the nature of electricity and the manner of its distribution, via the network, status/condition and age of the network, weather conditions and load on the system as well as non-technical losses, e.g. theft and vandalism, to the amount of R 1,124,096 ( 0.95 %).

Technical losses for 2012/2013 was not recorded and was therefore included in non-technical losses.

### 57. Budget differences

#### Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of changes in the overall budget parameters.

Explanations for variances over 10% between budget and actual figures.

#### Statement of Comparison of Budget and Actual Amounts

Statement of financial performance:

Revenue:

Rentals - (11%) - Onrus caravan park revenue down by 26% (R973 000) due to economic factors.

Penalties imposed on property rates - (18%) - Fewer property owners defaulted on payment deadlines.

Public contributions - 263% - Non cash contributions for land that vested to the municipality and cash contribution in lieu of GAP housing project.

Traffic fines - 202% - Additional revenue recognition of traffic fines with the implementation of IGRAP1.

Expenditure:

Debt impairment - Impairment of traffic fines with the implementation of IGRAP1.

General expenses - (13%) - Write back of current year and previous years provision for rehabilitation of tip sites due to change in legislation amounting to R3,4m & R12,3m respectively.

Gain/Loss on disposal of assets - (2588%) - Budgeting subject to impracticalities for the determination of the outcome in advance.

Fair value - (1036%) - Budgeting subject to impracticalities for the determination of the outcome in advance.

Statement of financial position:

Inventories - 13% - Not all the low cost housing units at Eluxolweni were transferred by 30 June as expected.

VAT receivable - Budgeting subject to impracticalities for the determination of the outcome in advance.

Sale of Sandbaai Commonage did not materialise and reduced services revenue



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### 57. Budget differences (continued)

NCAHFS - (89%) - Sale of Sandbaai Commonage did not materialise

Unspent Grants - Mainly relating to housing allocations for projects that could not be completed by year end due to various factors.

Housing Development Fund - 33% - Additional revenue from the transfer of 40 of the 66 Hawston erven to private owners

Cash flow statement:

Proceeds on sale of assets - (46%) - Budgeting subject to impracticalities for the determination of the outcome in advance.

Sale of Sandbaai Commonage did not materialise and reduced services revenue.

NCAHFS - 100% - Proceeds on the sale of non-current assets held for sale.

### Appendix E(1)

Comments are the same as for the financial performance above.

### Appendix E(2)t

Housing - (28%) - Certain housing related projects could not be completed due to adverse weather conditions.

Waste water management/Sewerage - (17%) - Projects were completed below budget.

### 58. Awards to close family members of persons in the service of the state

Refer to pages 69 - 72.



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### Supply Chain Management

## DEVIATIONS FROM THE POLICY, APPROVED IN TERMS OF CLAUSE 36(1)(a) FOR THE 2013/2014 FINANCIAL YEAR

#	Deviation #	Dated	Received	Approved	Deviations	Report to Council	Description	Responsible Official	Awarded to	Amount Operational	Amount Capital	VAT @ 14%	Value of the Deviation
1	SCD2638	2013/07/04	2013/07/04	2013/07/11	Clause 36(1)(a)(v)	01	The identification and repair of fault with the transmission for Backhoe Loader CEM 31789, which had a faulty transmission control valve, via a strip-and-quote process.	Manager: Corporate Services, Arendse JUF	Balfeworld Equipment, a division of Balfeworld South Africa (Pty) Ltd	R 19,827.35		R 2,775.83	R 22,603.18
2	SCD2639	2013/07/10	2013/07/11 (Updated: 2013/07/18)	2013/07/18	Clause 36(1)(a)(v)	01	The booking of a space at the Gauteng Getaway Show, 30 August to 01 September 2013, without requesting quotations from other show organizers due to the uniqueness of the show and the Municipality's intended target market.	Manager: Tourism, Greeff S	Ramsay Media (Pty) Ltd	R 16,776.00		R 2,348.64	R 19,124.64
3	SCD2640	2013/07/15	2013/07/16 (Updated: 2013/07/24)	2013/07/29	Clause 36(1)(a)(v)	01	Provision of electricity power quality monitoring services for a 1 year period by the manufacturer and supplier of the system employed by the municipality, with the provision that S116(3) of the MFMA will be adhered to by 30 June 2014.	Senior Manager: Chief Electro Technical Services, Du Plessis K	CT Lab (Pty) Ltd	R 120,000.00		R 16,800.00	R 136,800.00
4	SCD2641	2013/07/15	2013/07/16 (Updated: 2013/07/22)	2013/07/23	Clause 36(1)(a)(v)	01	Update of PMAX software & the auditing of bulk meters by a specialist service provider with the needed equipment and experience, who is also the original implementer and developer of the current system, with the provision that the preferred due process (tender or s116(3)) be adhered to by 30 June 2014.	Senior Manager: Chief Electro Technical Services, Du Plessis K	PJ Technologies Cape CC	R 32,462.23		R 4,544.71	R 37,006.94
5	SCD2642	2013/07/18	2013/07/18 (Updated: 2013/07/22)	2013/07/24	Clause 36(1)(a)(v)	01	Procurement of Specialised testing kits for Water testing Equipment at the Gansbaai Wastewater Treatment Works, from the authorised distributor as per the attached memorandum.	Superintendent: Water and Sanitation, Franken H	PREI Instrumentation (Pty) Ltd	R 23,460.00		R 3,284.40	R 26,744.40
6	SCD2643	2013/07/08	2013/07/11 (Updated: 2013/07/22)	2013/07/24	Clause 36(1)(a)(v)	01	Procurement of credits for a postage franking machine for Gansbaai Administration from the sole service provider for this specific equipment, for the period ending 30 June 2014 and not exceeding a total cost of R 39 000.00, inclusive of VAT.	Senior Manager: Gansbaai and Standford, Myburgh F	Earlyworx 282 (Pty) Ltd	R 34,210.53		R 4,789.47	R 39,000.00
7	SCD2644	2013/07/10	2013/07/15 (Updated: 2013/07/23)	2013/07/29	Clause 36(1)(a)(v)	01	Renewal of Novell licenses from an authorized Novell reseller, who is also the current service provider for the Provision of Data Support and ICT Advisory Services, in order to mitigate potential security risks and unforeseen disruptions in service delivery of the Data Centre.	Manager: IT Communication & Technology, van Staden J	Lateral Dynamics (Pty) Ltd	R 680,525.00		R 95,273.50	R 775,798.50
8	SCD2645	2013/07/22	2013/07/22	2013/07/30	Clause 36(1)(a)(v)	01	The identification and repair of fault with a brushcutter via a strip-and-quote process, as it is required that the supplier first investigate the equipment before providing a reliable quote	Manager: Corporate Services, Arendse JUF	Hermanus Mower Centre	R 3,239.48		R 453.53	R 3,693.01
9	SCD2646	2013/07/25	2013/07/26	2013/08/07	Clause 36(1)(a)(v)	02	The procurement of system specific Payroll IRP5 training on 05 and 06 September 2013, for one municipal employee, by current service provider of the municipality's personnel and payroll system.	Senior Manager: HR Buccitani L	Pay-Day Software Systems	R 3,508.77		R 491.23	R 4,000.00
10	SCD2647	2013/08/01	2013/08/01	2013/08/13	Clause 36(1)(a)(v)	02	Procurement of credits for a postage franking machine for Hermanus Administration from the sole service provider for this specific equipment, for the period ending 30 June 2014	Manager: Council Support Services Van Tonder H	Earlyworx 282 (Pty) Ltd	R 149,122.81		R 20,877.19	R 170,000.00
11	SCD2649	2013/08/06	2013/08/06 (Updated: 2013/08/15)	2013/08/15	Clause 36(1)(a)(v)	02	The procurement of a service provider for the establishment of an exhibition stand at the Gauteng Getaway Show, to be held on 30 August – 01 September 2013 only for 1 of the 3 shows requested in the Formal Written Quotation as there is too little time allowed before establishment of the stand is needed for the show.	Manager: Tourism, Greeff S	Scan Display Solutions (Pty) Ltd	R 15,730.00		R 2,202.20	R 17,932.20
12	SCD2650	2013/08/12	2013/08/12	2013/08/21	Clause 36(1)(a)(v)	02	Calibration of Truvelo speed law enforcement equipment by the sole supplier and manufacturer of the equipment including service, repair, maintenance and installation.	Chief: Traffic Services Fraser R	Truvelo Manufacturers (Pty) Ltd	R 9,809.04		R 1,373.27	R 11,182.31
13	SCD2651	2013/07/05	2013/08/12 (Updated: 2013/08/27)	2013/08/28	Clause 36(1)(a)(v)	02	The servicing, calibration and possible repair of Dräger breathalyzer equipment, by the sole importer, supplier and service company of Dräger equipment in South Africa.	Chief: Traffic Services Fraser R	Dräger South Africa (Pty) Ltd	R 1,900.00		R 266.00	R 2,166.00
14	SCD2652	2013/08/13	2013/08/13 (Updated: 2013/08/21)	2013/08/21	Clause 36(1)(a)(v)	02	The identification of fault with the hydraulic cylinder of vehicle CEM 15338, which had begun leaking, via a strip-and-quote process.	Manager: Corporate Services, Arendse JUF	Hycos Hydraulics & Pneumatics CC	R 2,670.00		R 373.80	R 3,043.80
15	SCD2653	2013/08/13	2013/08/13 (Updated: 2013/08/21)	2013/08/21	Clause 36(1)(a)(v)	02	The inspection of fault with the switchgear of vehicle CEM 8154, which was faulty and providing incorrect warning messages, by the sole dealer/agent for the Western and Eastern Cape, via a strip-and-quote process.	Manager: Corporate Services, Arendse JUF	Kemach Cape (Pty) Ltd	R 3,711.20		R 519.57	R 4,230.77
16	SCD2654	2013/08/19	2013/08/23	2013/08/23	Clause 36(1)(a)(v)	02	Procurement of credits for a postage franking machine for Kleinmond Administration from the sole service provider for this specific equipment, for the period ending 30 June 2014	Senior Manager: Hangklip-Kleinmond, Jonkheld C	Earlyworx 282 (Pty) Ltd	R 35,087.72		R 4,912.28	R 40,000.00
17	SCD2655	2013/08/13	2013/08/13 (Updated: 2013/08/28)	2013/08/28	Clause 36(1)(a)(v)	02	The inspection of fault with the pistons and valves of vehicle CEM 24211, which was faulty and resulted in high oil pressure and usage, via a strip-and-quote process.	Manager: Corporate Services, Arendse JUF	Automotive Dynamik Engine Rebuilders CC	R 65,350.75		R 9,149.11	R 74,499.86

18	SCD2666	2013/08/14	2013/08/15	2013/08/28	Clause 36(1)(a)(v)	02	The identification and repair of fault with the two-way radio repeater at Oifantsberg, which sustained damage due to the RF connector having broken, via a strip-and-quote process.	Acting Manager: IT Communication & Technology - van Staden J	Estreux Systems CC /a Benliekor Communications	R	5,380.00	R	753.20	R	6,133.20
19	SCD2667	2013/09/04	2013/09/04	2013/09/06	Clause 36(1)(a)(ii)	03	The Provision of a training workshop on T.A.S.K Job Evaluation by the sole registered owners of the trade mark and associated intellectual property.	Senior Manager: Human Resources, L Bucchianeri	Deloitte Consulting (Pty) Ltd	R	38,157.80	R	5,342.09	R	43,499.89
20	SCD2668	2013/09/12	2013/09/12	2013/10/07	Clause 36(1)(a)(v)	04	The identification and repair of fault with the engine of refuse tanker CEM 11980, which had overheated and needed to be reconditioned, via a strip-and-quote process.	Manager: Corporate Services, Arendse J JF	A Nel /a Worcester Enjincentrum	R	70,695.00	R	9,897.30	R	80,592.30
21	SCD2669	2013/09/05	2013/09/05 (Updated: 2013/09/11)	2013/09/19	Clause 36(1)(a)(v)	03	The Rental of Gas Cylinders procured through tender SC 872/2010, which had a contract period ending 30 June 2013, for a period of 3 months, ending 30 September 2013, as the cylinders still contain gas procured during the contract period of the said tender.	Manager: Corporate Services, Arendse J JF	African Oxygen LTD	R	2,280.00	R	319.20	R	2,599.20
22	SCD2660	2013/09/30	2013/09/30	2013/10/01	Clause 36(1)(a)(v)	04	The provision of a budgeting course for Working for Water contractors by the service provider who's course content has been specifically designed for and approved by the Department of Environmental Affairs Working for Water programme.	IA Manager: Working for Water, Sampson T	Forestry Solutions (Pty) Ltd	R	41,308.50	R	5,783.19	R	47,091.69
23	SCD2662	2013/09/27	2013/09/27	2013/10/04	Clause 36(1)(a)(v)	04	The identification of fault with the high-pressure pump of vehicle CEM 10226, which had begun leaking and required the replacement of its primer, via a strip-and-quote process.	Manager: Corporate Services, Arendse J JF	Fire Raiders (Pty) Ltd	R	22,167.12	R	3,103.40	R	25,270.52
24	SCD2663	2013/09/09	2013/09/25 (Updated: 2013/10/07)	2013/10/07	Clause 36(1)(a)(v)	04	The Servicing of Caterpillar equipment (CAM16700 & CEM19377) by the sole authorised agent for Southern Africa	Manager: Corporate Services, Arendse J JF	Barloworld Equipment, a division of Barloworld South Africa (Pty) Ltd	R	16,507.29	R	2,311.02	R	18,818.31
25	SCD2664	2013/10/08	2013/10/09	2013/10/10	Clause 36(1)(a)(v)	04	License fees for the use of the Traffic Contravention System software by the owner of the software for the 2013/14 financial year, ending 30 June 2014.	Chief: Traffic Services, Fraser R	Total Client Services (Pty) Ltd	R	56,500.00	R	7,910.00	R	64,410.00
26	SCD2665	2013/10/09	2013/10/09 (Updated: 2013/10/11)	2013/10/15	Clause 36(1)(a)(v)	04	The urgent procurement of protective clothing and safety wear without following the Formal Written Quotation process for procurement above R 30,000.00 in order to mitigate risks associated with the safety of municipal employees and the impact on service delivery.	Deputy Director: Community Services, Barman M	Various Contractors	R	165,857.00	R	13,363.98	R	179,220.98
27	SCD2666	2013/10/08	2013/10/08	2013/10/17	Clause 36(1)(a)(v)	04	The Strip-and-quote identification and repair of fault with transmission of CAM 16700, which would not operate in higher gears, by the authorised South African agent.	Manager: Corporate Services, Arendse J JF	Barloworld Equipment, a division of Barloworld South Africa (Pty) Ltd	R	39,977.18	R	5,896.81	R	46,573.99
28	SCD2667	2013/09/19	2013/09/20 (Updated: 2013/10/08)	2013/10/17	Clause 36(1)(a)(v)	04	The identification and repair of fault with the engine of CEM 13004, which had overheated and required the valve guides to be replaced and the cylinder head sanded, via a strip-and-quote process.	Manager: Corporate Services, Arendse J JF	A Nel /a Worcester Enjincentrum	R	3,485.00	R	487.90	R	3,972.90
29	SCD2668	2013/10/21	2013/10/21	2013/10/30	Clause 36(1)(a)(v)	04	The identification and repair of fault with the engines of CEM 15468 and CEM 71, which both displayed oil pressure faults and required repairs to the cylinder heads, via a strip-and-quote process.	Manager: Corporate Services, Arendse J JF	A Nel /a Worcester Enjincentrum	R	11,415.00	R	1,598.10	R	13,013.10
30	SCD2669	2013/10/29	2013/11/04	2013/11/08	Clause 36(1)(a)(v)	05	The provision of services for the hosting and maintenance of Overstrand Municipality's external website by the existing services provider appointed in terms of SC 992/2010 after the expiry of the contract for a period ending 31 January 2014, in order to make provision for the new procurement process SC 1418/2013.	Director: Management Services, D. Arison	Max Internet Technologies CC /a Maxitec	R	12,880.70	R	1,803.30	R	14,684.00
31	SCD2670	2013/10/21	2013/11/21 (Updated: 2013/11/14)	2013/11/15	Clause 36(1)(a)(v)	05	The identification and repair of various faults identified with the body of refuse tanker CEM 11377 via a strip-and-quote process.	Manager: Corporate Services, Arendse J JF	Trans Manufacturing (Pty) Ltd	R	74,485.83	R	10,428.02	R	84,913.85
32	SCD2671	2013/11/07	(SCM Database registration: 2013/11/15)	2013/11/18	Clause 36(1)(a)(ii)	05	The supply and delivery of Bio-Remedial products (BIOR 301 KNK Super) for the remediation of two maturation ponds at the Hermanus Wastewater Treatment Works for the supplier who has been granted exclusive rights for Bloyne's products in South Africa.	Deputy Director: Community Services, Barman M	Second Opinion Consulting CC	R	58,947.37	R	8,252.63	R	67,200.00
33	SCD2672	2013/11/11	2013/11/11 (Updated: 2013/11/15)	2013/11/20	Clause 36(1)(a)(ii)	05	The repair and recalibration of the Power Track meter by Advanced Monitoring Solutions as the sole supplier of Power Track instruments	Senior Superintendent: Electro technical Services, Lourens DC	Advanced Monitoring Solutions CC	R	2,600.00	R	364.00	R	2,964.00
34	SCD2673	2013/11/19	2013/11/19	2013/11/21	Clause 36(1)(a)(v)	05	The identification and repair of faults identified with the 'Greenkeeper' travelling irrigation units, utilised at the Gansbaai sports field, via a strip-and-quote process.	Senior Manager: Gansbaai and Stanford Administration, Myburgh F	Rotrix Africa Industries CC	R	12,692.04	R	1,776.89	R	14,468.93
35	SCD2674	2013/11/19	2013/11/19	2013/11/22	Clause 36(1)(a)(i)	05	The urgent procurement of services for the repair of Landa street in Zwelithe, which had been damaged due to flooding, to ensure the continued provision of essential services.	Deputy Director: Community Services, Barman M	To be identified	R	43,859.65	R	6,140.35	R	50,000.00
36	SCD2675	2013/11/28	2013/11/28	2013/11/28	Clause 36(1)(a)(v)	05	Provision of Lifesaving Services for the Overstrand Area for the period ending 30 June 2014, after the withdrawal of the successful tenderer of SC 1393/2013: Lifesaving Services For Overstrand Area.	Senior Manager: Hermanus Administration, D Kearny	National Sea & Sand Institute and Overstrand Community Lifeguards	R	236,673.45	R	26,793.54	R	263,466.99
37	SCD2676	2013/11/20	2013/11/20	2013/12/05	Clause 36(1)(a)(ii)	06	The repair of sewerage vacuum pumps. Broom Engineering CC is the sole supplier of these vacuum pumps	Director: Community Services, R. Williams	Broom Engineering	R	7,342.00	R	1,027.88	R	8,369.88

38	SCD2677	2013/11/27	2013/11/28	2013/11/29	Clause 36(1)(a)(v)	05	IRP 5 and practical workshop training by Payday Software Systems (PTY) LTD.	Senior Manager: Human Resources, Lucinda Buchlanieri	PayDay Software Systems (Pty) Ltd	R	7,894.74	R	1,105.26	R	9,000.00
39	SCD2678	2013/11/28	2013/11/02	2013/12/03	Clause 36(1)(a)(i)(a)(i)	06	The appointment of a contractor for the repair of security walls (Swallow Park) damaged by excessive rain on 16 November 2013, without following the route of Formal Written Price Quotations due to the limited time and to prevent the possibility of injury to the public.	Manager: Operational Services, Burger P	Alan Bailey Civil Engineering & Construction CC	R	29,345.00	R	4,108.30	R	33,453.30
40	SCD2679	2013/11/26	2013/12/04	2013/12/05	Clause 36(1)(a)(ii)	06	Overstrand Municipality Fire Services is using BVV Technologies gas detectors. BVV Technologies have given a letter stating that Invuyani Safety is the sole representative to repair and recalibrate the three gas detectors	Chief Fire Officer: Smith L	Invuyani Safety	R	2,855.28	R	399.74	R	3,255.00
41	SCD2680	2013/12/04	2013/12/02	2013/02/05	Clause 36(1)(a)(ii)	06	The supply and delivery of SPI-Yel Quick Seals, from the sole authorised suppliers of NIC products for the African region.	Senior Manager: Chief Electro Technical Services, Du Plessis K	Power Measurement & Distribution CC	R	19,750.00	R	2,765.00	R	22,515.00
42	SCD2681	2013/12/04	2013/12/04	2013/12/05	Clause 36(1)(a)(ii)	06	Repair of the gearbox for the Digger Loader CEM 8154 via a strip and quote. Kemaach Cape (PTY) LTD is accredited and sole JCB construction Equipment dealer for the Western Cape.	Director Community Services: Williams R	Kemaach Cape (PTY) LTD	R	16,546.40	R	2,316.50	R	18,862.90
43	SCD2682	2013/12/05	2013/12/05	2013/12/05	Clause 36(1)(a)(ii)	06	The Provision of a training workshop on T.A.S.K Job Evaluation by the sole registered owners of the trade mark and associated intellectual property.	Senior Manager: Human Resources, L Buchlanieri	Deloitte Consulting (Pty) Ltd	R	9,250.00	R	1,295.00	R	10,545.00
44	SCD2683	2013/11/28	2013/11/28	2013/12/10	Clause 36(1)(a)(v)	06	Procurement of services of a motivational speaker, Mr. PD Geldenhuys, at the municipality's bi-annual strategic session on 04 December 2013.	Director: Management Services, Anison D	Mr. PD Geldenhuys	R	8,500.00	R	-	R	8,500.00
45	SCD2684	2013/11/26	2013/11/26	2013/12/18	Clause 36(1)(a)(v)	06	Burmar Civils was requested to repair the sewerage pipeline in Standford due to the fact that the municipality did have the necessary equipment to perform the work	Deputy Director: Operational Services, Barman M	Burmar Civils	R	11,275.00	R	1,578.59	R	12,853.59
46	SCD2685	2013/12/06	2013/12/06	2013/12/09	Clause 36(1)(a)(v)	06	The procurement of services for the Hiring of Sewerage Vacuum Tankers for the peak festive periods December 2013/January 2014 and April 2014, ending 30 April 2014, after the official procurement and SCM Regulation 32 processes failed to identify a preferred supplier.	Deputy Director: Community Service, Barman M	Jevac South Africa (Pty) Ltd	R	875,000.00	R	122,500.00	R	997,500.00
47	SCD2686	2013/12/05	2013/12/05	2013/12/13	Clause 36(1)(a)(ii)	06	The testing and service of Dräger Self Containing Breathing Apparatus equipment, by the sole importer, supplier and service company of Dräger equipment in South Africa.	Chief Fire Officer: Smith L	DRAGER SOUTH AFRICA (PTY) LTD	R	4,260.00	R	596.40	R	4,856.40
48	SCD2687	2013/12/06	2013/12/10	2013/12/11	Clause 36(1)(a)(v)	06	The provision of mobile telecommunication services for use in the operation of Overstrand Municipality's telemetry systems via the developer and implementer of the said system, with a contract period 1 July 2013 to 30 June 2014.	Principle Technician: Operational Services, le Roux G	Spectrum Communication, a Division of Connoisseur Electronics (Pty) Ltd	R	5,412.00	R	757.68	R	6,169.68
49	SCD2688	2013/11/22	2013/12/19	2013/12/27	Clause 36(1)(a)(i)	06	On the 16 November 2013 Fred De Pauw Commercial Diving Services CC assisted the municipality with flooding in Gansbaai.	Deputy Director: Operational Services, Barman M	Fred De Pauw Commercial Diving Services CC	R	5,400.00	R	-	R	5,400.00
50	SCD2689	2013/12/09	2013/12/09	2013/12/20	Clause 36(1)(a)(v)	06	The identification and repair of the vacuum pump and rear crank bearings of sewerage tanker CAM25655 via a strip-and-quote process.	Director Community Services: Williams R	Automotive Dynamix	R	26,028.80	R	3,643.75	R	29,672.55
51	SCD2690	2013/12/20	2013/01/17	2014/01/21	Clause 36(1)(a)(v)	07	The auditing and installation of bulk meters. They are the sole supplier of the bulk meter software and is responsible for the maintenance of it, auditing of meters and extracting of the data for the use in the billing meters.	Senior Superintendent: Electrical Services: Lourens DC	PJ Technologies - Cape CC	R	19,588.60	R	2,739.60	R	22,308.20
52	SCD2691	2013/01/20	2013/01/17	2014/01/21	Clause 36(1)(a)(v)	07	The provision of easy query training services by the developer and implementer of the municipalities financial management system (SAMRAS)	System Administrator: Loubser JT	Bytes Universal Systems	R	44,880.00	R	6,283.20	R	51,163.20
53	SCD2692	2013/01/20	2013/01/20	2014/01/21	Clause 36(1)(a)(v)	07	The urgent procurement of an alternative services provider to attend the blockage of the main sewer line which caused sewerage to overflow into the street, after the preferred contractor, Lazar, was unable to perform due to a breakdown of their truck	Operational Manager: Crafford D	Nel BF (Dyna Road)	R	4,289.46	R	600.53	R	4,889.99
54	SCD2693	2014/01/28	2014/01/28	2014/01/29	Clause 36(1)(a)(v)	07	The tender process for the building and erection of a Cape Whale Coast stand, only one tender was received and were found to be non responsive. It will be impossible to re-advertise the tender due to limited time available, as the show is on the 14-16 February 2014.	Manager: Tourism, Greeff S	Scan Display Solutions (PTY) LTD	R	14,275.00	R	1,988.50	R	16,273.50
55	SCD2694	2014/01/24	2014/01/23	2014/01/27	Clause 36(1)(a)(ii)	07	Repairing of steering cylinder on vehicle CEM96402. Ursus SA (PTY) LTD is the sole supplier that can import the parts on all Ursus tractors	Director: Community Services, Williams R	Ursus SA (PTY) LTD	R	4,049.00	R	566.86	R	4,615.86
56	SCD2695	2014/01/17	2014/01/30	2014/02/03	Clause 36(1)(a)(ii)	08	The repair of sewerage vacuum pumps by Broom Engineering CC who is the sole supplier of these vacuum pumps.	Director Community Services, Williams R	Broom Engineering CC	R	4,507.50	R	631.05	R	5,138.55
57	SCD2696	2014/01/24	2014/01/23	2014/01/27	Clause 36(1)(a)(v)	07	The COMET 5300 high pressure machine was sent to Boland Hoedrusput (PTY) LTD for inspection to determine the problem and be repaired ( via strip and quote)	Director: Community Services, Williams R	Boland Hoedrusput (PTY) LTD	R	2,121.75	R	297.05	R	2,418.80
58	SCD2697	2014/01/27	2014/01/24	2014/01/29	Clause 36(1)(a)(v)	07	The booking of a space at the Beeld Holiday show without requesting quotations from other show organizers due to the uniqueness of the show and the Municipality's intended target market	Manager: Tourism, Greeff S	Interactive Trading 498 (PTY) LTD	R	15,075.00	R	2,110.50	R	17,185.50

59	SCD2698	2014/01/29	2014/01/20 (Updated: 2014/01/27)	2014/02/03	Clause 36(1)(a)(v)	08	The auditing and installation of bulk meters by PJ Technologies. They are the sole supplier of the bulk meter software and is the only company responsible for the maintenance of it, auditing of meters and extracting of the data for the use in the billing meters. This is approved with the provision that the preferred due process tender or s116(3) be adhered to by 30 June 2014.	Senior Manager : Electrical Services , Du Plessis JH	PJ Technologies – Cape CC	R	24,570.00	R	3,439.80	R	28,009.80
60	SCD2699	2014/01/30	2014/01/24 (Updated: 2014/01/30)	2014/02/03	Clause 36(1)(a)(ii)	08	Recalibration of speed measuring equipment. Truvelo Manufactures (PTY) LTD is the sole supplier of the equipment that includes service, repair, maintenance and installation	Chief: Traffic Services , Fraser R	Truvelo Manufactures (PTY) LTD	R	10,789.95	R	1,510.59	R	12,300.54
61	SCD2700	2014/01/28	2014/01/28 (Updated: 2014/02/18)	2014/02/20	Clause 36(1)(a)(v)	08	Procurement of Specialised testing kits for Water testing Equipment at the Gansbaai Wastewater Treatment Works, from the authorised distributor as per the attached memorandum.	Superintendent: Water and Sanitation, Franken H	PREI Instrumentation (Pty) Ltd	R	19,366.00	R	2,711.24	R	22,077.24
62	SCD2701	2014/02/05	2014/01/31 (Updated: 2014/02/04)	2014/02/10	Clause 36(1)(a)(v)	08	The engine of the fire truck (CEM 14827) overheated. The vehicle was sent to Automotive Dynamix to determine the damage to the engine and have it repaired ( strip and quote )	Director Community Services, Williams R	Automotive Dynamix Engine Rebuilders CC	R	56,000.35	R	7,840.05	R	63,840.40
63	SCD2702	2014/02/06	2014/01/28 (Updated: 2014/02/06)	2014/02/10	Clause 36(1)(a)(v)	08	The booking of a space at the Cape Getaway show, on the 14 – 16 March 2014 without requesting quotations from other show organizers due to the uniqueness of the show and the Municipality's intended target market	Manager: Tourism, Greeff S	Ramsay Media (PTY) LTD	R	11,088.00	R	1,552.32	R	12,640.32
64	SCD2703	2014/02/06	2014/02/04 (Updated: 2014/02/06)	2014/02/10	Clause 36(1)(a)(v)	08	The tender process for the building and erection of a Cape Whale Coast stand, only one tender was received and were found to be non responsive. It will be impossible to re-advertise the tender due to limited time available, as the show is on the 14 – 16 March 2014.	Manager: Tourism, Greeff S	Scan Display Solutions ( PTY) LTD	R	11,985.00	R	1,677.90	R	13,662.90
65	SCD2704	2014/02/20	2014/02/20	2014/02/28	Clause 36(1)(a)(v)	08	The purchase of pole mounted transformers via a alternative service provider due to the current contractor. Reclamation & General Suppliers being liquidated and in order to mitigate the risk of existing transformers being damaged and needing to be replaced.	Stores Co-Ordinator: Lynier-Swartz , L	Power Transformers (PTY) LTD	R	253,140.00	R	35,499.60	R	288,579.60
66	SCD2705	2014/02/20	2014/02/20	2014/02/28	Clause 36(1)(a)(v)	08	The procurement of storm-water pipes to ensure the completion of various capital projects before the 2013/2014 financial year , after 2 failed attempts for the procuring of the needed goods via the competitive bidding process.	Stores Co-Ordinator: Lynier-Swartz , L	V W Civil Engineering Suppliers CC	R	235,290.00	R	32,940.60	R	268,230.60
67	SCD2707	2014/03/11	107 (Update 2014/03/19)	2014/03/12	Clause 36(1)(a)(v)	09	GRAP training is mainly provided by IMFO (an accredited professional body) who are leaders on the aspect of the preparation of the annual financial statements and maintenance of asset register in accordance with the GRAP standards.	Senior Manager: Human Resources , Buccianeri L	Institute for Municipal Finance Officials	R	17,763.18	R	2,466.82	R	20,250.00
68	SCD2708	2014/03/24	2014/03/19	2014/03/26	Clause 36(1)(a)(ii)	09	Supply Chain Management Policy :The testing and service of Dräger Self Containing Breathing Apparatus equipment, by the sole importer, supplier and service company of Dräger equipment in South Africa.	Chief: Fire Officer, Smith L	Dräger South Africa (Pty) Ltd	R	7,274.00	R	1,018.36	R	8,292.36
69	SCD27009	2014/03/24	2014/03/28 (Updated: 2014/03/31)	2014/04/02	Clause 36(1)(a)(ii)	10	Supply Chain Management Policy :The procurement of laminated padlocks for the pumpstation, boreholes and reservoirs. The brass/copper padlocks are being stolen and sold for scrap metal. Patch Industrial Suppliers are the sole trained agent of these laminated padlocks.	First Technician : Operational Services, Marx T	Patch Industrial Suppliers	R	24,877.60	R	3,482.86	R	28,360.46
70	SCD2710	2014/03/26	2014/03/26 (Updated: 2014/03/31)	2014/04/01	Clause 36(1)(a)(i)	10	The procurement of emergency fire fighting services on the 08/02/2014, 22/02/2014, 23/02/2014 and 28/02/2014 as the magnitude of situation exceeded the municipality's own resources.	Chief: Fire Officer, Smith L	FFA Aviation ( PTY) LTD	R	259,189.45	R	36,287.54	R	295,476.99
71	SCD2711	2014/04/11	2014/04/01 (Updated: 2014/04/11)	2014/04/14	Clause 36(1)(a)(ii)	10	Replacement of test boards used in NRCS testing equipment which is used by the traffic department. The current test board is faulty and cannot be repaired. Andis is the only supplier that manufactures these test boards.	Chief: Traffic/Lisences, Fraser R	Analogue & Digital System CC ( ANDIS)	R	8,903.51	R	1,246.49	R	10,150.00
72	SCD2713	2014/04/09	2014/04/07 (Updated: 2014/04/09)	2014/04/09	Clause 36(1)(a)(v)	10	The Provision of Professional Services for the establishment of market-related remuneration for top management	Municipal Manager, C. Goenevald	Work Dynamics (Pty) Ltd	R	18,772.00	R	2,628.08	R	21,400.08
73	SCD2714	2014/04/09	2014/04/08	2014/04/10	Clause 36(1)(a)(v)	10	CEM 31017 was sent to Worcester Brake & Clutch for inspection and it was found that the clutch kit needs to be repaired due to wear and tear (via a strip and quote process.)	Superintendent: Mechanical Workshop, Hanekom J	Worcester Brake and Clutch	R	3,260.00	R	456.40	R	3,716.40
74	SCD27015	2014/04/10	2014/04/08	2014/04/11	Clause 36(1)(a)(v)	10	The engine of CEM 31017 was inspected and it was found to be using too much oil. The tractor was sent to Worcester Enjin Sentrum for inspection and it was found that the pistons rings was damaged due to wear and tear (via a strip and quote process). The engine was recommended by the supplier to be refurbished	Superintendent: Mechanical Workshop, Hanekom J	Worcester Enjin Sentrum	R	29,876.00	R	4,196.64	R	34,072.64
75	SCD2716	2014/04/24	2014/04/08 (Updated: 2014/04/23)	2014/04/24	Clause 36(1)(a)(v)	10	The hopper and compactor body of CEM 23618 was damaged due to wear and tear. This caused the waste to leak out. The vehicle was sent to TFM Transtech for quotations, via a strip and quote process.	Superintendent: Mechanical Workshop, Hanekom J	TFM Transtech	R	122,817.05	R	17,194.43	R	140,011.48
76	SCD2717	2014/04/10	2014/04/08	2014/04/11	Clause 36(1)(a)(ii)	10	Procurement of services for the relocation of existing instrumentation use to monitor the municipality's electricity quality, by the sole manufacturer and supplier of the instrumentation.	Chief : Electro Technical Services, Du Plessis JH	CT Lab ( PTY) LTD	R	19,860.00	R	2,780.40	R	22,640.40

77	SCD2718	2014/04/11	2014/04/11	2014/04/11	2014/04/11	Clause 36(1)(a)(v)	10	Onlab Specialist Electro- Technology CC has been identified as the specialist in the developing of the Walkerbay Substation Protection model and was therefore requested to repair the faults identified by the Scade system.	Chief : Electro Technical Services, Du Plessis JH	Onlab Specialist Electro- Technology CC	R	14 580.00	R	2,041.20	R	16 621.20		
78	SCD2719	2014/04/11	2014/04/11	2014/04/11	2014/04/11	Clause 36(1)(a)(v)	10	The auditing and installation of bulk meters by PJ Technologies in the Kleinmond area. They are the sole supplier of the bulk meter software and is the only company responsible for the maintenance of it, auditing of meters and extracting of the data for the use in the billing meters. This is approved with the provision that the preferred due process tender or s116(3) be adhered to by 30 June 2014	Senior Manager : Electrical Services , Du Plessis JH	PJ Technologies – Cape CC	R	15,008.00	R	2,101.12	R	17,109.12		
79	SCD2720	2014/04/11	2014/04/10	2014/04/11	2014/04/11	Clause 36(1)(a)(ii)	10	The provision of Intellcash bank reconciliation software from originally designer and developer of the system and who also owns sole copyright, as the risk of implementing an alternative system during the financial year would have an impact on the reconciliations, financial statements and external audit of the municipality.	Manager: Financial Services, King B	Pricewaterhouse Coopers Inc.	R	59,400.00	R	8,316.00	R	67,716.00		
80	SCD2721	2014/04/11	2014/04/11	2014/04/14	2014/04/14	Clause 36(1)(a)(ii)	10	Service and repair of Holmatro Hydraulic Rescue tools. The manufacturer has confirmed that Fire Raiders are the sole exclusive and authorized dealer in South Africa.	Divisional Commander, Lobb B	Fire Raiders Cape ( PTY ) LTD	R	9,290.87	R	1,300.72	R	10,591.59		
81	SCD2722	2014/04/11	2014/04/11	2014/04/14	2014/04/14	Clause 36(1)(a)(ii)	10	Servicing of the Bauer Breathing air compressors. High Pressure Systems is the sole importer of the Bauer breathing air compressors in South Africa as indicated by the manufacturer	Divisional Commander, Lobb B	High Pressure Systems CC	R	6,781.52	R	949.41	R	7,730.93		
82	SCD2723	2014/04/23	2014/04/14 (Updated: 2014/04/17)	2014/04/24	2014/04/24	Clause 36(1)(a)(ii)	10	Repair of the fly rope and several pulleys on the extension ladder. This was damaged during a training exercise in March 2014. Due-Safety Ladder Corporation has confirmed that Marce Projects is the sole services and sale provider of their product in South Africa	Chief: Fire Officer, Smith L	Marce Projects ( PTY ) LTD	R	3,880.00	R	543.20	R	4,423.20		
83	SCD2724	2014/04/25	2014/04/15 (Updated: 2014/04/24)	2014/04/24	2014/04/24	Clause 36(1)(a)(v)	10	Procurement for the disconnection and reconnection of services for the period ending 31 July 2014. To mitigate any financial losses due to the current supplier failing to perform this services efficiently.	Manager: Income , Stadler E	IPES Utility Management Services (PTY)	R	118,421.05	R	16,578.95	R	135,000.00		
84	SCD2725	2014/04/25	2014/04/22	2014/04/29	2014/04/29	Clause 36(1)(a)(v)	10	The municipal workshop have found that the team tank of CEM10226 was leaking. The only way the extent of the damage could be determined is to remove the structure panels and investigate the foam tank via a strip and quote process.	Superintendent: Mechanical Workshop, Hanekom J	Fire Raiders (PTY) LTD	R	13,245.00	R	1,854.30	R	15,099.30		
85	SCD2726	2014/05/08	2014/04/30 (Updated: 2014/05/06)	2014/05/08	2014/05/08	Clause 36(1)(a)(v)	11	On the 27 April 2014 Berg en See area was left without electricity due to a cable fault. The fault could not be found by the municipality and the services of Caltest CC was procured on short notice to find the fault.	Senior Manager : Electrical Services , Du Plessis JH	Caltest CC	R	5,320.50	R	744.87	R	6,065.37		
86	SCD2727	2014/05/08	2014/05/08	2014/05/08	2014/05/08	Clause 36(1)(a)(v)	11	Provision of urgent specialised testing services for the location of a fault on the 11kv cable network in order to prevent damages and potential outages on the hermanus electrical network.	Senior Manager : Electrical Services , Du Plessis JH	Caltest CC	R	5,770.50	R	807.87	R	6,578.37		
87	SCD2728	2014/05/14	2014/05/06 ( Updated: 2014/05/13)	2014/05/21	2014/05/21	Clause 36(1)(a)(ii)	11	The 6 monthly preventative maintenance service of Riello Aros Multistandard UPS system by the sole AROS distributor and service centre for Riello Aros systems in Western and Eastern Cape provinces.	ICT System Developer : Johnson C	UPS Cape t/a AC Digital Energy	R	4,307.50	R	603.05	R	4,910.55		
88	SCD2729	2014/05/19	2014/05/12 (Updated: 2014/05/16)	2014/05/22	2014/05/22	Clause 36(1)(a)(v)	11	The engine of CEM12879 had overheated. The cylinder heads was sent to Silverton Radiators (Rossouw Diesel & Petrol) for the identification, and proposed repair of faults via a strip-and-quote process.	Superintendent: Mechanical Workshop, Hanekom J	Silverton Radiators (Rossouw Diesel & Petrol)	R	2,500.00	R	350.00	R	2,850.00		
89	SCD2730	2014/06/13	2014/06/06 (Updated: 2014/06/10)	2014/06/26	2014/06/26	Clause 36(1)(a)(v)	12	The ETV signal at Bathybay, Kleinmond area was reported faulty. Transmitter Magic CC was contacted to investigate the problem. The supplier repaired the faulty vivid satellite decoder.	Manager: Systems Development, Johnson C	Transmitter Magic CC	R	3,324.00	R	465.36	R	3,789.36		
90	SCD2731	2014/06/20	2014/06/10 (Updated: 2014/06/20)	2014/06/23	2014/06/23	Clause 36(1)(a)(v)	12	The review and integration of existing performance agreements into the top layer SDBIP, by the original developer and implementer of the municipality's existing SDBIP and performance management system.	Senior Manager: Strategic Services , Louw R	Ignite Advisory Services (Pty) Ltd	R	14,250.00	R	1,995.00	R	16,245.00		
91	SCD2732	2014/06/26	2014/06/02 (Updated: 2014/06/25)	2014/06/26	2014/06/26	Clause 36(1)(a)(ii)	12	An electrical short circuit prevented the digger loader CEM 8154 from being operated. Kemach Cape (PTY) LTD, the sole accredited JCB Construction Equipment dealer in the Western Cape - was requested to inspect the vehicle and found that a switch was damaged and had to be replaced.	Superintendent: Mechanical Workshop, Hanekom J	Kemach Cape (PTY) LTD	R	10,690.06	R	1,496.89	R	12,186.95		
92	SCD2733	2014/06/26	2014/06/19 (Updated: 2014/06/25)	2014/06/27	2014/06/27	Clause 36(1)(a)(v)	12	Renewal of PMAXX software licenses and setting up of software used for the monitoring for enermax meters by the original development and implementer of the current systems	Senior Manager Electrical Technical Services, Du Plessis JH	PJ Technologie – Cape CC	R	40,464.03	R	5,664.96	R	46,128.99		
93	SCD2735	2014/06/27	2014/06/27	2014/06/27	2014/06/27	Clause 36(1)(a)(v)	12	Deviation: The Acquisition of capped ELA Licensing Fee for the GIS system for a contract period ending 30 June 2017, by the sole provider of the current system implemented by the municipality to perform GIS functions.	Director: Infrastructure and Planning	Environmental Systems Research Institute SA (Pty) Ltd	R	945,750.00	R	132,405.00	R	1,078,155.00		
											R	5,425,550.44	R	253,140.00	R	776,889.04	R	6,455,579.48

**SUPPLY CHAIN MANAGEMENT**

**Awards to close family members of persons in the service of the state in excess of R 2 000- 2013/2014 financial year in terms of Clause 45 of the policy**

Creditor Num.	Company Name	Relationship Type	Name	Government Entity	Capacity of employment	Amount
H90005	ABRAHAMIS CJ	SISTER	SHIREEN MONTAQUE	Overstrand Municipality	Admin Clerk	R 5,400.00
H94179	ABSA BANK LTD	SPOUSE	TREVOR MANUEL	National Government	Minister of National Planning Commission	R 20,324,753.69
H000088	ADENCO CONSTRUCTION (PTY) LTD	CHILD	HV MACHIMANA	DEPARTMENT OF WELFARE	SOCIAL WORKER	
		CHILD	B SKOSANA	DEPARTMENT OF HEALTH	NURSING SISTER	
		PARENT	A KASSNER	Department of Education	Teacher	R 20,125,768.69
		Mother	Sarah Meyer	Bloem Water	Executive HR	
		Father	Roelof Meyer	Grey College	Teacher : Department Head	
		Wife	Bernice Beukes	University of Pretoria	Senior Lecturer	
		Husband	James Nkutu Koko	Department of Trade & Industry	EMEA: Financial Manager	
		Son	André Rossouw	Eskom	Mechanical Engineer	
		Wife	F du Rand	University of Pretoria	Temporary Lecturer	
		Brother	Rowan Seath	Eskom - Grootvlei Power Station	Technician	
		Sister	Lida Muddle	Department of Education	Teacher	
		Wife	Dr HC de Swardt	Tshwane University of Technology	Lecturer	
		Wife	Elmarie Venter	Gauteng Education Department	Teacher at Laerskook Edleen	
		Wife	Anéle de Wet	UNISA	Senior Lecturer	
		Wife	Mariska Edwards	UNISA	Lecturer	
		Brother	Marius M Lund	University of Cape Town	Head: Registrar's secretariat	
H95451	AECOM	Husband	Timothy Liversage	Transnet	Environmental Manager	R 1,386,898.34
		Wife	Pamela de Waal	University of Pretoria	Senior Lecturer	
		Wife	Marietjie Breylenbach	Eendracht Primary School	Teacher (temporary)	
		Wife	Carol vd Merwe	Protea Park Primary School	Teacher	
		Nephew	Toy Le Grange	SA Defence Force - Medical services	Colonel (unsure)	
		Nephew	Frikkie Koekelenberg	Transnet	Artisan	
		Sister	Rona Newark	University of Stellenbosch	Professor	
		Wife	Allison Powell	Dpt of Education (WC)	Teacher	
		Brother	Gary Powell	University of Cape Town	Lecturer / Programme Manager	
		Wife	Lynette Wolff	Dpt of Education (WC)	Teacher	
		Niece	Mareli Els	Dpt of Education	Teacher	
		Brother	Christoff Marais	Dpt of Health (WC)	Registrar in orthopaedic surgery	
		Wife	Alison Mahomed	eThekweni Municipality	Project Officer	
		Wife	S Smith	University of Cape Town	Bio statistician	
H90005	AJ Motor Trimmers CC	Spouse	H. Fortune	Overstrand Municipality	Typist/ Clerk	R 30,980.00
		PARENT	MEYER R	TELKOM SA	PROJECT MANAGER	
		PARENT	MOORE AJ	DEPARTMENT OF WATER AFFAIRS	CHIEF ENGINEER	
		FAMILY	NADASEN K	NATIONAL DEPARTMENT OF PUBLIC WORKS	DIRECTOR: KEY ACCOUNT MANAGEMENT	
		PARENT	NAIR R	ETHEKWINI MUNICIPALITY	BUILDING INSPECTOR	
		SPOUSE	O'CONNELL SM	SOL PLAATJE MUNICIPALITY	LIBRARIAN	
		SPOUSE	PHILLIPS JF	NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT & TOURISM	MANAGER: TOWNSHIP REVITALISATION	



1123326	COALITION TRADING 1318	CHILD	Cenobia Muller	CEDA	Administrator	253,499.90
H95422	COALITION TRADING 1318	SPOUSE	TOBIAS-MEINTJIES AA	Theewaterskloof Municipality	Forman: Street & Stromwater	R
K900206	COERT NV	FAMILY	FRAZER BARRY	Overstrand Municipality	PURCHASER	R
		FAMILY	DANIEL BARRY	Overstrand Municipality	PRINCIPLE CLERK	22,000.00
H95342	CUPING HERMANUS (PTY) LTD CUPBOARDS INC	INLAW	DENICE COERT	Department of Education	Teacher	R
		FAMILY	HEATHER TRUTER	Department of Education	Teacher	R
G004086	D & J VERVOER	PARENT	JARRAD PAUL GREY	SA Navy	Seaman	R
G93497	DREYER B	PARENT	VERMEULEN JC	Overstrand Municipality	Accountant: Income	R
		PARENT	DICKSON R	Overstrand Municipality	Building Inspector	193,806.00
H95614	DU PLESSIS AA (ANGIES CATERING)	INLAW	DICKSON M	Overstrand Municipality	Senior Clerk	R
		CHILD	BRONWYN DU PLESSIS	Overstrand Municipality	Admin Clerk	R
H91751	DU PLESSIS SW	INLAW	COETZEE G	Overstrand Municipality	Principle Technician - Building Control	R
H95752	DUCCO INDUSTRIAL (PTY) LTD	SPOUSE	SHANAAZ MARLIE	PAARL HOSPITAL	AUDIOLOGIST	R
		SPOUSE	MARIAM MARLIE	STIKLAND HOSPITAL	QUALITY ASSURANCE MANAGER	188,647.20
H95027	EASY MIX	SPOUSE	DE JAGER H	Cape Agulhas Municipality	Clerk: Rates	R
H95004	ECO CREATIONS	SPOUSE	RAINBIRD L	Overstrand Municipality	Horticulturist	R
G93522	EMMENEM KONSTRUKSIE	SPOUSE	DUNSDON EM	Department of Education	Teacher	R
H93339	ENGELBRECHT & SCORGIE TEKENKAN	SPOUSE	ENGELBRECHT C	Overstrand Municipality	Administrator: ICT	R
		FAMILY	TANISHA AM THOMAS TO MR THOMAS	ESKOM	Project Manager in Transmission	R
H95846	EON CONSULTING (PTY) LTD	FAMILY	WILLIAMS J	Western Cape Provincial Traffic Department	Traffic Officer	R
H95367	EROLD WESSELS MAINTENANCE	FAMILY	WILLIAMS J	Western Cape Provincial Traffic Department	Traffic Officer	R
G93222	EUROPA E (ELSA KONSTRUKSIE)	INLAW	JANTJIES L	Overstrand Municipality	Store Attendant	R
		INLAW	JUMAT K	Overstrand Municipality	Driver	38,990.00
K900575	FLORIS SM	BROTHER	EUROPA D	Overstrand Municipality	Nature Conservation	R
		BROTHER	FLORIS A	Overstrand Municipality	SUPERVISOR:	16,600.00
H95375	GATEWAY PAVERS CC	SPOUSE	BAARDMAN M	Overstrand Municipality	Chief Clerk: Rates & Housing	R
H94686	GERRIT VISSER ONDERHOUDSWERK	SPOUSE	VISSER A	Overstrand Municipality	Snr Clerk: Internal Management	R
		Daughter	Tenille Lauren September	Health Infrastructure PGWC	Accountant	40,621.10
H900210	GIBB (PTY) LTD (ARCUS GIBB)	Daughter	Britt Tatum September	City of Cape Town	Administrator	
		Parent	K Pillay	Department of Education	Data Capturer	
		Parent	P Pillay	Department of Education	Teacher	
		Spouse	Alan Moon	City of Cape Town	Business Continuity	
		Spouse	Leigh Stolworthy	City of Cape Town	Principle Professional Officer: IRT Systems Planning	
		Spouse	C de Beer	Eskom	Engineer	
		Spouse	Nokuthula Mkhize	Department of Water Affairs and Forestry	Accounting Clerk	
		Spouse	Jeanne Mare	Department of education	Teacher	
		Spouse	Nkosinathi Mzayiya	Dept of Correctional Services	Correctional Officer	
		Parent	Jacqueline Gooch	Department of Transport and Public Works	Deputy Director General	
		Spouse	Unathi Lekonyana	Department of National Treasury	Deputy Director	
		Parent	Douglas Krewiet	Department of Water Affairs and Forestry	Acting Area Manager	
		Spouse	K Naidoo	Department of education	Head of Department: Maths	
		Spouse	Kapil Singh	City of Cape Town	Senior Professional Officer	
Mother	Nalini Pillay	Department of education	Head of Department: Language			
Father	Logan Pillay	Department of Transport	Mechanical Manager			
Brother	M.B. Haq	City Engineers	Town Planner			
SPOUSE	EC SPANDIEL	Department of Education	Teacher			
H93257	HENRY MOSES SPANDIEL PROJECTS	SPOUSE	EC SPANDIEL	Department of Education	Teacher	R
H900210	GIBB (PTY) LTD (ARCUS GIBB)					R
						1,356,868.56
						228,980.00



## Appendix A

June 2014

### Schedule of external loans as at 30 June 2014

Loan Number	Redeemable	Balance at 30 June 2013	Received during the period	Redeemed written off during the period	Balance at 30 June 2014	
		Rand	Rand	Rand	Rand	
<b>Development Bank of South Africa</b>						
DBSA @ 7.894%	13535/102	2020	2,355,730	-	471,146	1,884,584
DBSA @ 7.894%	13543/101	2019	2,052,111	-	410,422	1,641,689
DBSA @ 7.594%	13761/101	2020	2,085,954	-	391,116	1,694,838
DBSA @ 12.00%	10450/102	2017	505,320	-	105,151	400,169
DBSA @ 9.86%	102169/1	2022	13,340,512	-	1,391,365	11,949,147
DBSA @ 10.92%	103946/1	2026	54,000,000	-	6,000,000	48,000,000
DBSA @ 10.60%	103946/2	2026	90,000,000	10,000,000	-	100,000,000
			<b>164,339,627</b>	<b>10,000,000</b>	<b>8,769,200</b>	<b>165,570,427</b>
<b>Lease liability</b>						
SHARP @ 15.07%		2014	481,614	-	481,614	-
NASHUA @ 9.00%		2014	141,675	-	141,675	-
CAPE OFFICE @ 16.37%		2015	104,065	-	41,443	62,622
SHARP @ 13.74%		2014	17,200	-	17,200	-
			<b>744,554</b>	<b>-</b>	<b>681,932</b>	<b>62,622</b>
<b>Annuity loans</b>						
ABSA @ 10.38%	3029589816	2024	61,354,564	-	2,969,973	58,384,591
ABSA @ 10.44%	4073054262	2024	34,423,680	-	1,788,686	32,634,994
ABSA @ 10.82%	4073923493	2024	36,295,746	-	1,845,760	34,449,986
ABSA @ 7.92%	2879000653	2020	7,000,000	-	782,843	6,217,157
ABSA @ 9.11%	2879000652	2028	31,700,000	-	1,054,295	30,645,705
ABSA @ 10.94%	0387230984	2029	-	39,900,000	-	39,900,000
ABSA @ 9.69%	0387230985	2021	-	1,400,000	-	1,400,000
INCA @ 10.09%		2022	47,036,667	-	3,415,010	43,621,657
			<b>217,810,657</b>	<b>41,300,000</b>	<b>11,856,567</b>	<b>247,254,090</b>
<b>Total external loans</b>						
Development Bank of South Africa			164,339,627	10,000,000	8,769,200	165,570,427
Lease liability			744,554	-	681,932	62,622
Annuity loans			217,810,657	41,300,000	11,856,567	247,254,090
			<b>382,894,838</b>	<b>51,300,000</b>	<b>21,307,699</b>	<b>412,887,139</b>



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## Appendix B

June 2014

### Analysis of property, plant and equipment as at 30 June 2014

<b>Cost/Revaluation</b>	<b>Accumulated depreciation</b>
-------------------------	---------------------------------

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Fair value adjustment Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Land and buildings</b>														
Land (Separate for AFS purposes)	346,042,386	9,085,541	-	-	-	-	355,127,927	(425,208)	-	-	-	-	(425,208)	354,702,719
Buildings (Separate for AFS purposes)	133,993,587	1,493,665	-	1,056,335	-	-	136,543,587	(21,397,607)	-	-	(5,608,489)	-	(27,006,096)	109,537,491
	<b>480,035,973</b>	<b>10,579,206</b>	<b>-</b>	<b>1,056,335</b>	<b>-</b>	<b>-</b>	<b>491,671,514</b>	<b>(21,822,815)</b>	<b>-</b>	<b>-</b>	<b>(5,608,489)</b>	<b>-</b>	<b>(27,431,304)</b>	<b>464,240,210</b>
<b>Infrastructure</b>														
Roads, Pavements & Bridges	1,702,819,805	23,755,516	(2,853,400)	-	-	-	1,723,721,921	(838,560,217)	1,174,649	-	(27,964,617)	-	(865,350,185)	858,371,736
Storm water	222,131,455	3,260,308	-	-	-	-	225,391,763	(139,249,804)	-	-	(2,245,120)	-	(141,494,924)	83,896,839
Electricity	1,006,774,369	38,101,302	(21,542,176)	-	-	-	1,023,333,495	(396,959,264)	12,511,040	-	(18,886,633)	-	(403,334,857)	619,998,638
Water	1,363,783,370	24,922,271	(14,732,236)	(1,056,335)	-	-	1,372,917,070	(905,135,439)	11,146,242	-	(18,974,250)	-	(912,963,447)	459,953,623
Sewerage	709,624,997	11,002,713	(6,974,665)	-	-	-	713,653,045	(328,430,588)	6,128,444	-	(14,102,955)	-	(336,405,099)	377,247,946
Solid waste disposal	47,224,266	3,040,774	-	-	-	-	50,265,040	(12,093,457)	-	-	(2,321,473)	-	(14,414,930)	35,850,110
Security measures	13,509,519	591,302	(1,867,500)	-	-	-	12,233,321	(9,580,900)	1,604,643	-	(606,227)	-	(8,582,484)	3,650,837
	<b>5,065,867,781</b>	<b>104,674,186</b>	<b>(47,969,977)</b>	<b>(1,056,335)</b>	<b>-</b>	<b>-</b>	<b>5,121,515,655</b>	<b>2,630,009,669</b>	<b>32,565,018</b>	<b>-</b>	<b>(85,101,275)</b>	<b>-</b>	<b>2,682,545,926</b>	<b>2,438,969,729</b>
<b>Community Assets</b>														
Recreational facilities	91,462,841	6,992,240	-	-	-	-	98,455,081	(32,680,117)	-	-	(2,960,607)	-	(35,640,724)	62,814,357
	<b>91,462,841</b>	<b>6,992,240</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98,455,081</b>	<b>(32,680,117)</b>	<b>-</b>	<b>-</b>	<b>(2,960,607)</b>	<b>-</b>	<b>(35,640,724)</b>	<b>62,814,357</b>



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**Analysis of property, plant and equipment as at 30 June 2014**  
**Cost/Revaluation** **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Fair value adjustment Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Heritage assets</b>														
Conservation areas	107,906,535	-	-	(1,069)	-	-	<b>107,905,466</b>	(9,250,000)	-	-	-	-	<b>(9,250,000)</b>	98,655,466
Mayoral chains	99,309	-	-	-	-	-	<b>99,309</b>	-	-	-	-	-	-	99,309
Parks	817,200	-	-	-	-	-	<b>817,200</b>	-	-	-	-	-	-	817,200
	<b>108,823,044</b>	-	-	<b>(1,069)</b>	-	-	<b>108,821,975</b>	<b>(9,250,000)</b>	-	-	-	-	<b>(9,250,000)</b>	<b>99,571,975</b>
<b>Other assets</b>														
General vehicles	57,151,243	4,689,708	(1,288,992)	-	-	-	<b>60,551,959</b>	(21,605,742)	708,431	-	(2,587,631)	-	<b>(23,484,942)</b>	37,067,017
Furniture & Fittings	2,366,693	379,227	(30,346)	-	-	-	<b>2,715,574</b>	(1,512,396)	27,004	-	(261,305)	-	<b>(1,746,697)</b>	968,877
Office Equipment	14,224,926	1,420,471	(308,093)	1,240,111	-	-	<b>16,577,415</b>	(6,989,549)	231,594	(504,405)	(1,981,922)	-	<b>(9,244,282)</b>	7,333,133
Office Equipment - Leased	1,379,399	-	-	(1,240,111)	-	-	<b>139,288</b>	(321,763)	-	504,405	(230,929)	-	<b>(48,287)</b>	91,001
	<b>75,122,261</b>	<b>6,489,406</b>	<b>(1,627,431)</b>	-	-	-	<b>79,984,236</b>	<b>(30,429,450)</b>	<b>967,029</b>	-	<b>(5,061,787)</b>	-	<b>(34,524,208)</b>	<b>45,460,028</b>



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## Analysis of property, plant and equipment as at 30 June 2014

### Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Fair value adjustment Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Total property plant and equipment</b>														
Land and buildings	480,035,973	10,579,206	-	1,056,335	-	-	491,671,514	(21,822,815)	-	-	(5,608,489)	-	(27,431,304)	464,240,210
Infrastructure	5,065,867,781	104,674,186	(47,969,977)	(1,056,335)	-	-	5,121,515,655	2,630,009,669	32,565,018	-	(85,101,275)	-	2,682,545,926	2,438,969,729
Community Assets	91,462,841	6,992,240	-	-	-	-	98,455,081	(32,680,117)	-	-	(2,960,607)	-	(35,640,724)	62,814,357
Heritage assets	108,823,044	-	-	(1,069)	-	-	108,821,975	(9,250,000)	-	-	-	-	(9,250,000)	99,571,975
Other assets	75,122,261	6,489,406	(1,627,431)	-	-	-	79,984,236	(30,429,450)	967,029	-	(5,061,787)	-	(34,524,208)	45,460,028
	<b>5,821,311,900</b>	<b>128,735,038</b>	<b>(49,597,408)</b>	<b>(1,069)</b>	-	-	<b>5,900,448,461</b>	<b>2,724,192,051</b>	<b>33,532,047</b>	-	<b>(98,732,158)</b>	-	<b>2,789,392,162</b>	<b>3,111,056,299</b>
<b>Intangible assets</b>														
Computers - software & programming	3,005,259	1,400,190	-	-	-	-	4,405,449	(916,672)	-	-	(628,771)	-	(1,545,443)	2,860,006
Water rights	2,360,000	-	-	-	-	-	2,360,000	-	-	-	-	-	-	2,360,000
	<b>5,365,259</b>	<b>1,400,190</b>	-	-	-	-	<b>6,765,449</b>	<b>(916,672)</b>	-	-	<b>(628,771)</b>	-	<b>(1,545,443)</b>	<b>5,220,006</b>
<b>Investment properties</b>														
Investment property	175,866,200	795,000	-	(4,300,000)	-	(7,860,700)	164,500,500	-	-	-	-	-	-	164,500,500
	<b>175,866,200</b>	<b>795,000</b>	-	<b>(4,300,000)</b>	-	<b>(7,860,700)</b>	<b>164,500,500</b>	-	-	-	-	-	-	<b>164,500,500</b>
<b>Total</b>														
Land and buildings	480,035,973	10,579,206	-	1,056,335	-	-	491,671,514	(21,822,815)	-	-	(5,608,489)	-	(27,431,304)	464,240,210
Infrastructure	5,065,867,781	104,674,186	(47,969,977)	(1,056,335)	-	-	5,121,515,655	2,630,009,669	32,565,018	-	(85,101,275)	-	2,682,545,926	2,438,969,729
Community Assets	91,462,841	6,992,240	-	-	-	-	98,455,081	(32,680,117)	-	-	(2,960,607)	-	(35,640,724)	62,814,357
Heritage assets	108,823,044	-	-	(1,069)	-	-	108,821,975	(9,250,000)	-	-	-	-	(9,250,000)	99,571,975
Other assets	75,122,261	6,489,406	(1,627,431)	-	-	-	79,984,236	(30,429,450)	967,029	-	(5,061,787)	-	(34,524,208)	45,460,028
Intangible assets	5,365,259	1,400,190	-	-	-	-	6,765,449	(916,672)	-	-	(628,771)	-	(1,545,443)	5,220,006
Investment properties	175,866,200	795,000	-	(4,300,000)	-	(7,860,700)	164,500,500	-	-	-	-	-	-	164,500,500
	<b>6,002,543,359</b>	<b>130,930,228</b>	<b>(49,597,408)</b>	<b>(4,301,069)</b>	-	<b>(7,860,700)</b>	<b>6,071,714,410</b>	<b>2,725,108,723</b>	<b>33,532,047</b>	-	<b>(99,360,929)</b>	-	<b>2,790,937,605</b>	<b>3,280,776,805</b>





## Appendix D

June 2014

### Segmental Statement of Financial Performance for the year ended Prior Year Current Year

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
<b>Municipality</b>						
38,425,068	86,147,894	(47,722,826)	Executive & Council/Mayor and Council	42,354,898	93,079,302	(50,724,404)
137,401,661	51,581,147	85,820,514	Finance & Admin/Finance	150,786,320	57,635,466	93,150,854
7,907,079	38,324,924	(30,417,845)	Planning and Development/Economic Development/Plan	12,852,886	39,550,673	(26,697,787)
54,740,855	69,624,966	(14,884,111)	Corporate Services	6,362,541	64,154,049	(57,791,508)
2,538,388	25,338,523	(22,800,135)	Comm. & Social/Libraries and archives	2,574,476	30,255,463	(27,680,987)
18,644,506	5,294,065	13,350,441	Housing	29,472,584	28,674,674	797,910
11,322,355	38,873,113	(27,550,758)	Public Safety/Police	28,300,262	57,384,731	(29,084,469)
7,761,749	19,210,983	(11,449,234)	Sport and Recreation	11,427,280	18,637,387	(7,210,107)
64,829	6,433,345	(6,368,516)	Environmental Protection/Pollution Control	319,465	7,305,844	(6,986,379)
68,766,731	56,786,555	11,980,176	Waste Water Management/Sewerage	65,091,274	64,658,929	432,345
10,594,972	84,220,177	(73,625,205)	Road Transport/Roads	17,789,913	92,659,133	(74,869,220)
96,589,844	87,310,140	9,279,704	Water/Water Distribution	96,086,047	99,439,289	(3,353,242)
249,514,153	223,910,168	25,603,985	Electricity /Electricity Distribution	270,880,440	247,858,774	23,021,666
46,919,689	46,737,337	182,352	Waste Management	53,065,957	36,085,162	16,980,795
<b>751,191,879</b>	<b>839,793,337</b>	<b>(88,601,458)</b>		<b>787,364,343</b>	<b>937,378,876</b>	<b>(150,014,533)</b>
<b>Other charges</b>						
-	(99,500,000)	99,500,000		-	(105,000,000)	105,000,000
-	<b>(99,500,000)</b>	<b>99,500,000</b>		-	<b>(105,000,000)</b>	<b>105,000,000</b>
751,191,879	839,793,337	(88,601,458)	Municipality	787,364,343	937,378,876	(150,014,533)
-	(99,500,000)	99,500,000	Other charges	-	(105,000,000)	105,000,000
<b>751,191,879</b>	<b>740,293,337</b>	<b>10,898,542</b>	<b>Total</b>	<b>787,364,343</b>	<b>832,378,876</b>	<b>(45,014,533)</b>



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## Appendix E(1)

June 2014

### Actual vs Budget (Revenue and Expenditure) for the period ended 30 June 2014

	Current year 2014 Act. Bal.	Current year 2014 Adjusted budget Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
<b>Revenue</b>					
Property rates	134,812,632	131,155,600	3,657,032	2.8	Refer to note 57
Service charges	479,252,516	493,839,540	(14,587,024)	(3.0)	Refer to note 57
Rental of facilities and equipment	7,590,838	8,550,800	(959,962)	(11.2)	Refer to note 57
Income from agency services	2,394,759	2,254,500	140,259	6.2	Refer to note 57
Licences and permits	1,955,766	2,046,000	(90,234)	(4.4)	Refer to note 57
Property rates - penalties imposed	820,635	1,000,000	(179,365)	(17.9)	Refer to note 57
Public contributions	13,436,150	3,693,254	9,742,896	263.8	Refer to note 57
Fines	22,739,348	7,528,800	15,210,548	202.0	Refer to note 57
Other income - (rollup)	16,630,507	14,868,207	1,762,300	11.9	Refer to note 57
Government grants	105,925,162	111,907,469	(5,982,307)	(5.3)	Refer to note 57
Interest received - investment	7,617,899	8,400,000	(782,101)	(9.3)	Refer to note 57
Interest received - other	852,210	821,564	30,646	3.7	Refer to note 57
	<b>794,028,422</b>	<b>786,065,734</b>	<b>7,962,688</b>	<b>1.0</b>	
<b>Expenses</b>					
Personnel	(260,644,835)	(252,454,332)	(8,190,503)	3.2	Refer to note 57
Remuneration of councillors	(7,932,511)	(7,977,792)	45,281	(0.6)	Refer to note 57
Depreciation	(98,732,159)	(102,069,808)	3,337,649	(3.3)	Refer to note 57
Amortisation	(628,771)	-	(628,771)	-	Refer to note 57
Finance costs	(39,927,312)	(42,291,500)	2,364,188	(5.6)	Refer to note 57
Materials	(13,594,529)	(14,475,226)	880,697	(6.1)	Refer to note 57
Bulk purchases	(157,055,063)	(156,892,800)	(162,263)	0.1	Refer to note 57
Contracted Services	(72,754,122)	(76,806,076)	4,051,954	(5.3)	Refer to note 57
Grants and subsidies paid	(38,749,289)	(39,217,300)	468,011	(1.2)	Refer to note 57
General Expenses	(104,934,555)	(135,306,184)	30,371,629	(22.4)	Refer to note 57
Debt impairment	(12,525,633)	-	(12,525,633)	(100.0)	Refer to note 57
	<b>(820,004,412)</b>	<b>(827,491,018)</b>	<b>7,486,606</b>	<b>(0.9)</b>	
<b>Other revenue and costs</b>					
Gain or loss on disposal of assets and liabilities	(12,017,434)	483,000	(12,500,434)	588.1	Refer to note 57
Fair value adjustments	(7,021,105)	750,000	(7,771,105)	036.1	Refer to note 57
	<b>(19,038,539)</b>	<b>1,233,000</b>	<b>(20,271,539)</b>	<b>644.1</b>	
Net surplus/ (deficit) for the year	<b>(45,014,529)</b>	<b>(40,192,284)</b>	<b>(4,822,245)</b>	<b>12.0</b>	

## Appendix E(2)

June 2014

### Budget Analysis of Capital Expenditure as at 30 June 2014

	Capital expenditure Rand	Revised Budget Rand	Variance Rand	Variance %	Explanation of significant variances from budget
<b>Municipality</b>					
Waste Management	3,040,774	3,040,774	-	-	Refer to note 57
Comm. & Social/Libraries and archives	3,482,157	3,652,242	170,085	5	Refer to note 57
Housing	10,403,709	14,364,188	3,960,479	28	Refer to note 57
Sport and Recreation	5,695,900	5,695,900	-	-	Refer to note 57
Waste Water Management/Sewerage	10,202,490	12,353,413	2,150,923	17	Refer to note 57
Road Transport/Roads	16,051,286	16,228,336	177,050	1	Refer to note 57
Water/Water Distribution	23,630,683	23,831,730	201,047	1	Refer to note 57
Electricity /Electricity Distribution	36,730,877	39,229,483	2,498,606	6	Refer to note 57
Corporate Services	10,734,523	11,300,615	566,092	5	Refer to note 57
	<b>119,972,399</b>	<b>129,696,681</b>	<b>9,724,282</b>	<b>7</b>	



**Appendix F**  
**Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003**  
June 2014

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure				Grants and Subsidies delayed / withheld				Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for noncompliance
		Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun			
FMG	Nat Treasury	1,300	-	-	-	129	362	84	725	-	-	-	-	N/A	Yes	N/A
MSIG	Nat Treasury	890	-	-	-	4	6	241	639	-	-	-	-	N/A	Yes	N/A
MIG	Nat Treasury	4,095	8,677	5,983	-	1,469	3,616	5,347	8,323	-	-	-	-	N/A	Yes	N/A
NDPG	Nat Treasury	3,963	-	-	-	3,963	-	-	-	-	-	-	-	N/A	Yes	N/A
RBIG	Nat Treasury	-	-	-	-	-	-	-	-	-	-	-	-	N/A	Yes	N/A
EPWP	PAWC	498	373	373	-	186	291	311	456	-	-	-	-	N/A	Yes	N/A
INEG	DME	3,000	-	-	-	219	145	706	1,930	-	-	-	-	N/A	Yes	N/A
Library	PAWC	302	251	251	-	116	166	313	210	-	-	-	-	N/A	Yes	N/A
Thusong service centre	PAWC	-	-	218	-	-	-	-	218	-	-	-	-	N/A	Yes	N/A
Prov road subsidy	PAWC	-	-	2,651	-	-	-	2,083	1,230	-	-	-	-	N/A	Yes	N/A
HCE	PAWC	-	-	-	-	6	4	2	36	-	-	-	-	N/A	Yes	N/A
Social housing	PAWC	595	12,983	2,428	10,390	2,073	7,218	6,483	8,240	-	-	-	-	N/A	Yes	N/A
Mobility strategy	PAWC	-	-	-	-	-	-	-	106	-	-	-	-	N/A	Yes	N/A
PTI	PAWC	-	-	982	-	424	482	76	-	-	-	-	-	N/A	Yes	N/A
Sport and recreation	PAWC	100	-	-	-	-	29	-	71	-	-	-	-	N/A	Yes	N/A
CDW	PAWC	-	-	49	-	-	-	18	31	-	-	-	-	N/A	Yes	N/A
FMSG	Nat Treasury	-	-	800	-	-	-	-	156	-	-	-	-	N/A	Yes	N/A
Nelson Mandela memorial	PAWC	-	100	-	-	-	-	58	42	-	-	-	-	N/A	Yes	N/A
Greenest town competition	PAWC	-	-	50	-	-	-	-	12	-	-	-	-	N/A	Yes	N/A
		14,743	22,384	13,785	10,390	8,589	12,319	15,722	22,425	-	-	-	-			

Note: Above values are presented to the nearest R'000.

**Annexure B:**  
**Report of the Auditor-General**

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## Annexures

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FINAL

# **REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON THE OVERSTRAND MUNICIPALITY**

## **REPORT ON THE FINANCIAL STATEMENTS**

### **Introduction**

1. I have audited the financial statements of the Overstrand Municipality set out on pages 2 to 72, which comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### **Accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor-general's responsibility**

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Overstrand Municipality as at 30 June 2014 and its financial performance, cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

### **Emphasis of matter**

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### **Restatement of corresponding figures**

8. As disclosed in note 47 to the financial statements, the corresponding figures for 30 June 2013 have been restated as a result of errors discovered during 2013-14 in the financial statements of the Overstrand Municipality at, and for the year ended, 30 June 2014.

### **Additional matters**

9. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Unaudited supplementary schedules**

10. The supplementary information set out on pages 73 to 81 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

### **Unaudited disclosure notes**

11. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

12. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

### **Predetermined objectives**

13. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objective presented in the annual performance report of the Overstrand Municipality for the year ended 30 June 2014:

- Objective: Basic service delivery as set out on pages 105 to 108.

14. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

15. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.

16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected objective.

**Additional matter**

18. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected objective, I draw attention to the following matter:

**Achievement of planned targets**

19. Refer to the annual performance report on pages 96 to 108 for information on the achievement of the planned targets for the year.

**Compliance with legislation**

20. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation as set out in the general notice issued in terms of the PAA.

**Internal control**

21. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

*Cluckier - General*

Cape Town

28 November 2014



AUDITOR - GENERAL  
SOUTH AFRICA

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Annexure C:  
Report of the Audit Committee

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## Annexures

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FINAL

**OVERSTRAND MUNICIPALITY**  
**ANNUAL OVERSIGHT REPORT OF THE AUDIT- AND PERFORMANCE AUDIT**  
**COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

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**1. Introduction**

The Audit Committees are independent statutory committees appointed by the Council in terms of section 166 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). We are pleased to present our oversight report for the financial year ended 30 June 2014.

**2. AUDIT COMMITTEE**

**2.1 Members**

During the period from 01 July 2013 to 30 June 2014, the Committee consists of five members none of whom are councilors or officials of the Municipality. The Committee members are:

- GN Lawrence (Chairperson)
- DWJ Jacobs
- HPA Beekman
- HV Liebenberg
- KE Montgomery

**2.2 Meetings**

The Committee met on the following dates during the year under review:

- 27 August 2013
- 12 September 2013
- 13 December 2013
- 06 March 2014
- 26 May 2014

The Executive Mayor, Chairperson of the Finance & Economic Development Portfolio Committee, Municipal Manager, Chief Financial Officer, Director: Management Services and Chief Audit Executive and Internal Audit officials, attend the meetings.

**2.3 Role and responsibilities**

The Committee was fully functional for the year under review and operated in accordance with the adopted Audit Committee Charter, which was approved by Council. The provisions contained in the Local Government: Municipal Finance Management Act, 2003 and Internal Audit Framework, which was developed by National Treasury, are included in the Charter.

The Committee substantially fulfilled its responsibilities for the year under review, as set out in section 166 of the Municipal Finance Management Act, 2003. (*Refer to point 4 below.*)

**3. Reports and Charters reviewed**

The Committee has reviewed the following reports and charters for the period under review:

- 3.1 Cash receipts and deposits at 2 municipal swimming pools.
- 3.2 Emergency Housing Programme 2011/2012.

**OVERSTRAND MUNICIPALITY**  
**ANNUAL OVERSIGHT REPORT OF THE AUDIT- AND PERFORMANCE AUDIT**  
**COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

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- 3.3 Consumer Deposits 2011/2012 & 2012/2013
- 3.4 Leave Administration
- 3.5 Follow-up: Administration of Municipal Residences
- 3.6 Administration of working for water projects 2011/2012 & 2012/2013.
- 3.7 Management of alien vegetation invasion 2013/2014.
- 3.8 Social Development 2012/2013 & 2013/2014
- 3.9 Key Control Assessment fourth quarter (April – June 2013) for the period 2012/2013.
- 3.10 Key Control Assessment first quarter (July – September 2013) for the period 2013/2014.
- 3.11 Key Control Assessment second quarter (October – December 2013) for the period 2013/2014.
- 3.12 Key Control Assessment third quarter (January – March 2014) for the period 2013/2014
- 3.13 Housing Consumer Education grant financial period 2012/2013.
- 3.14 Memorandum: Rescheduling of Expanded Public Works Programme audit.
- 3.15 Emergency Housing Programme for the period 2012/2013
- 3.16 Division of Revenue Act 5 of 2012
- 3.17 Internal Audit Charter
- 3.18 Audit Committee Charter

**4. Draft Annual Financial Statements 2013/2014 financial period**

The Audit Committee commends the municipality for compiling and completing the Annual Financial Statements in-house and with own resources.

The Audit Committee also takes note that the Annual Financial Statements were not subjected to any form of correction with no material misstatements.

**5. Management Report and Audit Report of the Auditor-General for 2013/2014**

The Audit Committee has taken note of Section 4 “Emerging Risks” paragraph 89 (Cancellation of contracts) which was discussed during the debriefing session with the Auditor-General.

Recommendation:

- that Council includes a suspensive condition in contracts to obviate possible legal costs being incurred by the municipality where suppliers provide false declarations.

**6. Specific issues that need attention**

Section 3 Specific Focus Area paragraphs 54 and 55 refer.

**OVERSTRAND MUNICIPALITY**  
**ANNUAL OVERSIGHT REPORT OF THE AUDIT- AND PERFORMANCE AUDIT**  
**COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

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The Audit Committee remains concerned at the fact that the municipality is not in a position nor able to access accurate information relating to procurement of goods and services by suppliers/ providers who are disqualified from so doing. Despite this information being available it is not shared with the municipality

**OVERSTRAND MUNICIPALITY**  
**ANNUAL OVERSIGHT REPORT OF THE AUDIT- AND PERFORMANCE AUDIT**  
**COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

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**7. PERFORMANCE AUDIT COMMITTEE**

**7.1 Members**

The Performance Audit Committee consists of the same members as that of the Audit Committee except that there is a different Chairperson, namely DWJ Jacobs. The Chairperson is also the Chairperson of the Rewards and Recognition Committee of the Municipality.

**7.2 Meetings**

The Committee met on the following dates during the year under review:

- 23 August 2013
- 06 March 2014
- 26 May 2014

The Executive Mayor, Chairperson of the Management Services Portfolio Committee, Municipal Manager, Director: Management Services, Manager: Strategic Services, Chief Audit Executive and Internal Audit officials, attend the meetings.

**7.3 Role and responsibilities**

The Committee was fully functional for the year under review and operated in accordance with the Local Government: Municipal Planning and Performance Management Regulations, 2001.

**8. Reports Reviewed**

The Committee has reviewed the following reports for the period under review:

- 8.1 Predetermined Objectives 4<sup>th</sup> Quarter – Financial period 2012/2013.
- 8.2 Predetermined Objectives 1<sup>st</sup> Quarter – Financial period 2013/2014.
- 8.3 Predetermined Objectives 2<sup>nd</sup> Quarter – Financial period 2013/2014.
- 8.4 Predetermined Objectives 3<sup>rd</sup> Quarter – Financial period 2013/2014.

Based on the processes and assurances obtained from management, Internal Audit and Auditor-General, the Committee is satisfied that the performance management processes and the reporting thereof are adequate.

**9. Report of the Auditor-General for 2013/2014**

The Performance Audit Committee has taken note that no material findings were raised by the Auditor-General on the usefulness and reliability of the reported performance information.

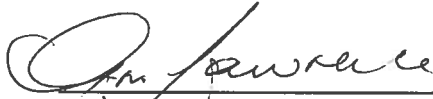
**OVERSTRAND MUNICIPALITY**  
**ANNUAL OVERSIGHT REPORT OF THE AUDIT- AND PERFORMANCE AUDIT**  
**COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

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**10. CONCLUSION**

The Committees enjoyed the full cooperation of the Executive Mayor and councilors who attended meetings of the Committees and the Municipal Manager - with whom the Committees enjoy an excellent working relationship.

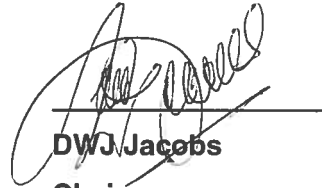
It should be noted that the Internal Audit department did valuable work and the Committees relied heavily on their inputs and effort.



**GN Lawrence**  
**Chairperson:**  
**Audit Committee**

18/12/2014

DATE



**DWJ Jacobs**  
**Chairperson:**  
**Performance Audit Committee**

18/12/2014

DATE

**Annexure D:**  
**Water Services Development Plan for**  
**2013/14**

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## Annexures

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# ***OVERSTRAND MUNICIPALITY***

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## *Annual Water Services Development Plan Performance- and Water Services Audit Report*

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*as directed by the Water Services Act (Act 108 of 1997) and the Regulations relating to Compulsory National Standards and Measures to Conserve Water*

### **FY 2013/2014**

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OVERSTRAND MUNICIPALITY



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## KEY TERMS AND INTERPRETATIONS

KEY TERMS	INTERPRETATIONS
Current replacement cost (CRC)	The cost of replacing the service potential of an existing asset, by reference to some measure of capacity, with an appropriate modern equivalent asset. GAMAP defines CRC as the cost the entity would incur to acquire the asset on the reporting date.
Depreciated Replacement Cost (DRC)	The replacement cost of an existing asset after deducting an allowance for wear or consumption to reflect the remaining economic life of the existing asset.
Financial Year	Financial year means in relation to- <ul style="list-style-type: none"> <li>• a national or provincial department, the year ending 31 March; or</li> <li>• a municipality, the year ending 30 June.</li> </ul>
Integrated Development Plan (IDP)	An IDP is a legislative requirement for municipalities which identifies the municipality's key development priorities; formulates a clear vision, mission and values; formulates appropriate strategies; shows the appropriate organisational structure and systems to realise the vision and the mission and aligns resources with the development priorities.
Municipal Finance Management Act (MFMA)	Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
MIG	A conditional grant from national government to support investment in basic municipal infrastructure.
Remaining useful life (RUL)	The time remaining over which an asset is expected to be used.
Service Delivery Budget Implementation Plan (SDBIP)	The SDBIP is a management, implementation and monitoring tool that enable the Municipal Manager to monitor the performance of senior managers, the Mayor to monitor the performance of the Municipal Manager, and for the community to monitor the performance of the municipality.
Strategic Framework for Water Services	The Strategic Framework provides a comprehensive summary of policy with respect to the water services sector in South Africa and sets out a strategic framework for its implementation over the next ten years.
Water Conservation	The minimisation of loss or waste, the care and protection of water resources and the efficient and effective use of water.
Water Demand Management	The adaptation and implementation of a strategy by a water institution or consumer to influence the water demand and usage of water in order to meet any of the following objectives: economic efficiency, social development, social equity, environmental protection, sustainability of water supply and services, and political acceptability.
Water Services Authority (WSA)	A water services authority means a municipality with the executive authority and the right to administer water services as authorised in terms of the Municipal Structures Act, 1998 (Act No.117 of 1998). There can only be one water services authority in any specific area. Water services authority area boundaries cannot overlap. Water services authorities are metropolitan municipalities, district municipalities and authorised local municipalities.

KEY TERMS	INTERPRETATIONS
Water Services Development Plan (WSDP)	A plan to be developed and adopted by the WSA in terms of the Water Services Act, 1997 (Act No.108 of 1997)
WSDP Guide Framework	Modular tool which has been developed by the DWS to support WSAs in complying to the Water Services Act with respect to Water Services Development Planning and which is also used by the DWS to regulate such compliance.
Water Services Provider (WSP)	A WSP means any person or institution who provides water services to consumers or to another water services institution, but does not include a water services intermediary.
Unaccounted for Water (UAW) SABS 0306 definition	UAW is the difference between the measured volume of water put into the water distribution system and the total volume of water measured to authorised consumers whose fixed property address appears on the official list of the WSA.
Water Balance	The water balance is the difference between the measured volume of potable water put into a water distribution system and the total volume of potable water measured at any intermediate point in the water distribution system. This is a statement setting out the amount of water flowing in and flowing out on an area-by-area basis.

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## OVERSTRAND MUNICIPALITY

### ANNUAL WSDP PERFORMANCE AND WATER SERVICES AUDIT REPORT FOR 2013/2014

#### EXECUTIVE SUMMARY

Section 62 of the Water Services Act requires the Minister to monitor every WSI in order to ensure compliance with the prescribed national standards. This regulation requires a WSA to complete and submit a Water Services Audit every year.

The Water Services Audit is designed to monitor the compliance of the WSA and other WSIs with these regulations. The Water Services Act allows the audit to be used as a tool to compare actual performance of the WSA against the targets and indicators set in their WSDP. The Water Services Audit also assists local communities and DWS to assess how well WSAs are performing relative to their stated intentions and their capacity.

The Water Services Audit Report will give an overview of the implementation of the Municipality's previous year's WSDP, for the 2013/2014 financial year, and can be seen as an annexure to Overstrand Municipality's Annual Report. The Annual Report is compiled as required by the Local Government: Municipal Systems Act, Act no 32 of 2000 (Section 46) and the Local Government: Municipal Finance Management Act, Act no 56 of 2003 (Section 121).

Availability of the Water Services Audit Report: The Water Services Audit Report is a public document and must be made available within four months after the end of each financial year and must be available for inspection at the offices of the WSA. It is also recommended that the document be placed on the Municipality's website and that copies of the document be placed at the public libraries. The Water Services Audit Report also needs to be made available to the Minister of the DWS, the Minister of the Department of Cooperative Governance, the Province and to SALGA, as required by the Water Services Act, 1997.

The Water Services Audit Report contains the following detail information:

- The Municipality's performance with regard to their KPIs for water and sewerage services for the 2013/2014 financial year, as included in the Municipality's SDBIP.
- The Municipality's Performance with regard to DWS's Blue and Green Drop Assessments. Blue drop status is awarded to those towns that comply with 95% criteria on drinking water quality management. Green drop status is awarded to those WWTWs that comply with 90% criteria on key selected indicators on waste water quality management.
- DWS's Scorecard for assessing the potential for WC/WDM efforts in the Municipality.
- Information to be included in a Water Services Audit as stipulated in regulations under section 9 of the Water Services Act, "Guidelines for Compulsory National Standards".
- Information on the implementation of the various WSDP activities, as included under the thirteen WSDP Business Element Chapters.

The Municipality has a comprehensive Performance Management System in place. The SDBIP is the process plan and performance indicator / evaluation for the execution of the budget. The SDBIP is being used as a management, implementation and monitoring tool that assists and guide the Executive Mayor, Councillors, Municipal Manager, Senior Managers and the community. The plan serves as an input to the performance agreements of the Municipal Manager and Directors. It also forms the basis for the monthly, quarterly, mid-year and the annual assessment report and performance assessments of the Municipal Manager and Directors.

The following water and sanitation related investigations were successfully completed during the last financial year.

- The Water Services Audit Report for 2012/2013 was finalised and approved by Council as part of the Annual Report. The non-revenue water balance models were also updated for each of the distribution systems (Up to the end of June 2013) as part of the Water Services Audit Process.
- Overstrand Municipality continues with the implementation of their Drinking Water Quality and Effluent Quality Sampling Programmes (Both Operational and Compliance Monitoring). Sample results are loaded on a monthly basis onto DWS's BDS and GDS. All the WTWs and WWTWs are also registered on the BDS and GDS websites.
- The 2012/2013 WSDP was updated for the 2014/2015 financial year and taken to Council with the IDP. The WSDP was also published for public comment and was approved by Council on the 28<sup>th</sup> of May 2014.
- The Asset Register was updated to include all the water and sewerage capital projects completed during the 2013/2014 financial year.
- The Municipality completed the Section 78(1) Municipal Systems Act investigation for the bulk water and sewerage services, and made a resolution i.t.o Section 78 (2) to continue with an internal service delivery mechanism, but with a support contract in place.
- The Water Pipe Replacement Model was updated during the 2013/2014 financial year. The project entailed the verification of system data, updating of the existing computer model for the pipe replacement network, performing an analysis and reporting. The pipe replacement potential was updated for each of the pipelines in the water distribution systems by assessing the likelihood of failure (LF) and the consequence of failure (CF).
- Zwelihle Sewer network and Kidbrooke sewer pipeline investigations were completed.
- An investigation of the Hermanus Sewerage Pump Stations was completed.
- A leak detection exercise in Pearly Beach, Stanford, Betty's Bay and De Kelders was completed.

The following awards / acknowledgements were also received by the Municipality:

- Winner of the Water Management award at the Western Cape Greenest Municipality Competition.
- The Municipality also received an award for innovation for the new Preekstoel Bio-filtration WTW at the Western Cape Greenest Municipality Competition.
- Overstrand Municipality is performing very well with regard to drinking water quality management, to the extent that the Municipality was **awarded Blue Drop Status (>95%) for five of their eight distribution systems in 2012** and received an overall Blue Drop Score of 96.82%. The Municipality was 5<sup>th</sup> on the 2012 Blue Drop Provincial Performance Log for the Western Cape, and in 12<sup>th</sup> position on the National Performance Log.

**Seven out of the eight systems further managed to achieve a Blue Drop Risk Rating below 20% in 2013**, with Baardskeedersbos attaining a respectable scoring just above 20% (DWS's 2013 Blue Drop Risk Profile Progress Report). The DWS acknowledges the Municipality's efforts in achieving excellent progress in complying with the draft Regulation 17 requirements for all their systems, an achievement which is not easily attained.

- **2013 Green Drop awards (>90%) were received for four of the WWTWs and drainage systems** (National report not yet released by the DWS). The overall Green Drop Score for the Municipality was 89.14%. The strengths noticed by the DWS included the high overall compliance of effluent quality, prominent risk abatement and technical skilled staff with strong management support and involvement.

### Quantity of Water Services Provided (Water Balance)

Detail water balance models are in place for each of the distribution systems in Overstrand Municipality's Management Area. These models include the volume of raw water abstracted from the various resources, the treated volume supplied from the WTW and the billed metered consumption for each of the distribution systems. The volume and percentage of water losses and non-revenue water were also calculated from the available data. The flows at each of the WWTWs are also recorded by the Municipality.

### Water Services Delivery Profile

The number of consumer units per category or user type is available for each of the distribution systems. All the households in the urban areas of Overstrand Municipality's Management Area are provided with water connections inside the houses. Informal areas are supplied with shared services as an intermediary measure. Overstrand Municipality is committed to ensure that private landowners provide at least basic water and sanitation services to those households in the rural areas with existing services below RDP standard.

### Cost Recovery and Free Basic Services

A detail step block tariff system is implemented by Overstrand Municipality. This tariff system discourages the wasteful or inefficient use of water. It is expected that this tariff structure will continue to be implemented in the future. The sustainable supply of potable water is however becoming an ever increasing challenge.

The first six (6) kl of water is provided free to all indigent consumers. Overstrand Municipality's tariffs support the viability and sustainability of water supply services to the poor through cross-subsidies (where feasible). Free basic water and sanitation services are linked to the Municipality's Indigent Policy and all indigent households therefore receive free basic water and sanitation services. This implies that either the equitable share is used to cover this cost, or higher consumption blocks are charged at a rate greater than the cost in order to generate a surplus to cross-subsidies consumers who use up to six (6) kilolitres per month.

The operational budget of the past five financial years for water and sanitation services is summarised in the table below:

Service	Expenditure / Income	Actual 13/14	Actual 12/13	Actual 11/12	Actual 10/11	Actual 09/10
Water	Expenditure	R95 829 984-21	R85 498 520-43	R83 115 288-69	R73 321 373-08	R72 496 148-39
	Income	R96 057 574-71	R96 578 920-13	R104 938 998-48	R79 588 700-02	R74 598 682-45
	<b>Surplus / (Deficit)</b>	<b>(R227 590-50)</b>	<b>(R11 080 399-70)</b>	<b>(R21 823 709-79)</b>	<b>(R6 267 326-94)</b>	<b>(R2 102 534-06)</b>
Sanitation	Expenditure	R57 539 215-06	R51 607 042-31	R45 790 334-40	R40 666 933-48	R37 715 839-36
	Income	R65 032 183-93	R64 291 003-56	R74 623 658-62	R50 911 541-99	R36 160 168-38
	<b>Surplus / (Deficit)</b>	<b>(R7 492 968-87)</b>	<b>(R12 683 961-25)</b>	<b>(R28 833 324-22)</b>	<b>(R10 244 608-51)</b>	<b>R1 555 670-98</b>

### Water Quality

An Operational and Compliance Water Quality and Final Effluent Monitoring Programme, which meets the requirements of SANS:241 and the DWS's Blue and Green Drop sampling criteria are implemented by the Municipality.

The percentage compliance of the water quality samples taken over the period July 2013 to June 2014 for the various distribution systems are summarised in the table below (DWS's 2014 Blue Drop Limits).

Distribution System	Acute Health – 1 Microbiological	Acute Health – 1 Chemical	Chronic Health	Aesthetic	Risk assessment defined Health (Acute or Chronic)	Operational Efficiency
Buffels River	98.3%	100.0%	99.6%	99.5%	99.5%	98.1%
Kleinmond	94.1%	100.0%	98.6%	100.0%	98.1%	97.1%
Greater Hermanus	99.1%	100.0%	99.6%	99.6%	99.5%	89.2%
Stanford	100.0%	100.0%	100.0%	98.9%	100.0%	98.6%
Greater Gansbaai	100.0%	100.0%	99.2%	98.5%	99.4%	98.2%
Pearly Beach	100.0%	100.0%	98.1%	96.9%	98.6%	93.8%
Baardskeerdersbos	87.5%	100.0%	98.3%	69.6%	96.9%	76.6%
Buffeljags Bay	100.0%	100.0%	98.1%	91.4%	98.5%	87.3%

The overall percentage compliance of the final effluent samples taken over the period July 2013 to June 2014 at the Kleinmond, Hawston, Hermanus, Stanford and Gansbaai WWTW is summarised in the table below.

WWTW	Microbiological	Chemical	Physical
Kleinmond	66.7%	83.3%	97.2%
Hawston	91.7%	53.3%	75.0%
Hermanus	91.7%	96.7%	63.9%
Stanford	91.7%	83.3%	100.0%
Gansbaai	91.7%	93.3%	83.3%
<b>Overall compliance percentages</b>	<b>86.7%</b>	<b>82.0%</b>	<b>83.9%</b>

### WC/WDM

The implementation of Overstrand Municipality's WDM Strategy and Action Plan has been extremely successful and the Municipality was able to reduce the water requirements of the towns significantly. The overall percentage of non-revenue water for Overstrand Municipality for the 2013/2014 financial year was 23.12% and the Municipality's target is to reduce it to 17% by June 2017.

The table below gives a summary of the non-revenue water for the various distribution systems in Overstrand Municipality's Management Area.

Description	Unit	13/14	Record : Prior (MI/a)				
			12/13	11/12	10/11	09/10	08/09
Buffels River	Volume	350.035	540.123	463.088	513.972	543.764	653.503
	Percentage	50.46%	59.7%	55.0%	56.1%	56.2%	59.2%
	ILI	3.82	5.45	5.07	5.06	6.69	
Kleinmond	Volume	237.027	283.500	239.492	198.745	268.918	212.481
	Percentage	33.17%	34.2%	30.1%	25.1%	31.1%	24.6%
	ILI	2.26	2.49	2.58	2.17	4.09	
Greater Hermanus	Volume	380.399	324.189	317.241	594.352	593.867	805.122
	Percentage	10.91%	9.0%	9.7%	15.6%	13.3%	16.6%
	ILI	0.96	0.85	0.98	1.50	2.22	
Stanford	Volume	76.516	91.388	142.029	128.297	194.486	163.496
	Percentage	25.87%	30.8%	37.5%	35.5%	41.6%	36.4%
	ILI	2.69	2.90	5.90	5.67	11.08	
Greater Gansbaai	Volume	413.621	405.799	435.335	457.525	457.580	438.158
	Percentage	31.30%	31.2%	32.0%	32.8%	31.5%	30.8%
	ILI	3.34	3.15	3.46	3.71	2.07	
Pearly Beach	Volume	87.708	67.435	45.689	36.511	21.683	27.326



Description	Unit	13/14	Record : Prior (MI/a)				
			12/13	11/12	10/11	09/10	08/09
	Percentage	48.42%	41.9%	32.3%	26.3%	19.7%	21.6%
	ILI	4.79	4.79	3.02	2.41	3.20	
Baardskeerdersbos	Volume	5.665	4.000	2.778	4.085	2.722	4.915
	Percentage	48.62%	36.3%	29.3%	37.3%	25.9%	39.4%
	ILI	1.16	0.75				
Buffeljags Bay	Volume	0.004	0.090	0.019	0	0	0.112
	Percentage	0.12%	2.63%	0.5%	0%	0%	4.4%
	ILI	0.42	0.46				
TOTAL	Volume	1 550.975	1 716.524	1 645.671	1 933.486	2 083.020	2 305.113
	Percentage	23.12%	24.20%	24.17%	26.06%	24.96%	26.12%
	ILI	2.02	2.26	2.02	2.33	2.94	

Notes:

Infrastructure Leakage Index (ILI) for Developed Countries = 1 – 2 Excellent (Category A), 2 – 4 Good (Category B), 4 – 8 Poor (Category C) and > 8 – Very Bad (Category D)

**Category A** = No specific intervention required.

**Category B** = No urgent action required although should be monitored carefully.

**Category C** = Requires attention

**Category D** = Requires immediate water loss reduction interventions

#### Water Services Infrastructure Management

The CRC, DRC, RUL and Age distribution of the water and sewerage infrastructure in Overstrand Municipality’s Management Area is summarised in the table below (June 2014):

Asset Type		CRC	DRC	%CRC / DRC	
Water Infrastructure		R 1 372 547 911	R 912 952 802	66.5%	
Sewerage Infrastructure		R713 653 045	R336 405 098	47.1%	
Remaining Useful Life					
Asset Type	0 – 5 yrs	6 – 10 yrs	11 – 15 yrs	16 – 20 yrs	> 20 yrs
Water Infrastructure	R591 768 684	R221 383 506	R28 903 678	R116 024 460	R414 467 584
Sewerage Infrastructure	R54 102 617	R198 590 682	R49 351 067	R10 836 773	R400 771 907
Age Distribution					
Asset Type	0 – 5 yrs	6 – 10 yrs	11 – 15 yrs	16 – 20 yrs	> 20 yrs
Water Infrastructure	R270 612 576	R56 142 567	R43 153 592	R84 426 237	R918 212 940
Sewerage Infrastructure	R122 975 997	R37 209 536	R82 334 272	R254 004 407	R217 128 833

The above table means that 33.5% of the water infrastructure and 52.9% of the sewer infrastructure has been consumed.

Some of the key challenges of Overstrand Municipality are to identify adequate funds for the rehabilitation and maintenance of their existing infrastructure, which is critical to ensure the sustainability of the services that are provided by the Municipality. There is a concern that new technology installed is not adequately maintained and in the longer term this could cause a massive increase in maintenance due to backlog being created.

#### Associated Services

All schools and medical facilities in Overstrand Municipality’s Management Area are supplied with adequate water and sanitation services.

## Water Resources

Overstrand Municipality continue to actively plan for the augmentation of their existing water resources for the systems where the future water requirements will exceed the safe yields of the existing resources. The table below gives an overview of the years in which the annual water requirement will exceed the sustainable yield from the various resources.

Distribution System	Total sustainable Yield (x 10 <sup>6</sup> m <sup>3</sup> /a)	Annual Growth on 2012/2013 requirement (2%, 3% or 4%)	Annual Growth on 2012/2013 requirement (4%, 5% or 6%)	WSDP Projection Model
Buffels River	1.717	2031 (3%)	2023 (5%)	> 2037
Kleinmond	2.589	> 2037 (3%)	2032 (5%)	> 2037
Greater Hermanus	5.200*	2020 (4%)	2017 (6%)	2019
Stanford	1.600	> 2037 (3%)	> 2037 (5%)	> 2037
Greater Gansbaai	2.768	2027 (4%)	2022 (6%)	2031
Pearly Beach	0.307	2033 (3%)	2025 (5%)	2034
Baardskeerdersbos	0.405	> 2037 (2%)	> 2037 (4%)	> 2037
Buffeljags Bay	0.028	> 2037 (2%)	> 2037 (4%)	> 2037

Note \* With Gateway, Camphill and Volmoed Well Fields fully operational according to the licensed volumes.

## Institutional Arrangement Profile

Overstrand Municipality is the official WSA for the entire Municipal Management Area and act as the WSP for the whole area. The Municipal personnel is continuously exposed to training opportunities, skills development and capacity building at a technical, operations and management level in an effort to create a more efficient overall service to the users. A Workplace Skills Plan is compiled every year and the specific training needs of the personnel, with regard to water and wastewater management are determined annually. The Municipality is currently busy with a Section 78 Investigation to review their current bulk water services delivery mechanism. The focus of the process is on how to optimise the bulk services delivery to the community and whether the current arrangements can address the service delivery and community needs effective and efficiently in the longer term, given the expansion and upgrade of the WTWs and the WWTWs.

## Social and Customer Services Requirements

A comprehensive Customer Services and Complaints system is in place at Overstrand Municipality. The Municipality has maintained a high and a very consistent level of service to its urban water consumers. Help-desks were developed at all the municipal administrations with the objective to assist customers. Disabled people are supported to do business from the help-desks. Requests by the illiterate are being captured and forwarded to the relevant official / section. All municipal buildings are accessible and wheel-chair friendly.

The Water Safety Plans of Overstrand Municipality includes an Improvement / Upgrade Plan. The purpose of the Improvement / Upgrade Plan is to address the existing significant risks where the existing controls were not effective or absent. Barriers implemented by Overstrand Municipality against contamination and deteriorating water quality include the following:

- Participate in Catchment management and water source protection initiatives.
- Protection at points of abstraction such as river intakes and dams (Abstraction Management).
- Correct operation and maintenance of WTWs (Coagulation, flocculation, sedimentation and filtration).
- Protection and maintenance of the distribution system. This includes ensuring an adequate disinfectant residual at all times, rapid response to pipe bursts and other leaks, regular cleaning of reservoirs, keeping all delivery points tidy and clean, etc.

Three other important barriers implemented by Overstrand Municipality against poor quality drinking water that are a prerequisite to those listed above are as follows:

- A well informed Council and top management that understands the extreme importance of and are committed to providing adequate resources for continuous professional operation and maintenance of the water supply system.
- Competent managers and supervisors in the technical department who are responsible for water supply services and lead by example and are passionate about monitoring and safeguarding drinking water quality.
- Well informed community members and other consumers of water supply services that have respect for water as a precious resource.

