

Annual Report 2012/2013

"Centre of Excellence"

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Table at Special Council meeting- 22 January 2014



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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 2012/13 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 new 5 year Integrated Development Plan (IDP) for 2012/2017 and the budget for 2012/13 were approved by Council on 30 May 2012.

In preparing for the 1st review of our 5 year IDP I convened a Mayoral strategic session on 15 November 2012 with the following outcomes:

- Assessing our performance for the 2011/12 financial year;
- Reviewing our Vision, Mission and Strategic goals to ensure sustained service delivery in the 2013/14 financial year;
- Assessing the changing circumstances in our municipal area that may hamper and/or enhance service delivery and proposing a way forward.

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

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

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*).

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Our **five strategic objectives** were re-affirmed:

- i. The provision of democratic, accountable and ethical governance (*the underlined wording was inserted to reflect the municipality's endorsement of ethical values/behaviour*)
- ii. The provision and maintenance of municipal services
- iii. The encouragement of structured community participation in the matters of the municipality
- iv. The creation and maintenance of a safe and healthy environment
- v. 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. Key Policy Developments

- **The National Development Plan (NDP)** articulates the long term development direction for the country with a 2030 vision of "***Our future - make it work***". At local government level, municipalities' development direction is defined in their Integrated Development Plan (IDP) that has a five year life span. The IDP's of municipalities are informed by the development direction of National and Provincial Government. Therefore as part of the Municipality's new 5 year IDP process we aligned our strategic goals to contribute towards the delivery of the NDP vision on a local level. The IDP alignment with the NDP is focused on aspects of the NDP that fit within the Municipality's core responsibilities.
- **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 IDF has a 2050 vision and will address the following: 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 will set the strategic direction for Overstrand's growth and development for the next 30-40 years.

Spatial form has a profound impact on the sustainability, economic performance, manageability, functionality, liveability and attraction of a region.

As part of the IDF compilation process, a Strategic Environmental Management Framework (SEMF) was also compiled that provides a basis from which to promote and guide environmentally and socially responsible development within the Overstrand Municipal area towards 2050.

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Integration between the IDP, the IDF and other sector plans will be achieved by amalgamating the current five year planning cycle (as described in the Integrated Development Plan [IDP]) with a long term integrated spatial vision. The IDF will be used as a strategic guide for future sustainable spatial growth and development, specifically in terms of land-use planning, service infrastructure planning, conservation and environmental management for the area.

The formulation and finalisation of the IDF is a phased project and will therefore continue in the next financial year.

c. 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:

Obtained a clean audit: In last year's annual report we set ourselves the goal to obtain a clean audit and I am extremely proud to report that we indeed achieved our goal in this reporting period. My sincere appreciation and congratulations to all, especially the Municipal Manager, the officials of the Finance Directorate as well as the Management Services Directorate, with our clean audit.

Continued Blue Flag status received for Grotto (11th year), Hawston (7th year) and Kleinmond (4th year) beaches for the 2012/13 holiday season. Grotto is the beach with the longest, uninterrupted Blue Flag status in South Africa.

Blue Drop awards:

- ♣ Overstrand Municipality achieved blue drop status for 5 Water Treatment Works (WTW) from the Department of Water Affairs (DWA), namely: Buffelsrivier, Kleinmond, Preekstoel, Franskraal, and Pearly Beach.
- ♣ Overstrand Municipality as a whole received 96, 82 per cent in the blue drop assessment and was placed 12th on the national list and fifth in the Western Cape. It is a remarkable improvement on last year's 90, 56 per cent and 24th position nationally.

Green drop score: Overstrand Municipality's overall Green Drop score of 88.8% put it in 9th position nationally.

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Greenest municipality competition:

- ♣ Overstrand Municipality received the award for Water Services Management at the Western Cape Provincial Greenest Municipality awards ceremony during November 2012.
- ♣ The Municipality was second runner-up in the waste section of the greenest municipality awards.

Working for Water (WfW) project:

- ♣ The Overstrand WfW project finished as the second best project in the Western Cape during the financial year concerned.
- ♣ The Overstrand WfW project also received an award from Hamilton Russell Vineyards for its outstanding contribution to biodiversity conservation in the Hemel and Aarde Valley.

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

Most productive municipality

Overstrand Municipality emerged as South Africa's most productive local municipality in the sixth annual Municipal Productivity Index released by Municipal IQ, a specialised local government data and intelligence service. This index combines financial and non-financial data to assess the ability of individuals to engage with local economies, the conditions in which residents live, the vibrancy of the local economy and the municipality's contribution towards this.

Continued implementation of 8 year Housing Programme

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

EPWP programme: Kamoso Award

Overstrand Municipality was runner-up for the Kamoso Award for excelling in the implementation of the Extended Public Works Programme (EPWP) during the 2011/12 financial year. The Municipality entered for the best Infrastructure Maintenance Project and its Mechanised Water Pipe Replacement Project was selected as the runner-up in this category for 2011/2012. The award was received in the 2012/13 financial year.

d. 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 2012/13 to solicit public

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participation in the Municipality's IDP and Budget compilation processes as well as other policy developments.

During the period under review the Municipality conducted a customer satisfaction survey on municipal service delivery. The general findings of the survey are found in section 2.14.1 of this report.

e. Future Actions

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 compromise on the basic service delivery mandate to our communities. Overstrand is committed to deliver on our vision *"To be a centre of excellence for the community"*. The performance and achievements stated in this annual report are a testament to our commitment of sustained service delivery.

f. Conclusion

Thank you to our communities, partners and stakeholders for your participation and support during the 2012/13 financial year. May we build on our strengths and collectively address the challenges in order for Overstrand Municipality *"To be a centre of excellence for the community"*.

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.

Lastly, my sincere thanks to all Councillors for working together in a stable atmosphere to ensure service delivery to our community of the Overstrand.

Nicolette Botha-Guthrie

EXECUTIVE MAYOR

7 January 2014

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COMPONENT B: EXECUTIVE SUMMARY

1.1 Municipal Manager's Overview

This report states the performance of Overstrand Municipality for the 2012/13 financial year.

The new 5 year Integrated Development Plan (IDP) for 2012/2017 and the budget for 2012/13 were approved by Council on 30 May 2012. The attainment of the IDP targets for the 2012/13 financial year was successfully measured through the performance management tool, the Service Delivery and Budget Implementation plan (SDBIP) cited in chapter 3 of this report.



We are proud of the clean audit we obtained for the 2012/13 financial year. My sincere appreciation to especially my top management team but also to all our staff members on this achievement. A special word of thanks to the Executive Mayor for diligently exercising her responsibilities inter alia in terms of the provisions of the Local Government: Municipal Finance Management Act, No 56 of 2003. Our next goal will be to maintain a clean audit in the current and subsequent financial years.

Based on the financial performance cited in chapter 5 (section 5.5) of this report, the Overstrand Municipality succeeded to maintain a sound financial position in the 2012/13 financial 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 the global financial and economic crisis on the South African economy. Domestic financial pressures on service delivery will require pro-active initiatives by the municipality to sustain our operations with our current staff complement. Our current deliberations on the organisational structure and optimal utilisation of our staff complement will continue in the next financial year. Working smarter with limited resources will receive special attention in the next financial year.

During the year under review all Section 56 positions (Directors) were filled. The Director: Finance, Mr. Henk Kleinloog, retired on 31 May 2013 and Ms. Santie Reyneke-Naudé, our former Senior Manager: Expenditure and Assets was appointed as Director: Finance as from 1 June 2013. The

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rest of the top management team remained unchanged. This benefitted the sustained service delivery performance as noted in this annual report.

As this annual report reflects on Overstrand Municipality's performance and challenges persevered for the 2012/13 financial year, I extend my sincere appreciation to all staff and Council for their dedication and contribution to deliver on our Vision "*To be a centre of excellence for the community*".

Coenie Groenewald
MUNICIPAL MANAGER

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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 2012/13 Annual Report reflects on the performance of the Overstrand Municipality for the period 1 July 2012 to 30 June 2013. 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^a population for 2013 is **87 999**. (^aOwn calculation based on the average annual growth rate from 2001 to 2011 census figures.)

Chapter 2: Good Governance

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

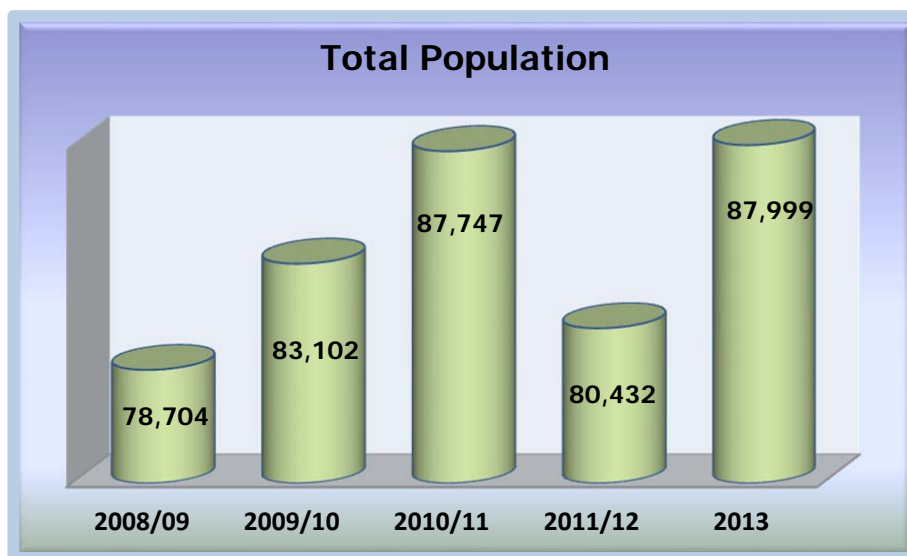
2008/09	2009/10	2010/11	2011/12	2013
78 704	83 102	87 747	80 432*	87 999*

Source: Western Cape Department of Social Development Population Projections Populations projected as at 14 February of 2008, 2009 and 2010.

**Stats SA Census, 2011, * 2013 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*		
	Male	Female	Total	Male	Female	Total
Age: 0-9	6 087	6 090	12 177	6561	6560	13121
Age: 10-14	2 557	2 541	5 098	2696	2699	5395
Age: 15-19	2 455	2 681	5 136	2531	2795	5326
Age: 20-24	3 321	3 209	6 530	3552	3391	6942
Age: 25-39	10 890	9 984	20 874	12182	11004	23186
Age: 40- 54	6 407	6 522	12 929	7040	7185	14225
Age: 55-69	5 114	5 896	11 010	5557	6419	11975
Age: 70-84	2 690	3 174	5 864	3129	3682	6812
Age: 85+	267	548	815	337	679	1016

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

Table 2.: Population profile

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1.3.2 Households

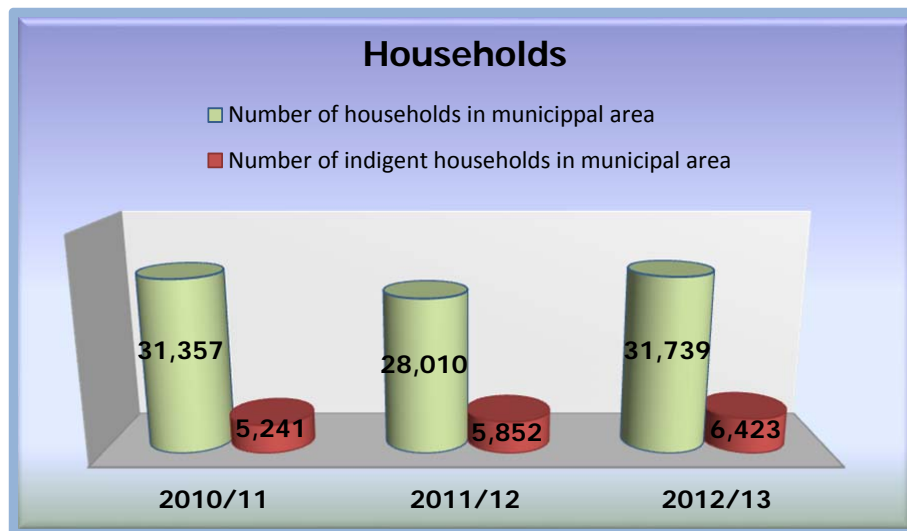
The total number of households within the municipal area increased from **31 373** households in the 2011/12 financial year to a total of **31 739** households in the 2012/13 financial year. This indicates an increase of 1.17% in the total number of households within the municipal area over the two financial years (2011/12- 2012/13).

Households	2010/11	2011/12	2012/13
Number of households in municipal area	31 357	31 373	31 739
Number of indigent households in municipal area	5241	5 852	6 423

Source: Overstrand financial system

Table 3.: Total number of households

The graph below shows that the total number of indigent households increased from 5 852 households in 2011/12 to 6 423 households in the 2012/13 financial year. This indicates an increase of 9.76% in the total number of indigent households within the municipal area over the two financial years (2011/12 – 2012/13).



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*	6412	23%	Not Available	Not Available	Not Available

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 2125km², 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

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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.

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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.

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

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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 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:

Key Economic Activities	Description
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 60-90 minutes driving distance from Cape Town.</p> <p>The Cape Whale Coast offers a myriad tourism activities, attractions, events, accommodation facilities, art galleries, shops, restaurants and country markets. Activities favoured by visitors include whale</p>

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Key Economic Activities	Description
	<p>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.</p> <p>The Cape Whale Coast is a destination where serenity, coastal beauty and champagne air can be enjoyed!</p> <p>Growth experienced in sectors contributing to tourism making the area a preferred destination with a host of activities for visitors.</p>
Aquaculture / Agriculture	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 procedures the best quality in the world and boosting export potential.
Manufacturing	Manufacturing activities have grown moderately in the past year, given the sector's ability to contribute to employment creation in the area.
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	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.

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

→ INTERGOVERNMENTAL RELATIONS

- The municipality hosted a number of events aimed at empowering local entrepreneurs and bringing needed services closer to the people.

→ 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.

→ TRAINING AND DEVELOPMENT

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- 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.

→ **INFRASTRUCTURE DEVELOPMENT**

- The maintenance of existing infrastructure and provision of new ones, is critical to economic growth and facilitation of economic activities for both informal and formal businesses.

→ **REGENERATION OF TOWNSHIPS**

- This is important in 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 activism in townships.

→ **OUTREACH AND ACCESS TO LIVELIHOODS**

- Reaching out to rural- and communities outside the centre, is important in ensuring access to livelihoods for all communities.
- Supporting and promoting projects that have impact on the youth and vulnerable communities.

b) Infrastructure

Housing

The municipality developed an eight year Housing Implementation Programme. As part of the programme, the Municipality is currently developing 211 new sites at Eluxolweni (Pearly Beach) and implementing a Programme for basic services in the informal areas, called the Access to Basic Services Programme.

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 228 GWh of electrical energy to its consumers.

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Local planning and building control

The municipality provides full town planning and building control functions in its area. During the year under review, 229 town planning applications and 1 406 building plans were processed. The following strategic documents have been compiled:

- Strategic Zoning
- Fernkloof Management Framework
- Environmental Management Framework
- Review of Spatial Development Framework (SDF)
- Heritage resistance compiled

c) Community Services

Water

- ➔ Achieved blue drop status for 5 Water Treatment Works (WTW) from the Department of Water Affairs (DWA), namely: Buffelsrivier, Kleinmond, Preekstoel, Franskraal, and Pearly Beach.
- ➔ Two operators from the WTW enrolled for N3 DWA accredited training

Refuse

A highlight was the successful cleaning of PDA (including informal settlements) on a sustainable manner through the formal procurement of 11 cleaning contractors.

Roads

To ensure that the municipal road hierarchy function in a good, safe and user friendly manner.

Priority too be given on an on-going basis for the maintenance and rehabilitation of existing roads in the Overstrand Area.

During the reporting period 33,4km (216,162 m²) 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 2012 until 31 March 2013. All related amenities were maintained to Blue Flag requirements.

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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% of operational budget (<i>audit outcome</i>)
Reaction time to complaints	92% of service requests completed within one month
Refuse removal	100% of residents have access to refuse removal.
1. Hot Water Cylinder Load Control	1. The joint project between Eskom and Overstrand Municipality to install 6400 hot water cylinder load control unit is drawing to a close. Some sections are already switched thereby assisting the national electricity grid to reduce power consumption at the critical peak periods at night. 2751 Units were installed to date.
2. Commencing with the Construction of the Walker Bay Substation	2. The Construction of the Walker Bay Substation, Overstrand's first 66kV substation, has commenced and construction is on time. The first electricity from this substation is expected during December 2013.

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	To render an excellent service at an affordable price.	Optimization of routes and schedules.
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

Table 7.: Basic Services Delivery Challenges

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1.4.3 Proportion of Households with access to Basic Services

Proportion of Households with minimum level of basic services			
Description	2010/11	2011/12	2012/13
Electricity service connections	100%	100%	100
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 100.44%

Table 9.: Financial Viability Highlights

1.5.2 Financial Viability Challenges

Challenge	Action to address
Due to the current economic climate we endeavour not to increase the outstanding debtors	Applying Strict credit control measures

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	2010/11	2011/12	2012/13	Comments
Debt coverage ((Total operating revenue-operating grants received):debt service payments due within the year)	26.5	17.40	17.46	This indicator will stabilise due to the limitation on borrowing that Council has approved in the borrowing policy.
Service debtors to revenue – (Total	13.6	13.3	11.9	A reduction in this

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KPA& Indicator	2010/11	2011/12	2012/13	Comments
outstanding service debtors: revenue received for services)				percentage is a positive indication of the reduction in outstanding debtors
Cost coverage ((Available cash+ investments): Monthly fixed operating expenditure	3,8	5.83	3.49	This is an indication of the numbers of months that the fixed costs are covered and should at least be above 2

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

1.5.4 Financial Overview

Details	Original budget	Adjustment Budget	Actual
	R		
Income			
Grants	105,074,945	103,357,621	95,488,947
Taxes, Levies and tariffs	407,533,903	371,614,363	553,351,228
Other	253,460,391	244,009,563	103,506,807
Sub Total	766,069,239	718,981,547	752,346,982
Less Expenditure	791,054,519	758,981,547	745,158,165
Net surplus/(deficit)	-24,985,280	-40,000,000	7,188,817

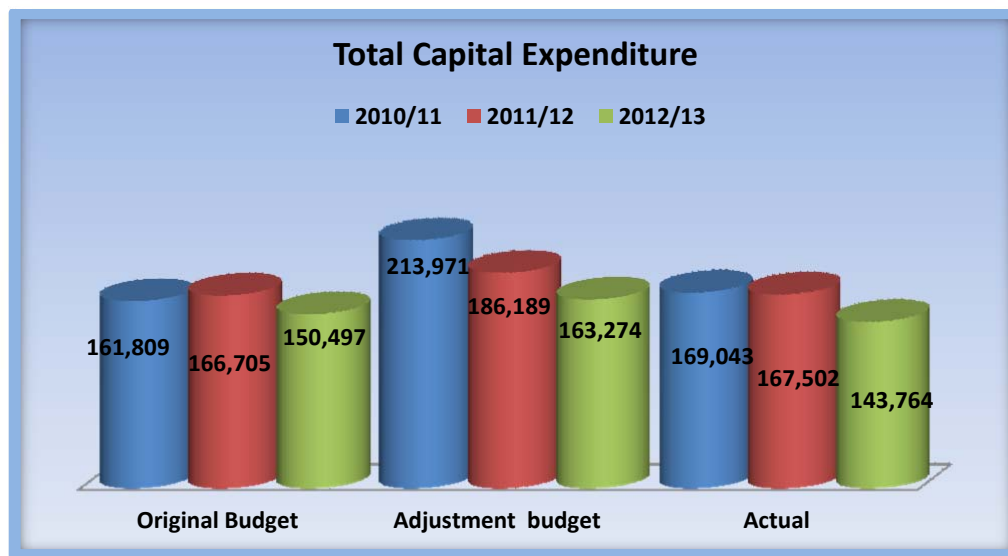
Table 12.: Financial Overview

1.5.5 Total Capital Expenditure

Detail	2010/11	2011/12	2012/13
	R'000		R'000
Original Budget	161,809	213,971	169,043
Adjustment Budget	166,705	186,189	167,502
Actual	150,497	163,274	143,764

Table 13.: Total Capital Expenditure

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Graph 3.: Total Capital Expenditure

1.6 Organisational Development Overview

1.6.1 Municipal Transformation and Organisational Development Highlights

Highlights	Description
Management of Sick Leave	This was a challenge during the previous year. High numbers of the use of sick leave was present. Information was provided to the supervisors on the importance of the use of sick leave. The number of the use of sick leave was reduced by 43%
Establishment of Emergency Evacuation Plan	Plan and Procedures finalized and to be tabled at the Health and Safety Meeting on 31 st August 2012. Fire drill was also initiated.
Installation and servicing of Fire Extinguishers	All out-dated Fire Extinguisher was identified and serviced. A register is now also maintained of fire extinguishers
TASK Job Evaluation	96% of all post are evaluated and audited on the TASK Job Evaluation System and a TASK job evaluation committee was established in-house
MFMA training	2 groups of 30 employees already completed their training and the third and fourth group of 55 employees are in the process of being trained
Local Labour Forum ;Training Committee; OHS Committee and Employment Equity Committee	Well established committees that meet on a regular basis

Table 14.: Municipal Transformation and Organisational Development Highlights

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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.
To implement an effective and efficient Performance Management System to all levels of the organization that will enhance service delivery and development of employees.	Training of all relevant parties. The identification of Performance Management Champions in each Directorate.
Establishment of a well organised, effective and efficient archive system for HR	Close communication with National Archives and continued training of employees.

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 six financial years, from 2006/07 to date.

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.
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.

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Chapter 6 provides details of the audit findings for the 2012/13 financial year.

1.7.1 Audited Outcomes

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

Table 16.: Audit Outcomes

1.8 2012/13 IDP/Budget Process

The table below provides details of the key deadlines for the 2012/13 IDP/Budget process:

Activity	Responsible person	Date	Budget
Table in Council the IDP Process Plan (New 5 year cycle)	Strategic Office	August	n/a
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	August	n/a
Finalise the draft annual report for submission to AG	Strategic Office	August	n/a
Submission of process plan to ODM and the Provincial Government	Strategic Office	August - Sept	n/a
Review status of capital projects (Budget 2010/2013 & Wish list 2012/2013)	Budget Office	August	CAPEX
Area Managers receive lists of previous project proposals not included in budget (2011/12 wish lists) for Ward Committees to review	Budget Office	September	CAPEX
Ward Committees to identify new projects onto the OS3 list	Area Managers	September	CAPEX
Area Managers to submit OS3 lists from Wards to Strategic Office	Area Managers	September	CAPEX
Mayoral directional IDP/Budget Speech	Mayor	September	
Strategic office to submit OS3 lists to the Budget Office	Strategic Office	September	CAPEX
Managers submit new capital projects requests including cash flows to Directors		September	CAPEX

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Activity	Responsible person	Date	Budget
Managers must indicate components for capital projects on capital budget forms and submit to Budget Office		September	
Strategic session with Management and Councillors	Strategic Office	September	
Commence with compilation of new ward based plans	Strategic Office	October	
Directors to prioritise departmental capital project proposals and submit with priorities to Budget Office	Directors	October	CAPEX
Area Managers receive updated lists of OS3 project lists for Ward Committees to prioritise	Budget Office	September	CAPEX
Ward Committees meet and priorities their list of OS3 capital projects	Ward Committee / Area Managers	October	CAPEX
Area Managers to submit Ward Project priorities to the Budget Office	Area Managers	October	CAPEX
Budget Steering Committee to discuss & review capital budget requests	Budget Steering Committee	October	CAPEX
Directorates to be provided with the current Opex Budget including the two outer years budgets for review of 2012/2013 & 2012/2013 and for completion of 2013/2014	Budget Office	November	OPEX
Management Meeting with MM (Directors, Area Managers & Budget Office) to discuss budget proposals		November	
Budget Steering Committee meeting	Budget Steering Committee	November	
Managers to submit Opex requests to Directors including tariff proposals	Managers	November	OPEX
Managers submit 2012/2013 tariff proposals to Directors	Managers	November	OPEX
Directors to submit Opex requests to Budget Office	Directors	December	OPEX
Directors to submit 2012/2013 tariff proposals to Budget Office and Manager: Revenue	Directors	December	OPEX
HR to submit requests for new staff/posts to the Budget Office	HR	December	OPEX

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Activity	Responsible person	Date	Budget
Salary Office to submit draft three year salary budget to Budget Office (Current staff establishment)	Salary Dept.	December	OPEX
Asset Management to submit draft three year depreciation budget (Asset register 2010) to Budget Office	Asset Management	December	OPEX
Cash management to submit draft three year Interest & Redemption (Loan register 2010) to Budget Office	Cash Management	December	OPEX
OMAF Meeting for discussion on capital proposals		December	
Budget Office to compile summary of all operational budget requests	Budget Office	December	OPEX
Budget Office distributes all operational budget requests to managers and directors for verification	Budget Office	December	OPEX
Budget Steering Committee to discuss & review opex, capex, proposed tariffs and new posts	Budget Steering Committee	January	CAPEX / OPEX
Review Budget Related Policies and verify tariffs with Directors	Budget Committee/Councilors /Directors/Managers	February	OPEX
Budget Office distributes OS3 summary of capital requests to Area Managers for Ward Committee final verification	Budget Office	February	CAPEX
Budget Office distributes information for finalisation of depreciation, salary budget and interest & redemption	Budget Office	March	
Statistical Information reports for New Budget Formats distributed to applicable Directors & Managers for completion	Budget Office	March	
Budget Office distributes all operational budget requests to managers and directors for final verification	Budget Office	March	
Ward Committees reviews OS3 summary of capital requests for final verification and return to Budget Office	Area Manager / Ward Committees	February	CAPEX
Review of KPI's and annual performance targets	Strategic Office	January	
Mid-year Budget and Performance Assessment (SDBIP)	Budget office	20 January	

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Activity	Responsible person	Date	Budget
information			
Mid-year performance Assessment Report to MM & Mayor	Budget office/ Strategic Office	25 January	
Mayor to submit Mid-Year performance Assessment Report to Council	Budget office/ Strategic Office	31 January	
Directors and managers return final operational and capital budget including the Statistical Information for New Budget Formats	Directors/Managers	March	OPEX / CAPEX
Managers return final depreciation, salary budget and interest & redemption to budget office	Relevant Managers	March	
Revenue to finalise the Tariffs and submit to Budget Office	Manager: Revenue	March	
Finalisation of Draft Opex & Capex Budgets	Budget Office	March	OPEX / CAPEX
OMAF Meeting for discussion on capital project proposals	OMAF/Ward Com/Councilors/Managers/Directors	February	
Finalise the ward based plans	Strategic Office	March	
Budget Office compile Draft Budget Report	Budget Office	March	OPEX / CAPEX
Prepare advertisements for Draft IDP& Budgets for comments	Budget Office / Strategic Office	March	
APPROVAL AND FINALISATION PHASE			
Draft IDP/Budget tabled at Council		March	OPEX / CAPEX
Submission of Annual Draft Budget and IDP for representation to National and Provincial Treasury any other prescribed organs of state.	Budget Office / Strategic Office	April	OPEX / CAPEX
Summarise all community feedback and distribute to the relevant stakeholders for consideration to be included in the Final Budget report	Budget Office	May	
Approval of IDP and Budget by Council	Budget Office /	May	

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Activity	Responsible person	Date	Budget
	Strategic Office		
Submission of Final Budget and IDP to National and Provincial Treasury.	Budget Office / Strategic Office	June	
Publish a summary of Budget in Bulletin		June	
Finalize Roll over Projects (Final Amounts)	Budget Office	June	
Approval of Roll over list by Council		June	
Preparation of the Annual Report	Budget Office / Strategic Office	Aug - Nov	
Preparation and submission of annual financial statements	Accounting Services	August	
Compilation of SDBIP	Strategic Office	Feb - Jun	

Table 17.: 2012/13 IDP/Budget Process

Notes:

- * OPEX - Operational Budget
- * CAPEX - Capital Budget

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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
	2010/11	2011/2012	2012/13
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)	94%	92%	98% (83.3% 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
Most productive local municipality in the Municipal Productivity Index (MPI)	Overstrand has been named as the most productive local municipality in Municipal IQ's fifth annual Municipal Productivity Index (MPI) for the 2011/12 financial year.
Ward Committee functionality	Ward committee elections held in all 13 wards within 3 weeks of the municipal election.
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 2012/13 financial year:

Council Members	Capacity	Political Party	Ward representing or proportional	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Nicolette Botha-	Executive Mayor	DA	Proportional	84.62%	100

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Council Members	Capacity	Political Party	Ward representing or proportional	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
Guthrie					
Anton Coetsee	Speaker	DA	Proportional	100%	N/A
Moiria Opperman	Councillor	DA	Proportional	92.31%	100
Johannes Januarie	Councillor	N.I.C.O	Proportional	92.31%	100
Mercia Andrews	Councillor	DA	Proportional	100%	N/A
Phillipus May	Councillor	ANC	Proportional	84.62%	100
Abraham Prins	Councillor	DA	Proportional	100%	N/A
Makhaya Ponoane	Councillor	ANC	Proportional	92.31%	100
Maurencia Gillion	Councillor	ANC	Proportional	53.85%	100
Caroline Mandindi	Councillor	ANC	Proportional	100%	N/A
Marilyn Pie	Councillor	ANC	Proportional	100%	N/A
Philippus Appelgrein	Ward Councillor	DA	9	92.31%	100
Lianda Beyers – Cronje	Ward Councillor	DA	4	100%	N/A
Mzameni Mshenxiswa	Ward Councillor	ANC	5	76.93%	100
Dudley Coetzee	Ward Councillor	DA	11	100%	N/A
Elzette Nell	Ward Councillor	DA	13	100%	N/A
Pieter Scholtz	Ward Councillor	DA	2	76.93%	100
Rudolph Smith	Ward Councillor	DA	8	92.31%	100
Ben Solomon	Ward Councillor	DA	7	100%	N/A
Vuyani Macotha	Ward Councillor	ANC	12	100%	N/A
Ntombizinee Sapepa	Ward Councillor	ANC	6	92.31%	100
Lisel Krige	Ward Councillor	DA	10	92.31%	100
Mageret Lerm	Ward Councillor	DA	3	66.67%	100
Nomaxesibe Nqinata	Ward Councillor	ANC	1	100%	N/A
Linda Ndevu	Councillor	DA	Proportional	100%	N/A

Table 21.: Council Meetings

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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 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 2012 to 30 June 2013:

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 committee on policy matters and make recommendations to Council. Section 79 committees are temporary and appointed by the executive committee 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:	Pieter Scholtz	80	9	21/08/2012 18/09/2012

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Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to council	Meeting Date
Infrastructure and Planning				23/10/2012 20/11/2012 19/02/2013 19/03/2013 16/04/2013 21/05/2013 18/06/2013
Portfolio Committee: Management Services	Phillipus Appelgrein	80	9	21/08/2012 18/09/2012 23/10/2012 20/11/2012 19/02/2013 19/03/2013 16/04/2013 21/05/2013 18/06/2013
Portfolio Committee: Finance and Local Economic Development	Ben Solomon	80	9	21/08/2012 18/09/2012 23/10/2012 20/11/2012 19/02/2013 19/03/2013 16/04/2013 21/05/2013 18/06/2013
Portfolio Committee: Protection Services	Moiria Opperman	80	9	21/08/2012 18/09/2012 23/10/2012 20/11/2012 19/02/2013 19/03/2013 16/04/2013 21/05/2013 18/06/2013
Portfolio Committee: Community Services	Rudolph Smit	80	9	21/08/2012 18/09/2012 23/10/2012 20/11/2012 19/02/2013 19/03/2013 16/04/2013 21/05/2013

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Committee	Chairperson	Section 79 or 80 Committee	Number of minutes submitted to council	Meeting Date
				18/06/2013
Oversight	Maurencia Gillion	79	1	12/03/2013
Committee On Fruitless And Wasteful Expenditure	Anton Coetsee	79	1	12/02/2013
Disciplinary Committee	Scholtz Pieter	79	0	N/A

Table 23.: Portfolio Committees

2.4.2 Administrative Governance Structure

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

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

2.5 INTERGOVERNMENTAL RELATIONS

2.5.1 Provincial Intergovernmental Structures

We participate at the following forums:

- ➔ Premier's Coordinating Forum (PCF)

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- 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 Working Group
- SALGA: Human Resources Practitioners Forum
- SALGA (Working groups)
- LGSETA- Local Government Sector Education Training Authority
- 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;
- 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)

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- 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
- 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
- Quarterly Local Government Supply Chain Management Forum – Western Cape Provincial Treasury
- Chief Audit Executive (CAE) Forum
- Chief Risk Officer (CRO) Forum

2.5.2 District Intergovernmental Structures

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)
- District Technical Committee (DTEC)
- Overberg Coastal Setback Line Forum
- Overberg Working for the Coast Project Advisory Committee

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- 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
- SALGA
- 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

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)	31 October 2012	21	13	60	Ward Committees
Advisory Forum (OMAF)	06 December 2012	13	18	46	Ward Committees
Advisory Forum (OMAF)	30 March 2012	17	20	49	Ward Committees

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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
Ward Committee	Quarterly	2 per ward 1 Elected 1 Proportional	4 per ward	Varies between ±3 - 130	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)
Social Compact (Housing)	Monthly	1	3 – Area Manager, Admin Assistant & Housing Officer	8 – 12	Weekdays (after hours)
Kleinbaai Slipway Management Committee	Quarterly	0	Area Manager, Admin Assistant & Control Officer	8 – 12	Normal office hours
Klipgat Trust	Quarterly	0	Area Manager & Admin Assistant	6 – 10	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	+50	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

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

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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	15 August 2012 12 September 2012 17 October 2012 14 November 2012 13 February 2013 13 March 2013 10 April 2013 15 May 2013
Kristoffel Hermanus Jooste	Individual	
Francia van Dyk	Individual	
Vacancy	Masakhane Youth in Action	
Desmond Jim	Masakhane Council of Churches	
Babalwa Mangeala	Neighbour Helps Neighbour	
Vacancy	Vacancy	
Vacancy	Masakhane Sub-Forum	
Anthony Reiner	Kleinbaai Ratepayers Association	
Wilhelm Carl Linder De Vries	Franskraal Ratepayers Association	

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
Johan van Dyk	Overberg Line Fish Association	16 August 2012 12 September 2012 17 October 2012 14 November 2012 13 February 2013 13 March 2013 10 April 2013 15 May 2013 12 June 2013
John Jacobs	Blompark Advisory Office	
Pieter Barend Botha	Individual	
Jacoba Europa	Silwerjare Service Centre	
Gerda Wessels	Gansbaai Ratepayers Association	
Fanie Bothma	Gansbaai Chamber of Commerce	
Johan Pieterse	Gansbaai Tourism	
Louwrens Daniel Oosthuizen	Individual	
Johannes Petrus McLachan Botha	Perlemoenbaai/De Kelders Ratepayers Association	
Hermanus Johannes van Dyk	Gansbaai Marine	

Table 27.: Ward 2 Committee Meetings

c) Ward 3: Hermanus

Name of representative	Capacity representing	Dates of meetings held during the year
David Beattie	Cliff Path Management	15 August 2012

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Name of representative	Capacity representing	Dates of meetings held during the year
Linda Griffiths	BOTSOC	12 September 2012
Pierre De Villiers	Hermanus Astronomy	17 October 2012
Hennie Westraat	Community Police Forum	14 November 2012
Jeff Tanner	Village Square	13 February 2013
Kari Brice	Individual	13 March 2013
Henri Lerm	Individual	10 April 2013
Mary Faure	Individual	15 May 2013
Treurnicht Du Toit	Individual	12 June 2013
Karin Coetzee	Hermanus RPA	

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	
Vacancy	Individual	13 August 2012
Desmond Sauls	Sport & Recreation	10 September 2012
Linda Brikkels	Individual	15 October 2012
T Titus	Mount Pleasant Health and Welfare	12 November 2012
Ronald Nutt	Individual	11 February 2013
Joeline Thompson	Individual	11 March 2013
Nicholas Esau	Individual	08 April 2013
Fergus Powers	Individual	13 May 2013
Bob Zylstra	Individual	10 June 2013

Table 29.: Ward 4 Committee Meetings

e) Ward 5: Zwelihle South

Name of representative	Capacity representing	Dates of meetings held during the year
Masibulele Jimlongo	Individual	15 August 2012
Thobeka Mfundeni	Individual	12 September 2012
Nosakeleh Ndawule	Individual	17 October 2012
Lulama Betane	Individual	14 November 2012
Ntombizanele Sapepa	Individual	13 February 2013
Sipho Nkibithsolo	Individual	19 March 2013
Vusikhaya Ntlokolwana	Individual	10 April 2013
		15 May 2013

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Name of representative	Capacity representing	Dates of meetings held during the year
John Mfendesi	Ministries Fraternal	12 June 2013
L Calata	Qhayiya Secondary School	
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	14 August 2012 11 September 2012 16 October 2012 13 November 2012 12 February 2013 13 March 2013 09 April 2013 14 May 2013 11 June 2013
Wellington Nkanunu	Ministries Fraternal	
Babalwa Goniwe	Individual	
Vivian Nanto	Individual	
Nomfundo Timamu	Masibulele Day Care Centre	
Zolile Hoyi	Individual	
Mzakusi Kamana	Individual	
Lwandlekazi Nyangintsimbi	Disability forum	
Synthia Mcinjana	Siyazama Civic Centre	
Nokuqala Msebe	Individual	

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	16 August 2012 13 September 2012 18 October 2012 15 November 2012 14 February 2013 14 March 2013 11 April 2013 16 May 2013 13 June 2013
Deon Beukes	Sandbaai RPA	
Rita Gerber	Sandbaai Verfraaiingskomitee	
Gerhard Swanepoel	Hemel & Aarde Estate	
Lenie van Wyk	Individual	
Reg Steenkamp	Individual	
Andre Nieuwoud	Individual	
Mariska du Preez	Individual	
Petro van Zyl	Individual	
James Bezuidenhout	Individual	

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
N Potgieter	Individual	13 August 2012 10 September 2012 15 October 2012 12 November 2012 11 February 2013 11 March 2013 08 April 2013 13 May 2013 10 June 2013
Tommy Gelderblom	Hawston Gesondheid & Welsyn	
Isai Claasen	Hawston Sport & Rekreasie	
K Coolwijk	Lake Marina Yacht and Boat Club	
Florina Du Pisanie	Individual	
Robin Perrins	Fisherhaven RPA	
Idy Adams	Individual	
Joseph Dynaard	Individual	
I A Claasen	Individual	
Dave Hugo	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	16 August 2012 13 September 2012 18 October 2012 15 November 2012 14 February 2013 14 March 2013 11 April 2013 16 May 2013 13 June 2013
Jacob Conradie	Community Police Forum	
Annette Mason	Kleinmond Nature Conservation	
Hazel Apollis	Mthimkhulu	
Gareth 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	14 August 2012 11 September 2012 16 October 2012 13 November 2012
Dave Muirhead	Pringle Bay Ratepayers Association	
Barend Heydenrych	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	12 February 2013
Isak Smith	Rooi Els Ratepayers Association	12 March 2013
Andrew Arendse	Proteadorp Community Forum	09 April 2013
Hanalie Quass	Individual	14 May 2013
Susanna Swanepoel	Individual	11 June 2013
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	Stanford Conversation Trust	
Maryanne Ward	Food 4 Thought	16 August 2012
Barry Jones	Stanford Ratepayers' Association	13 September 2012
Ignatus Terblanche	Farmers' Association	18 October 2012
Buseka Jonas	Eluxolweni Community/Residents' Association	15 November 2012
Theodore Coetzer	Pearly Beach Ratepayers' Association	14 February 2013
Helena Swart	Baardskeerdersbos Home Owners' Association	14 March 2013
Bea Whittaker	Individual	11 April 2013
Vacancy	Individual	16 May 2013
		13 June 2013

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	16 August 2012
Vuyiswa Khuse(Sophie)	Zwelihle Community Police Forum	13 September 2012
Chris Makhendiana(Themdikaya)	Zwelihle Business Forum	18 October 2012
Brine Nofotyo(Nkululeko)	Youth Forum	15 November 2012
Mbulelo Memani	School Governing Body	14 February 2013
Nolundi Mahela (Caroline)	Individual	14 March 2013
Nomzi Khambi(Nomthandazo Gcilitshane)	Individual	11 April 2013
		16 May 2013
		13 June 2013

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Name of representative	Capacity representing	Dates of meetings held during the year
Gladwin / Ntembiso Bulawa	Individual	
Zandile Tonisi(Ntombizandile)	Individual	
Vacancy	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	14 August 2012 11 September 2012 16 October 2012 13 November 2012 12 February 2013 12 March 2013 09 April 2013 14 May 2013 11 June 2013
K de Bruin	NG Kerk, Onrus	
Andre Beugger	Vermont Conservation Trust	
N Strydom	Vermont RPA	
T Sutherland	Kalfieffes	
Louis van Brakel	Individual	
Tilla Esterhuizen	Individual	
Duncan Heard	Individual	
Marie van Heerden	Individual	
Paul de Villiers	Onrus RPA	

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.

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- 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 2012/13 financial year:

Name of representative	Capacity	Meeting dates
N Botha-Guthrie	Council	14 August 2012 11 September 2012 16 October 2012 13 November 2012 12 February 2013 12 March 2013 09 April 2013 14 May 2013 11 June 2013
P Appelgrein	Council	
B Solomon	Council	
P Scholtz	Council	
M Mshenxiswa	Council	
D Arrison	Management	
R Williams	Management	
H Kleinloog	Management	
T Olivier	SAMWU	
S Tyelinzima	SAMWU	
E Mfakadolo	SAMWU	
T Arendse	SAMWU	
Z Bongoza	SAMWU	
S Nkohla	SAMWU	
U Swart	IMATU	
J Nel	IMATU	
D Phillips	IMATU	
I Hennecke	IMATU	

Table 40.: Labour Forum

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b) Overstrand Municipal Advisory Forum (OMAF)

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

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 has been made on the 2013/14 Budget for the appointment of a Chief Risk Officer who will be responsible for risk management.

Top five risks:

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1. Inadequate administration of assets
2. Armed robbery/ theft.
3. Unaccounted water/ water losses.
4. Fleet management – inadequate fire fighting fleet, vehicle shortages especially specialised 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)	02 & 03 July 2012 25 & 26 March 2013 18 April 2013 30 & 31 May 2013

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	25 June 2013
Audit Committee Charter	Yes	26 June 2013
Fraud Prevention Plan	Yes	26 June 2013
Risk Management Policy	Yes	26 June 2013

Table 42.: Strategies

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"> - Schedule 1 of the Systems Act, the Code of Conduct for Councillors. - Schedule 2 of the Systems Act, the Code of Conduct

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Key Risk Areas	Key measures to curb corruption and fraud
	for Municipal Employees.
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.
- 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.

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- 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	31 August 2012
DWJ Jacobs	Member	20 September 2012
HPA Beekman	Member	16 November 2012
HV Liebenberg	Member	15 February 2013
KE Montgomery	Member	26 April 2013
		25 June 2013

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 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.

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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

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.

b) Members of the Performance Audit Committee

Name of representative	Capacity	Meeting dates
DWJ Jacobs	Chairperson	19 October 2012

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Name of representative	Capacity	Meeting dates
GN Lawrence	Member	15 March 2013 17 May 2013
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

57% of the Risk Based Audit Plan for 2012/13 was executed with the available resources. The table below provides detail on audits completed:

Description	No of Hours	Date completed
Phase 1		
Revisiting current risk profile and priorities	140	Ongoing on a quarterly basis

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Description			No of Hours	Date completed
Phase 2				
Compiling Risk Based Audit Plan			60	31 August 2012
Phase 3				
Audit Engagement	Departmental System	Detail	No of Hours	Date completed
Directorate: Finance	Supply Chain Management Unit	Allegations of irregularities in the allocation of tenders to a company run by Overberg District Municipality.	120	23 July 2012
	Deputy Director: Finance	Key Control Assessment 3 rd Quarter (01 January 2013 – 31 March 2013)	160	12 April 2013
	Deputy Director: Finance	Key Control Assessment 4 th Quarter (01 April 2013 – 30 June 2013)	160	05 July 2013
Directorate: Community Services	Housing Administration	Housing Consumer Education Grant – Financial Period 2011/2012.	120	06 March 2013
	Housing Administration	Emergency Housing Programme for the period 2011/2012	120	11 June 2013
Directorate: Management Services	Management Services	Pre-determined objectives (4 th Quarter: 2011/2012)	120	10 October 2012
	Management Services	Pre-determined objectives (1 st Quarter: 2012/2013):	120	08 March 2013
	Management Services	Pre-determined objectives (2 nd Quarter : 2012/2013)	120	08 March 2013
	Management Services	Pre-determined objectives (3 rd Quarter: 2012/2013)	120	03 May 2013
Directorate: Local Economic Development	Local Economic Development	Follow-up Audit: Hawkers/ Market Stalls	60	05 April 2013
Municipal Manager/ Council	Performance Audit Committee	1 st Audit Report of the Performance Audit Committee (PAC) to the Overstrand Municipal Council period 2012/13	60	17 May 2013
	Performance Audit Committee	2 nd Audit Report of the Performance Audit Committee (PAC) to the Overstrand Municipal Council period 2012/13	60	24 May 2013

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Description	No of Hours	Date completed
Continuous Auditing/Consulting	140	Ongoing – monthly basis
Junior Internal Audit Assistance	250	Ongoing – daily basis
Training CPD	240	Ongoing
Total Hours	2170	

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 2013
Risk based audit plan approved for 2012/13 financial year	31 August 2012
Internal audit programme drafted and approved	31 August 2012
Number of audits conducted and reported on	12
Audit reports included the following key focus areas:	
Internal controls	7
Accounting procedures and practices	1
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 By-law	26 June 2013	Yes	12 July 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
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Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy Yes/No
Asset Management Policy	01 July 2012	Yes
Borrowing Policy	01 July 2012	Yes
Budget Policy	01 July 2012	Yes
Customer Care, Credit Control and Debt Collection Policy	01 July 2012	Yes
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	29 August 2012	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	01 July 2012	Yes
Supply Chain Management Policy	26 July 2012	Yes
Tariff Policy	29 May 2013	Yes
Toegang tot Inligting	June 2013	No
Travel and Subsistence Policy	01 July 2012	No
Virement Policy	01 July 2012	Yes
Ward Committee Rules	01 July 2012	No

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.

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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.

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	Yes
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 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	18 June 2012 (Prelim) 2 July 2012 (Final)
Adjustment budget for 2012/13	First Adjustments Budget: 7 August 2012 Second Adjustments Budget 20 March 2013
Budget implementation policy: Tariff policy	18 June 2012
Budget implementation policy: Credit control policy	18 June 2012

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Documents published on the Municipal website	Date Published
Budget implementation policy: Valuation By-Law	26 February 2010
Budget implementation policy: Rates policy	18 June 2012
Budget implementation policy: SCM policy	18 June 2012
Annual report for 2011/12	Draft AR 23 January 2013 Approved AR18 April 2013
Performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act for 2011/12	4 August 2012
All quarterly reports tabled in the council in terms of section 52 (d) of the MFMA during 2011/12	Quarterly Budget Statements: published on 8 November 2012 (Sep'12) 31 Jan 2013 (Dec'12); 25 July 2013 (Mar'13); and 25 July 2013 (Jun'13); SDBIP Quarterly Reports published on 2 November 2012 (1 st) 5 Mar 2013 (2 nd) 13 May 2013 (3 rd) 3 August 2013 (4 th)

Table 51.: Website Checklist

2.14.1 Public satisfaction on municipal services

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 questionnaire	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 (%)*
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 the public	Structured questionnaire	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 (%)*
I) 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 2012/13 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
144	74	33

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	94%
Director: Management Services	91%
Director: Protection Services	97%
Director: Infrastructure & Planning Services	100%
Director: Local Economic Development & Tourism	76%

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
SC1221/2012	2012/09/28	Provision of an electricity vending system	Syntell (Pty) Ltd	R9,553,933.02
SC1248/2012	2013/01/25	Mechanical, Electrical equipment for sludge dewatering WWTW works at Kleinmond & Gansbaai	Inenzo Water	R8,569,899.26
SC1244/2012	2012/12/04	Construction of a new cell at Gansbaai Landfill	RJ Mullins Civils CC	R8,261,256.81
SC1316/2013	2013/06/14	Mechanical, Electrical & Civil works for new Water Treatment Works Baardskeerdersbos	Ikusasa Chemicals (Pty) Ltd	R6,143,385.90
SC1262/2012	2012/12/04	Supply and installation of gas insulated 12 KV indoor switchgear for Kleinmond	Adenco Construction (Pty) Ltd	R5,154,611.81
SC1238/2012	2012/10/12	Construction of Bulk Storm water Line and Attenuation Ponds in Gansbaai	Burmar Civils (Pty) Ltd	R4,580,888.90
SC1233/2012	2012.09.28	MV & LV Upgrading in Stanford Industrial area	Adenco Construction (Pty) Ltd	R4,306,320.71
SC1327A/2013	2013/06/27	Amendment of Contract: Provision of SAMRAS Financial Management System per MFMA Section 116(3) 2013-2016	Bytes Systems Integrated (Pty) Ltd	R4,239,697.53
SC1276/2012	2012/11/30	Construction of a 500 kl reservoir in Rooi Els	FCS Civils CC	R4,058,639.09
SC1233/2012	2012/10/05	MV & LV Upgrading in Stanford Industrial area	Adenco Construction (Pty) Ltd	R3,914,837.01

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:

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Bid number	Title of bid	Directorate and section	Value of bid awarded
SC1218/2012	The re-surfacing and rehabilitation of roads in the Overstrand	Community Services: Operational Services: Roads	R 39,786,774.49
SC1190/2012	Substation 66/11kv Hermanus	Infrastructure and Planning Services: Electrical	R 32,363,890.79
SC1278/2012	Transport of containerised Municipal Solid waste and chipping of garden waste	Infrastructure and Planning Services: Solid Waste	R 19,575,719.29
SC1213/2012	Hermanus Parallel Road Project Phase 1 - Construction of Mbeki Street and associated roads	Infrastructure and Planning Services: Engineering Services	R 15,599,999.99

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 1245/2012	Appointment of professionals for Building Projects for a contract period ending 30 June 2015	Ulwazi Consulting Engineers Andrew Greeff Architects Geocorp CC Overberg Consulting Engineers Engelbrecht & Scorgie Tekenkantoor CC	Hilton W Jones Architects	2012/12/21	Dismissed	2013/01/23
SC 1245/2012	Appointment of professionals for Building Projects for a contract period ending 30 June 2015	Ulwazi Consulting Engineers Andrew Greeff Architects Geocorp CC Overberg Consulting Engineers Engelbrecht & Scorgie Tekenkantoor CC	CSM Consulting Services	2012/12/21	Dismissed	2013/01/23
SC 1261/2012	Maintenance of Water and Wastewater Infrastructure equipment in the Overstrand	Water and Sanitation Services SA (Pty) Ltd & Hydro Tech	HSM Amanzi	2013/02/13	Dismissed	2013/03/04

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Tender No	Description	Awarded to	Complainant	Date received	Outcome	Outcome Date
	for a period ending 30 June 2015					

Table 60.: Appeals lodged by aggrieved bidders

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	7	4.70	1,674,325.17	19.67
Clause 36(1)(a)(ii)-Sole Supplier	29	19.46	712,140.28	8.36
Clause 36(1)(a)(iii)-Unique arts	3	2.01	15,550.00	0.18
Clause 36(1)(a)(v)-Impractical / impossible	110	73.83	6,112,781.79	71.79
Total	149	100	8,514,797.24	100

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	47	42.73	R 415,568.67
Impractical / impossible	29	26.36	R 1,266,779.97
Inadequate procurement planning	34	30.91	R 4,430,433.15
Total	110	100	R 6,112,781.79

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

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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;
- 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 2013, the value of stock at the municipal stores amounted to **R 7 863 109.36 (R6 582 120.78 in 2011/12)**. For the **2012/2013** financial year a total of **R 2 452.08** were accounted for as surpluses (**R 789.90 2011/12**), **R 366.37** as deficits (**R 294.04 in 2011/12**) and no damaged stock items were reported. Discount forfeited for the **2012/2013** financial year amounted to **R 10 734.41**

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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;
- 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 2012/13 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 2012/13 compared to actual performance in 2011/12.

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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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 2012/13

a) Adoption of a Performance Management Framework

The municipality adopted a performance management framework that was approved by Council in November 2008. However, during February 2013, the municipality started a process to review this framework. A draft revised framework will be presented to Council in February 2014 after which a community participation process will be followed.

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b) The IDP and the budget

The new 5 year IDP for 2012/2017 and the budget for 2012/13 were approved by Council on 30 May 2012. 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 2012/13 IDP.

Vision- "To be 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"

National Key Performance areas (KPA's)

- Municipal Transformation and Institutional Development
- Municipal Financial Viability and Management
- Good Governance and Public Participation
- Basic Service Delivery
- Local Economic Development

Municipal Focus Areas

- ➔ Safe and Healthy environment
- ➔ Optimisation of financial resources
- ➔ Good Governance
- ➔ Basic Service Delivery
- ➔ Social upliftment and economic development

Municipal strategic objectives

- i. The provision of democratic and accountable governance
- ii. The provision and maintenance of municipal services
- iii. The encouragement of structured community participation in the matters of the municipality
- iv. The creation and maintenance of a safe and healthy environment
- v. The promotion of tourism, economic and social development

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c) The Service Delivery Budget Implementation Plan

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 2012.

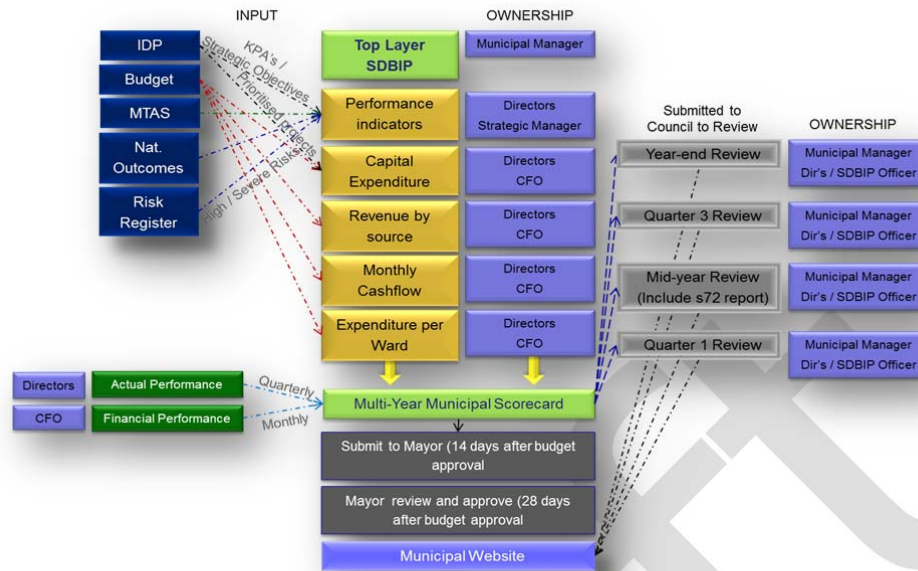
d) The municipal scorecard (Top Layer SDBIP)

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)

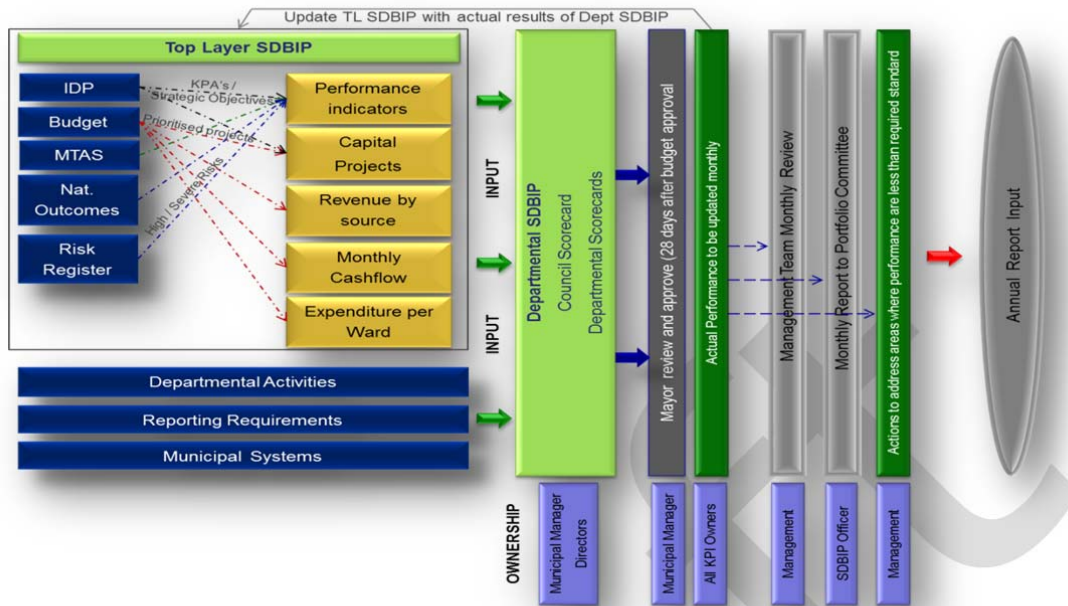
It is important to note that the municipal manager needs to implement the necessary systems and processes to provide the POE's for reporting and auditing purposes.

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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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 in November 2008.

a) Organisational Performance

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 2012 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 15th 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 31st of October 2012 (Agenda item 5.3) and the second quarterly report submitted on the 27th of February 2013 (Agenda item 5.2).. The third quarter report was submitted to Council on the 24th of April 2013 (Agenda item 5.2).
 - The Quarterly SDBIP performance reports are also submitted to the Performance Audit Committee. The quarterly reports were submitted to the committee on 19 October 2012, 15 March 2013 and 17 May 2013.
- ➔ 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 4th quarter performance proof of evidence against signed-off key performance indicators for 2012/13, were performed.

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b) Individual Performance Management

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 2012/13 financial year were signed during July 2012 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 2011/12 financial year (1 January 2012 to 30 June 2012) took place on 22 November 2012 and the mid-year performance of 2012/13 (1 July 2012 to 31 December 2012) took place on 15 March 2013.

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

The municipality is in process of implementing individual performance management to lower level staff in annual phases. All staff on post level T-11 to T-19 signed performance agreements or performance development plans for the 2012/13 financial year. The final evaluation of the 2012/13 financial year (1 January 2013 to 30 June 2013) took place during July 2013 and the mid-year performance of 2012/13 (1 July 2012 to 31 December 2012) took place during January 2013. The evaluation of performance is completed between a supervisor and the employee, after which senior management do a moderation of all the results to ensure reliable and realistic outcomes.

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3.2 INTRODUCTION TO STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2012/13

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)

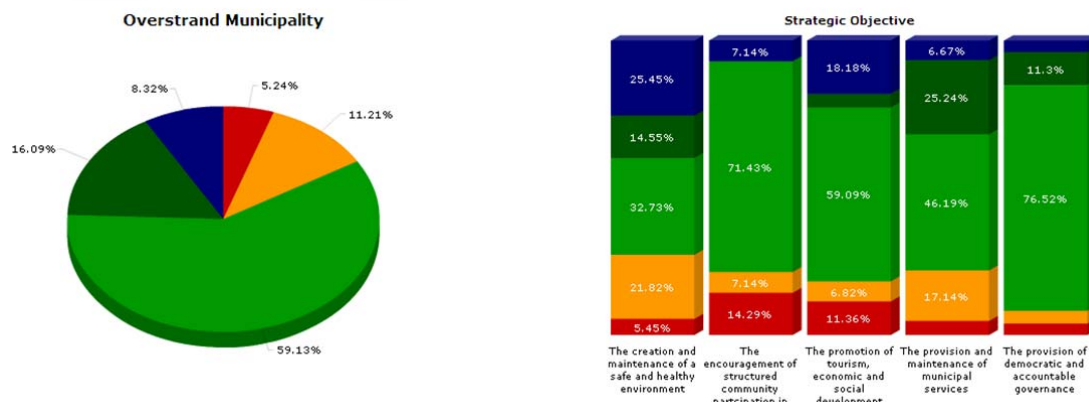
In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to the Strategic Objectives linked to the Municipal KPA's.

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% >= Actual/Target < 75%
KPI's Almost Met	Orange	75% >= 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 >= 150%

Figure 2.: SDBIP Measurement Categories

The graph below displays the overall performance per National KPA's for 2012/13



Graph 4.: Overall performance per National Key Performance Area

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

The IDP Strategic objective “*The provision of democratic and accountable 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 2011/2012	Overall Performance 2012/2013						
						Target					Actual	Corrective Measures
						Q1	Q2	Q3	Q4	Annual Target		
TL1	The provision of democratic and accountable governance	Improvement in conditional grant spending - operational (Libraries, CDW)	% of total conditional operational grants spent (Libraries, CDW)	All	100%	20%	55%	75%	98%	98%	100%	N/A
TL10	The provision of democratic and accountable governance	Fleet management policy evaluated and refined on an annual basis by 31 March	Annual evaluation by 31 March	All	New performance indicator for 2012/13. No comparatives available	0	0	1	0	1	1	N/A
TL11	The provision of democratic and accountable governance	Action plan completed by the end of January to ensure that the root causes of issues raised by AG in AG report of the previous financial year are addressed to promote a clean audit	Plan completed	All	1	0	0	1	0	1	1	N/A
TL13	The provision of democratic and accountable governance	Bi-annual workshop with management to promote sound municipal administration	Number of workshops	All	New performance indicator for 2012/13. No comparatives available	0	1	0	1	2	2	N/A
TL14	The provision of democratic and accountable governance	Annual revision of the Fraud Prevention Plan and implementation of quarterly awareness actions	Number of actions implemented	All	4	1	1	1	1	4	4	N/A
TL15	The provision of democratic and accountable governance	Quarterly revision of top 10 risks and quarterly progress reports on corrective action to	Number of progress reports	All	4	1	1	1	1	4	4	N/A

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013							
						Target					Actual	Corrective Measures	
						Q1	Q2	Q3	Q4	Annual Target			
		address risks to Executive Management Team											
TL16	The provision of democratic and accountable governance	Quarterly report to the Audit Committee on progress with implementation of key controls as identified in key control deficiencies by the Auditor-General	Quarterly reports submitted on achievement of committed dates	All	4	1	1	1	1	4	3		N/A
TL17	The provision of democratic and accountable governance	Risk based audit plan approved by the Audit Committee by the end of September	Plan approved	All	100%	100%	0%	0%	0%	100%	100%		N/A
TL35	The provision of democratic and accountable 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	5.7	0	0	0	1.2	1.2	3.49		N/A
TL36	The provision of democratic and accountable governance	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)	Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year)	All	18.6	0	0	0	25	25	17.46		The target is unrealistic. The municipality has never received a debt coverage ratio of 25 times the debt service payments. The norm is closer to 15 times. The target should be adjusted as it is

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013							
						Target					Actual	Corrective Measures	
						Q1	Q2	Q3	Q4	Annual Target			
													not possible without redeeming the existing loans.
TL37	The provision of democratic and accountable governance	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	Ratio achieved	All	11.60%	0	0	0	12%	12%	11.9%		N/A
TL38	The provision of democratic and accountable governance	Achieve a debt recovery rate not less than 90%	% recovered	All	122.55%	90%	90%	90%	90%	90%	100.44%		N/A
TL39	The provision of democratic and accountable governance	Compliance with GRAP standards measured by the number of findings in the audit report	0 findings in the audit report on non-compliance	All	0	0	0	0	0	0	0		N/A
TL40	The provision of democratic and accountable governance	Compliance with the SCM Act measured by the limitation of successful appeals against the municipality	0 successful appeals	All	1	0	0	0	0	0	0		N/A
TL41	The provision of democratic and accountable governance	Financial statements submitted by 31 August	% compliance	All	100%	100%	0%	0%	0%	100%	100%		N/A
TL42	The provision of democratic and accountable governance	Development of options for a feasible capital funding strategy by the end of June 2013	Proposal completed	All	New performance indicator for 2012/13. No comparatives available	0	0	0	1	1	1		N/A

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/ 2012	Overall Performance 2012/2013							
						Target					Actual	Correcti ve Measures	
						Q1	Q2	Q3	Q4	Ann ual Targ et			
TL60	The provision of democratic and accountable governance	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	Number of people employed	All	4	0	2	0	0	2	2		N/A
TL61	The provision of democratic and accountable governance	Recruit and develop staff in terms of succession planning and career pathing in terms of the succession planning policy	Actual nr of appointments	All	4	1	1	1	1	4	4		N/A
TL62	The provision of democratic and accountable governance	Targeted skills development measured by the implementation of the workplace skills plan	% of the budget spent on implementation of the WSP	All	1.60%	0%	0%	0%	1%	1%	1%		N/A
TL63	The provision of democratic and accountable governance	Finalise the Municipal Organisational Staff Structure by the end of February	% completed	All	100%	0%	0%	0%	100%	100 %	100%		N/A
TL64	The provision of democratic and accountable governance	Institutional Performance management system in place and implemented from TASK level 6 - 19	% implemented	All	100%	0%	0%	0%	100%	100 %	100%		N/A
TL65	The provision of democratic and accountable governance	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	0	0	0	1	1	1		N/A

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013						
						Target					Actual	Corrective Measures
						Q1	Q2	Q3	Q4	Annual Target		
TL66	The provision of democratic and accountable governance	Creation of an effective institution with sustainable capacity measured in terms of the % of the approved and funded organogram filled	% filled	All	91.25%	90%	90%	90%	90%	90%	92.86%	N/A

Table 63.: Top Layer SDBIP – Provision of democratic and accountable 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 2011/2012	Overall Performance 2012/2013						
						Target					Actual	Corrective Measures
						Q1	Q2	Q3	Q4	Annual		
TL8	The encouragement of structured community participation in the matters of the municipality	Ward committee policy evaluated and refined on an annual basis by March	Annual evaluation by March	All	0	0	0	1	0	1	1	
TL9	The encouragement of structured community participation in the matters of the municipality	Ward committee meetings held to ensure consistent and regular communication with residents	Number of ward committee meetings per ward per annum	All	8	2	2	2	2	8	8	
TL12	The encouragement of structured community participation in the matters of the municipality	Develop and implement a project prioritisation module for capital projects by the end of December	Module developed and implemented	All	New performance indicator for 2012/13. No comparatives available	0	1	0	0	1	0	Due to limited funds for capital projects during 2012/13 financial year and already committed funds, this was not possible. The KPA must however remain for forthcoming financial years

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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 2011/2012	Overall Performance for 2012/2013						
						Target					Actual	Corrective Measures
						Q1	Q2	Q3	Q4	Annual Target		
TL71	The creation and maintenance of a safe and healthy environment	Annually review and submit Disaster Management Plan for assessment by the District by the end of March 2013	Plan reviewed	All	100%	0	0	1	0	1	1	
TL72	The creation and maintenance of a safe and healthy environment	Arrange public safety awareness campaign to ensure effective services and operational readiness	Number of campaigns held	All	57	4	4	4	4	16	60	
TL73	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 and the District to address safety challenges within the communities	Plan reviewed	All	100%	0	0	0	1	1	1	

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance for 2012/2013							
						Target					Actual	Corrective Measures	
						Q1	Q2	Q3	Q4	Annual Target			
TL74	The creation and maintenance of a safe and healthy environment	Establishment of the Municipal Court by the end of March 2013 to enhance effective law enforcement (MOU signed, appoint staff, facilities)	Number of activities completed	All	0%	1	0	2	0	3	0		No approval received from Justice Department.
TL75	The creation and maintenance of a safe and healthy environment	Implementation of safety and security services at Council strategic sites by the end of September 2012	Number of sites secured	All	New key Performance indicator for 2012/2013. No comparatives available	10	0	0	0	10	19		
TL76	The creation and maintenance of a safe and healthy environment	Review the Fire Management Plan by the end of March 2013	Plan reviewed	All	New key performance indicator for 2012/13. No comparatives available	0	0	1	0	1	1		
TL77	The creation and maintenance of a safe and healthy environment	Inspect and assess infrastructure and role players to ensure disaster operational readiness	Assessment report	All	1	0	0	0	1	1	1		
TL78	The creation and maintenance of a safe and healthy environment	By-law enforcement education and awareness to the community	Number of initiatives	All	New Key Performance indicator for 2012/2013. No comparatives available	1	1	1	1	4	11		
TL79	The creation and maintenance of a safe and healthy environment	Utilise speed enforcement cameras in approved strategic areas to reduce transgressions by September 2012	Number of sites	All	New Key Performance indicator for 2012/2013. No comparatives available	12	0	0	0	12	9		The balance of 3 could not be installed due technical problems

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Ref	Strategic Objective	KPI	Unit of Measu remen t	Wards	Actual 2011/ 2012	Overall Performance for 2012/2013							
						Target					Actual	Correctiv e Measures	
						Q1	Q2	Q3	Q4	Annual Target			
TL80	The creation and maintenanc e of a safe and healthy environme nt	Optimal collection of fines issued for the financial year	R- value of fines collect ed per quarter	All	New Key Performance indicator for 2012/2013. No comparativ es available	R 1,500,000	R 1,500,000	R 1,500,000	R 1,500,000	R 6,000,000	R 5,730,902		N/A

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

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 2011/2012	Overall Performance 2012/2013							
						Target					Actual	Corrective Measures	
						Q1	Q2	Q3	Q4	Annual			
TL19	The promotion of tourism, economic and social development	Development of a world class website/e-business platform for marketing and branding of Overstrand by the end of December	% completed	All	New performance indicator for 2012/13. No comparatives available	0%	100%	0%	0%	100%	100%		
TL20	The promotion of tourism, economic and social development	The number of self-employed initiatives/enterprises supported.	Number of start up businesses and SMME's	All	55	5	5	5	5	20	23		
TL21	The promotion of tourism, economic and social development	The number of learnerships and referrals facilitated through the municipality's local economic development initiatives that ponder employment for locals	Number of learnerships and referrals facilitated	All	New performance indicator for 2012/13. No comparatives available	0	25	0	25	50	839		

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013							
						Target					Actual	Corrective Measures	
						Q1	Q2	Q3	Q4	Annual			
TL22	The promotion of tourism, economic and social development	The number of job opportunities created through the EPWP programme and as per set targets (incentive agreement)	Number of temporary jobs created	All	New performance indicator for 2012/13. No comparatives available	0	250	125	125	500	609		
TL25	The promotion of tourism, economic and social development	Implement the project of the Neighbourhood Development and Partnership grant by the end of June	% completed	All	100%	0%	45%	0%	100%	100%	100%		
TL26	The promotion of tourism, economic and social development	Improve staff skills to enhance local economic development implementation	Number of staff trained	All	11	1	1	2	2	6	9		
TL27	The promotion of tourism, economic and social development	Present training workshops to SMME's to build capacity	Number of workshops	All	New performance indicator for 2012/13. No comparatives available	1	1	1	1	4	6		
TL28	The promotion of tourism, economic and social development	Successful external funding obtained for local economic development	Number of successful external funding obtained	All	3	0	0	0	3	3	3		
TL29	The promotion of tourism, economic and social development	Development of a Township Regeneration Strategy by the end of February 2013	Strategy developed	All	New performance indicator for 2012/13. No comparatives available	0	0	1	0	1	1		
TL30	The promotion of tourism, economic and social development	Review viability of project impact in Hawston, Masakane and Thembelihle and Zwelihe soccerfield and Swartdam market place by the end of September	Number of project reviewed	All	New performance indicator for 2012/13. No comparatives available	5	0	0	0	5	5		
TL31	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	New performance indicator for 2012/13. No comparatives available	1	0	0	0	1	1		

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013						
						Target					Actual	Corrective Measures
						Q1	Q2	Q3	Q4	Annual		
TL32	The promotion of tourism, economic and social development	Conduct a survey to evaluate the functional enterprise support by the helpdesk by the end of February	Survey conducted	All	New performance indicator for 2012/13. No comparatives available	0	0	1	0	1	1	
TL33	The promotion of tourism, economic and social development	Develop a mobile enterprise support programme for implementation by the end of June	Programme developed	All	New performance indicator for 2012/13. No comparatives available	0	0	0	1	1	1	
TL34	The promotion of tourism, economic and social development	Value of contracts assigned to SMME's within the emerging service provider database to enhance economic development	Value of contracts assigned	All	R30,000,000	R 0	R 0	R 0	R 10,000,000	R 10,000,000	R 561,335.28	Only three contractors met with the SCM criteria for emerging contractors
TL67	The promotion of tourism, economic and social development	Develop and submit and Early Childhood Development strategy by the end of August 2012	Strategy completed	All	New performance indicator for 2012/13. No comparatives available	1	0	0	0	1	1	
TL68	The promotion of tourism, economic and social development	Develop and submit and Early Childhood Development policy by the end of September 2012	Policy completed	All	New performance indicator for 2012/13. No comparatives available	1	0	0	0	1	0	Policy will be completed in the 2013/2014 FY
TL69	The promotion of tourism, economic and social development	Facilitate the implementation of community interventions/programmes within available budget for the 6 focal groups by the end of June 2013	# of interventions	All	New performance indicator for 2012/13. No comparatives available	0	0	0	6	6	5	Elderly are included in the programme and interventions in the approved IDP for 2013/14
TL70	The promotion of tourism, economic and social development	Report on the viability of availing core municipal documents and by-laws on the municipal website in audio and visual format by the end of April 2013	Report submitted	All	New performance indicator for 2012/13. No comparatives available	0	0	0	1	1	1	

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

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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 2011/2012	Overall Performance for 2012/ 2013							
						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/request s on EMIS completed within the next calendar month	% completed	All	94.14	90%	90%	90%	90%	90%	93.42 %		
TL3	The provision and maintenance of municipal services	m² of roads patched and resealed according to approved Paveman Management System within available budget	m² of roads patched and resealed	All	171,344, .96	25,000	40,000	20,000	35,000	120,000	216, 162		
TL4	The provision and maintenance of municipal services	Cleaning of stormwater infrastructure twice per annum	Number of cleaning cycles	All	New performance indicator for 2012/13. No comparatives available	0	1	0	1	2	2		
TL5	The provision and maintenance of municipal services	Quality of effluent as measured by the annual green drop audit	% compliance as per the annual green drop audit	All	88.60	90%	90%	90%	90%	90%	86.02 %		Five works operators enrolled for the N3 sewerage purification course through Overberg Water, to improve compliance with green drop requirements. The creation of a laboratory technician post

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/ 2012	Overall Performance for 2012/ 2013							
						Target					Actual	Corrective Measures	
						Q1	Q2	Q3	Q4	Annual Target			
													(expected to be filled in August 2013, will contribute in improving operational compliance.
TL6	The provision and maintenance of municipal services	Excellent water quality measured by the annual blue drop audit	% compliance as per the annual blue drop audit	All	114.74 %	95%	95%	95%	95%	95%	94.76 %		The lack of a suitable number of qualified operators in the labour market to fill vacancies remains a challenge . Two works operators were enrolled for the N3 water purification course through Overberg Water, to improve compliance with blue drop requirements.
TL7	The provision and maintenance of municipal services	Limit unaccounted water to less than 25%	% of water unaccounted for	All	27.25%	25%	25%	25%	25%	25%	25.57 %		WATER LOSSES REPORT
TL43	The provision and maintenance of municipal services	Limit electricity losses to less than 9%	% of electricity unaccounted for	All	7.10%	9%	9%	9%	9%	9%	6.88 %		

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/ 2012	Overall Performance for 2012/ 2013							
						Target					Actual	Corrective Measures	
						Q1	Q2	Q3	Q4	Annual Target			
TL44	The provision and maintenance of municipal services	Complete construction of the new 66kV substation in Hermanus by the end of June	% completion of the project	5	98%	0%	0%	0%	70%	70%	91%		
TL45	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	16	2	2	2	2	8	14		
TL46	The provision and maintenance of municipal services	Review the Electrical Masterplans by the end of June and update if required.	Plan revised and approved by Council	All	100%	0%	0%	0%	100%	100%	100%		
TL47	The provision and maintenance of municipal services	Revise the Integrated Transport Plan annually by the end of March 2013	Plan revised and approved by Council	All	100%	0%	0%	100%	0%	100%	100%		
TL48	The provision and maintenance of municipal services	Completion of the final phase of the upgrade and extension of the Waste Water Treatment Works in Hermanus in December 2013	% completion of the project	4	85%	0%	100%	0%	0%	100%	100%		
TL49	The provision and maintenance of municipal services	Completion of the final phase of the upgrade and expansion of the Preekstoel Water Treatment Works in Hermanus by the end of May 2013	% completion of the project	4	85%	0%	0%	0%	100%	100%	67%		Portion of budget will be rolled over to 2013/14 to allow for practical completion.
TL50	The provision and maintenance of municipal services	Purchase land by the end of December 2012 and start development of the Karwyderskraal cemetery by the end of June 2013	Number of activities completed	All	New performance indicator for 2012/13. No comparatives available	0	1	0	2	1	3		

Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance for 2012/ 2013							
						Target					Actual	Corrective Measures	
						Q1	Q2	Q3	Q4	Annual Target			
TL51	The provision and maintenance of municipal services	Complete the final phase of the Zwelihle/Mount Pleasant swimming pool by the end of March 2013	% completion of the project	6	New performance indicator for 2012/13. No comparatives available	0%	0%	100%	0%	100%	100%		
TL52	The provision and maintenance of municipal services	Development of serviced sites for the Eluxolweni housing project by the end of June	Number of sites developed	11	New performance indicator for 2012/13. No comparatives available	0	0	0	211	211	211		
TL53	The provision and maintenance of municipal services	Purchase land for the Stanford housing project by the end of January 2013	Land purchased	11	New performance indicator for 2012/13. No comparatives available	0	0	1	0	1	1		
TL54	The provision and maintenance of municipal services	Complete construction of Phase 1 of the Hermanus parallel road	% completion of the project	3	New performance indicator for 2012/13. No comparatives available	0%	0%	0%	70%	70%	78%		
TL55	The provision and maintenance of municipal services	Replacement of water pipes in Overstrand to limit unaccounted water	Kilometres of pipe replaced	All	New performance indicator for 2012/13. No comparatives available	0	0	0	10	10	15.90		
TL56	The provision and maintenance of municipal services	Complete development of a new cell at Gansbaai landfill site	% completion of the project	All	New performance indicator for 2012/13. No comparatives available	0%	0%	0%	60%	60%	77%		

Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/ 2012	Overall Performance for 2012/ 2013							
						Target					Actual	Corrective Measures	
						Q1	Q2	Q3	Q4	Annual Target			
					available								
TL57	The provision and maintenance of municipal services	Achievement of green drop awards	Number of awards	All	New performance indicator for 2012/13. No comparatives available	0	0	0	2	2	0		Green Drop awards will only be announced by DWA on 10 July 2013
TL58	The provision and maintenance of municipal services	Development and approval of the Spatial Development Framework and Environmental Management Framework by the end of June 2013	Plan developed and approved	All	New performance indicator for 2012/13. No comparatives available	0	0	0	1	1	1		
TL59	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	100%	0	1	0	0	1	1		

Table 67.: Top Layer SDBIP – Basic Service Delivery

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

Chapter 3: Service Delivery Performance

- 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

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
None	n/a	n/a	n/a	n/a	n/a

Table 68.: Service Providers Performance – Municipal Manager

ii) Economic Development Services

Description of services rendered	Term of contract (Yrs)	Performance areas	Performance rating	Performance comment	Corrective measures
Construction of Zwelihle Commercial Precinct and recreational facilities	0.4	On time deliverance of project within scope of work	3	Satisfactory	n/a
Appointment of a service provider for the parking management of Hermanus CBD	5	Parking Management	3	Satisfactory	n/a
		Data base capturing	3	Satisfactory	n/a
		Monitor collection processes and collection performance	3	Satisfactory	n/a
		Communication	3	Satisfactory	n/a
		System support and security management	3	Satisfactory	n/a

Table 69.: Service Providers Performance – Economic Development Services

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iii) Financial Services

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
Printing and distribution of municipal accounts and newsletters	3	Timeously printing of accounts	4	Good	n/a
Credit control and debt collection system	2	payment according to tender	3	Satisfactory	n/a
Supply and delivery of printing paper and ink cartridges for Overstrand municipality	2	Supply and deliver printing paper and ink cartridges on time and within cost as determined in Specs	3	Satisfactory	n/a
Software license agreement - prepaid electricity	3	Support by Licensor	3	Satisfactory	n/a
Software license agreement - prepaid electricity	3	Present meter readings on time	3	Satisfactory	n/a
Provision of water and electrical meter reading services	3	Timeously presentation of meter readings	4	Good	n/a
Provision of online electronic deeds, CIPC and credit search service	3	Availability of Real-Time Information on the Website	3	Satisfactory	n/a
Printing of monthly municipal statements and newsletter	3	Printing of accounts	4	Good	n/a
Supply and delivery of printing paper and ink cartridges for Overstrand municipality	2	Supply and deliver printing paper and ink cartridges on time and within cost as determined in Specs	3	Satisfactory	n/a
Transit of monies	2	Timeously remove of monies and return of bank deposit books	3	Satisfactory	n/a
Provision of comprehensive banking services	5	Banking services	3	Satisfactory	n/a
Disconnection and reconnection of electricity supply & installation and removal of water flow restrictors	3	Deliver of Service on time	3	Satisfactory	n/a

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Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
Meter reading : water & electricity	3	Timeously presentation of meter readings	3	Satisfactory	n/a
Provision and administration of electricity prepayment uniform vending system	3	Timeous deposit of monies collected.	3	Satisfactory	n/a
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	4	Reports submitted within time	3	Satisfactory	n/a
Supply and delivery of toilet paper and plastic bags	2	Timeously collection and deposit of monies in the Overstrand bank account	3	Satisfactory	n/a
Supply and commissioning of prepaid electricity vending system	3	Timeous deposit of monies collected	3	Satisfactory	n/a
Provision of loan finance to Overstrand municipality	15	Bank loan	3	Satisfactory	n/a
Management of short term insurance portfolio: Overstrand municipality	3	Accurate and prompt administration of policy and claims	3	Satisfactory	n/a
Supply and Delivery of Construction Material	2	Timeous delivery and quality construction material	2	Under Performance	Communication to supplier to rectify under performance
Supply and deliver electrical inventory items for a 2 year period	2	Supply and deliver electrical Inventory items on time and within cost as determined in Specs	3	Satisfactory	n/a
		Supply of Electricity to Pre-paid customers	3	Satisfactory	n/a
		Monthly visits to maintain system	4	Good	n/a
		Disconnection due	3	Satisfactory	n/a

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
		to arrears - must be executed within 12 hours of receiving the notice from the municipality			
		The list of Disconnections and reconnection must be signed off and returned to the authorised official within 12 hours of completion	3	Satisfactory	n/a
		Data in format as needed.	3	Satisfactory	n/a
		Correctness of pricing	4	Good	n/a
		Correctness of report & query templates	3	Satisfactory	n/a
Provision of Auctioneering Services	3	Prompt and qualified auctioneering service delivery	3	Satisfactory	n/a

Table 70.: Service Providers Performance – Financial Services

iv) Management Services

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
Lease Agreement	3	Availability of antennas	3	Satisfactory	n/a
Rental Agreement - L7006462417, L7006462419, L7006462446, L7006462701, L7006760641, L7006760784, L7006760965	3	Call out time	3	Satisfactory	n/a
		Maintenance	3	Satisfactory	n/a
		Parts	3	Satisfactory	n/a
Lease of Office Space, MQ House, 6 Dirkie Uys	2	Access to property specified in original contract and addendum	3	Satisfactory	n/a
		Maintenance to external building as specified in lease agreement	3	Satisfactory	n/a

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
		Escalation of Rent or any additional expenses to the agreement	3	Satisfactory	n/a
ISDN30 PRA service agreement	3	Usage & Availability of 30 telephone lines	3	Satisfactory	n/a
Collaborator Foundation System On-Site Support Agreement	1	Two full support days per week.	3	Satisfactory	n/a
		Site Health Management	3	Satisfactory	n/a
		Pro-active support	3	Satisfactory	n/a
		Re-active support	3	Satisfactory	n/a
		Training	3	Satisfactory	n/a
		Workflow optimisation	3	Satisfactory	n/a
		Administration	3	Satisfactory	n/a
		Technical support	3	Satisfactory	n/a
Lease of Office Space, PSG Building, c/o Dirkie Uys & Magnolia	2	Rental of Office Space as per Lease Agreement	3	Satisfactory	n/a
Master rental agreement	2	Call out time	3	Satisfactory	n/a
		Maintenance	3	Satisfactory	n/a
		Parts	3	Satisfactory	n/a
Master Rental Agreement(V5110600 012, W1111100064 & W1110800066)	2	Call out time	3	Satisfactory	n/a
		Maintenance	3	Satisfactory	n/a
		Parts	3	Satisfactory	n/a
Master rental agreement (3906612025 & 6RT6612102015)	3	Call out time	3	Satisfactory	n/a
		Maintenance	3	Satisfactory	n/a
		Parts	3	Satisfactory	n/a
Provision of maintenance & support services for RF network and telecommunications	3	Telecommunications - Maintenance & Support: Hermanus, Kleinmond,	3	Satisfactory	n/a

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
system		Gansbaai, Stanford			
		RF Network Maintenance and Support	3	Satisfactory	n/a
		Monthly performance review meetings	3	Satisfactory	n/a
		Annual review of Technology Roadmap	3	Satisfactory	n/a
Provision for customer care training	0.1	QUALITY OF TRAINING PROVIDED	3	Satisfactory	n/a
Procurement of credits for a postage franking machine for Hermanus Administration from the sole service provider for this specific equipment.	1	Availability of postage credits on demand.	3	Satisfactory	n/a
The provision of on-site support services for the Collaborator Foundation System for a period of 8 months ending 30 June 2013, from the primary owner of the system.	1	Administration	3	Satisfactory	n/a
		Technical Support	3	Satisfactory	n/a
		Two full support days per week	3	Satisfactory	n/a
		Site Health Management	3	Satisfactory	n/a
		Pro-Active Support	3	Satisfactory	n/a
		Re-active support	3	Satisfactory	n/a
		Training	3	Satisfactory	n/a
		Workflow optimisation	3	Satisfactory	n/a
Extension of the eMIS license and support agreement for a period of four months, ending 31 January 2013, to coincide with the termination of the PlantMan agreement, and thereby mitigate any potential operational risks.	0.3	Timeously deliverance license and support services	3	Satisfactory	n/a
Maintenance of ICT Network Cabling	3	Timeous Response	3	Satisfactory	n/a
		Maintenance	3	Satisfactory	n/a

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Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
Acquisition of Microsoft Software	2	Delivery of MS Software	2	Under Performance/Oversight from supplier	n/a
Novell Platespin Forge Disaster Recovery Server	3	Consulting Services: Uncapped	3	Satisfactory	n/a
Provision of Asset Maintenance Management Systems: Extension of SCD2512/2013(EMIS)	0.4	Timeously and quality support service within cost framework	3	Satisfactory	n/a
		Timeously and quality support service within cost framework	3	Satisfactory	n/a
		Timeously and quality support service within cost framework	3	Satisfactory	n/a
		Timeously and quality support service within cost framework	3	Satisfactory	
Maintenance and service of ICT server room air conditioners.	3	Call out time	3	Satisfactory	n/a

Table 71.: Service Providers Performance – Management Services

v) Infrastructure and Planning Services

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
Appointment of consulting engineers for various projects in the Overstrand municipal area	3	Correct design and construction plans	3	Satisfactory	n/a
		Correct tender documentation and accurate evaluation of tender	3	Satisfactory	n/a
		Monitoring of KPIs of contractors	3	Satisfactory	n/a
		Proper financial management of projects including correct	3	Satisfactory	n/a

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
		submission of claims for both contractor and consultant			
		Response regarding inquiries	3	Satisfactory	n/a
		Acceptable level of contract administration	3	Satisfactory	n/a
		Acceptable updating of building information	3	Satisfactory	n/a
		Correct conclusion of project. All contractual aspects completed and all documentation in place	3	Satisfactory	n/a
Appointment of consulting engineers for various projects in the Overstrand municipal area	3	Tender documentation	3	Satisfactory	n/a
		Correct design and construction plans	4	Good	n/a
		Monitor KPI's of Contractors	3	Satisfactory	n/a
		Correct financial management plus correct issuing of payment certificates	3	Satisfactory	n/a
		Reaction time regarding enquiries	3	Satisfactory	n/a
		Acceptable updating of Ass-Built information	3	Satisfactory	n/a
		Contractor to make sure that all documentation is in place at end of contract	3	Satisfactory	n/a
Lease of office space at 37 5 th Avenue, Kleinmond	2	Rental of Office Space as per Lease Agreement	3	Satisfactory	n/a

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
Sandbaai and Hermanus LV electrical network upgrade	1	Payment certificates	3	Satisfactory	n/a
		OHS act	3	Satisfactory	n/a
		Local labour	3	Satisfactory	n/a
		Site meetings	3	Satisfactory	n/a
		As built	3	Satisfactory	n/a
Construction of sewer line in Harbour Road north of the Circle (Kleinmond Harbour Development) by the contractor appointed by the developer of the site, who is already established on the site and following an official procurement process might cause undue delays and have additional cost implications for the completion of the development.	1		4	Good	n/a
Electrification of Asazani Informal settlements in Hermanus	0.4	OHS act	4	Good	n/a
		Site meetings	4	Good	n/a
		As built	4	Good	n/a
		Payment certificates	4	Good	n/a
Electrification of Tsepe-Tsepe informal settlement	0.3	Payment certificates	3	Satisfactory	n/a
		OHS act	3	Satisfactory	n/a
		Site meetings	3	Satisfactory	n/a
		As built	3	Satisfactory	n/a
The Appointment of professionals for Architectural, Consulting Engineering Services (Structural) and Quantity Surveying for Building Projects for three Years	3	Work done to required standard.	3	Satisfactory	n/a
		Work done within budget.	3	Satisfactory	n/a
		Work to be done within time.	3	Satisfactory	n/a
Electrification of Mandela Square Informal Settlement in Hermanus	0.5	Payment certificates	3	Satisfactory	n/a
		OHS act	3	Satisfactory	n/a
		Local labour	3	Satisfactory	n/a
		Site meetings	3	Satisfactory	n/a
		As built	3	Satisfactory	n/a

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
New 11kv cable feeder in Kleinbaai phase 2	1	Number of local jobs created and money retained in the community.	4	Good	n/a
		Training provided for local residents employed.	4	Good	n/a
		Adherence to Occupational Health & Safety Act.	4	Good	n/a
		Submit accurate claims in time.	4	Good	n/a
		Keeping deadlines as per approved program.	4	Good	n/a
		Response time to queries.	4	Good	n/a
		Acceptable level of contract administration and quality of work.	4	Good	n/a
		Monthly claims strictly in accordance with the tendered cash flow program.	4	Good	n/a
		Regular updating and final submission of as-built information.	4	Good	n/a
Upgrading of low voltage networks in Franskraal	0.3	Number of local jobs created and money retained in community.	4	Good	n/a
		Training provided for local residents employed.	4	Good	n/a
		Adherence to Occupational Health and Safety Act.	4	Good	n/a
		Submit accurate claims on time.	4	Good	n/a
		Keeping	4	Good	n/a

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Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
		deadlines as per approved program.			
		Response time to queries	4	Good	n/a
		Acceptable level for contract administration and quality of work.	4	Good	n/a
		Monthly claims strictly in accordance with the tendered cash flow program.	4	Good	n/a
		Regular updating and final submission of as-built information.	4	Good	n/a
Repair of water leaks at indigent households	2	Compliance with technical specifications	1	Poor	Did not perform as expected, Contract was behind programme. Contract was cancelled by the contractor
		Completion within programme	1	Poor	Did not perform as expected, Contract was behind programme. Contract was cancelled by the contractor
		Completion within budget	1	Poor	Did not perform as expected, Contract was behind programme. Contract was cancelled by the contractor
		Compliance with health and safety specifications	1	Poor	Did not perform as expected, Contract was behind programme.

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
					Contract was cancelled by the contractor
Repair of water leaks at indigent households		Compliance with environmental specifications	1	Poor	Did not perform as expected, Contract was behind programme. Contract was cancelled by the contractor
		Accurate audits and completion of audit reports	4	Good	n/a
Auditing of Electricity meters and connections in the Overstrand Municipal area	3	Adherence to Occupational Health & Safety Act	4	Good	n/a
		Payment certificates	3	Satisfactory	n/a
		OHS act	4	Good	n/a
		Local labour	4	Good	n/a
		Site meetings	4	Good	n/a
Alteration to the existing kiddies swimming pool, pipe work and additional works in Zwelihle/Mount Pleasant, Hermanus	0.4	Time	4	Good	n/a
		Budget	3	Satisfactory	n/a
		Quality	4	Good	n/a
Stanford sewer reticulation upgrade	0.5	Compliance with technical specifications	4	Good	n/a
		Completion within programme	4	Good	n/a
		Completion within budget	3	Satisfactory	n/a
		Compliance with health and safety specifications	4	Good	n/a
Appointment of a service provider for the development of Spatial Development Frameworks over a period of a year as	1	Timeously deliverance of scope of work within cost frame work	4	Good	n/a

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
continuation of the appointment in terms of SC429/2008 for work already commenced in terms of the contract					
Replacement of domestic water meters and relocation of water meters	2	Compliance with technical specifications	3	Satisfactory	n/a
Replacement of domestic water meters and relocation of water meters	2	Completion within programme	3	Satisfactory	n/a
		Completion within budget	3	Satisfactory	n/a
		Compliance with health & safety specifications	3	Satisfactory	n/a
		Compliance with environmental specifications	3	Satisfactory	n/a
Upgrade of the access road (internode) to the Hermanus waste water treatment works	0.2	Compliance with technical specifications	5	Excellent	n/a
		Completion within programme	5	Excellent	n/a
		Completion within budget	3	Satisfactory	n/a
		Compliance with health and safety specifications	5	Excellent	n/a
		Compliance with environmental specifications	4	Good	n/a
Hermanus LV electrical network upgrade	1	Payment certificates	3	Satisfactory	n/a
		OHS act	3	Satisfactory	n/a
		Local labour	3	Satisfactory	n/a
		Site meetings	3	Satisfactory	n/a
		As builds	3	Satisfactory	n/a
Appointment of Consulting Engineer for Solid Waste	2	Positive effect on public's perception of municipal service delivery	4	Good	n/a
		Compliance with OHSACT regulations	4	Good	n/a

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Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
		Compliance with rendering specified services	4	Good	n/a
		Compliance with OHSACT regulations	4	Good	n/a
		Compliance with environmental duty of care principle	4	Good	n/a
		Compliance with specified response time	4	Good	n/a
Operation of the Mechanised material Recovery facilities at Hermanus Solid Waste Transfer Station	3	COMPLIANCE WITH OHSACT REGULATIONS	4	Good	n/a
		Compliance with rendering specified services	4	Good	n/a
		Compliance with specified response time	4	Good	n/a
		Compliance with environmental "duty of care" principle	4	Good	n/a
		Positive effect on public's perception of municipal service delivery	4	Good	n/a
Additional offices at the Preekstoel WWTW: Extension of Tender SC1085/2011	0.4	Compliance with technical specifications	4	Good	n/a
		Completion within programme	4	Good	n/a
		Completion within budget	3	Satisfactory	n/a
		Compliance with health & safety specifications	4	Good	n/a
Leasing for the operation of illuminated street signs in the Overstrand municipal area	10	Timeously receiving of income	3	Satisfactory	n/a
Electrification of low	1	Number of local	3	Satisfactory	n/a

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Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
cost houses in Eloxolweni, Pearly Beach		jobs created and money retained in community.			
		Monthly claims strictly in accordance with the tendered cash flow program.	3	Satisfactory	n/a
		Regular updating and final submission of as-built information.	3	Satisfactory	n/a
		Training provided for local residents employed.	3	Satisfactory	n/a
		Adherence to Occupational Health and Safety Act.	3	Satisfactory	n/a
		Submit accurate claims on time.	3	Satisfactory	n/a
		Keeping deadlines as per approved program.	3	Satisfactory	n/a
		Response time to queries.	3	Satisfactory	n/a
		Acceptable level of contract administration and quality of work.	3	Satisfactory	n/a
Riols Els: construction of a 500 kl reservoir	1	Compliance with technical specifications	3	Satisfactory	n/a
		Completion within programme	3	Satisfactory	n/a
		Completion within budget	3	Satisfactory	n/a
		Compliance with health & safety specifications	3	Satisfactory	n/a
		Compliance with environmental specifications	3	Satisfactory	n/a
MV & LV upgrading in Stanford industrial	1	Number of local jobs created and	4	Good	n/a

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Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
area		money retained in community.			
		Training provided for local residents employed.	4	Good	n/a
		Adherence to Occupational Health And Safety Act.	4	Good	n/a
		Submit accurate claims on time.	4	Good	n/a
		Keeping deadlines as per approved program.	4	Good	n/a
		Response time to queries.	4	Good	n/a
		Acceptable level for contract administration and quality of work.	4	Good	n/a
		Monthly claims strictly in accordance with the tendered cash flow program.	4	Good	n/a
		Regular updating and final submission of as-built information.	4	Good	n/a
Supply and installation of gas insulated 12 KV indoor switchgear Kleinmond	1	Payment certificates	4	Good	n/a
		OHS act	3	Satisfactory	n/a
		Local labour	3	Satisfactory	n/a
		Site meetings	3	Satisfactory	n/a
		As built	3	Satisfactory	n/a
Construction of a new cell at Gansbaai Landfill	0.4	Compliance with OHSACT regulations	4	Good	n/a
		Compliance with rendering specified service	4	Good	n/a
		Compliance with environmental "duty of care" principle	4	Good	n/a

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Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
		Compliance with specified response time	4	Good	n/a
		Positive effect on public's perception of municipal service delivery	4	Good	n/a
Mechanical and Electrical Equipment for Kleinmond and Gansbaai WWTW Sludge dewatering.	1	Compliance with technical specifications	4	Good	n/a
		Completion within programme	4	Good	n/a
		Completion within budget	3	Satisfactory	n/a
		Compliance with environmental specifications	4	Good	n/a
Hermanus Parallel Road Project Phase 1 - Construction of Mbeki Street and associated roads	1	Time	4		n/a
		Budget	3	Satisfactory	n/a
		Quality	4	Good	n/a
Preekstoel bio-filtration plant- mech. & elect works	2	Compliance with technical specifications	5	Excellent	n/a
		Completion within programme	5	Excellent	n/a
		Completion within budget	3	Satisfactory	n/a
		Compliance with health & safety specifications	5	Excellent	n/a
Transport of containerised municipal solid waste and chipping of garden waste	2	Compliance with rendering specified services	3	Satisfactory	n/a

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
		Compliance with OHSACT regulations	3	Satisfactory	n/a
		Compliance with environmental "duty of care" principle	3	Satisfactory	n/a
		Compliance with specified response times	3	Satisfactory	n/a
		Positive effect on public's perception of municipal service delivery	3	Satisfactory	n/a
		Positive effect on public's perception of municipal service delivery	3	Satisfactory	n/a
Transport of containerised municipal solid waste and chipping of garden waste	3	Compliance with OHSACT regulations	3	Satisfactory	n/a
		Compliance with rendering specified service	3	Satisfactory	n/a
		Compliance with environmental "duty of care" principle	3	Satisfactory	n/a
		Compliance with specified response times	3	Satisfactory	n/a
		Positive effect on public's perception of municipal service delivery	3	Satisfactory	n/a
Overstrand water pipe replacement	1	Compliance with OHSACT regulations	3	Satisfactory	n/a
		Compliance with rendering specified service	3	Satisfactory	n/a
		Compliance with environmental "duty of care" principle	3	Satisfactory	n/a
		Compliance with specified response times	3	Satisfactory	n/a

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
		Positive effect on public's perception of municipal service delivery	3	Satisfactory	n/a
Operation of the Gansbaai landfill and public drop-offs in greater Gansbaai and Stanford	7	Compliance with OHSACT regulations	3	Satisfactory	n/a
		Compliance with rendering specified service	3	Satisfactory	n/a
		Compliance with environmental "duty of care" principle	3	Satisfactory	n/a
		Compliance with specified response times	3	Satisfactory	n/a
		Positive effect on public's perception of municipal service delivery	3	Good	n/a
Substation 66/11kv Hermanus	0.2	Payment certificates	3	Satisfactory	n/a
		OHS act	3	Satisfactory	n/a
		Site meetings	3	Satisfactory	n/a
		As built	3	Satisfactory	n/a
Preekstoel bio-filtration plant- civil works	2	Compliance with technical specifications	4	Good	n/a
		Completion within programme	4	Good	n/a
		Completion within budget	4	Good	n/a
		Compliance with health & safety specifications	4	Good	n/a
		Compliance with environmental specifications	4	Good	n/a
Provision of geographical information system services in the Overstrand area	3	Automated programming	3	Satisfactory	n/a
		Cadastral maintenance	3	Satisfactory	n/a
Construction of Bulk Storm water Line &	0.4	Time	4	Good	n/a
		Budget	3	Satisfactory	n/a

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
Attenuation Ponds, Gansbaai		Quality	4	Good	n/a
Eloxulweni: pearly beach	2	Timeously deliverance of scope of work within cost frame work	3	Satisfactory	n/a
Procurement and installation of 100w Heaters for the Hermanus Industrial Switching Station by the sole manufacturer of the product which adheres to required specifications	1	Timeously deliverance of scope of work within cost frame work	3	Satisfactory	n/a
Provision of web-based monitoring of electricity power distribution network by the sole provider of the system for the period 01 July to 31 December 2012	1	Timeously deliverance of scope of work within cost frame work	3	Satisfactory	n/a
Provision of electricity power quality monitoring services for a six month 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 2013.	1	Timeously deliverance of scope of work within cost frame work	3	Satisfactory	n/a

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

vi) Community Services

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
Appointment of consulting engineers for various projects in the Overstrand municipal area	3	Compliance with technical specifications	3	Satisfactory	n/a
Supply & delivery of gravel & pothole	0.1	Supply and delivery of gravel	3	Satisfactory	n/a

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
repair premix for the maintenance of roads					
Provision of garden services, Hermanus	2	Cliff tops area and head office area	3	Satisfactory	n/a
Supply and Delivery of Garden Equipment	0.2	Time of Delivery	3	Satisfactory	n/a
		Quality of garden equipment	3	Satisfactory	n/a
Garden maintenance for the relief road & Voëlklip circle gardens, Hermanus	1	General cleaning and weeding	3	Satisfactory	n/a
		Maintenance and inspections	3	Satisfactory	n/a
Garden maintenance for the relief road & Voëlklip circle gardens, Hermanus	3	Check list. Planting, transplanting, applying fertilizers & compost	3	Satisfactory	n/a
Supply & deliver playground equipment	1	Time taken to deliver	3	Satisfactory	n/a
		Time taken to deliver	3	Satisfactory	n/a
		Time taken to deliver	3	Satisfactory	n/a
Management of Informal settlements within the Overstrand area	0.1	Daily patrols	3	Satisfactory	n/a
Management of Informal settlements within the Overstrand area	1.1	Demolition of illegal informal housing	3	Satisfactory	n/a
		Removal of building material.	3	Satisfactory	n/a
		Numbering, Mapping and Reporting	3	Satisfactory	n/a
Provision of cleaning services in mount pleasant	2	Cleaning of Public open spaces , play parks and roads.	3	Satisfactory	n/a
Supply and delivery of water purification chemicals in Gansbaai	2	Cost	3	Satisfactory	n/a
		Time	3	Satisfactory	n/a
		Quality	3	Satisfactory	n/a
Supply and delivery of playground equipment in the Overstrand area	0.5	Quality & specifications	3	Satisfactory	n/a
Garden maintenance services Hermanus, Overstrand	3	Tasks completed	3	Satisfactory	n/a
		Quality of work	3	Satisfactory	n/a
		Cost	3	Satisfactory	n/a

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
Provision of cleaning services in Hawston	2	Cleaning of Public open spaces , play parks and roads.	3	Satisfactory	n/a
		Cleaning of open storm water Channels and sidewalks, catch-pits and manholes.	3	Satisfactory	n/a
		Removal of all refuse/rubble and cut vegetation	3	Satisfactory	n/a
Plantman	3	Training	3	Satisfactory	n/a
		Support days	3	Satisfactory	n/a
		Response time	3	Satisfactory	n/a
		Technical support	3	Satisfactory	n/a
Appointment of a contractor for the operation and maintenance of the Pearly Beach and De Kelders membrane water Treatment Plants	2	Time	3	Satisfactory	n/a
		Cost	3	Satisfactory	n/a
		Quality	3	Satisfactory	n/a
Supply & delivery of motor vehicles & equipment	0.1	Timeously delivery of equipment	3	Satisfactory	n/a
		Deliver vehicle as per tender price	3	Satisfactory	n/a
		Deliver vehicle as per specifications	3	Satisfactory	n/a
Provision of cleaning services Eluxolweni, Gansbaai	3	Cleanliness of public areas, informal settlements, open storm water channels, etc. And ablution blocks	3	Satisfactory	n/a
Appointment of service providers for the supply and erecting of fences in the Overstrand area	1	Quality of work	3	Satisfactory	n/a
		Erecting of fencing to the satisfaction of the municipal manager or his delegatee	3	Satisfactory	n/a
		Quality of work	3	Satisfactory	n/a
Hiring of Sewerage Vacuum Tankers	1	Quality	3	Satisfactory	n/a
		Quality	3	Satisfactory	n/a
		Response time	3	Satisfactory	n/a

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
		Response time	3	Satisfactory	n/a
		Cost	3	Satisfactory	n/a
		Cost	3	Satisfactory	n/a
Provision of cleaning services	2	Cleaning of Public open spaces , play parks and roads.	3	Satisfactory	n/a
Application of road markings in the Overstrand Municipal area	2	Time	3	Satisfactory	n/a
		Cost	3	Satisfactory	n/a
		Quality	3	Satisfactory	n/a
Cleaning services in Zwelihle	2	Cleaning of Public open spaces , play parks and roads.	3	Satisfactory	n/a
Construction of cloakrooms at the Stanford sport fields	0.2	Completion time	3	Satisfactory	n/a
		Project cost/budget	3	Satisfactory	n/a
		Quality of construction work	3	Satisfactory	n/a
Kemach cape- tender sc1075: supply and delivery of vehicles	1	Timeously delivery of vehicles	3	Satisfactory	n/a
Supply and delivery of Water-and Sewerage Purification Chemicals	3	Quality	3	Satisfactory	n/a
		Time (delivery)	3	Satisfactory	n/a
		Cost (price)	3	Satisfactory	n/a
Provision of Cleaning Services, Masakhane/Beverly Hills, Gansbaai	3	Cleaning of public open spaces, informal settlements, open storm water channels, etc. & ablution blocks	3	Satisfactory	n/a
		Cleanliness of areas	3	Satisfactory	n/a
Upgrading of footpaths: Onrus, Vermont, Sandbaai, Vermont saltpan and Hermanus cliff path area	0.3	Upgrading of footpaths	3	Satisfactory	n/a
Cleaning project in Sandbaai	2	Cleaning of Public open spaces , play parks and roads.	3	Satisfactory	n/a
		Cleaning of open storm water Channels and sidewalks, catch-pits and manholes.	3	Satisfactory	n/a

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
		Removal of all refuse/rubble and cut vegetation	3	Satisfactory	n/a
Supply and delivery of swimming pool chemicals in the Overstrand, Hermanus	1	Time of Delivery	3	Satisfactory	n/a
		Quality of chemicals delivered	3	Satisfactory	n/a
Cleaning projects Gansbaai/Stanford: Thembelihle / die kop	3	Cleaning of public open spaces and play parks and roads	3	Satisfactory	n/a
		Cleaning of informal settlements	3	Satisfactory	n/a
		Cleaning of open storm water channels and kerbs, catch-pits and manholes	3	Satisfactory	n/a
		Cleaning of ablution blocks	3	Satisfactory	n/a
		Reporting of problems	3	Satisfactory	n/a
Supply & delivery of motor vehicles & equipment	0.4	Timeously delivery of vehicle	3	Satisfactory	n/a
		Deliver vehicle as per tender price	3	Satisfactory	n/a
		Deliver vehicle as per specifications	3	Satisfactory	n/a
Jet & Vacuum cleaning, CCTV and visual inspection of sewers and minor civil works in Zwelihle, Hermanus	0.3	Cost	4	Good	n/a
		Time	3	Satisfactory	n/a
		Quality	3	Satisfactory	n/a
Altech Netstar	15	Timeously deliverance of system and maintenance within cost framework.	3	Satisfactory	n/a
Cleaning project in Onrus, Vermont	2	Cleaning of Public open spaces , play parks and roads.	3	Satisfactory	n/a
		Cleaning of open storm water Channels and sidewalks, catch-pits and manholes.	3	Satisfactory	n/a
		Removal of all refuse/rubble and cut vegetation	3	Satisfactory	n/a
Provision of Hygiene	3	Timeously deliver of	3	Satisfactory	n/a

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
Services to Overstrand Municipality		products.			
Provision of cleaning services in Zwelihle informal settlement, Hermanus	2	Cleaning of Public open spaces , play parks and roads.	3	Satisfactory	n/a
		Cleaning of open storm water Channels and sidewalks, catch-pits and manholes	3	Satisfactory	n/a
		Removal of all refuse/rubble and cut vegetation	3	Satisfactory	n/a
Supply and delivery of vehicles	4	5 year maintenance/ service plan/ 35 000 km whichever comes first.	3	Satisfactory	n/a
Provision of small works - pothole repairs	2	Timeously response on repairs with quality as specified	3	Satisfactory	n/a
		Acceptance criteria	1	Poor	Communication and meeting with service provider to resolve under performance
Upgrading of pump stations(sewerage and water) mechanical and electrical works	0.2	Cost	3	Satisfactory	n/a
		Quality	3	Satisfactory	n/a
		Time	3	Satisfactory	n/a
Provision of cleaning services in Zwelihle: cleaning of ablution facilities	2	Toilet bowls, washbasins, floors and walls in and around toilets must be cleaned (brushed) on a daily basis.	3	Satisfactory	n/a
		Immediate reporting of broken, defective and blocked toilets and basins	3	Satisfactory	n/a
		Daily cleaning of area within a radius of 10 metres around the toilets and refuse to be removed	3	Satisfactory	n/a

Chapter 3: Service Delivery Performance

Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
Supply & delivery of motor vehicles & equipment	0.2	Timeously delivery of vehicle	3	Satisfactory	n/a
		Deliver vehicle as per tender price	3	Satisfactory	n/a
		Deliver vehicle as per specifications	3	Satisfactory	n/a
Supply and delivery of diesel fuel for Onrus caravan park	3	Timeously supply of diesel fuel	3		n/a
Supply and delivery of chemicals for sludge thickening purposes	2	Cost(price)	3	Satisfactory	n/a
		Time (delivery)	3	Satisfactory	n/a
		Quality	3	Satisfactory	n/a
		To be deleted	3	Satisfactory	n/a
Garden maintenance services, Hermanus Overstrand	3	Time allocated	3	Satisfactory	n/a
		Work of good standard	3	Satisfactory	n/a
		Invoicing	3	Satisfactory	n/a
EMIS service level agreement	3	Support days	3	Satisfactory	n/a
		System update (software)	3	Satisfactory	n/a
		Emergency response	3	Satisfactory	n/a
		Training	3	Satisfactory	n/a
		Analysis - Follow up	3	Satisfactory	n/a
Supply and delivery of Water-and Sewerage Purification Chemicals	3	Cost (price)	3	Satisfactory	n/a
		Quality	3	Satisfactory	n/a
		Time (delivery)	3	Satisfactory	n/a
		Time (delivery)	3	Satisfactory	n/a
		Cost (price)	3	Satisfactory	n/a
Electrical maintenance for municipal buildings in the Overstrand area	3	Electrical Maintenance of Buildings and Aircons	3	Satisfactory	n/a
		Certificates of Compliance for work Completed	3	Satisfactory	n/a
		Emergency Call outs and work completed within a certain Time Frame	3	Satisfactory	n/a

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Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
Overberg Nissan-tender sc1075: supply and delivery of vehicles and equipment	6	6 year maintenance/service & body -150 000km whichever comes first- NP200	3	Satisfactory	n/a
		5 year maintenance/service & body plan-150 000km whichever comes first- NP300	3	Satisfactory	n/a
Provision of cleaning services, Kleinmond	3	Cleaning of PDA areas	4	Good	n/a
Upgrading of streets and sidewalks in the Overstrand municipal area	1	Upgrading of streets and sidewalks	3	Satisfactory	n/a
		Quality of workmanship	3	Satisfactory	n/a
AAD truck & bus-tender sc1075: supply and delivery of vehicles and equipment	5	5 year maintenance/service plan/ 120 000kms	3	Satisfactory	n/a
Management of informal settlements within the Overstrand area of jurisdiction	3	Daily patrols	3	Satisfactory	n/a
		Demolition of illegal informal housing	3	Satisfactory	n/a
		Removal of building material.	3	Satisfactory	n/a
		Numbering, Mapping and Reporting	3	Satisfactory	n/a
Maintenance of water and wastewater infrastructure equipment in the Overstrand.	2	Call-out and completion times	3	Satisfactory	n/a
		Repairs and inspections according to approved rates	3	Satisfactory	n/a
		Repairs and inspections according quality specifications	3	Satisfactory	n/a
Replacement of domestic water meters and relocation of water meters	2	Time (programme)	4	Good	n/a
		Quality (SPECIFICATIONS)	4	Good	n/a
		Safety	4	Good	n/a
		Price	4	Good	n/a
Sc1155/2011- supply and delivery of new/rethread tyres and collection of casings	2	Supply and delivery of new/ retread tyres and collection of casings	3	Satisfactory	n/a

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Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
Cleaning of Sewerage Pump stations	2	Cost	3	Satisfactory	n/a
		Quality	3	Satisfactory	n/a
		Time	3	Satisfactory	n/a
Upgrading of storm-water systems in Hermanus, Sandbaai, Onrus, Hawston, Zwelihle & Gansbaai areas	1	Health and safety	3	Satisfactory	n/a
		Acceptance criteria	3	Satisfactory	n/a
Lifesaving services	3	Timeously deliverance of services per scope of work	3	Satisfactory	n/a
		Timeously deliverance of services per scope of work	3	Satisfactory	n/a
		Timeously deliverance of services per scope of work	3	Satisfactory	n/a
Provision of cleaning services, Kleinmond	3	Cleaning service informal service	4	Good	n/a
Maintenance of water and wastewater infrastructure equipment in the Overstrand.	2	Completion of tasks within specified time	3	Satisfactory	n/a
		Completion of tasks according to approved rates	3	Satisfactory	n/a
		Completion of tasks to the required quality standards	3	Satisfactory	n/a
The re-surfacing and rehabilitation of roads in the Overstrand	2	Cost (price)	3	Satisfactory	n/a
		Quality	3	Satisfactory	n/a
		Safety	3	Satisfactory	n/a
		Time	3	Satisfactory	n/a
Repair of segmented paving at the harbour road and Luckhoff street intersection in Kleinmond	0.2	Timeously completion of scope of project within cost framework	3	Satisfactory	n/a
Provision of small bore connections		Health and safety	3	Satisfactory	n/a
Cleaning services in Zwelihle		Cleaning of open storm water Channels and sidewalks, catch pits and manholes.	3	Satisfactory	n/a
		Removal of all refuse/rubble	3	Satisfactory	n/a

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Description of Contract	Term of contract (Yrs)	Performance Area	Performance Rating (1-5)	Performance comment	Corrective Measures
		and cut vegetation			
Provision of cleaning services in mount pleasant		Cleaning of open storm water Channels and sidewalks, catch pits and manholes.	3	Satisfactory	n/a
		Removal of all refuse/rubble and cut vegetation	3	Satisfactory	n/a
Provision of cleaning services		Cleaning of open storm water Channels and sidewalks, catch pits and manholes.	3	Satisfactory	n/a
Provision of cleaning services		Removal of all refuse/rubble and cut vegetation	3	Satisfactory	n/a
Provision of small works - pothole repairs		Provision of small works: Pothole Repairs	3	Satisfactory	n/a
		Cost	3	Satisfactory	n/a
		Overall quality	3	Satisfactory	n/a

Table 73.: Service Provider Performance – Community Services

vii) Protection Services

Description Of Contract	Term of Contract (YEARS)	Performance Area	Performance Rating (1-5)	Performance Comment	Corrective Measures
Provision of accommodation for impounded dogs and cats: Kleinmond	3	Items on invoice/statement submitted is in agreement with job cards issued	3	Satisfactory	n/a
Provision and maintenance of Fire Safety Equipment	3	Fire safety equipment serviced and installed on request	3	Satisfactory	n/a
Plot clearing contract - Gansbaai	3	Timeously completion of task as per scope of work.	3	Satisfactory	n/a
Manual clearing of municipal & private erven in Hangklip-Kleinmond area	3	Timeously completion of task as per scope of work	3	Satisfactory	n/a
Provision and maintenance of Fire Safety Equipment	4	Provide and install symbolic fire safety signs on request	3	Satisfactory	n/a

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Description Of Contract	Term of Contract (YEARS)	Performance Area	Performance Rating (1-5)	Performance Comment	Corrective Measures
Provision of accommodation of impounded dogs and cats: Hermanus	3	Invoice tasks claimed corresponds with job cards issued	3	Satisfactory	n/a
Provision of accommodation of impounded dogs and cats: Hermanus	3	Invoice tasks claimed corresponds with job cards issued	3	Satisfactory	n/a
Manual clearing of municipal & private erven in the Hermanus & Stanford municipal area	2	Timeously completion of task as per scope of work	3	Satisfactory	n/a
Provision of security services for the Overstrand municipal fixed properties	3	Guards on duty	3	Satisfactory	n/a
Provision of security services for the Overstrand municipal fixed properties	3	Guards on duty in correct attire and with equipment	3	Satisfactory	n/a
Provision of security services for the Overstrand municipal fixed properties	4	Guards' conduct conducive with the image of the Overstrand Municipality	3	Satisfactory	n/a
Provision of security services for the Overstrand municipal fixed properties	4	Guards conduct conducive with image of Overstrand municipality	3	Satisfactory	n/a
Provision of security services for the Overstrand municipal fixed properties	5	Registers up to date	3	Satisfactory	n/a
Provision of security services for the Overstrand municipal fixed properties	5	Registers up to date and available for inspection, monthly reports submitted before 10 days after end of month	3	Satisfactory	n/a
Traffic speed measuring, fixed cameras for speed and robot violations, number plate recognition system asn back office for fine collection.	3	Monthly reports	3	Satisfactory	n/a
Traffic speed measuring, fixed cameras for speed and robot violations,	4	Rollout of cameras	3	Satisfactory	n/a

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Description Of Contract	Term of Contract (YEARS)	Performance Area	Performance Rating (1-5)	Performance Comment	Corrective Measures
number plate recognition system asn back office for fine collection.					
Traffic speed measuring, fixed cameras for speed and robot violations, number plate recognition system asn back office for fine collection.	5	Back-up services & support system	3	Satisfactory	n/a
Traffic speed measuring, fixed cameras for speed and robot violations, number plate recognition system asn back office for fine collection.	6	Equipment	3	Satisfactory	n/a
Provision of security services for the Overstrand municipal fixed properties	3	Guards on duty	2	Under performance	Communication and meeting with service provider to resolve under performance
Provision of security services for the Overstrand municipal fixed properties	4	Guards' conduct conducive with the image of the Overstrand Municipality	2	Under performance	Communication and meeting with service provider to resolve under performance
Provision of security services for the Overstrand municipal fixed properties	5	Registers up to date	2	Under performance	Communication and meeting with service provider to resolve under performance

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:

Municipal Function	Municipal Function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes

Chapter 3: Service Delivery Performance

Municipal Function	Municipal Function Yes / No
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
Constitution Schedule 5, Part B functions:	
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
Noise pollution	Yes
Pounds	Yes
Public places	Yes

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Municipal Function	Municipal Function Yes / No
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
Council and Municipal Manager	Internal Audit	The staff compliment was strengthened with the appointment of two Internal Auditors in February 2013.
Management Services	Communications	<p>COMMUNICATION ACTIVITIES: July 2012- June 2013</p> <p>EXTERNAL</p> <ul style="list-style-type: none"> → Municipal Newsletter (Bulletin) – 12 (monthly fully available in Afrikaans, English and isiXhosa) → Website: <ul style="list-style-type: none"> ○ 479 updates (254 word documents, 102 images and 365 PDF's) ○ Unique visitors: 52,100 ○ Page views: 312,000 → Media releases and opportunities used: 146 → Events/Handovers/Commissioning: 43 → Special requests (speeches, designs, projects): 121 → Corporate advertising and special notices: 69 <p>INTERNAL</p> <ul style="list-style-type: none"> → Staff Newsletter (Phambili) – 6 times (Afrikaans/English and isiXhosa) → Internal Communication Committee – 4 meetings <p>OTHER</p> <ul style="list-style-type: none"> → Induction of new employees (10 times) → Publicity Valuating Service (shows estimated value of media publicity for Overstrand Municipality to be between R2 million and R6 million per annum) → Eskom Load Control Project → Water Saving Awareness Project → Grants-in-Aid Implementation

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Directorate/ Functional area	Sub Directorate	Highlights
		<ul style="list-style-type: none"> → Citizen Satisfaction Survey Execution → Employee Communication Needs Survey → Moral Standards Campaign → Orientation tours for junior councillors → Mayoral Cup Tournament project → Casual Day → Mandela Day Projects in all wards; → Night of Achievers (21 August) → Arbor Week tree plantings → Municipal Showcase (part of the Whale Festival) → Small Business and Career Expo (in collaboration with Department of Sea Fisheries) → National launch of Blue Flag Campaign at Grotto Beach (Minister of Tourism) → Remembrance Day Commemoration (MOTH's)
	Information Technology	<p>Development of Management Information System (MIS):</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 2012/13 financial year was to:</p> <ul style="list-style-type: none"> → Ongoing improvement in financial reporting; → Ongoing improvements of a monthly statements by providing a more comprehensive and transparent presentation of water and electricity usage by account holders; → Data from the Deeds Office is also collated and maintained on an SQL data base where previously it was done on Excel Spreadsheets. This also enables improved validation and integration with our core financial system; → 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. <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.</p>
		<p>Upgrading of the Data Centre Servers</p> <ul style="list-style-type: none"> → 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. <p>The older technology servers will be deployed for other configured services that are less critical to maintain from a secure data perspective, such as printer servers.</p>

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Directorate/ Functional area	Sub Directorate	Highlights
		<p>Commissioning of the Disaster Recovery Site (DR Site)</p> <ul style="list-style-type: none"> → The Overstrand Disaster Recovery site has been commissioned in July 2012. → 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. → The DR Plan has also been approved by the ICT Steering Committee in November 2012 and ratified at the ICT Steering Committee Meeting held in May 2013. <p>Functional DR tests were done for most systems. With the appointment of a Business Analyst this testing will be done on a more regular basis in the future.</p> <p>Consolidation of Similar Application Systems Functionalities and Normalization of Systems Data.</p> <ul style="list-style-type: none"> → 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. → It is 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. → Due to the complexities inherent to such application system conversions, a phased approach will be followed over the next three budget cycles (2013/2014, 2014/2015 and 2015/2016) to assimilate the similar functionalities and to normalize the data from the various systems, into the Samras Financial System. → Priorities and time-lines to do the conversions will be dependent on business needs and available funding over the next three years. <p>A Senior ICT Business Analyst has been appointed in February 2013 to assist management in driving this initiative forward.</p> <p>Developing a "<i>Special Conditions of Contracting</i>" for ICT Related Services and Systems.</p> <ul style="list-style-type: none"> → The complex nature of ICT related License Agreements and associated Support Agreements, warranted that the municipality developed its own Main Agreement for ICT related services and systems. → The objectives of this in-house developed Main Agreement are to ensure: <ul style="list-style-type: none"> ➢ Full compliance by service providers to all regulatory requirements and policy frameworks during the term of the Agreement, and also ➢ That value for money is achieved by defining specific Key Performance Indicators (KPI's) and objective measurements/metrics to monitor and assess the quality of the services that was contracted and is paid for. → This Main Agreement (<i>Special Conditions of Contracting</i>) will in future be included in all tender documentation when new ICT

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Directorate/ Functional area	Sub Directorate	Highlights
Financial Services		<p>related services and systems are contemplated.</p> <p>All license and support Agreements with existing Service Providers are also in the process of being converted to become Annexures to this Main Agreement.</p>
	Legal Services	The expansion of the legal department with the appointment of a legal advisor from 01 July 2012.
	Supply Chain Management	<p>The Supply Chain Management (SCM) Unit has, through the budget development process, begun implementing the Demand Management Plan for effect during the 2012/13 financial year and will actively promote and drive its implementation. It is the vision of the SCM Unit, as supported by the Accounting Officer, the Chief Financial Officer and guidelines of Circular No. 62, to fully utilize the Demand Management Plan (DMP) as a strategic tool in order to implement the budget. The objective is to ensure that the resources required to fulfill the needs identified in the Integrated Development Plan (IDP) of the municipality are delivered at the correct time, price and place and that the quantity and quality will satisfy those needs.</p> <p>In May 2013 new SCM Modules were procured from SAMRAS, called SAMRAS Plus, making provision for Contract Management and Document archiving as SAMRAS financial system was considered to be the best long-term system solution.</p> <p>The following benefits will be realised with effective implementation and development of the system:</p> <ol style="list-style-type: none"> The total SCM offering will be integrated into one system enabling cleaner data and proper audit trails of transactions. Document management would secure and organise proper document management in a central storage environment, electronically retrievable for future usage out of one system. The system will enable all role players to be involved in delegation of powers and proper communication. Duplication of transacting will be eliminated. <p>On 27 September 2012 Ethics SA facilitated a first workshop for the Overstrand Municipality's business chambers (150 members attended), in conjunction with SCM. The objective of the workshop was to promote integrity and transparency in all interactions between the municipality's supply chain management structure and the business community.</p> <p>During 28 January to 01 February 2013 Provincial Treasury undertook a compliance assessment on Supply Chain Management within Overstrand Municipality to assess whether or not the Municipality adheres to its SCM Policy and other statutory requirements governing supply chain management. The high level outcome and feedback on the assessment was one of good performance and structures/controls in place.</p>
	System Administration	New billing tables and formulas in accordance with the 2012/13 budget were implemented successfully and levied on a monthly basis
	Revenue	<p><u>Collection rate</u></p> <p>30 days (2013/06) 85.24%</p> <p>60 days (2013/05) 91.52%</p>

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Directorate/ Functional area	Sub Directorate	Highlights
		90 days (2013/04) 96.52%
		<u>Indigent Household Register</u>
		<u>Financial Year Amount Households</u>
		30 June 2013 6,423
		30 June 2012 5,852
		30 June 2011 5,241
		30 June 2010 2,864
		<u>Client Service Training</u>
		59 officials attend the positive training sessions over 2 days
		<u>Local Government Accounting Certificate</u>
		18 officials successfully completed the programme
		<u>Local Government Advance Accounting Certificate</u>
		8 officials successfully completed the programme.
		Municipal Financial Management Programme
		5 officials completed the programme;
		6 officials will complete in August 2013 and awaiting final results;
		1 official started in June 2013.
	Budget & Accounting Services	Comprehensive quarterly budget statements as per the Municipal Budget and Reporting regulations were tabled in Council during 2012/2013.
		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.
		All required monthly, quarterly and annual National Treasury return forms (Appendix B) and all required National Treasury budget return forms relating to the draft, final and adjustments budgets were submitted during 2012/2013 (MFMA & MBRR).
		The AFS for 2011/2012 financial year was submitted by 31 August 2012 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 - Four officials, out of twenty people in this division, completed the Municipal Financial Management Programme Training, which will result in the attainment of the competency levels in terms of the MFMA Competency Regulations. A further two officials will complete the training in August 2013, whilst another five officials are currently enrolled on this programme.
		The Costing Division, established during 2010, complements the Expenditure and Asset Management division, in maintaining a Job Costing Framework in respect of all projects, for example Ward Specific Projects, EPWP Projects and of utmost importance capital project components since July 2011, in terms of the management of new assets for inclusion in the Asset Registers (GRAP principles). It is envisaged that this section will continue to play an important role in the

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Directorate/ Functional area	Sub Directorate	Highlights
		<p>analysing and reporting of management information.</p> <p>The reconciling of Creditor Reconciliation Statements per the SAMRAS Financial System are now fully developed and incorporated by Bytes Systems Integration (Pty) Limited as part of their Financial System, thus supporting this section to provide detailed and meaningful reporting.</p>
Community Services	Hangklip/Kleinmond Administration	<p>The liaison between the Overstrand Municipality and the different sectors of the community at grassroots level took place with results of an extremely high standard, due to the ward committees for Wards 9 and 10 which operated effectively.</p> <p>Eighteen ward committee meetings collectively for Wards 9 and 10 were held, eight public meetings and ten ordinary meetings. An average attendance of 9 members out of the ten elected members was achieved. Items on the agenda relating to the municipal budget and the development of infra-structure in the different wards, proofed to be matters which were discussed in much detail.</p> <p>The owners of the newly built 411 low cost houses and also the residents in the informal settlement structured themselves in residents associations. This practice proofed to be highly successful and fruitful communication took place regarding matters of concern to the greater community.</p> <p>The upgrading of the tennis, rugby and soccer facilities was identified as projects which were on the priority lists of the sport clubs.</p> <p>The Pikkewyntjie Crèche successfully applied for the extension of the property which they lease from the municipality. A new classroom to accommodate the Grade R children has been completed.</p> <p>The community hall in Overhills was upgraded to a much higher standard for the use of the residents in the informal settlement. The former netball clubhouse has also been upgraded and all communities can now book and utilize several halls for a variety of functions.</p> <p>The Palmiet and Kleinmond Caravan Parks were successfully managed. Bathroom furniture in the ablution facilities were upgraded, trees and shrubs were cut back and alien vegetation was removed. Both caravan parks were fully booked during the December school and Easter school holidays</p> <p>Kleinmond beach once again obtained blue flag status and evaluations proofed that a high standard of management by the municipal officials were rendered.</p> <p>The penguin colony at Stony Point was well managed and more than 79 000 people visited the colony, 50% of which were visitors from outside the borders of South Africa. The visitor's register is testimony of the complements received by the many local and foreign visitors.</p> <p>Blue drop status was obtained for Kleinmond Water Treatment Works and for the second time for Buffels River Water Treatment Works . Favourable monthly reports on the quality of the water were received and the plant was run in a professional manner .</p> <p>Various upgrades in the water distribution networks for both Betty's Bay and Kleinmond were executed . Two pressure reducing valves were installed in the Kleinmond residential area and this project contributed</p>

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Directorate/ Functional area	Sub Directorate	Highlights
		highly to alleviate the occurrence of pipe bursts throughout Kleinmond. Air-release valves were installed in the Bettys Bay's water network to help reduce water pipe bursts in this area.
		The ablution facilities at the Main Beach, Kleinmond were upgraded to comply with the Blue Flag standards . A paved parking area at the Kleinmond beach area adjacent to the lagoon was extended and will be completed in the future to also accommodate hawkers during summer seasons.
		Various tar roads in Kleinmond and Pringle Bay were re-sealed and rehabilitation to some existing tar roads were done .
	Hermanus Administration	Achieved Blue Drop Status for Preekstoel Water Treatment Works
		Achieved Green Drop status for Hermanus Waste Water Treatment Works
		Large number of roads resealed in all areas
		Cliff Path Tourist attraction completely upgraded – only 1 section in CBD still to be upgraded
		Blue Flag Status awarded to Grotto & Hawston Beaches
		Swallow Park (Heritage Site) in CBD upgraded & beautified
		Various beach toilets upgraded to "tourist" level
		Upgraded facilities at two sports fields
		Upgraded various parking areas and surrounds at estuaries and beaches
		Large number of sidewalks were paved and street tarred
		New play parks established and new equipment, including rubber matting were installed
		Two community halls were upgraded
		Installation of closed storm water pipe in place of open trenches in Zwelihle.
		Zwelihle berm area was beautified and fenced.
	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. 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.
		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 a job creation project, almost 40 opportunities were created for jobless people to eradicate approximately 10ha of alien vegetation. The funding for this project was secured from the allocation for identified ward specific projects. The same source of funding was used to create jobs for the tarring of a street in Masakhane.
		Fully equipped cloakrooms to serve the needs of two (2) competing

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Directorate/ Functional area	Sub Directorate	Highlights
		soccer/rugby teams simultaneously were established at Stanford. The project was funded by the National Lottery distribution Trust Fund (NLDTF).
		Three (3) new play parks were equipped in public open spaces in Gansbaai Blompark and at Stanford as part of projects prioritised for funding from ward specific allocations.
		The final phase of the pedestrian access (concrete sidewalks) alongside the coastline of Franskraal and Gansbaai was completed by means of a labour intensive process. The project created more than 30 jobs over a period of six (6) months. This project was acknowledged as a huge contributor to the local tourism attraction of the village and the appreciation of our local residents were overwhelming.
		The establishment of a herbarium combined with a trauma centre was completed in the Pearly Beach area. The local community contributed financially to complete the building and the evidence is their already to proof that this was an awesome investment.
	Housing Administration	Eluxolweni (Pearly Beach) 211 sites: → The development of services for 211 sites has been completed.
		ABS Project → Project has been completed, with the exception of Tambo Square in Zwelihle
		Title Deeds: Zwelihle → 54 title deeds had been registered in the Deeds Office for Zwelihle
	Special Projects	Informal settlement survey : December 2012 → The successful bi-annual survey of the informal settlements - 3409 units were counted and verified
		29 projects completed during the 2012/13 financial year → Kleinmond: 4 → Fisherhaven: 1 → Hawston: 5 → Mount Pleasant: 3 → Hermanus: 10 → Zwelihle: 5 → Stanford: 1
		Deductions from Workers salary in respect of municipal account in arrears. → Deducted 30% of workers and allocated to municipal accounts in arrears which amounted to R98,466.00
		→ 288 new job opportunities were created → 85 unemployed people were employed through projects
Protection Services	Fire Management	24 Hours manned stations: A First for Overstrand Fire & Rescues Services

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Directorate/ Functional area	Sub Directorate	Highlights
	Law Enforcement and Security Services	Law Enforcement has system called EMIS in place to record all cases received. The system is a job card system which assist the department in ensuring that all cases received are attended to, completed and feedback is provided to the public. Control Book is another way of keeping and tracing records for terms of reference in the near future. In maximizing efficiency in terms of service delivery our department established offices in Hermanus, Kleinmond and Gansbaai Area. Each office has a regional head that ensure that the office functions effectively
	Traffic Services	Road Accidents & Fatality ratio i.r.t. incoming & outgoing vehicle counts during high peak seasons (Whale Festival & Easter weekend) & school holidays (June/July & December) Whale Festival 2012 – more than 14 000 vehicles incoming for the period from 28 September to 30 October 2012, only 9 accidents of which none is fatal or serious. 62 fines were issued during Whale Festival weekend and majority of fines were mostly for moving violation and vehicle defects.
Economic Development and Tourism	LED	Development of Economic Spaces (i) Ukuthemba Project A project aimed at identifying a piece of land on which agricultural business opportunities could be pursued resulted in a piece of land being identified and offered for the project at the OTI farm in Hemel & Aarde. The steering committee was formed comprising of the LED, DAFF, OTI, Environmental Affairs and Sekisa. The project will be officially launched beginning of November 2013. (ii) Community Marshalls A partnership with local communities to safe-guard municipal infrastructure, ensure cleanliness and accessibility for better and progressive use by the community. The project involves unemployed young people.
		Providing integrated development support to local entrepreneurs (i) Hospitality Training Fifteen young people in the area of Kleinmond received training in the hospitality industry with the view to provide short term employment and to equip them with skills necessary to work in the hospitality industry. It is envisaged that some of the participants will pursue own business in hospitality
		Aquaculture Development Plan/Approach (i) WWF A 'plug and play' project has been initiated in Kleinmond by the Worldwide Fund in for Nature partnership with LED with the view to link fishers direct to their markets.
		(ii) Launch of Service Excellence On the 14 March a Service Excellence campaign was launched in conjunction with the Hermanus business chamber to honor and award excellence with a view of increasing productivity. This

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Directorate/ Functional area	Sub Directorate	Highlights
		<p>project is implemented with Productivity SA.</p> <p>(iii) SAWEN Conference LED host the conference of the South African Women Enterprises Network with female entrepreneurs and the Deputy Minister of DTI to encourage women participation in the economy, create awareness about incentive and support available for women empowerment.</p> <p>(iv) DTI Information Session for LED practitioners LED organized a workshop by DTI for all LED practitioners from the municipalities in the Overberg District to ensure that each was familiar with all the incentive grants offered by DTI and how DTI operates in terms of the assistance it gives to local businesses. This training will ensure that services are accessible to local businesses and thus increase economic participation.</p> <p>(v) Service Provider Information Session An opportunity created for service providers to be informed of the opportunities they could tap into and improve compliance in doing business with government. Government and agencies delivered on the programmes and had one-on-one contact with local service providers. Bringing services closer to communities and improve their chances of compliance.</p>
Infrastructure and Planning Services	Building Services	<p>Compliant plans approved within 21 days range between 95% - 100%. Building projects completed on time. 3 798 Inspections completed. 1 225 Plans approved.</p>
	Environmental Services	<p><u>Working for Water: Achievements:</u></p> <ul style="list-style-type: none"> → The Working for Water project received a total budget of R6,219,677.09 for the 2012/2013 financial year. → 3426 hectares were planned for clearing – the project cleared 4694 hectares. → 12 full-time contractors were employed for the year. → 120 contracts were generated and completed for the year. → 548 hectares were cleared by private landowners with 2223 person days through the herbicide incentive scheme offered by the project. → The project finished the financial year as the second best project in the Western Cape. → The project has played and will continue to play a pivotal advisory role in assisting the Agulhas Biodiversity Initiative with their incentivised alien clearing project. → The project received an award for its outstanding contribution to biodiversity conservation in the Hemel and Aarde Valley from Hamilton Russel Vineyards. → The project refurbished the herbicide store which is now fully compliant with the National Working for Water Standards. <p><u>Working for the Coast: Achievements:</u></p> <ul style="list-style-type: none"> → The Working for the Coast Programme for 2011-2013 had a budget of R 11.2 million. 174 beneficiaries at a total of 56,006 person days were created during this period. The following

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Directorate/ Functional area	Sub Directorate	Highlights
		<p>activities were completed:</p> <ul style="list-style-type: none"> Coastal clean-ups = 121 kms Trails = 56 kms Boardwalks = 1460 [m2] meters Signage = 69 Firebreaks = 7 kms Alien clearing = 500 ha Ablution upgrades = 3 Fencing = 915 meters Park benches upgrades = 175 Erosion control = 6.1 [ha] Tourism nodes = 10 Bins = 54 Monitors = 15 <p><u>Stony Point: Achievements:</u></p> <p>→ Progress has been made with respect to the development of an Eco-Tourism Centre at Stony Point in Betty's Bay. The project has thus far delivered the construction of the Coffee Shop, Eco-Centre and public ablutions, which are at structural completion stage. Civil engineering works have commenced for the upgrading of parking areas and connecting roads. The environmental section has extended the fence around the facility in order to protect penguins and private property alike. The construction phase of the project is in process and is due to be completed by November 2013.</p>
	GIS	Besides the many facets of GIS our biggest projects this year was assisting in the design of the electrical dataset, verifying municipal property in order to obtain a Municipal Property Asset register as well as a storm water database was developed and the data is in a poses of being captured. An Automated property update process was developed and will be deployed in the new book year. An upgrade from ArcGis 10 to 10.1 was successfully installed.
	Project Management and Development Control	Achieved 100 % expenditure of the 2012 / 2013 MIG Allocation
	Town Planning, Spatial Development and Property Administration	Integrated Scheme Regulations:
		→ Submitted Integrated Scheme Regulations to provincial government for approval
		Review SDF and incorporating EMF
		→ 5 Year review of SDF, final draft June 2013
		Review of Fernkloof EMP
		→ Final draft June 2013
		Housing Strategy
		→ 5 Year plan

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Directorate/ Functional area	Sub Directorate	Highlights
	Engineering Planning	Waste Management: Greenest Municipality Competition → Second Runner up in the waste section
		Water Services Award in Provincial Greenest Municipality Competition 2012 → Overstrand Municipality received the award for Water Services Management at the Western Cape Provincial Greenest Municipality awards ceremony during November 2012.
		Refurbishment and upgrading of the Preekstoel WTW → The Preekstoel water treatment works was refurbished and a new biological treatment plant has been constructed for groundwater treatment. The capacity of the entire facility increased from 24 to 38 Ml/day.
		Water Pipe Replacement → A total length of 15.9km of ageing water pipes was replaced during the last two financial years across the Overstrand area.
		Green Drop status for the Greater Hermanus scheme → The Hermanus WWTW scored 92.1% in the 2012 Green Drop audit, giving it Green Drop status.
		9 th Position in Green Drop nationally → Overstrand Municipality's overall Green Drop score of 88.8% put it in 9 th position nationally w.r.t. Green Drop.
		Upgrading of the Hermanus WWTW → Refurbishment and upgrading of the Hermanus WWTW was completed during this financial year.
		Hermanus WWTW runner-up for WISA Wilson award → The Hermanus WWTW was a runner-up for the Water Institute of Southern Africa's Wilson award for the best WWTW smaller than 25 Ml/day capacity

Table 76.: Performance highlights per functional area

c) Overview of performance per directorate

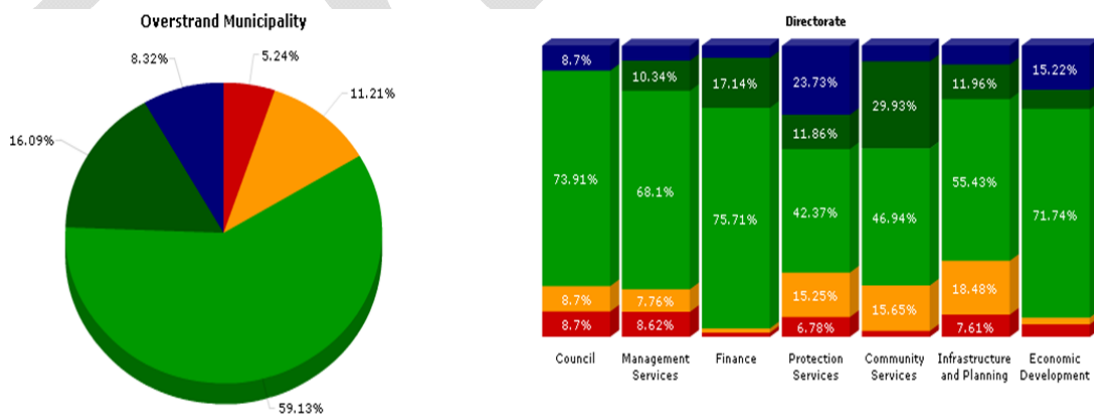
The performance statistics in the table below and all the graphs in the following sub paragraphs include performance in terms of the SDBIP for the 2012/13 financial year and where applicable, in comparison to the 2011/12 financial year.

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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	2011/12	40	2	4	31	3	0	93
	2012/13	23	2	0	17	2	2	83
Management Services	2011/12	108	3	12	74	9	10	82
	2012/13	116	6	12	79	9	10	84
Protection Services	2011/12	60	16	6	24	4	10	77
	2012/13	59	14	7	25	9	4	78
Financial Services	2011/12	74	6	12	54	1	1	97
	2012/13	70	3	12	53	1	1	97
Community Services	2011/12	120	12	59	34	14	1	88
	2012/13	147	8	44	69	23	3	82
Infrastructure and Planning Services	2011/12	101	7	17	49	11	17	72
	2012/13	92	6	11	51	17	7	74
Economic Development Services	2011/12	40	3	2	33	1	1	95
	2012/13	46	7	3	33	1	2	93

Table 77.: Summary of total performance per Directorate

The graphs provide an illustrative overview of the overall performance results of all the KPI's measured as at 30 June 2013



Graph 5.: Overall performance of directorates for 2012/13

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

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

- Council
- Municipal Manager
- Internal Audit

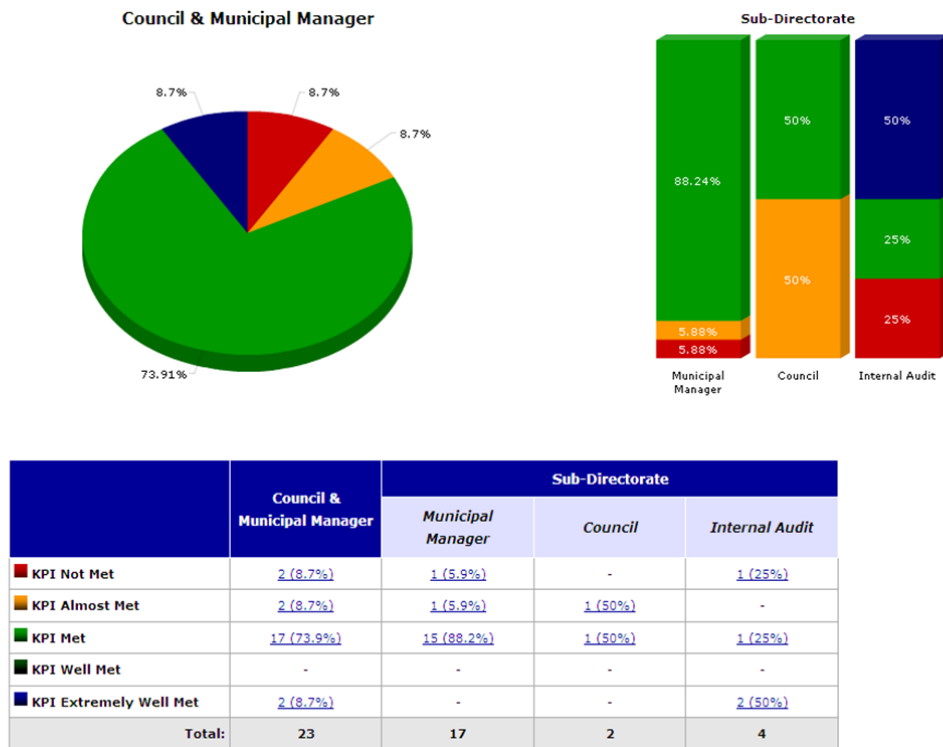
The Operational Key Performance Indicators for Council and Municipal Manager are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

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 and accountable governance
Municipal Transformation and Institutional Development	Good governance	Provision of democratic and accountable 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 78.: Functional alignment – Council and Municipal Manager

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

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

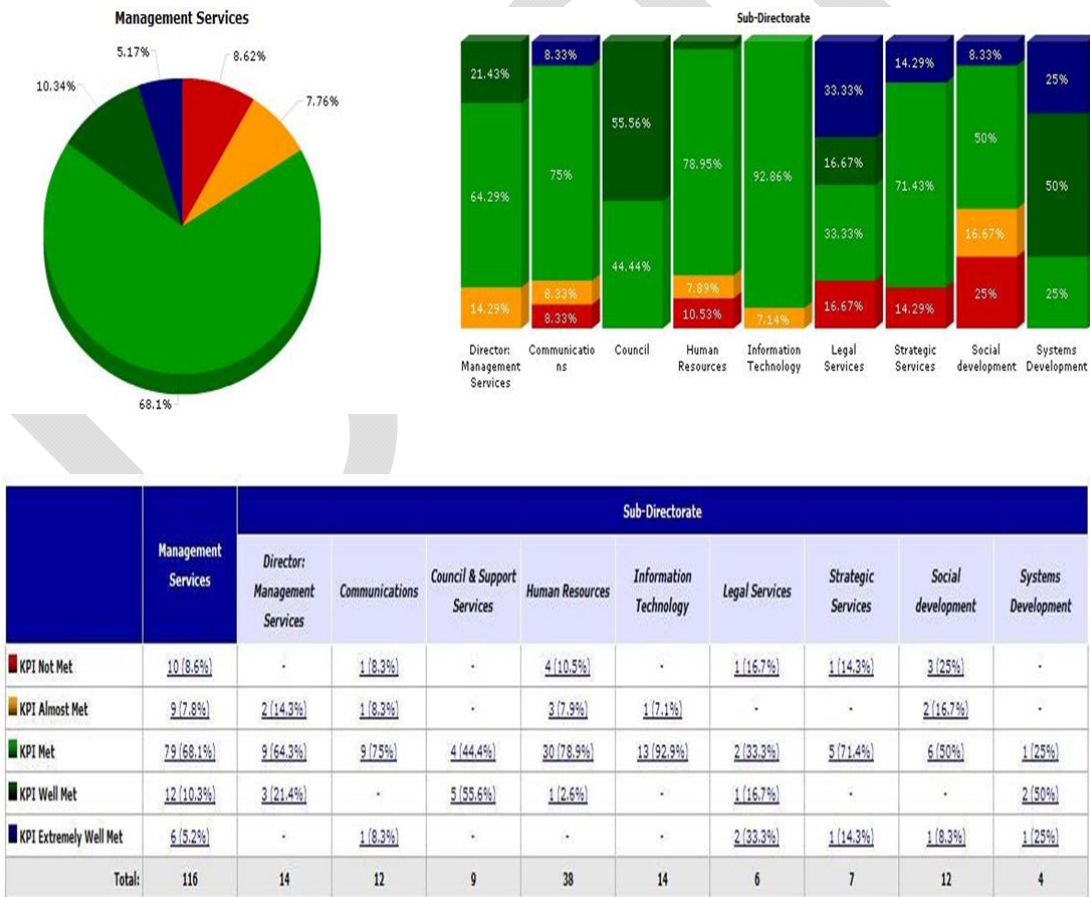
National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Encouragement of structured community participation in the affairs of the municipality
Municipal Financial Viability and	Optimisation of financial resources	Provision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

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National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Management		accountable governance
Municipal Transformation and Institutional Development	Good governance	Provision of democratic and accountable 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

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



Graph 7.: Management Services sub-directorate performance

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h) Finance consists of the following divisions:

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

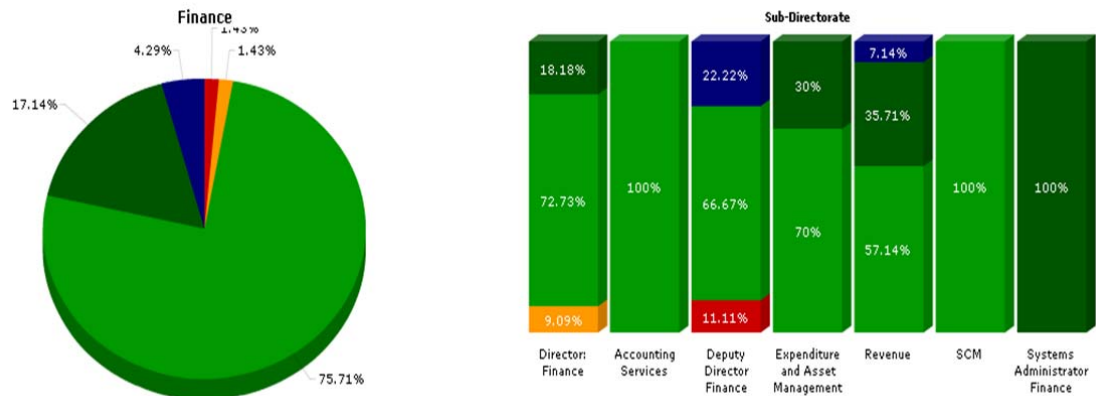
The Operational Key Performance Indicators for Finance are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

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 and accountable governance
Municipal Transformation and Institutional Development	Good governance	Provision of democratic and accountable 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 80.: Functional alignment – Finance

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

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	Finance	Sub-Directorate						
		Director: Finance	Accounting Services	Deputy Director Finance	Expenditure and Asset Management	Revenue	SCM	Systems Administrator Finance
KPI Not Met	1 (1.4%)	-	-	1 (11.1%)	-	-	-	-
KPI Almost Met	1 (1.4%)	1 (9.1%)	-	-	-	-	-	-
KPI Met	53 (75.7%)	8 (72.7%)	13 (100%)	6 (66.7%)	7 (70%)	8 (57.1%)	11 (100%)	-
KPI Well Met	12 (17.1%)	2 (18.2%)	-	-	3 (30%)	5 (35.7%)	-	2 (100%)
KPI Extremely Well Met	3 (4.3%)	-	-	2 (22.2%)	-	1 (7.1%)	-	-
Total:	70	11	13	9	10	14	11	2

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

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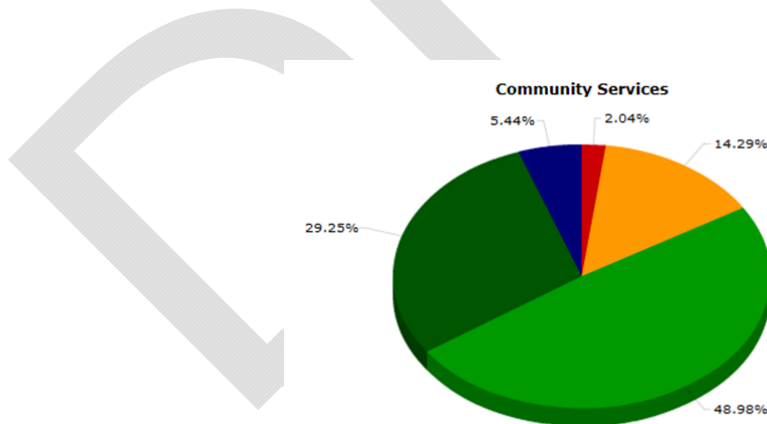
→ Special Projects

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:

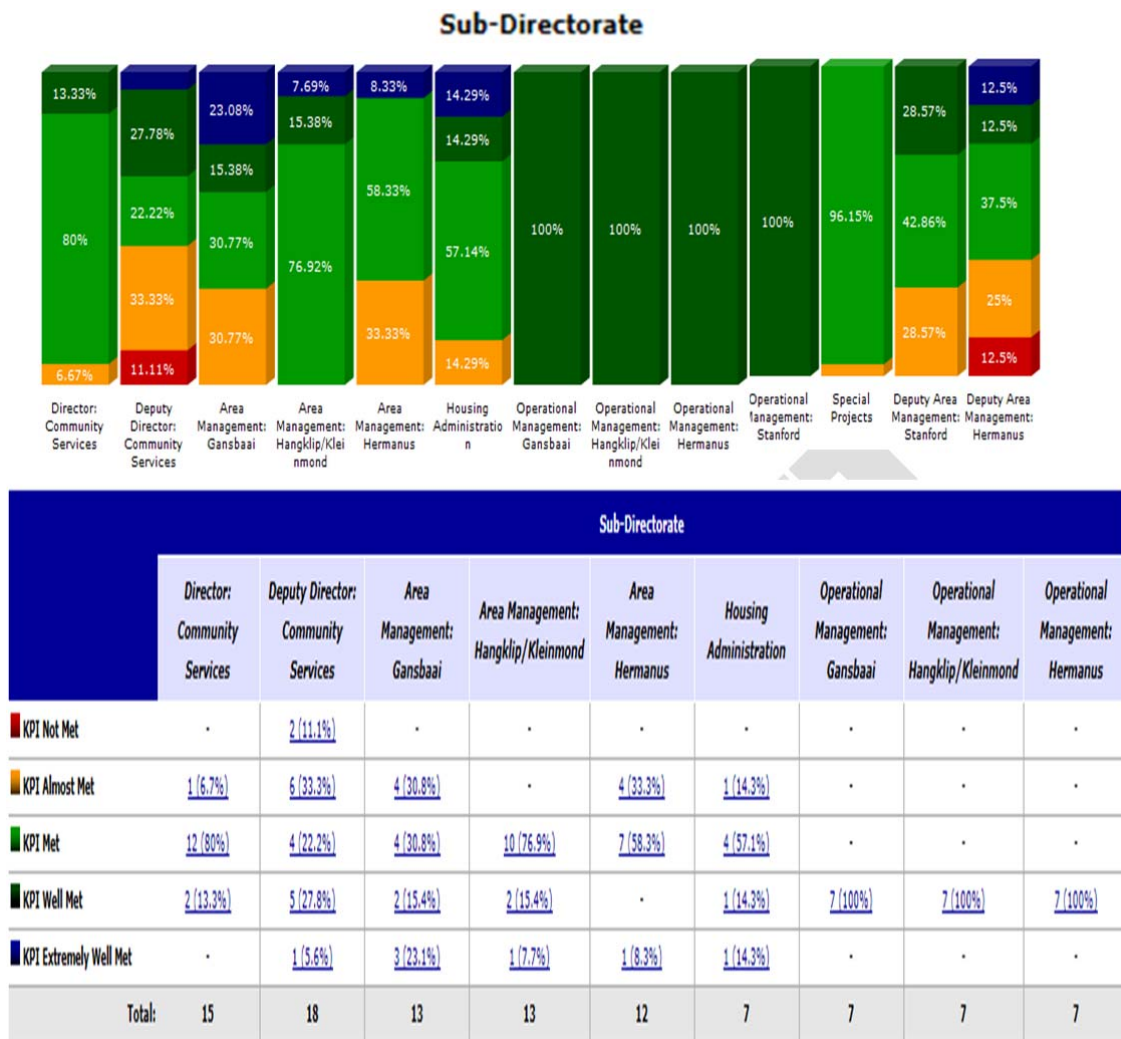
National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Encouragement of structured community participation in the affairs of the municipality
Municipal Financial Viability and Management	Optimisation of financial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



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Graph 9.: Community Services sub-directorate performance

j) Protection Services consists of the following divisions:

- ➔ Director: Protection Services
- ➔ Fire Management
- ➔ Law Enforcement and Security Services
- ➔ Traffic Services

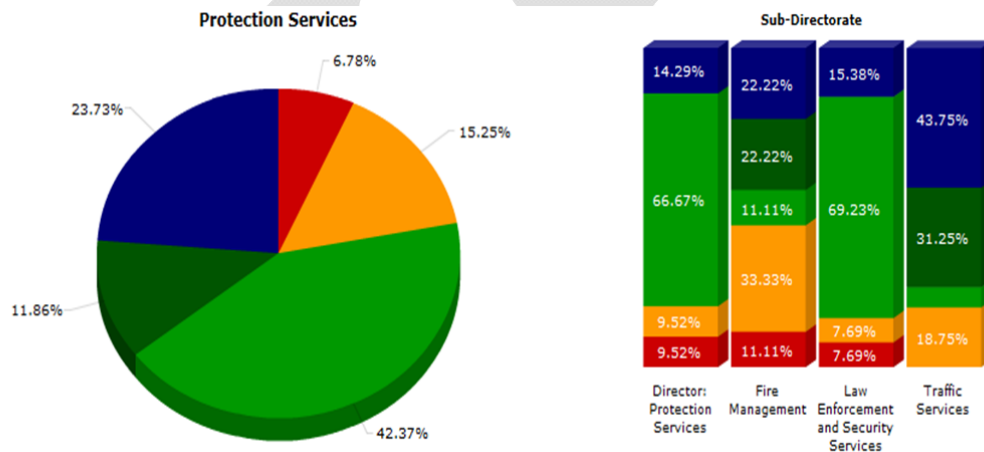
Chapter 3: Service Delivery Performance

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 and accountable governance
Municipal Transformation and Institutional Development	Good governance	Provision of democratic and accountable 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

	Sub-Directorate			
	Director: Protection Services	Fire Management	Law Enforcement and Security Services	Traffic Services
KPI Not Met	2 (9.5%)	1 (11.1%)	1 (7.7%)	-
KPI Almost Met	2 (9.5%)	3 (33.3%)	1 (7.7%)	3 (18.8%)
KPI Met	14 (66.7%)	1 (11.1%)	9 (69.2%)	1 (6.3%)
KPI Well Met	-	2 (22.2%)	-	5 (31.3%)
KPI Extremely Well Met	3 (14.3%)	2 (22.2%)	2 (15.4%)	7 (43.8%)
Total:	21	9	13	16

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:

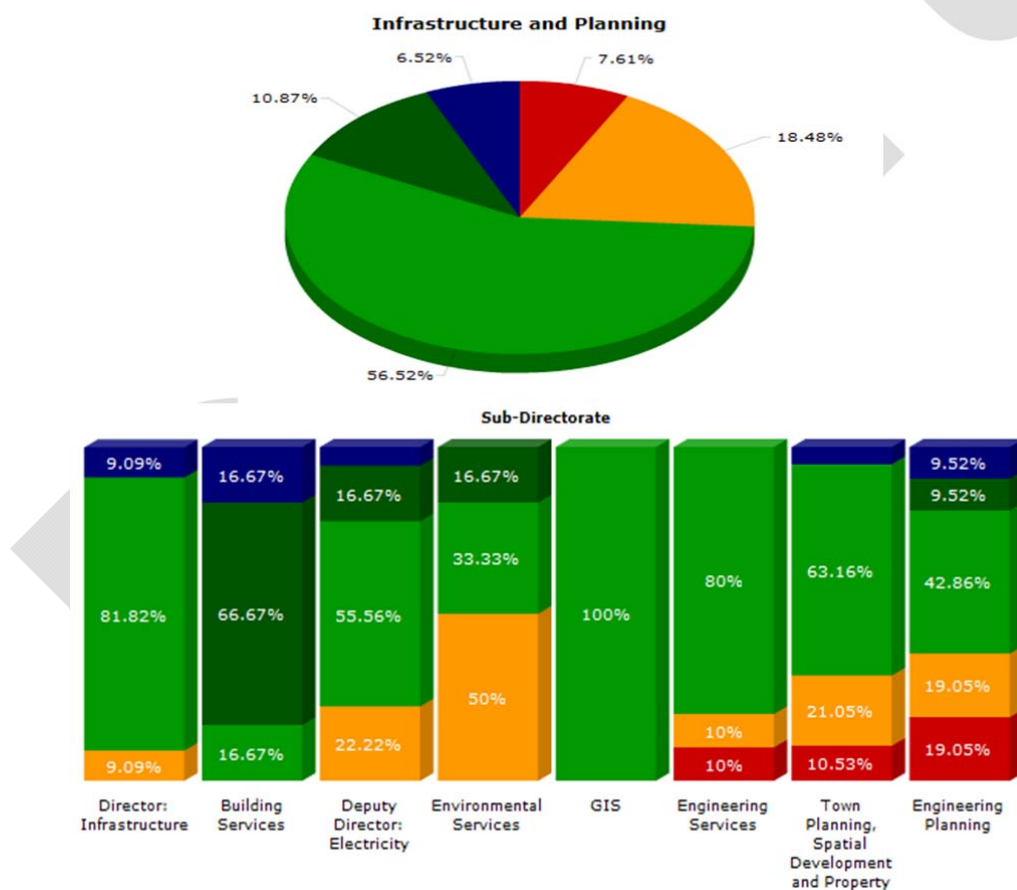
National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Encouragement of structured community participation in the affairs of the municipality
Municipal Financial Viability and Management	Optimisation of financial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

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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 83.: Functional alignment – Infrastructure and Planning Services

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



Chapter 3: Service Delivery Performance

	Sub-Directorate							
	Director: Infrastructure & Planning	Building Services	Deputy Director: Electricity	Environmental Services	GIS	Engineering Services	Town Planning, Spatial Development and Property Administration	Engineering Planning
KPI Not Met	-	-	-	-	-	1 (10%)	2 (10.5%)	4 (19%)
KPI Almost Met	1 (9.1%)	-	4 (22.2%)	3 (50%)	-	1 (10%)	4 (21.1%)	4 (19%)
KPI Met	9 (81.8%)	1 (16.7%)	10 (55.6%)	2 (33.3%)	1 (100%)	8 (80%)	12 (63.2%)	9 (42.9%)
KPI Well Met	-	4 (66.7%)	3 (16.7%)	1 (16.7%)	-	-	-	2 (9.5%)
KPI Extremely Well Met	1 (9.1%)	1 (16.7%)	1 (5.6%)	-	-	-	1 (5.3%)	2 (9.5%)
Total:	11	6	18	6	1	10	19	21

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

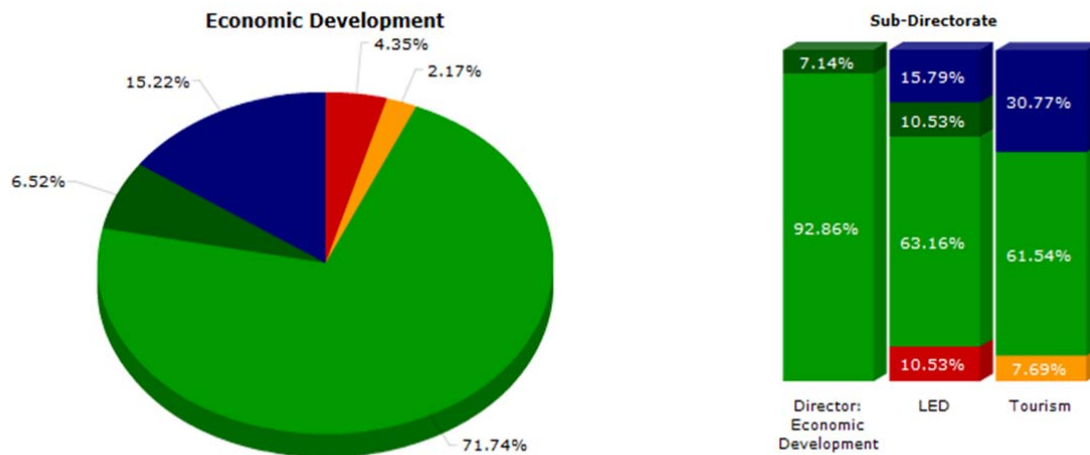
The Operational Key Performance Indicators for Economic Development Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

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 and accountable governance
Municipal Transformation and Institutional Development	Good governance	Provision of democratic and accountable 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

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



	Sub-Directorate		
	Director: Economic Development	LED	Tourism
KPI Not Met	-	2 (10.5%)	-
KPI Almost Met	-	-	1 (7.7%)
KPI Met	13 (92.9%)	12 (63.2%)	8 (61.5%)
KPI Well Met	1 (7.1%)	2 (10.5%)	-
KPI Extremely Well Met	-	3 (15.8%)	4 (30.8%)
Total:	14	19	13

Graph 12.: Economic Developments sub-directorate performance

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3.3 COMPONENT A: BASIC SERVICES

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



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 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.



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The main projects for 2012/13 included the completion of the refurbishment and upgrading of the Preekstoel Water Treatment Plant in Hermanus, which included the development of two new well fields (including 7 new production boreholes) in the Hemel-en-Aarde Valley, as well as the construction of a new biological treatment plant for iron and manganese removal from groundwater; completion of the Stanford Koude Vlake well field development project, and a major water pipe replacement project covering most of the Overstrand areas. Planning for the construction of a new water treatment plant and borehole at Baardskeedersbos was completed. A project of household water leak repairs at indigent households was started, as well as replacement of ageing domestic water meters.

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 12th position nationally.

b) Highlights: Water Services

Highlights	Description
Water Services Award in Provincial Greenest Municipality Competition 2012	Overstrand Municipality received the award for Water Services Management at the Western Cape Provincial Greenest Municipality awards ceremony during November 2012.
Refurbishment and upgrading of the Preekstoel WTW	The Preekstoel water treatment works was refurbished and a new biological treatment plant has been constructed for groundwater treatment. The capacity of the entire facility increased from 24 to 38 Ml/day.
Water Pipe Replacement	A total length of 15.9km of ageing water pipes was replaced during the last two financial years across the Overstrand area.

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	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 waste water reclamation plant and eventually seawater desalination.
Lack of suitably qualified technical staff	On-going training of staff
Ageing infrastructure	Increase maintenance budget and enhance asset replacement programmes (capital budget)

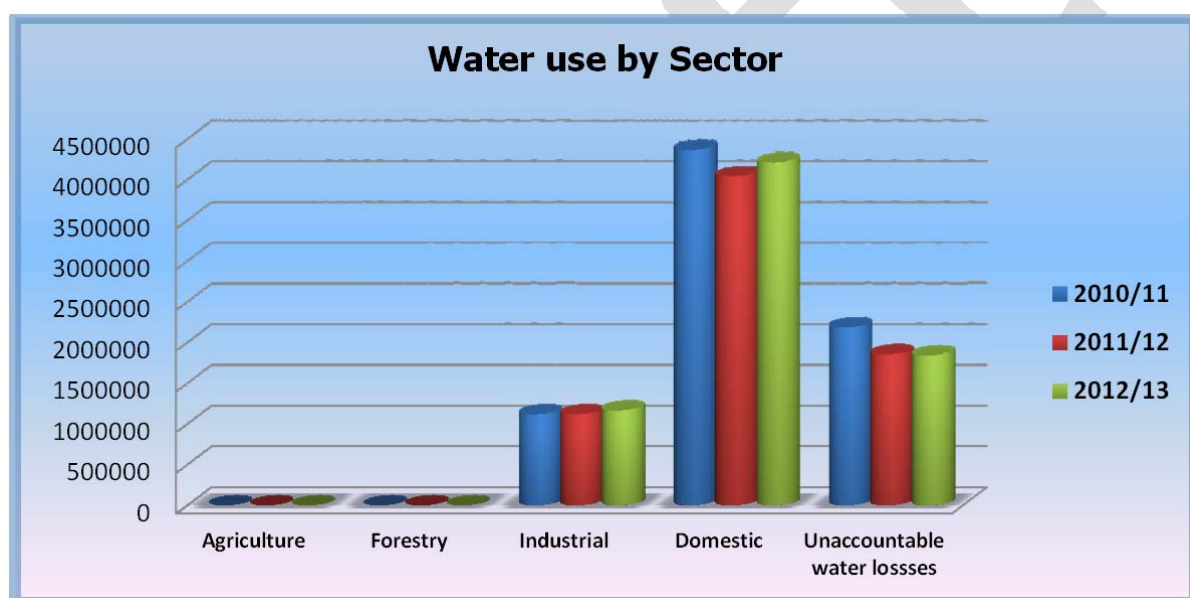
Chapter 3: Service Delivery Performance

Table 86.: Water Services Challenges

Total Use of Water by Sector (cubic meters)					
Year	Agriculture	Forestry	Industrial	Domestic	Un accountable water losses
2010/11	0	0	1 119 096	4 367 115	2 187 581
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

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)



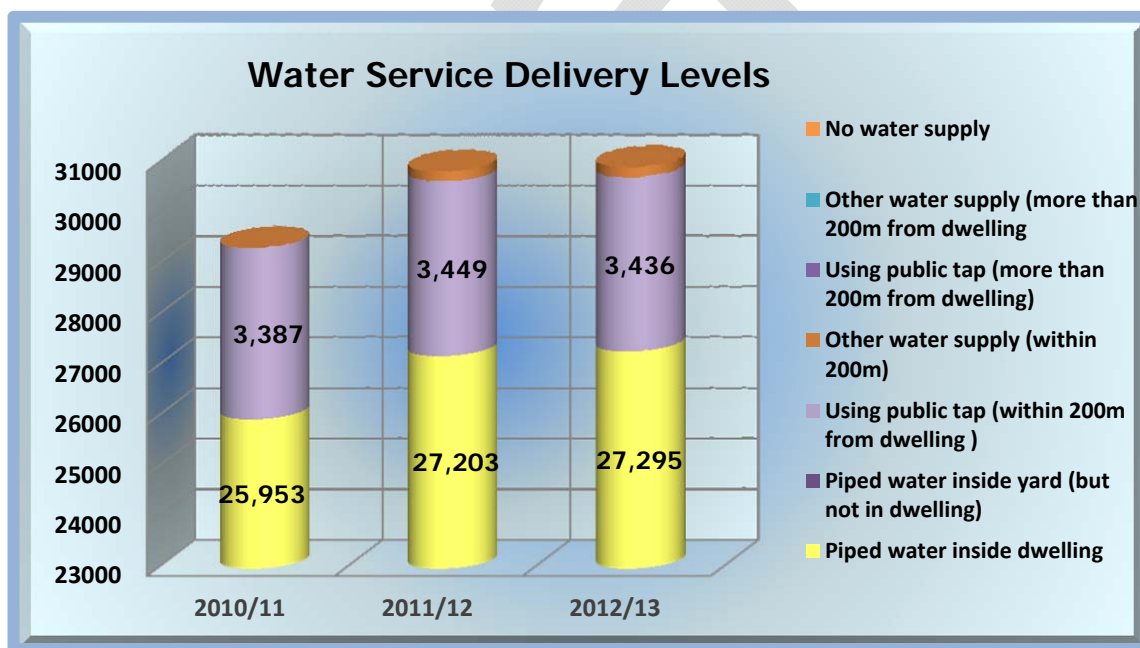
Graph 13.: Water use by sector

Water Service Delivery Levels			
Households			
Description	2010/11	2011/12	2012/13
	Actual	Actual	Actual
	No.	No.	No.
<u>Water:</u> (above min level)			
Piped water inside dwelling	25 953	27 203	27295
Piped water inside yard (but not in dwelling)	0	0	0
Using public tap (within 200m from dwelling)	3 387	3 449	3436
Other water supply (within 200m)	0	199	199

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Water Service Delivery Levels			
Households			
Description	2010/11	2011/12	2012/13
	Actual	Actual	Actual
	No.	No.	No.
<i>Minimum Service Level and Above sub-total</i>	29 340	30 851	30 930
<i>Minimum Service Level and Above Percentage</i>	100	100	100
<u>Water:</u> (below min level)			
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
Total number of households	29 340	30 851	30 930
<i>Include informal settlements</i>			

Table 88.: Water service delivery levels: Households



Graph 14.: Water Service Delivery levels

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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#
2010/11	11.5%	100%	100%
2011/12	11.8%	100%	100%
2012/13	11.1%	100%	100%
<i>* 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</i> <i># 6,000 litres of potable water supplied per formal connection per month</i>			

Table 89.: Access to water

d) Service delivery indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance for 2012/2013		
						Target	Actual	
TL6	The provision and maintenance of municipal services	Excellent water quality measured by the annual blue drop audit	% compliance as per the annual blue drop audit	All	114.74%	95%	94.76%	
TL7	The provision and maintenance of municipal services	Limit unaccounted water to less than 25%	% of water unaccounted for	All	27.25%	25%	25.57%	
TL49	The provision and maintenance of municipal services	Completion of the final phase of the upgrade and expansion of the Preekstoel Water Treatment Works in Hermanus by the end of May 2013	% completion of the project	4	85%	100%	67%	
TL55	The provision and maintenance of municipal services	Replacement of water pipes in Overstrand to limit unaccounted water	Kilometres of pipe replaced	All	New Performance Indicator for 2012/2013. No comparative s available	10	15.90	

Chapter 3: Service Delivery Performance

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance for 2012/2013	
						Target	Actual
TL59	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	100%	1	1

Table 90.: Service delivery indicators: Water services

Employees: Water Services						
Job Level	2010/11	2011/12	2012/13			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	25	25	24	23	1	4%
4 - 6	12	10	12	8	4	33%
7 - 9	16	15	14	11	3	21%
10 - 12	13	13	13	12	1	8%
13 - 15	3	3	3	2	1	33%
16 - 18	0	0	0	0	0	0
19 - 20	1	1	1	1	0	0
Total	70	67	67	57	10	15%

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 2012/13: Water Services					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	50 128	56 878	48 634	(1 494)	
Preekstoel WTW Upgrade	30 063	38 391	31 551	1 487	77 006
Replacement of Overstrand water pipes	13 500	13 500	13 499	(0.966)	25 569

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Capital Expenditure 2012/13: Water Services					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Baardskeerdersbos Bulk water supply upgrade	3 000	1 700	1 700	(1 300)	7 500
New Bulk Water Reservoir – Rooi Els	2 800	2 800	1 396	(1 404)	4 300
Upgrading of "Die Oog" pump station	200	0	0	(200)	200
Eluxolweni: Bulk water upgrade for housing project	564	488	488	(76)	564
<i>Total project value represents the estimated cost of the project on approval by Council</i>					

Table 92.: Capital Expenditure 2012/13: Water Services

Water supply capital budget spending for 2012/13 was at 86%. Preekstoel WTW currently being tested before final handover.

3.3.2 Waste water (sanitation) provision

a) Introduction to Sanitation Provision

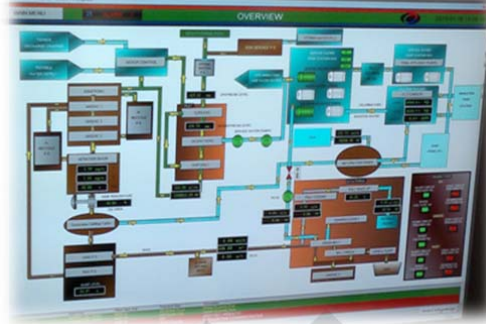
Overstrand Municipality has 5 waste water schemes. All residents have access to at least a basic sanitation service.

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.

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The Hermanus Waste Water Treatment Works (WWTW) has been refurbished and upgraded to provide adequate capacity for the future. Overstrand Municipality received a Green Drop award for the Hermanus WWTW, and the plant was also a runner-up for the prestigious WISA Wilson Award. The municipality's overall Green Drop score was 88.8%, giving it a place in the national Top 10 (9th position). The 2012/13 Green Drop report was not released in July 2013 by the Department of Water Affairs as anticipated.

b) Highlights: Waste Water (Sanitation) Provision

Highlights	Description
Green Drop status for the Greater Hermanus scheme	The Hermanus WWTW scored 92.1% in the 2012 Green Drop audit, giving it Green Drop status.
9 th Position in Green Drop nationally	Overstrand Municipality's overall Green Drop score of 88.8% put it in 9 th position nationally w.r.t. Green Drop.
Upgrading of the Hermanus WWTW	Refurbishment and upgrading of the Hermanus WWTW was completed during this financial year.
Hermanus WWTW runner-up for WISA Wilson award	The Hermanus WWTW was a runner-up for the Water Institute of Southern Africa's Wilson award for the best WWTW smaller than 25 Ml/day capacity.

Table 93.: Waste Water (Sanitation) Provision Highlights

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	Provision of adequate sludge dewatering facilities and disposal of dried sludge in acceptable ways
Extension of basic services	Improvement of ratio of sanitation facilities to

Chapter 3: Service Delivery Performance

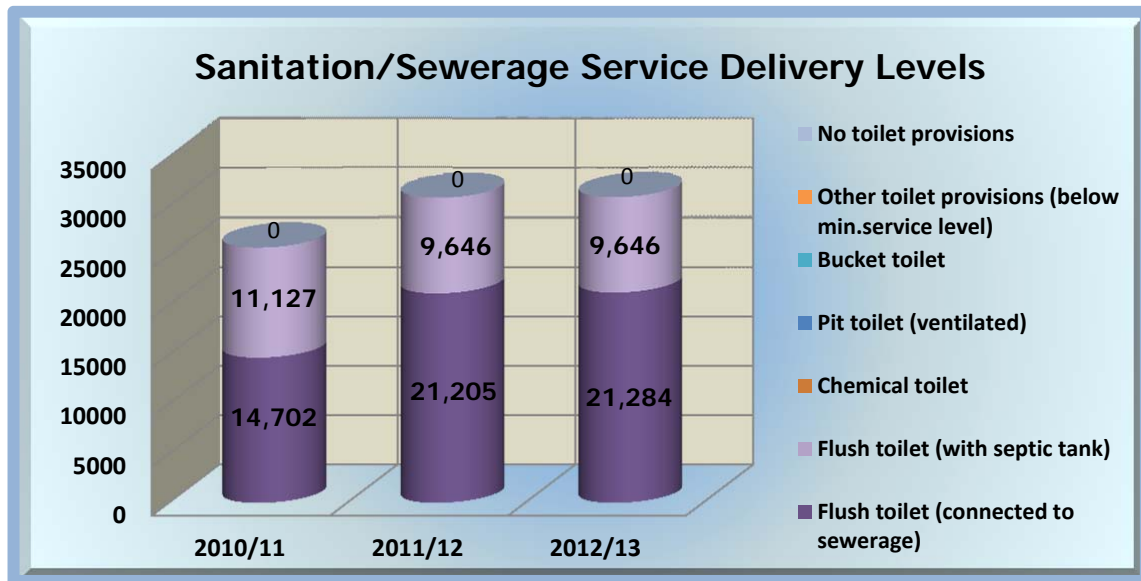
Description	Actions to address
	households in informal settlements
Lack of suitably qualified personnel	Training of staff
Lack of knowledge of sewer systems by consumers	Public awareness and training
Ageing infrastructure / lack of maintenance funds	Increased maintenance budget as well as capital for replacement of old infrastructure

Table 94.: Waste Water (Sanitation) Provision Challenges

Sanitation Service Delivery Levels			
Households			
Description	2010/11	2011/12	2012/13
	Outcome	Actual	Actual
	No.	No.	No.
<u>Sanitation/sewerage: (above minimum level)</u>			
Flush toilet (connected to sewerage)	14 702	21 205	21 284
Flush toilet (with septic tank)	11 127	9 646	9 646
Chemical toilet	0	0	0
Pit toilet (ventilated)	8	0	0
Other toilet provisions (above min.service level)	0	0	0
<i>Minimum Service Level and Above sub-total</i>	25 837	30 851	30 930
<i>Minimum Service Level and Above Percentage</i>	100	100	100
<u>Sanitation/sewerage: (below minimum level)</u>			
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
<i>Below Minimum Service Level Percentage</i>	0	0	0
Total households	25 837	30 851	30 930
<i>Including informal settlements</i>			

Table 95.: Sanitation service delivery levels

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Graph 15.: Sanitation/Sewerage Service Delivery Levels

d) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance for Sep 2012 to Jun 2013		
						Target	Actual	
TL5	The provision and maintenance of municipal services	Quality of effluent as measured by the annual green drop audit	% compliance as per the annual green drop audit	All	88.60%	90%	86.02%	
TL48	The provision and maintenance of municipal services	Completion of the final phase of the upgrade and extension of the Waste Water Treatment Works in Hermanus in December 2013	% completion of the project	4	85%	100%	100%	
TL57	The provision and maintenance of municipal services	Achievement of green drop awards	Number of awards	All		2	0	

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

Employees: Sanitation Services						
Job Level	2010/11	2011/12	2012/13			
	Employees	Posts	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	51	51	49	49	0	0%

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Employees: Sanitation Services						
Job Level	2010/11	2011/12	2012/13			
	Employees	Posts	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
4 - 6	11	11	12	10	2	17%
7 - 9	16	16	19	17	2	11%
10 - 12	4	4	2	2	0	0%
13 - 15	1	1	2	1	1	50%
16 - 18	0	0	0	0	0	0%
19 - 20	1	1	1	1	0	0%
Total	84	84	85	80	5	6%
<i>Employees and Posts numbers are as at 30 June.</i>						

Table 97.: Employees Waste Water (Sanitation) Provision

Capital Expenditure 2012/13: Sanitation Services					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	13055	17877	16342	3 287	
Hermanus WWTW Upgrade	5755	11117	10569	4 814	45773
Kleinmond and Gansbaai Sludge Handling	3800	3800	3797	(3)	8375
Upgrading of pump stations	1500	1110	136	(1 364)	3500
Sewer network Extension- Stanford	2 000	2 000	1 996	(10)	3 500
Eluxolweni – bulk sewerage for housing project	500	350	350	(150)	6567
<i>Total project value represents the estimated cost of the project on approval by Council</i>					

Table 98.: Capital Expenditure 2012/13: Waste Water (Sanitation) Provision

91% of the capital budget was spent.

The Sewer Pump Station project was delayed and rolled over because of the delay caused by the importation of equipment from overseas.

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3.3.2 Electricity

a) Introduction to Electricity



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.

The Department has accelerated its provision of electricity to informal homes. Tsepe-Tsepe, 280 connections and Mandela square 280 connections

have been completed. The Construction of a new 66kV substation, the Walker Bay Substation, is well under way. This substation is to supply the industrial section as well as the Zwelihle area.

The electricity losses were determined at 6.91% for the 2012/13 financial year as opposed to the 7.12% in the preceding 2011/12 financial year. 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 7% has been set for the next financial year.

Electricity is supplied to all formal households and projects have been launched to electrify informal settlements. Currently 46% of informal settlements have been electrified and plans have been launched to electrify a further 16%. It is the intention to electrify the remaining 38% within the next two years.

A project has been launched to curb electricity consumption in line with the requirements in South Africa to deal with the shortage of electricity generation. It is the intention to drop the maximum demand of electricity by the installation of Hot Water Cylinder controllers and to drop electricity consumption by 10% as demanded by the situation within South Africa.

b) Highlights: Electricity

Highlights	Description
Commencement with Major 66/11kV New Infeed Substation	<p>Planning and tendering has been completed for the New Major 66/11kV Infeed Substation to be built in the industrial area of Hermanus. The Construction of the Substation will be commenced with early in the 2012/13 Financial year</p> <p>The project is on track with the substation building close to completion, the 20MVA transformer installed and the installation of the 66 k V cable in progress.</p>
Medium and Low Voltage Upgrade in Gansbaai area	<p>A R1.85 million Medium and Low Voltage upgrade has been completed in Franskraal and Kleinbaai, which</p>

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Highlights	Description
(Franskraal and Kleinbaai)	continues with our policy to ensure undergrounding of all electricity networks and to comply with NRS requirements.
Eluxolweni Low Cost Housing Electrification	Planning and tendering has been completed to spend R1.4 million in order to electrify approximately 210 informal units within Eluxolweni
Medium and Low Voltage Upgrade in Stanford	A R1.95 million Medium and Low Voltage upgrade is underway in Stanford, which continues with our policy to ensure undergrounding of all electricity networks and to comply with NRS requirements.
Medium Voltage Upgrade Kleinmond	A R3.7 million project was launched in the Kleinmond area to upgrade the medium voltage network. The project is on track and the completion date is end of October 2013.
Zwelihle Informal Housing Electrification	Planning and tendering had been completed to spend grant funds in order to electrify 600 informal units within Zwelihle. 220 Informal units were electrified in Tsepe Tsepe and 199 in Mandela Square and are completed. Electrification of the Azazani units has started and must be completed in October 2013.
Reduction in electricity losses	The Energy losses for the 2012/13 financial year was 6.91% compared to 7.12% for 2011/12.

Table 99.: Electricity Highlights

c) Challenges: Electricity

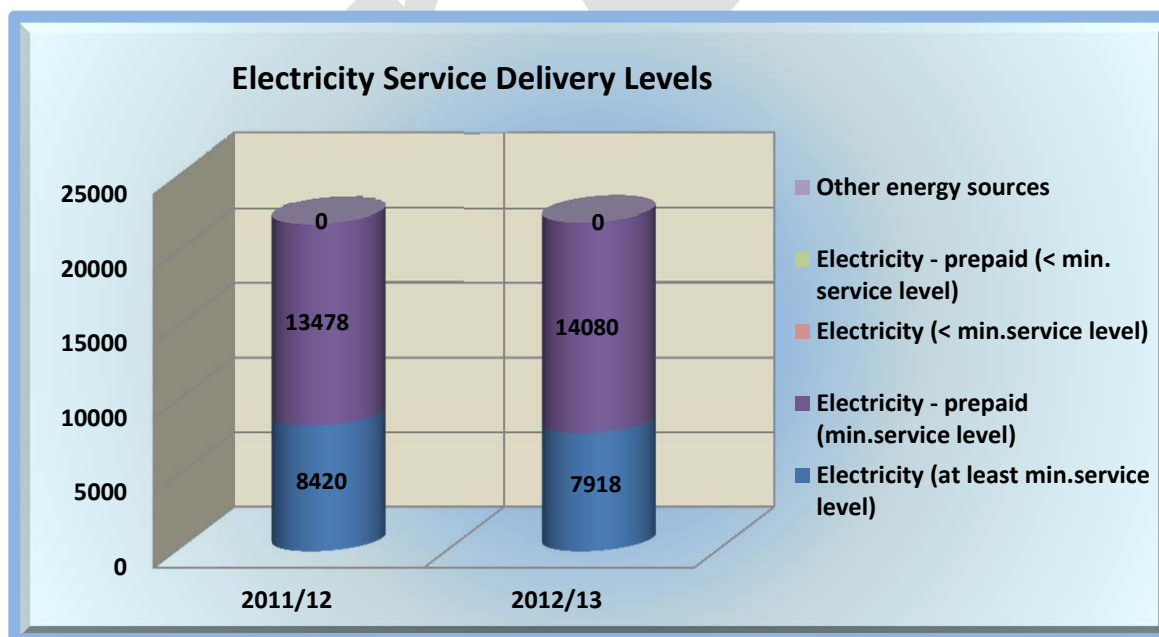
Description	Actions to address
Electrification of Informal Settlements	An estimated 3 800 informal settlements exist within the Overstrand Municipality. Some 2200 of these units have been electrified up to June 2013. A further 600 is planned to be electrified in the 2013/14 financial year. Funds are being sought to electrify the balance of approximately 1000 units
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.

Table 100.: Electricity Challenges

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

Table 101.: Electricity service delivery levels



Graph 16.: Electricity service delivery levels

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Households - Electricity Service Delivery Levels below the minimum					
Households					
Description	2010/11	2011/12	2012/13		
	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.
Formal Settlements					
Total households	22 488	20 098*			21 998
Households below minimum service level	0	0			0
Proportion of households below minimum service level	0	0			0
Informal Settlements					
Total households	3 760	3 800*			4 000
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

d) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Annual Target	Overall Performance 2012/2013	
							Target	Actual
TL43	The provision and maintenance of municipal services	Limit electricity losses to less than 9%	% of electricity unaccounted for	All	7.10%	9%	9%	6.88%
TL44	The provision and maintenance of municipal services	Complete construction of the new 66kV substation in Hermanus by the end of June	% completion of the project	5	98%	70%	70%	91%
TL45	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	16	8	8	14

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Annual Target	Overall Performance 2012/2013	
							Target	Actual
TL46	The provision and maintenance of municipal services	Review the Electrical Master plans by the end of June and update if required.	Plan revised and approved by Council	All	100%	100%	100%	100%

Table 103.: Service delivery indicators: Electricity

Employees: Electricity Services						
Job Level	2010/11	2011/12	2012/13			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	7	7	22	28	4	18
4 - 6	3	3	6	6	0	0
7 - 9	3	3	8	5	3	37
10 - 12	5	5	10	9	1	10
13 - 15	1	1	5	4	1	20
16 - 18	1	1	1	1	0	0
19 - 20	0	0	0	0	1	0
Total	20	20	52	43	9	14

Employees and Posts numbers are as at 30 June.

Table 104.: Employees: Electricity services

Capital Expenditure 2012/13: Electricity Services					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	50 283	28 341	22 181	(28 102)	50 283
Upgrading of Medium- and Low Voltage Network : Stanford Phase 1	1 950	1 950	1 950	0	1 950
New 11KV Cable Feeder : Kleinbaai	900	900	900	0	900

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Capital Expenditure 2012/13: Electricity Services					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Upgrade of Low Voltage Network : Franskraal	950	950	950	0	950
Electrification of Low Cost Housing: Eluxolweni Phase 1	1 083	0	0	(1 083)	1 083
New 66 k V Substation	34 000	12 520	11 389	(22 611)	34 000
Kleinmond: Replace Main Substation Switchgear	4 000	4 920	576	(3 424)	4 000
Kleinmond: MV Network Upgrade	Funds were combined with project above				
Hermanus: LV Upgrade/Replacement	3 050	3 050	2 693	(356)	3 050
Hawston: Supply Upgrade	2 000	1 380	1 329	(671)	2 000
Onrus: Office at elec.dept	250	30	0	(250)	250
Electrification: Zwelihle Informal Housing	0	840	594	594	0
Overstrand Housing Projects(INEP)	1 800	1 800	1 800	0	1 800
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)</i>					

Table 105.: Capital Expenditure 2012/13: 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. The temporarily closure of the regional landfill in December is still a major

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challenge for Overstrand Municipality because all the refuse must still be rerouted to our own landfill site in Gansbaai, resulting in a big financial burden to the municipality. B Municipalities have signed an agreement with District Municipality that they will make use of the facility when the new cell is completed and the landfill is operational again. 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.

b) Highlights: Waste Management

Highlights	Description
Greenest Municipality Competition	Second Runner up in the waste section.

Table 106.: Waste Management Highlights

c) Challenges: Waste Management

Description	Actions to address
Illegal dumping	To eliminate illegal dumping through awareness campaigns and law enforcement
Closing of Karwyderskraal regional landfill site	Transport of waste to the Gansbaai landfill site at substantial additional cost

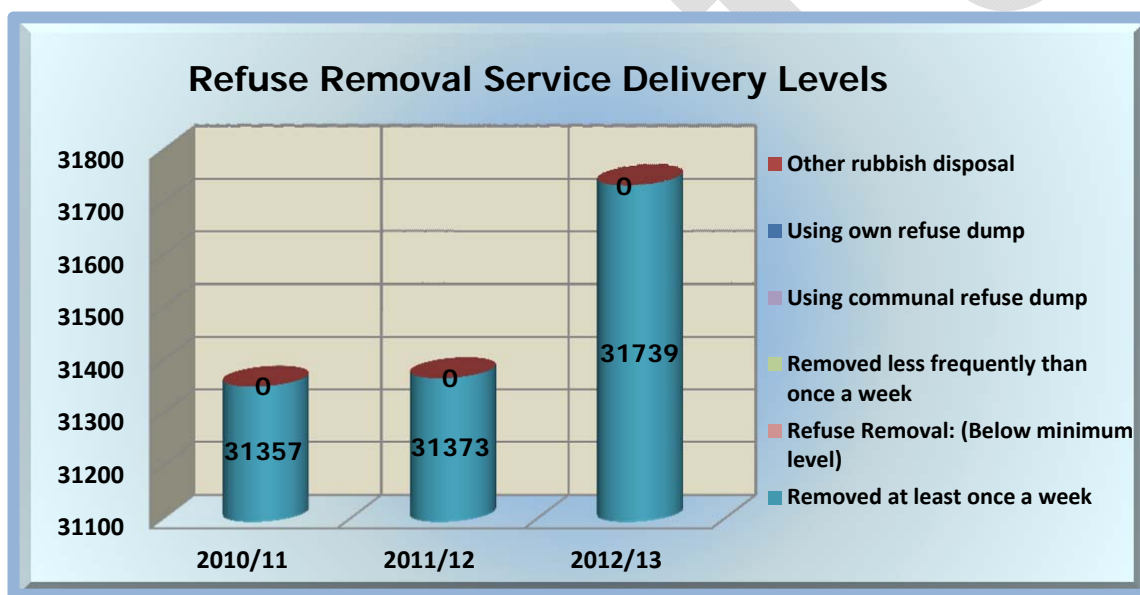
Table 107.: Waste Management Challenges

Solid Waste Service Delivery Levels			
Description	Households		
	2010/11	2011/12	2012/13
	Actual	Actual	Actual
	No.	No.	No.
<u>Solid Waste Removal:</u> (Minimum level)			
Removed at least once a week	31 357	31 373	31 739
<i>Minimum Service Level and Above sub-total</i>	31 357	31 373	31 739
<i>Minimum Service Level and Above percentage</i>	100%	100%	100%
<u>Solid Waste Removal:</u> (Below minimum level)			
Removed less frequently than once a week	0	0	0
Using communal refuse dump	0	0	0

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Solid Waste Service Delivery Levels			
Description	Households		
	2010/11	2011/12	2012/13
	Actual	Actual	Actual
	No.	No.	No.
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
Total number of households	31 357	31 373	31 739

Table 108.: Solid Waste Service Delivery Levels



Graph 17.: Refuse Removal Service Delivery Levels

d) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012 /2013	
						Target	Actual

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TL56	The provision and maintenance of municipal services	Complete development of a new cell at Gansbaai landfill site	% completion of the project	All		60%	77%	
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Table 109.: Service delivery indicators: Solid waste management

Employees: Solid Waste Services						
Job Level	2010/11	2011/12	2012/13			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	91	91	111	111	0	0%
4 - 6	3	3	4	4	0	0%
7 - 9	15	15	17	16	1	6%
10 - 12	2	2	2	2	0	0%
13 - 15	-	-	-	-	-	-
16 - 18	1	1	1	1	0	0%
19 - 20	-	-	-	-	-	-
Total	112	112	135	134	1	1%
<i>Employees and Posts numbers are as at 30 June.</i>						

Table 110.: Employees: Solid Waste Services

Capital Expenditure 2012/13: Solid Waste Services					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	7 000	7 000	5 359	(1 641)	8 400
Gansbaai Landfill New Cells	7 000 000	7 000 000	5 359 225	0	8 400 000
<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 2012/13 Solid waste services

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Capital expenditure on waste management

The building of a new cell at Gansbaai will be over two financial years. The percentage of capital spent in 2012/2013 is 77%. 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.

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 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 substantially met in the past year, but the national standard of one tap for every 25 families and one toilet for every 5 families has not yet been achieved. This challenge will be fully met early in the 2013/14 financial year through a program called the Access to Basic Services Project. The afore-mentioned project is currently being implemented and has been finalised in all informal areas of the Municipality during 2012/13, except Tambo Square in Zwelihle.

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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 will commence during July 2013 and is expected to be completed before the end of the year.



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

The planning for the first of the Zwelihle informal settlements has been completed by the end of May 2013 and as soon as approval is obtained development will commence by the end of 2013. 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) has been addressed in the 8-year programme in order to reduce the housing

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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 conditional approval has been received for the following projects: Hawston, Blompark and Mt Pleasant, and planning for the projects are all under way.

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 will commence during the following year.

b) Highlights: Housing

Highlights	Description
Eluxolweni (Pearly Beach) 211 sites	The development of services for 211 sites has been completed.
ABS Project	Project has been completed, with the exception of Tambo Square in Zwelihle.
Title Deeds: Zwelihle	54 title deeds had been registered in the Deeds Office for Zwelihle
Informal settlement survey : December 2012	The successful bi-annual survey of the informal settlements - 3409 units were counted and verified

Table 112.: Housing Highlights

c) Challenges: Housing

Description	Actions to address
Housing waiting list : 6402 (May 2013)	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
Access to basic services	The provision of basic services to households in the informal settlements which commenced 01 July 2012. Finalisation of remaining portion of project at Tambo Square, Zwelihle

Table 113.: Housing Challenges

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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%

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. There are currently approximately 4 292 housing units on the waiting list.

Financial year	Nr of applicants on waiting list	% Housing waiting list increase/decrease
2010/11	5 945	39% Decrease (compared to 2009/10)
2011/12	6 152	3.50% Increase
2012/13	6402	4.06% increase

Table 115.: Housing waiting list

d) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/ 2012	Overall Performance 2012/2013	
						Target	Actual
TL52	The provision and maintenance of municipal services	Development of serviced sites for the Eluxolweni housing project by the end of June	Number of sites developed	11	New Performance indicator for 2012/2013. No comparatives available	211	211
TL53	The provision and maintenance of municipal services	Purchase land for the Stanford housing project by the end of January 2013	Land purchased	11	New Performance indicator for 2012/2013. No comparatives available	1	1

Table 116.: Service delivery indicators: Housing

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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 R50 000
- Indigent households with a property value less than R100 000
- Poor households

We appointed two staff members specifically with the task of surveying households on a door to door basis in an effort to increase the indigent database.

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

Pre-paid electricity meters are installed in all indigent households at no cost to the consumer.

The following table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than **R5 040.00** per month will receive the free basic services as prescribed by national policy.

The table below indicates that **18.65 %** of the total number of households received free basic services in 2011/12 financial year whilst it increased to **20.24%** in the 2012/13 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	%
2010/11	31 357	5 241	16.71	5 241	16.71	5 241	16.71	5 241	16.71
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

Table 117.: Free basic services to indigent households

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Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2010/11	5 185	50	1 271	26 116	0	0	56	50	n/a
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

Table 118.: Free basic Electricity to indigent households

Water						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Unit per HH (kl)	Value	No. of HH	Unit per HH (kl)	Value
			R'000			R'000
2010/11	5 241	6	5 786	19 895	6	11 460
2011/12	5 852	6	3 371	19 458	6	9 924
2012/13	6 423	6	3 931	18 983	6	11 618

Table 119.: Free basic Water services to indigent households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2010/11	5 241	648	3 396	26 116	0	0
2011/12	5852	700	4 094	25 521	0	0
2012/13	6 423	744	4 779	25 316	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
2010/11	5 241	1	6 918	26 116	0	0
2011/12	5 852	1	6 671	25 521	0	0
2012/13	6 423	1	9 934	25 316	0	0

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

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Financial Performance 2012/13: Cost to Municipality of Free Basic Services Delivered						
Services Delivered	2010/11	2011/12	2012/13			
	Actual	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
	R'000					
Water	5 121	5 470	5 463	6 108	6 020	10,21
Waste Water (Sanitation)	3 241	5 046	7 945	8 884	8 756	10,21
Electricity	9 709	11 665	12 233	13 679	13 482	10,21
Waste Management (Solid Waste)	5 466	5 903	6 531	7 304	7 198	10,21
Total	23 537	28 084	32 172	35 975	35 458	10,21

Table 122.: Financial Performance 2012/13: Cost to Municipality of Free Basic Services Delivered

3.4 COMPONENT B: ROAD TRANSPORT

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

PARALLEL ROAD



Due to increase of traffic flow to and from Hermanus, an alternative route (Parallel Road), to the Trunk Road 43 (TR43) has been planned which will serve local traffic travelling between



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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 TR43 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.

Phase 2 of the project entails the construction of 1.185 km of road, between Swartdam Road and Schulphoek Road. the projected started in the 2012/2013 financial year and will be completed in 2013/2014 financial year.

MAINTENANCE

The resealing of roads in terms of Overstrand's pavement management programme continued, which has reduced the need for re-active maintenance of surfaced roads. Scheduled repair of potholes in all areas continue. The maintenance of gravel roads is ongoing but hampered by the lack of affordable gravel and regular breakdowns of machinery.



b) Highlights: Roads

Highlights	Description
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 Fisherhaven/Hawston/Onrus River/Sandbaai/Hermanus and alleviate the pressure on the R43 .
Reseal programme	In line with our Pavement Management System 33,4 km of roads have been resealed

Table 123.: Roads Highlights

c) Challenges: Roads

Description	Actions to address
High cost and frequency of maintenance of gravel roads	Upgrade gravel roads to tar

Table 124.: Roads Challenges

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Gravel Road Infrastructure: Kilometres				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2010/11	161	0	2	159
2011/12	159	0	1	158
2012/13	158	0	0	158

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
2010/11	291	2	3	27	293
2011/12	293	1	0	20	294
2012/13	477	0	2,5	33,4	477

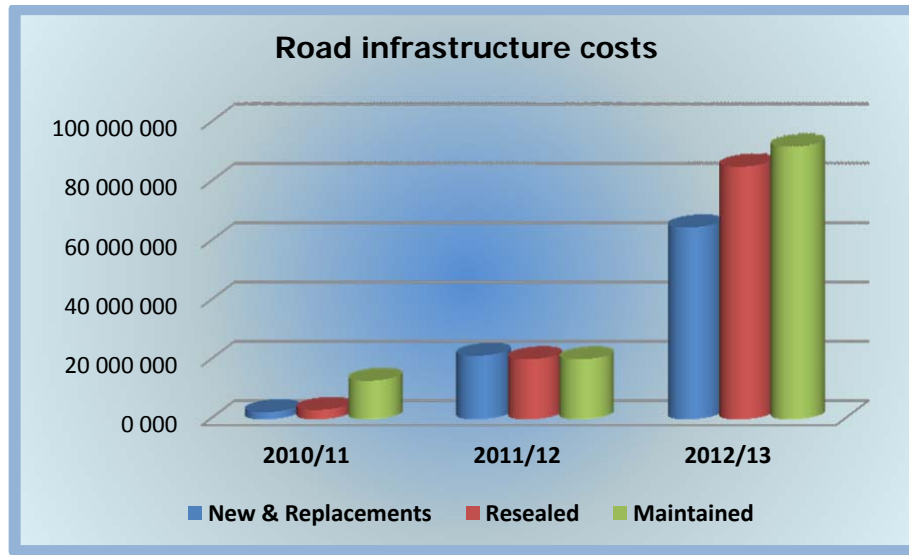
Table 126.: Tarred road infrastructure

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	64 798 318
2011/12	3 218 000	20 300 000	85 300 000
2012/13	13 072 296	20 300 000	91 920 656

Table 127.: Cost of construction/maintenance of roads

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Graph 18.: Road infrastructure costs

d) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013	
						Target	Actual
TL3	The provision and maintenance of municipal services	m ² of roads patched and resealed according to approved Paveman Management System within available budget	m ² of roads patched and resealed	All	171,344.96	120,000	216,162
TL4	The provision and maintenance of municipal services	Cleaning of stormwater infrastructure twice per annum	Number of cleaning cycles	All	New performance indicator for 2012/2013. No comparatives available.	2	2
TL47	The provision and maintenance of municipal services	Revise the Integrated Transport Plan annually by the end of March 2013	Plan revised and approved by Council	All	100%	100%	100%

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013	
TL54	The provision and maintenance of municipal services	Complete construction of Phase 1 of the Hermanus parallel road	% completion of the project	3	New performance indicator for 2012/2013. No comparatives available.	70%	78%

Table 128.: Service delivery indicators: Road transport

Employees: Roads						
Job Level	2010/11	2011/12	2012/13			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	58	58	58	58	-	-
4 - 6	25	25	24	25	-	-
7 - 9	16	16	16	16	-	-
10 - 12	5	5	5	5	-	-
13 - 15	1	1	1	1	-	-
16 - 18	1	1	1	1	-	-
19 - 20	0	0	0	0	-	-
Total	106	106	105	106		

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 2012/13: Roads					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	11 718	10 720	10 720	(998)	10 720
Hermanus Parallel Road	10 720	10 720	10 720	0	10 720
Various ward based road	2 109	2 264	2 353	10	2 353

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Capital Expenditure 2012/13: Roads					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
projects					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 130.: Capital Expenditure 2012/13: Roads

102 % of the 2012/13 capital budget was spent with no delays experienced.

3.4.2 Waste water (Storm water drainage)

a) Introduction to Storm water Drainage

Various storm water plans has been compiled and updated since 2009 to address varies storm water challenges experience in the Overstrand Area and to ensure that future development happens in a sustainable manner without compromising the environment and others.

Two of the areas which have been addressed as priority were the Masakhane and Blompark Areas. A bulk storm water system has been constructed to address low lying areas within Masakhane and Blompark which experience lots of flooding during the winter when huge rain storms are experience. Furthermore these flooding creates unhealthy living conditions, flooding of sewer networks which can let to waterborne diseases. Attenuation facilities have thus created to minimize the peak flow run-off.



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b) Highlights: Waste Water (Storm water Drainage)

Highlights	Description
Implemented storm water master plan	Address storm water issue in Masakhane and Blompark

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

c) Challenges: Waste Water (Storm water Drainage)

Description	Actions to address
Backlog in infrastructure provision	Limited funding, other basic services (water, sewerage, electricity) receive priority

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

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
2010/11	554	3	5	557
2011/12	557	0	2	557
2012/13	557	1,3		558

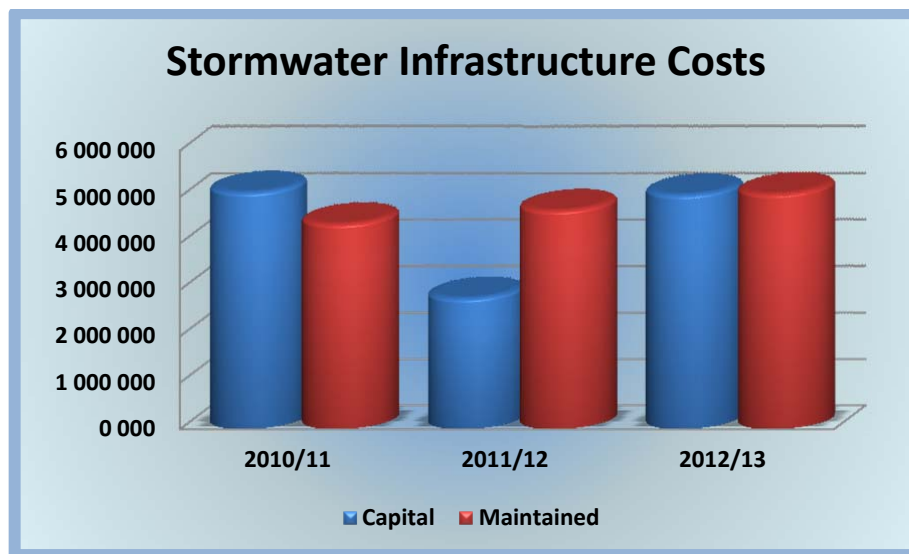
Table 133.: Storm water infrastructure

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

Financial year	Storm water Measures	
	Capital	Maintained
	R	
2010/11	5 100 000	4 418 538
2011/12	2 818 000	4 710 774
2012/13	5 043 556	5,063,424.82

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

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Graph 19.: Storm water infrastructure costs

d) Service Delivery Indicator

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013	
						Target	Actual
TL4	The provision and maintenance of municipal services	Cleaning of stormwater infrastructure twice per annum	Number of cleaning cycles	All	New performance indicator for 2012/13. No comparatives available	2	2

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

Employees: Waste Water (Storm water drainage)						
Job Level	2010/11	2011/12	2012/13			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	12	12	12	12	0	0
4 - 6	4	3	4	4	0	0
7 - 9	3	3	3	3	0	0
10 - 12	0	0	0	0	0	0
13 - 15	1	1	1	1	0	0
16 - 18	1	1	1	1	0	0

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Employees: Waste Water (Storm water drainage)						
Job Level	2010/11	2011/12	2012/13			
	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
Total	21	20	21	21	0	0
<i>Employees and Posts numbers are as at 30 June.</i>						

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

Capital Expenditure 2012/13: Waste Water (Storm water drainage)					
R'000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	4 464	4 990	4 990	526	
Blompark & Masakhane	4 464	4 464	4 464	0	4 464
Gansbaai	0	27	27	27	27
Problem areas Hermanus	0	47	47	47	47
Kerk Street Hermanus	0	3	3	0	3
Myrtle Street Stormwater Hawston	0	0.438	0.438	0	0.438
Stormwater-Hawston	0	278	278	278	278
Stormwater Hawston	0	158	158	158	158
Chiappini Street	0	5	5	5	5
Zwelihle – Ward 5	0	4	4	4	4,3
Zwelihle – Ward 12	0	1	1	1	51
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 137.: Capital Expenditure 2012/13: Waste water (Storm water drainage)

100% of 2012/2013 Capital Budget was spent.

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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 2012/13 financial year were to compile the following policies and strategies:

- 5 Year Housing Policy
- Fernkloof Management Framework
- Overstrand Environmental Management Framework
- To review the Overstrand SDF and to develop a long term vision resulting in an Integrated Development Framework.

b) Highlights: Planning

Highlights	Description
Integrated Scheme Regulations	Submitted Integrated Scheme Regulations to provincial government for approval
Review SDF and incorporating EMF	5 Year review of SDF, final draft June 2013
Review of Fernkloof EMP	Final draft June 2013
Housing Strategy	5 Year plan

Table 138.: Planning Highlights

c) Challenges: Planning

Description	Actions to address
Spatial Planning and Land Use Management Act	Providing input and comment to amend the draft act
Land Use Planning Act (WC)	Partake in steering committee directing the draft act
Accreditation in terms of NEMA	Aligning planning documentation in order to try and achieve accreditation in terms of NEMA
Finalization of Setback Lines	In process to finalise public participation and approval
Estuaries EMP	Alignment with Planning Policies

Table 139.: Planning Challenges

Applications for Land Use Development			
Detail	2010/11	2011/12	2012/13
Applications withdrawn	13	12	6
Applications closed	284	272	281

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Applications for Land Use Development			
Detail	2010/11	2011/12	2012/13
Applications outstanding at year end	15	34	107
Awaiting DEA&DP decision	19	12	56

Table 140.: Applications for Land Use Development

Type of service	2010/11	2011/12	2012/13
Building plans application processed	1 316	1422	1338
Approximate value	R725 778 425	R796 880 600	R 809 495 345
New residential dwellings	209	250	216
Residential extensions	992	1045	1101
New Business buildings	116	33	8
Rural applications	8	0	10

Table 141.: Additional Performance Town Planning and Building Control

d) Service Delivery Indicator

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012 2013	
						Target	Actual
TL50	The provision and maintenance of municipal services	Purchase land by the end of December 2012 and start development of the Karwyderskraal cemetery by the end of June 2013	Number of activities completed	All	New performance indicator for 2012/13. No comparatives available	3	3
TL58	The provision and maintenance of municipal services	Development and approval of the Spatial Development Framework and Environmental Management Framework by the end of June 2013	Plan developed and approved	All	New performance indicator for 2012/13. No comparatives available	1	1

Table 142.: Service delivery indicator- Planning

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Employees: Planning						
Job Level	2010/11	2011/12	2012/13			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-	-
4 - 6	4	4	4	4	0	0
7 - 9	6	6	6	6	0	0
10 - 12	1	1	2	2	0	0
13 - 15	6	6	6	6	0	0
16 - 18	2	2	2	2	0	0
19 - 20	0	0	-	-	-	-
Total	19	19	20	20	0	0
<i>Employees and Posts numbers are as at 30 June.</i>						

Table 143.: Employees: Planning

2 Additional vacant posts have been filled

Manager: Property Administration – WC0325140 (T16)

Administrator: Spatial Planning & Strategic Housing – WC0325142 (T10)

Capital Expenditure 2012/13: Planning					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1,300,000.00	1 651	R774,366.16	(523)	R774,366.16
Karwyderskraal Regional Cemetery	1,300,000.00	1651	R774,366.16	(523)	R774,366.16
<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 2012/13: Planning

Hermanus Sports Centre: A Lease Agreement was entered into between Overstrand Municipality and the Hermanus Sports Centre. We are still awaiting the contribution towards the total final construction.

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Karwyderskraal Regional Cemetery: During December 2012 the Directorate: Community Services did a survey on available grave sites. It was found that additional 4458 sites are still available in Hermanus and Onrus graveyard. It was then resolved that the Municipality will proceed to establish the rights on Karwyderskraal Cemetery site. Further that the site be purchased from Overberg District Municipality at a cost of R475 900.00 and transfer fees in the amount of R12 500.00.

The site has been registered in Overstrand Municipality's name on 19 July 2013.

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

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Highlights	Description
	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.

Table 145.: LED Highlights

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 that produce good jobs that are long-term and support industries that yield employment opportunities.
Co-operation with private sector	Introduce activities that build co-operation with the private sector – clarify roles and implementation of joint projects aimed at improving the economy.
Seasonality	<ul style="list-style-type: none"> - Cape Whale Coast support and recommend the hosting of Events & Festivals during low season - Special fly-in travel packages have been offered to the Gauteng and Free State markets to promote local Events (such as the Kalfie fees) during the winter months <p>Advertisements in national newspapers to promote the Cape Whale Coast during winter.</p>
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.
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.
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.

Table 146.: Challenges LED

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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, road 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"> ▪ Increasing the level of awareness of Overstrand in international and local markets ▪ Promoting an environmentally responsible tourism industry that will benefit the whole community ▪ Increase tourism spend and length of stay ▪ Increase visitor numbers outside of peak season
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.
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 year 12/13 was yet not available at the time of compiling this report – therefore the report can only state the 2011/12 figures.

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

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Sector	2010/11 (R)	2011/12 (R)
Agric, forestry and fishing	101.3	101.0
Mining and quarrying	0.5	0.4
Manufacturing	407.3	426.0
Wholesale and retail trade	351.1	366.6
Finance, property, etc.	729.5	793.7
Community and social services	104.1	108.8
Infrastructure services	7.3	7.3

Table 148.: Economic Activity by Sector

Economic Employment by Sector			
Sector	Jobs		
	2010/11	2011/12	2012/13
	No.	No.	No.
Agric, forestry and fishing	(3 005)	(3 005)	-3005
Mining and quarrying	(8)	(8)	-8
Manufacturing	572	572	572
Wholesale and retail trade	479	479	479
Finance, property, etc.	2 380	2 380	2380
Govt, community and social services	996	996	996
Infrastructure services	321	321	221
Total	1 735	1 735	1735

Table 149.: Economic Employment by Sector

The Overstrand municipal economy tended to flatten out over the recessionary period [2008-2010]. The municipal economy is well diversified and witnessed all-round growth apart from the Agriculture, forestry and fishing sector which contracted mildly and also shed jobs. The municipality's largest sector i.e. finance, real estate and business services also grew the fastest and created substantial job opportunities. Whilst growth is coming off a low base in many industries, the positive employment trend and resilience during the recession is commended. Furthermore, the region's agri-processing industries (accounting close to half of all manufacturing activities) put in a strong growth performance.

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d) Tourism

Tourism is a major economic driver for the Overstrand. This according to a Tourism Business Barometer study done by PriceWaterCoopers (November 2011),

Overstrand economy has had a positive growth in the past few years, contributing 40% of Gross Domestic Product (GDP) in the Overberg, and contributes to approximately 5757 jobs within the tourism sector.

Volatility in fuel prices, inflation, the credit crunch, collapse of the Euro, civil unrest and a weak demand for long haul travel could all contribute to uncertainty within the tourism industry. 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.

The hosting of effective and impactful Events and Festivals during the winter period (off peak season) will ensure that visitors come to the Overstrand throughout the year thus addressing the negative impact of seasonality.



Forging effective partnerships with many different industry players, to maximize the cooperative resources available that 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.



e) Informal Street Trading



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.

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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

Table 150.: Job creation through EPWP projects*

f) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013		
						Target	Actual	
TL19	The promotion of tourism, economic and social development	Development of a world class website/e-business platform for marketing and branding of Overstrand by the end of December	% completed	All	New performance indicator for 2012/13. No comparatives available.	100%	100%	
TL20	The promotion of tourism, economic and social development	The number of self-employed initiatives/enterprises supported.	Number of start up businesses and SMME's	All		20	23	
TL21	The promotion of tourism, economic and social development	The number of learnerships and referrals facilitated through the municipality's local economic development initiatives that ponder employment for locals	Number of learnerships and referrals facilitated	All		50	839	
TL22	The promotion of tourism, economic and social development	The number of job opportunities created through the EPWP programme and as per set targets (incentive agreement)	Number of temporary jobs created	All	204	500	609	

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013		
						Target	Actual	
TL25	The promotion of tourism, economic and social development	Implement the project of the Neighbourhood Development and Partnership grant by the end of June	% completed	All		100%	100%	
TL26	The promotion of tourism, economic and social development	Improve staff skills to enhance local economic development implementation	Number of staff trained	All	New performance indicator for 2012/13. No comparatives available.	6	9	
TL27	The promotion of tourism, economic and social development	Present training workshops to SMME's to build capacity	Number of workshops	All		4	6	
TL28	The promotion of tourism, economic and social development	Successful external funding obtained for local economic development	Number of successful external funding obtained	All	3	3	3	
TL29	The promotion of tourism, economic and social development	Development of a Township Regeneration Strategy by the end of February 2013	Strategy developed	All	New performance indicator for 2012/13. No comparatives available.	1	1	
TL30	The promotion of tourism, economic and social development	Review viability of project impact in Hawston, Masakane and Thembelihle and Zwelihe soccerfield and Swartdam market place by the end of September	Number of project reviewed	All	New performance indicator for 2012/13. No comparatives available.	5	5	
TL31	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	New performance indicator for 2012/13. No comparatives available.	1	1	
TL32	The promotion of tourism, economic and social development	Conduct a survey to evaluate the functional enterprise support by the helpdesk by the end of February	Survey conducted	All	New performance indicator for 2012/13. No comparatives available.	1	1	

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013	
						Target	Actual
TL33	The promotion of tourism, economic and social development	Develop a mobile enterprise support programme for implementation by the end of June	Programme developed	All	New performance indicator for 2012/13. No comparatives available.	1	1
TL34	The promotion of tourism, economic and social development	Value of contracts assigned to SMME's within the emerging service provider database to enhance economic development	Value of contracts assigned	All	R 4,185,237.16	R 10,000,000	R 561,335.28

Table 151.: Service delivery indicators: Local Economic Development

Employees: Local Economic Development						
Job Level	2010/11	2011/12	2012/13			
	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	0	0	0	0	0	0
7 - 9	0	0	0	0	0	0
10 - 12	2	2	2	2	0	0
13 - 15	1	1	2	2	0	0
16 - 18	1	1	0	0	0	0
19 - 20	1	1	0	0	0	0
Total	5	5	4	4	0	0

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 contract workers at the libraries

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Highlights	Description
Internet facilities	Free internet access to the public especially the learners and students
Migration to slims	Implementing the new system
Launching of National Book Week	The Minister of Sport, Recreation and Cultural Affairs was the motivational speaker at the opening day at Zwelihle library.
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
Visits to and from primary schools and early childhood development centres (crèches)	Class visits, storytelling sessions, reading and art programmes Programmes and book talks
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.
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.
Painted the exterior of the library	The outside walls and gables were painted.

Table 153.: Libraries Highlights

b) Challenges: Libraries

Description	Actions to address
To encourage children to read more	Exhibitions, book reading sessions
Outreach campaigns	Need funding for literacy projects
New Books	Satisfying the need of avid readers is the greatest challenge.
Book Accommodation	Patrons and Friends of the Library keep Kleinmond Library with book donations. Space that is not always readily available is quite a challenge
Finance/Sponsorship	It is very difficult to organize outreach programs with no budget.
Study space	Renovate libraries to cater for study space
Minimize the theft of books	To obtain a security system
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	2010/11	2011/12	2012/13
Library members	24 512	30 539	19 937
Books circulated	738 820	557 767	644 208
Exhibitions held	173	165	234
Internet users	1 286	3 678	8119
New library service points or Wheelie Wagons	1	1	1
Children programmes	177	325	345
Visits by school groups	127	141	136
Book group meetings for adults	63	36	33
Primary and Secondary Book Education sessions	216	128	125

Table 155.: Service statistics for Libraries

Employees: Libraries						
Job Level	2010/11	2011/12	2012/13			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 - 3	0	0	1	1	0	100
4 - 6	10	10	12	12	0	100
7 - 9	1	1	4	4	0	100
10 - 12	3	3	6	5	1	83.3
13 - 15	0	0	0	0	0	0
16 - 18	0	0	0	0	0	0
19 - 20	0	0	0	0	0	0
Total	14	14	23	22	0	96
<i>Employees and Posts numbers are as at 30 June (includes 3 [three] additional people on learnership)</i>						

Table 156.: Employees: Libraries

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3.6.2 Cemeteries

a) Highlights: Cemeteries

Highlights	Description
Neat and clean cemeteries	<ul style="list-style-type: none">→ 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
Vandalism	Community awareness and involvement in protection of cemeteries.
Lack of availability of gravesites in Kleinmond	Regional cemetery for all towns in Overstrand
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	2010/11	2011/12	2012/13
Pauper burials	Statistics not readily available	2	1

Table 159.: Service stats for Cemeteries

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3.6.3 Child Care; Aged Care; Social Programmes

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

Since the adoption of the Children's Act, 38 of 2005, in April 2010, the legislative environment governing day care centres has changes dramatically. The guidelines for day care centres were an optional choice for day care centres. With ascendance of the Children's Act, it is no longer optional and day care centres must register with the Department of Social Development. The main purpose thereof is to ensure that children are exposed to services intended to promote early childhood development. Ensuring that this right is afforded to all the children in the Overstrand is one of the main objectives of the municipality. The majority of initiatives during the past financial year focused on Early Childhood Development (ECD). In the main we evaluated the quality of services provided by crèches operating from municipal facilities. In the process we also assisted a number of crèches in the registration process. The quality of ECD services has improved significantly at these crèches where the services have been poor. As part of the registration drive we partnered with the Department of Social Development in hosting a number of information sessions. We also assisted the Department: in establishing a much needed ECD Forum in Masakhane; and in hosting an Overstrand ECD Imbizo where an Overstrand ECD Forum was elected. We continuously assist needy crèches with report cards, weekly programmes and other administrative material. We have also evaluated a number of early childhood development strategies and have developed our own draft. This draft strategy will be work shopped with ECD service providers in the Overstrand and finalised in the new financial year. The strategy will be supported with an ECD Policy.

The yearly Wheels and Runners race which draws able and disabled people from across the country are supported by the municipality. The municipality also supported and assisted in hosting Disability day.



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

Highlights	Description
Overstrand ECD programme	<ul style="list-style-type: none">→ Evaluation of ECD programmes provided at all the crèches operating from municipal buildings.→ Assisted crèches operating from municipal buildings with the delivery of programmes and with administration.→ Assisted the same crèches with their registration applications.→ Supported the same crèches with the provision of administrative material –outings policies, attendance register , report cards etc.

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Highlights	Description
16 Days of Activism	The campaign targeted all municipal employees.
Child Care	<ul style="list-style-type: none"> Three crèches are planned for construction in the next 3 years A Draft ECD Strategy has been drawn up.
Disability	<ul style="list-style-type: none"> Provided support to disabled during Wheels and Runners race. Assisted and participated in disability awareness day. Conducted a opinion poll to gauge the needs of the disabled population.

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

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.	We have written to DoSD to participate in their initiative of signing MOU with municipalities in an effort to ensure effectiveness and synergy in social programme delivery.
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	2010/11	2011/12	2012/13
Trees planted	50	160	153
Veggie gardens established	1	0	0
Soup kitchens established or supported	2	0	0
Initiatives to increase awareness on child abuse	3	1	2
Initiatives to increase awareness on disability	3	2	2
Initiatives to increase awareness on women	2	2	1
Initiatives to increase awareness on HIV/AIDS	1	2	1
Initiatives to increase awareness on Early Childhood Development	2	2	2

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Child care; Aged care; Social programmes			
Description	2010/11	2011/12	2012/13
Special events hosted (World's Aids Day, World Arbour day, World Disability Day, Youth Day, 16 Days of activism against women abuse)	5	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 2011/2012	Overall Performance 2012/2013	
						Target	Actual
TL67	The promotion of tourism, economic and social development	Develop and submit and Early Childhood Development strategy by the end of August 2012	Strategy completed	All	New performance indicator for 2012/13. No comparatives available.	1	1
TL68	The promotion of tourism, economic and social development	Develop and submit and Early Childhood Development policy by the end of September 2012	Policy completed	All	New performance indicator for 2012/13. No comparatives available.	1	0
TL69	The promotion of tourism, economic and social development	Facilitate the implementation of community interventions/programmes within available budget for the 6 focal groups by the end of June 2013	# of interventions	All	New performance indicator for 2012/13. No comparatives available.	6	5
TL70	The promotion of tourism, economic and social development	Report on the viability of availing core municipal documents and by-laws on the municipal web-site in audio and visual format by the end of April 2013	Report submitted	All	New performance indicator for 2012/13. No comparatives available.	1	1

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			
	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	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			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
7 - 9	0	0	0	0	0	0
10 - 12	0	0	0	0	0	0
13 - 15	1	1	1	1	0	0
16 - 18	0	0	0	0	0	0
19 - 20	0	0	0	0	0	0
Total	1	1	1	1	0	0
<i>Employees and Posts numbers are as at 30 June.</i>						

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) Local Nature Reserve will proceed in the 2013/2014 financial year, in conjunction with the process for the approval of the management plan.
- ➔ An interim management committee has been constituted with respect to the management of the Stony Point seabird colony in Betty's Bay. The Committee will address the development of an Integrated Management Plan for the Stony Point Complex and drive the processes with respect to the proclamation of the area as a formal Section 23 Local Nature Reserve. The A co-operative management agreement has been signed between the Overstrand Municipality and CapeNature with respect to the management of the seabird colony.

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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 2013/2014 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 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.

Invasive Alien Clearing:

Alien vegetation in various densities has been cleared in each administration during the 2012/3 financial year. An amount of 203 ha of alien vegetation was cleared in the Hangklip-Kleinmond Administration by working for the Coast teams. The Environmental Management section spent a total of R 292 979.00 to clear in the Greater Hermanus and Gansbaai regions. 303 ha worth of alien vegetation was cleared in the Greater Hermanus region by clearing contractors (284 Ha on Fernkloof Nature Reserve and 19 ha on Municipal Open Spaces) and 123 ha was cleared in Gansbaai.

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 19.1 km worth firebreaks, constituting 16.4 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.

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

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Programme. Inputs have been delivered into the processes with respect to the amendment of the National Offroad Vehicle Regulations concerning the registration of slipways, as well as into the development of coastal setback lines for the Overberg Region.

The National Estuarine Management Protocol was allocated to a Local Sphere of Government in 2013. Overstrand Municipality must therefore co-ordinate estuarine matters within its sphere of jurisdiction henceforth.

- 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.

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. Overstrand Municipality is a member of 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.

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- 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 2012/2013 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 C.A.P.E. Estuaries Forum with respect to the management of the Uilenkraalsmond, Klein River and Bot River Estuaries;
 - 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;
 - 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;
- To develop a tourism strategy for the natural areas together with the Overstrand Tourism Section.

The requirement for the development of tourism infrastructure and a Tourism Forum has been tabled in the Integrated Management Plan for the Fernkloof Nature Reserve. The process for the development of the Tourism Strategy will be taken forward in the 2013/2014 financial year.

- To develop and maintain high quality visitor infrastructure, facilities and recreational activities along sound financial lines.

Plans for the re-development of Grotto precinct in Hermanus were published for public participation during the 2012/2013 financial year. The public participation process and the application for an environmental authorization are still pending completion.

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The intention towards the development of concept tourism nodes within the Fernkloof Nature Reserve Complex was listed within the Draft Integrated Management Plan for the Fernkloof Nature Reserve. The plans shall be developed once the Management Plan has been approved by Council and the Western Cape Nature Conservation Board.

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 2012/2013 financial year.

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 is currently funding the Construction Phase of the Stony Point Eco-centre Development Project. This project aims to upgrade the existing tourist facilities at Stony Point and to provide economic development opportunities for the Mooiuitsig Community Trust. Additional facilities will be provided for the Western Cape Nature Conservation Board and the Betty's Bay Boat Club.

→ To encourage research which contributes to national and international endeavours to conserve natural habitats and indigenous fauna and flora within OSM.

→ To promote and improve Environmental Education in the Overstrand Municipal area for the benefit of local and international visitors, scholars and students.

The Environmental Section continued to deliver displays at the annual Municipal Showcase, the Whale Festival and the Fernkloof Flower Festival. An educational talk concerning the management of Penguins at Stony Point was presented in partnership with Cape Nature at Kleinmond Primary School towards the end of the financial year.

→ To obtain funding for management and research Programmes.

→ To generate sustainable funding for the management of natural areas through the development visitor infrastructure, facilities and recreational activities.

Applications for the development of coastal infrastructure were motivated under the People and Parks Programme (Department of Environmental Affairs Social Responsibility Projects) for the 2014-2016 funding cycle. The applications are pending approval by the Department of Public Works and Environmental Affairs by October 2013.

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- To promote strategies for the sound management of the interface between the Natural and Urban Environment, for example Baboon Management and the Stony Point Penguin Colony. The Environmental Management Section has been integrally involved in the revision of the Overstrand Baboon Management Protocol, as well as the facilitation, deployment and oversight of the baboon monitors in Hermanus, Pringle Bay and Betty's Bay.

3.7.2 Pollution Control

An Air Quality Plan has been developed by the Environmental Section. The document will be submitted to DEA and District for comment. 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.

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 currently being

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reviewed and to go out for Public Participation Process. Kleinmond Nature Reserve will be drafted after the Fernkloof Plan has been approved.

Integrated Development Framework: Consultant in process of drafting Environmental Management Framework for Overstrand Environmental Management Section.

Coastal Setback Lines: Overberg District Municipality and Department of Environmental Affairs and Development Planning introduced the Coastal Setback line process for the Overberg Region, including the Overstrand Municipality. Currently the public participation process is underway for tender review in order to finalize the 20yr; 50yr and 100yr setback lines for the Municipality.

3.8 COMPONENT G: SECURITY AND SAFETY

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

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.



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a) Highlights: Law Enforcement

Highlights	Description
By-law Enforcement	Law Enforcement has system called EMIS in place to record all cases received. The system is a job card system which assist the department in ensuring that all cases received are attended to, completed and feedback is provided to the public. Control Book is another way of keeping and tracing records for terms of reference in the near future. In maximizing efficiency in terms of service delivery our department established offices in Hermanus, Kleinmond and Gansbaai Area. Each office has a regional head that ensure that the office functions effectively

Table 165.: Law Enforcement Highlights

b) Challenges: Law Enforcement

Description	Actions to address
Public ignorance towards By-laws	Regular news publications and awareness campaigns
Court overloaded with cases – municipal cases withdrawn	Plan to install an additional court dedicated to municipal issues. Business plan submitted to Justice department – await approval
Crime regarding informal businesses escalating	Campaigns to inform business owners regarding safety against crime. Apply provisions of Business Act
Shortage of Permanent staff	EPWP contract staff was appointed to fulfill Law Enforcement Operational & Admin needs.
Operational Challenges	Despite the fact that the ratio of Law Enforcement Official to Ratepayer in the Overstrand is 1:6400, the operational staff could meet the challenge and could exceed in the addressing of contraventions towards Municipal legislation.

Table 166.: Law Enforcement Challenges

c) Service statistics for Law Enforcement

Law Enforcement				
No.	Details	2010/11	2011/12	2012/13
		Actual No.	Actual No.	Actual No.
1.	Number of by-law infringements attended	9 676	12 753	11569
2.	Number of officers in the field on an average day	15	18	16
3.	Number of officers on duty on an average day	15	18	16
4.	Number of animals impounded	608	155	213

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Law Enforcement				
No.	Details	2010/11	2011/12	2012/13
		Actual No.	Actual No.	Actual No.
5.	Number of awareness initiatives			10

Table 167.: Law Enforcement Data

Type of service	2010/11	2011/12	2012/13
Policing and monitoring of Bylaws contraventions	Town Planning and Building Act	Town Planning and Building Act	266
	Internal Investigations	Internal Investigations	209
	Municipal Claims	Municipal Claims	45
	Assisting different role players such as SAPS and SARS.	Assisting different role players such as SAPS and SARS.	189
	Events Operational Planning	Events Operational Planning	As per event
	Safeguarding of Fernkloof and HPP	Safeguarding of Fernkloof and HPP	Leo are place in Fernkloof on daily basis to safeguard
	Safeguarding of Municipal property	Safeguarding of Municipal property	Leo's safeguard municipality's properties on daily basis
	Overstrand Car Guarding and Parking's.	Overstrand Car Guarding and Parking's.	No longer our project
	Urban Metro, monitoring of illegal structures on informal settlements	Urban Metro, monitoring of illegal structures on informal settlements	Daily patrols , 49 illegal structures demolished

Table 168.: Additional performance information for Law Enforcement

d) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/ 2012	Overall Performance 2012/2013	
						Target	Actual

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/ 2012	Overall Performance 2012/2013	
						Target	Actual
TL73	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 and the District to address safety challenges within the communities	Plan reviewed	All	100%	1	1
TL74	The creation and maintenance of a safe and healthy environment	Establishment of the Municipal Court by the end of March 2013 to enhance effective law enforcement (MOU signed, appoint staff, facilities)	Number of activities completed	All	0%	3	0
TL75	The creation and maintenance of a safe and healthy environment	Implementation of safety and security services at Council strategic sites by the end of September 2012	Number of sites secured	All	New performance indicator for 2012/13. No comparatives available.	10	19
TL78	The creation and maintenance of a safe and healthy environment	By-law enforcement education and awareness to the community	Number of initiatives	All	New performance indicator for 2012/13. No comparatives available.	4	11

Table 169.: Service delivery indicators: Law Enforcement

Employees: Law Enforcement						
Job Level	2010/11	2011/12	2012/13			
	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	0	0	0	0	0	0
7 - 9	5	9	9	9	0	0
10 - 12	5	6	6	6	0	0
13 - 15	0	0	0	0	0	0
16 - 18	1	1	0	0	0	0
19 - 20	0	0	0	0	0	0
Total	13	18	17	17	0	0
Employees and Posts numbers are as at 30 June						

Table 170.: Employees: Law Enforcement

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Capital Expenditure 2012/13: Law Enforcement					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R0				
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 2012/13: Law Enforcement

3.8.2 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 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
Road Accidents & Fatality ratio i.r.t. incoming & outgoing vehicle counts during high peak seasons (Whale Festival & Easter weekend) & school holidays (June/July & December)	Whale Festival 2012 – more than 14 000 vehicles incoming for the period from 28 September to 30 October 2012, only 9 accidents of which none is fatal or serious. 62 fines were issued during Whale Festival weekend and majority of fines were mostly for moving violation and vehicle defects.

Table 172.: Traffic Services Highlights

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c) Challenges: Traffic Services

Challenges	Actions to overcome
<p>1. <i>Equipment:</i></p> <p>→ Poor media coverage & public awareness during important events for example road works, which lead to unnecessary frustrations & unforeseen problems.</p> <p>2. <i>Training:</i></p> <p>→ Officers need to attend frequent refresher courses wrt the National Road Traffic Act.</p> <p>3. <i>Staff:</i></p> <p>The number of staff, operationally and administrative, is not efficient to keep up with the growth of Overstrand wrt the roads, the population, the number of fines and the number of drivers licenses issued.</p>	<p>Despite of all these challenges, operational and administrative staff still performed above and beyond any expectations. Over 16 766 cases were written during 2012/2013 worth more than R6 385.966</p> <p>More than 24 787 speed cases were captured and this capturing was done by only 3 permanent staff members.</p> <p>More than 10 000 licenses were issued with only 2 permanent cashiers sometimes working through lunchtimes to accommodate members of the public.</p> <p>Officers reported for point duty every day during peak hours, whether it was storming or the sunny, just to ensure that everyone using our roads get to work or home safely and in the quickest time possible.</p>

Table 173.: Traffic Services Challenges

d) Service statistics for Traffic Services

Traffic Services				
No.	Details	2010/11	2011/12	2012/13
		Actual No.	Actual No.	Actual No.
1	Number of road traffic accidents during the year	198	186	185
2	Number of officers in the field on an average day	17	15	19
3	Number of officers on duty on an average day	6	10	13

Table 174.: Traffic Services Data

Type of service	2010/11	2011/12	2012/13
Motor vehicle licenses processed	13 545	13 545	n/a
Learner driver licenses processed and issued	5 749	4 557	1 574
Driver licenses processed	1 749	1 458	1 453
Driver licenses issued	6 784	5 861	579
Fines issued for traffic offenses	19 263	19 583	16 766
R-value of fines collected	R4 340 040.45	R4 249 150.00	R 6 385 966.00
Roadblocks held	462	560	26

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Type of service	2010/11	2011/12	2012/13
Special Functions – Escorts	65	45	30
Awareness initiatives on public safety	15	28	12

Table 175.: Additional performance information for Traffic Services

e) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013	
						Target	Actual
TL72	The creation and maintenance of a safe and healthy environment	Arrange public safety awareness campaign to ensure effective services and operational readiness	Number of campaigns held	All	57	16	60
TL79	The creation and maintenance of a safe and healthy environment	Utilise speed enforcement cameras in approved strategic areas to reduce transgressions by September 2012	Number of sites	All	New performance indicator for 2012/13. No Comparatives available	12	9
TL80	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 4,893,128	R 6,000,000	R 5,730,902

Table 176.: Service delivery indicators: Traffic Services

Employees: Traffic Services						
Job Level	2010/11	2011/12	2012/13			
	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	8	5	6	6	0	0
7 - 9	9	5	6	5	1	17%
10 - 12	15	17	18	17	1	6%

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Employees: Traffic Services						
Job Level	2010/11	2011/12	2012/13			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
13 - 15	2	2	2	2	0	0
16 - 18	0	1	1	1	0	0
19 - 20	0	0	0	0	0	0
Total	36	32	35	33	2	6%
<i>Employees and Posts numbers are as at 30 June.</i>						

Table 177.: Employees: Traffic Services

Capital Expenditure 2012/13: Traffic Services					
R'000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	327449.00	-	223015.22	104433.78	223015.00
List capital projects	Municipal Pound				
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate)</i>					

Table 178.: Capital Expenditure 2012/13: Traffic Services

Motor cycles were purchased at R360 000.00. Municipal Pound Project budgeted for R327 449.00, project is completed and operationally utilized for its pounding purpose.



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3.8.3 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.

b) Highlights: Fire Services and Disaster Management

Highlights	Description
24 Hours manned stations	A First for Overstrand Fire & Rescues Services

Table 179.: Fire Services and Disaster Management Highlights

c) Challenges: Fire Services and Disaster Management

Description	Actions to address
Vehicle/Equipment	Procurement of new vehicles 2013/2014 financial year

Table 180.: Fire Services and Disaster Management Challenges

d) Service statistics for Fire Services

Fire Service Data				
No.	Details	2010/11	2011/12	2012/13
		Actual No.	Actual No.	Actual No.
1	Total fires attended in the year	430	372	407
2	Total of other incidents attended in the year	281	336	355

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Fire Service Data				
No.	Details	2010/11	2011/12	2012/13
		Actual No.	Actual No.	Actual No.
3	Average turnout time - urban areas	21 min.	14 min.	8.6min
4	Average turnout time - rural areas	28 min.	23 min.	N/A
5	Fire fighters in post at year end	92	82	59
6	Total fire appliances at year end	8	5	Pumps-7 Bakkies - 8
7	Average number of appliance off the road during the year	1	4	4

Table 181.: Fire Service Data

e) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2012/2013	Overall Performance for Sep 2012 to Jun 2013		
						Target	Actual	
TL71	The creation and maintenance of a safe and healthy environment	Annually review and submit Disaster Management Plan for assessment by the District by the end of March 2013	Plan reviewed	All	100%	1	1	
TL76	The creation and maintenance of a safe and healthy environment	Review the Fire Management Plan by the end of March 2013	Plan reviewed	All	New performance indicator for 2012/13. No comparatives available.	1	1	
TL77	The creation and maintenance of a safe and healthy environment	Inspect and assess infrastructure and role players to ensure disaster operational readiness	Assessment report	All	1	1	1	

Table 182.: Service delivery indicators: Fire Services and Disaster Management

Employees: Fire Services and Disaster Management						
Job Level	2010/11	2011/12	2012/13			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%

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Employees: Fire Services and Disaster Management						
Job Level	2010/11	2011/12	2012/13			
	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	1	1	0	1	100%
7 - 9	5	6	6	6	0	0%
10 - 12	2	2	1	1	0	0%
13 - 15	2	2	3	3	0	0%
16 - 18	1	1	1	1	0	0%
19 - 20	0	0	0	0	0	0%
Total	11	12	12	11	1	8%
<i>Employees and Posts numbers are as at 30 June.</i>						

Table 183.: Employees: Fire services and Disaster Management

Capital Expenditure 2012/13: Fire Services and Disaster Management					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R0				
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 2012/13: Fire Services and Disaster Management



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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
Mayoral Cup tournament	→ Mayoral Cup was hosted in Gansbaai Spaces for Sport on the 27 th October 2012. These were the codes that took part on the event: Rugby, Soccer, Netball and Athletics
Ability Dominos Tournament	→ 03 rd December 2012 Overstrand Municipality in collaboration with Overberg Wheelchair Association hosted an event of people living with disability at Hawston Thusong centre.
AFCON 2013 Tournament	→ Overstrand municipality hosted African Cup of nations Mini Soccer Tournament on the 10 th February 2013, Zwelihle.
Boxing Tournament	→ Boxing Tournament was hosted in Zwelihle on the 16 th March 2013 with boxers coming from different parts of the province, Villiersdorp, Cape Town Worcester.
June 16 Youth Festival	→ Youth festival was hosted on the 17 th June 2013 at Hawston Thusong Center and these were the activities: mini soccer, netball and mini cricket
MIG funding	MIG funding (R10,9M) was approved for Overhills upgrading of sport field and development of club house.

Table 185.: Sport and Recreation Highlights

b) Challenges: Sport and Recreation

Description	Actions to address
Multi-purpose facilities	Various engagements have taken place to clarify the aim of the municipality in resorting to this approach, it is the responsibility of Overstrand to ensure and encourage optimal use of our facilities.

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Description	Actions to address
Getting all structures registered under recognised body of sport	Engagements are currently underway.
Maintenance of grass	<ul style="list-style-type: none"> → Sport fields should have their own equipment. → Horticulturist to plan grass on sport fields that needed urgent attention.
Vandalism of infrastructure	To install more lighting and policing of law enforcement, structures informed to take responsibility of their own facilities.

Table 186.: Sport and Recreation Challenges

c) Service statistics for Sport and Recreation

Type of service	2010/11	2011/2012	2012/13
Community parks			
Number of parks with play park equipment	Statistics not readily available	42	47
Number of wards with community parks	Statistics not readily available	13	14
Swimming pools			
Number of visitors per annum	Statistics not readily available	17 350	25 496
R-value collected from entrance fees	Statistics not readily available	R13 410	R12 874
Camp sites/Resorts			
Number of visitors per annum	Statistics not readily available	17 171	33 321
R-value collected from visitation and/or accommodation fees	Statistics not readily available	R3 950 434.91	R3 144 183.83
Sport fields			
Number of wards with sport fields	Statistics not readily available	12	10
Number of sport clubs utilizing sport fields	Statistics not readily available	23	30
R-value collected from utilization of sport fields	Statistics not readily available	R3 688	R7 029
Sport halls			

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Type of service	2010/11	2011/2012	2012/13
Number of wards with sport halls	Statistics not readily available	2	1
Number of sport associations utilizing sport halls	Statistics not readily available	9	2
R-value collected from rental of sport halls	Statistics not readily available	R6 500	R4 601

Table 187.: Additional performance information for Sport and Recreation

d) Service delivery indicator

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013	
						Target	Actual
TL51	The provision and maintenance of municipal services	Complete the final phase of the Zwelihle/Mount Pleasant swimming pool by the end of March 2013	% completion of the project	6	New performance indicator for 2012/13. No comparatives available	100%	100%

Table 188.: Service delivery indicator- Sport and Recreation

Capital Expenditure 2012/13: Sport and Recreation					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1 697	2 024	1 971	273	
Change room upgrade	500	500	500	0	500
Expanding changing rooms -Hawston	0	100	47	47	100
Kleinmond soccer field	0	226	226	226	226
Swimming pool	1 198	1 198	1 198	0	1 198

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

Table 189.: Capital Expenditure 2012/13: Sport and Recreation

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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).

a) Highlights: Executive and Council

Highlights	Description
Overstrand Municipality emerged as South Africa's most productive local municipality in the sixth annual Municipal Productivity Index released by Municipal IQ, a specialised local government data and intelligence service	This index combines financial and non-financial data to assess the ability of individuals to engage with local economies, the conditions in which residents live, the vibrancy of the local economy and the municipality's contribution towards this.
At the Western Cape leg of the Greenest Municipality Competition for 2012 Overstrand Municipality won the category for Water Management	A Certificate of Outstanding Achievement for an Innovative Project was received for the Kleinmond Housing Project.
Continued Blue Flag status in 2012/13	Blue Flag status for Grotto (11 th year), Hawston (7 th year) and Kleinmond (4 th year) beaches for the 2012/13 holiday season. Grotto is the beach with the longest uninterrupted Blue Flag status in South Africa.
Blue Drop awards in 2012	Overstrand Municipality as a whole received 96,82 per cent in the assessment and was placed 12 th on the national list and fifth in the Western Cape. It is a remarkable improvement on last year's 90,56 per cent and 24 th position nationally.
EPWP programme- Kamoso Award	Runner-up for the Kamoso Award for excelling in the implementation of the Extended Public Works Programme (EPWP) during the 2011/12 financial year. Overstrand Municipality entered for the best infrastructure maintenance project and its Mechanised Water Pipe Replacement Project was selected as the runner-up in this category for 2011/2012. The award was awarded in 2012/13 financial year.

Table 190.: Executive and Council Highlights

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b) Challenges: Executive and Council

Description	Actions to address
Ageing infrastructure	Increase maintenance budget and enhance asset replacement programmes (capital budget)
Closing of Karwyderskraal regional landfill site	Transport of waste to the Gansbaai landfill site at substantial additional cost

Table 191.: Executive and Council Challenges

c) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013		
						Target	Actual	
TL12	The encouragement of structured community participation in the matters of the municipality	Develop and implement a project prioritisation module for capital projects by the end of December	Module developed and implemented	All	New performance indicator for 2012/13. No comparatives available.	1	0	
TL13	The provision of democratic and accountable governance	Bi-annual workshop with management to promote sound municipal administration	Number of workshops	All	New performance indicator for 2012/13. No comparatives available.	2	2	
TL14	The provision of democratic and accountable governance	Annual revision of the Fraud Prevention Plan and implementation of quarterly awareness actions	Number of actions implemented	All	4	4	4	
TL15	The provision of democratic and accountable 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	
TL16	The provision of democratic and accountable governance	Quarterly report to the Audit Committee on progress with implementation of key controls as identified in key control deficiencies by the Auditor-General	Quarterly reports submitted on achievement of committed dates	All	New performance indicator for 2012/13. No comparatives available.	4	3	
TL17	The provision of democratic and accountable governance	Risk based audit plan approved by the Audit Committee by the end of September	Plan approved	All		100%	100%	

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013	
						Target	Actual
TL60	The provision of democratic and accountable governance	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	Number of people employed	All		2	2

Table 192.: Service delivery indicators: Executive and Council

3.10.2 Financial Services

a) Introduction: Financial Services

Financial Services

Sound financial management practices are essential to the long-term sustainability of municipalities. They underpin the process of democratic accountability. Weak or opaque financial management results in the misdirection of resources and increases the risk of corruption. 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 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
- maintaining a good credit rating to ensure favourable lending rates and terms.

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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 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 2012/13 financial year, the Municipality managed to spend 98% 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.
- ➔ Exploring additional funding sources.

b) Highlights: Financial Services

Highlights	Description
Municipal Financial Management Programme Training	Municipal Financial Management Programme Training - Four officials, out of twenty people in this division, completed the Municipal Financial Management Programme Training, which will result in the attainment of the competency levels in terms of the MFMA Competency Regulations. A further two officials will complete the training in August 2013, whilst another five officials are currently enrolled on this programme.
Supply Chain Management	On 27 September 2012 Ethics SA facilitated a first workshop for the Overstrand Municipality's business chambers (150 members attended), in conjunction with SCM. The objective of the workshop was to promote integrity and transparency in all interactions between the municipality's supply chain management structure and the business community

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Highlights	Description
Expenditure and Asset Management	The Costing Division, established during 2010, complements the Expenditure and Asset Management division, in maintaining a Job Costing Framework in respect of all projects, for example Ward Specific Projects, EPWP Projects and of utmost importance capital project components since July 2011, in terms of the management of new assets for inclusion in the Asset Registers (GRAP principles. It is envisaged that this section will continue to play an important role in the analysing and reporting of management information.
	The reconciling of Creditor Reconciliation Statements per the SAMRAS Financial System are now fully developed and incorporated by Bytes Systems Integration (Pty) Limited as part of their Financial System, thus supporting this section to provide detailed and meaningful reporting.

Table 193.: Financial Services Highlights

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 194.: Financial Services Challenges

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Details of the types of account raised and recovered	Debt Recovery								
	R' 000								
	2010/11			2011/12			2012/13		
	Billed In Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected %	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected in the year %
Property Rates	129 025	128 288	99.43	136 511	132 790	97.27	116 355 588	118 336 019	101.7
Electricity	189 403	186 399	98.41	233 668	234 030	100.16	245 473 855	246 161 913	100.28
Water	77 215	78 760	102.00	87 400	89 127	101.98	89 015 249	89 111 251	100.11
Sanitation	37 218	49 915	98.80	57 018	55 906	98.05	57 098 249	57 979 091	101.54
Refuse	50 523	39 016	104.83	40 194	39 723	98.83	46 411 651	45 795 593	98.67

Table 195.: Debt recovery

d) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013	
						Target	Actual
TL1	The provision of democratic and accountable governance	Improvement in conditional grant spending - operational (Libraries, CDW)	% of total conditional operational grants spent (Libraries, CDW)	All	100%	98%	100%
TL11	The provision of democratic and accountable governance	Action plan completed by the end of January to ensure that the root causes of issues raised by AG in AG report of the previous financial year are addressed to promote a clean audit	Plan completed	All	1	1	1

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Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013		
						Target	Actual	
TL35	The provision of democratic and accountable 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	5.17	1.2	3.49	
TL36	The provision of democratic and accountable 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)	Debt coverage ((Total operating revenue- operating grants received)/debt service payments due within the year)	All	18.6	25	17.46	
TL37	The provision of democratic and accountable governance	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	Ratio achieved	All	11.6%	12%	11.9%	
TL38	The provision of democratic and accountable governance	Achieve a debt recovery rate not less than 90%	% recovered	All	122.55%	90%	100.44%	
TL39	The provision of democratic and accountable governance	Compliance with GRAP standards measured by the number of findings in the audit report	0 findings in the audit report on non-compliance	All	0	0	0	
TL40	The provision of democratic and accountable governance	Compliance with the SCM Act measured by the limitation of successful appeals against the municipality	0 successful appeals	All	0	0	0	
TL41	The provision of democratic and accountable governance	Financial statements submitted by 31 August	% compliance	All	100%	100%	100%	
TL42	The provision of democratic and accountable governance	Development of options for a feasible capital funding strategy by the end of June 2013	Proposal completed	All	New performance indicator for 2012/13. No comparatives available	1	1	

Table 196.: Service delivery indicators: Financial Services

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Employees: Financial Services						
Job Level	2010/11	2011/12	2012/13			
	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	54	50	52	49	3	6%
7 - 9	23	25	27	25	2	7%
10 - 12	23	22	25	25	0	0%
13 - 15	8	10	11	10	1	9%
16 - 18	4	5	5	4	1	20%
19 - 20	1	1	1	1	0	0%
Total	113	113	121	114	7	6%

Table 197.: 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
- ➔ Recruitment and Selection
- ➔ Labour Relations
- ➔ Performance Management
- ➔ Occupational Health and Safety
- ➔ Training and Development

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.

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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
Management of Sick Leave	This was a challenge during the previous year. High numbers of the use of sick leave was present. Information was provided to the supervisors on the importance of the use of sick leave. The number of the use of sick leave was reduced by 43%
Establishment of Emergency Evacuation Plan	Plan and Procedures finalized and to be tabled at the Health and Safety Meeting on 31 st August 2012. Fire drill was also initiated
Installation and servicing of Fire Extinguishers	All out-dated Fire Extinguisher was identified and serviced. A register is now also maintained of fire extinguishers
TASK Job Evaluation	96% of all post are evaluated and audited on the TASK Job Evaluation System and a TASK job evaluation committee was established in-house
MFMA training	2 groups of 30 employees already completed their training and the third and fourth group of 55 employees are in the process of being trained
Local Labour Forum ;Training Committee; OHS Committee and Employment Equity Committee	Well established committees that meet on a regular basis

Table 198.: 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.
To implement an effective and efficient Performance Management System to all levels of the organization that will enhance service delivery and development of employees.	Training of all relevant parties. The identification of Performance Management Champions in each Directorate.
Establishment of a well organised, effective and efficient archive system for HR	Close communication with National Archives and continued training of employees.

Table 199.: Human Resources Challenges

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e) Service Delivery Indicators

Ref	Strategic Objective	KPI	Unit of Measurement	Wards	Actual 2011/2012	Overall Performance 2012/2013	
						Target	Actual
TL61	The provision of democratic and accountable governance	Recruit and develop staff in terms of succession planning and career pathing in terms of the succession planning policy	Actual nr of appointments	All	4	4	4
TL62	The provision of democratic and accountable governance	Targeted skills development measured by the implementation of the workplace skills plan	% of the budget spent on implementation of the WSP	All	1%	1%	1%
TL63	The provision of democratic and accountable governance	Finalise the Municipal Organisational Staff Structure by the end of February	% completed	All	100%	100%	100%
TL64	The provision of democratic and accountable governance	Institutional Performance management system in place and implemented from TASK level 6 - 19	% implemented	All	100%	100%	100%
TL66	The provision of democratic and accountable governance	Creation of an effective institution with sustainable capacity measured in terms of the % of the approved and funded organogram filled	% filled	All	91.25%	90%	92.86%

Table 200.: Service delivery indicators: Human Resources

Employees: Human Resource Services						
Job Level	2010/11	2011/12	2012/13			
	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	6	5	6	5	1	17%

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Employees: Human Resource Services						
Job Level	2010/11	2011/12	2012/13			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
7 - 9	2	0	0	0	0	0%
10 - 12	7	9	10	9	1	10%
13 - 15	1	1	2	2	0	0%
16 - 18	2	2	1	1	0	0%
19 - 20	0	0	0	0	0	0%
Total	18	17	19	17	2	11%
<i>Employees and Posts numbers are as at 30 June</i>						

Table 201.: Employees: Human Resource services

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:

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- b) Share information with Councilors, Executive management and line management on emerging trends in the ICT Industry;
- c) Present to business, opportunities to exploit emerging ICT technologies to improve service delivery and
- d) 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.

e) Highlights: ICT Services

Highlights	Description
Development of Management Information System (MIS)	<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 2012/13 financial year was to:</p> <ul style="list-style-type: none"> → Ongoing improvement in financial reporting; → Ongoing improvements of a monthly statements by providing a more comprehensive and transparent presentation of water and electricity usage by account holders; → Data from the Deeds Office is also collated and maintained on an SQL data base where previously it was done on Excel Spreadsheets. This also enables improved validation and integration with our core financial system; → 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. → 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.
Upgrading of the Data Centre Servers	<ul style="list-style-type: none"> → 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. → The older technology servers will be deployed for other configured services that are less critical to maintain from a secure data perspective, such as printer servers.
Commissioning of the Disaster Recovery Site (DR Site)	<ul style="list-style-type: none"> → The Overstrand Disaster Recovery site has been commissioned in July 2012. → 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.

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Highlights	Description
	<ul style="list-style-type: none"> → The DR Plan has also been approved by the ICT Steering Committee in November 2012 and ratified at the ICT Steering Committee Meeting held in May 2013. → Functional DR tests were done for most systems. With the appointment of a Business Analyst this testing will be done on a more regular basis in the future.
Consolidation of Similar Application Systems Functionalities and Normalization of Systems Data.	<ul style="list-style-type: none"> → 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. → It is 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. → Due to the complexities inherent to such application system conversions, a phased approach will be followed over the next three budget cycles (2013/2014, 2014/2015 and 2015/2016) to assimilate the similar functionalities and to normalize the data from the various systems, into the Samras Financial System. → Priorities and time-lines to do the conversions will be dependent on business needs and available funding over the next three years. → A Senior ICT Business Analyst has been appointed in February 2013 to assist management in driving this initiative forward.

Table 202.: ICT Service Highlights

f) Challenges: ICT Services

Description	Actions to address
Toolsets to monitor and manage the ICT Infrastructure Services	<p>The saying: "What you cannot measure you cannot manage" especially holds true for rendering a robust and quality ICT Services to the municipality. As also stated in the previous Annual Report, investments made in ICT Infrastructure Services and systems warrants the deployment of proper toolsets to monitor and manage the service quality of this most important and mission critical assets of the municipality.</p> <p>Provision will again be made in the budget for the next financial cycle to procure the required toolsets, pending the availability of funding.</p>
Implementation of an Asset Maintenance Management and Financial Reporting System that is GRAP compliant.	<p>Although appropriate work processes are in place, to date the municipality still uses data from Excel spread sheets to compile its Annual Financial Reporting to National Treasury.</p> <p>In compliance with NT Circular 57, Asset Management forms part of the portfolio of Financial systems and the possibility of incorporating a fully matured Asset Maintenance Management system into the core Financial system of the municipality that is also fully GRAP compliant, is currently considered by Bytes</p>

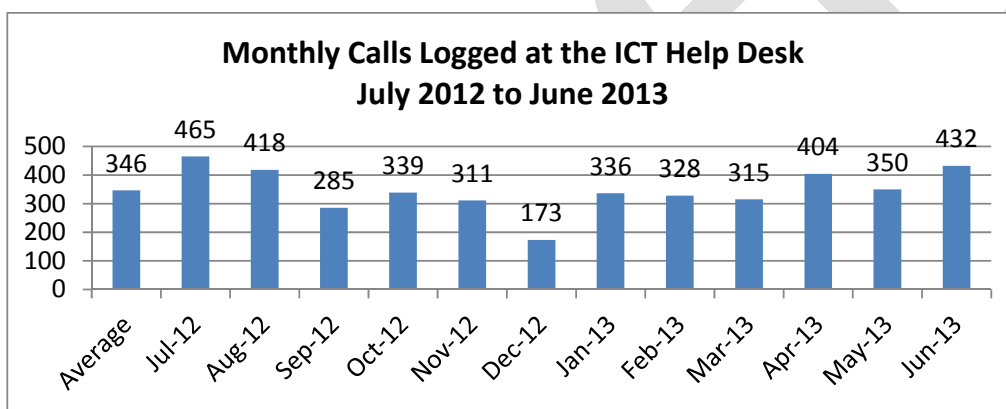
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Description	Actions to address
	Systems Integration, the Service Provider of choice for the municipal core Financial systems (Samrasclassic and Samrasplus).

Table 203.: 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 2011/2012. During 2012/2013 these statistics will be categorized in more detail to assist with identifying specific problem areas that require focus and attention.



Graph 20.: Monthly calls log

Employees: ICT Services						
Job Level	2010/11	2011/12	2012/13			
	Employees	Employees	Posts (approved)	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%
0-3	0	0	0	0	0	0%
4 - 6	0	0	0	0	0	0%
7 - 9	1	1	1	1	0	0%
10 - 12	4	3	4	4	0	0%
13 - 15	0	0	0	0	0	0%
16 - 18	1	1	1	0	1	100%
19 - 20	0	0	0	0	0	0%

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Employees: ICT Services						
Job Level	2010/11	2011/12	2012/13			
	Employees	Employees	Posts (approved)	Employees (posts filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
ICT Interns			2	2	0	0%
Total	6	5	8	7	1	13%
<i>Employees and post numbers are as at 30 June.</i>						

Table 204.: Employees: ICT Services

CAPITAL EXPENDITURE 2012/2013: ICT SERVICES							
Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Total Project Value	Budget Variance		
					R.	0%	
TOTALS: ALL PROJECTS	1, 444, 680	1, 656, 310	1, 646, 062	1, 646, 062			
Totals: Microsoft Licenses	844, 680	1, 057, 698	1,056, 310	1,056, 310	1,388	0.13%	
Intangible assets: 50 x MS Office and Server Licenses (Final Payment)	171, 722	185, 598	184, 210	184, 210			
Intangible Assets: 450 x MS Office Licenses (2 nd Payment)	672, 958	872, 100	872, 100	872, 100			
Totals: Samrasplus (EX FMG)	600, 000	600, 000	589, 752	589, 752	-10, 248	-1.70%	
Intangible Assets: Samrasplus phase 1 Modules. (Funding ex FMG: R600, 000.00)	0.00	217, 435	217, 435	217,435			
Intangible Assets: Samrasplus Operating Software (Funding ex FMG: R600,000.00)	0.00	17,868	17, 868	17, 868			
Upgrade 3 x Samrasplus Servers & Hardware & Customization	0.00	364, 679	354, 449	354, 449			

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CAPITAL EXPENDITURE 2012/2013: ICT SERVICES						
Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Total Project Value	Budget Variance	
					R.	0%
(8 Core Plus VM 5.1) (Funding ex FMG: R600,000.00)						
Total Minor Assets: Approvals on a per request basis ex Contingency Pool			92, 727	92, 727		

Table 205.: Capital Expenditure 2012/13: ICT Services

No major delays were experienced with Capital Projects during 2012/2013. All projects completed within agreed time-frames.

3.10.5 Legal Services

a) Highlights: Legal Services

Highlights	Description
The appointment of a permanent legal advisor	The capacity of the legal department was expanded with the appointment of a legal advisor since 01/07/12. As an admitted attorney with years of private practice experience, the legal advisor contributes to an enhanced service delivery within the Legal Department.

Table 206.: Legal Services Highlights

b) Challenges: Legal Services

Description	Actions to address
To stay abreast with the latest developments in the legal arena.	Participation in programmes relating to further legal training.

Table 207.: Legal Services Challenges

Employees: Legal Services						
Job Level	2010/11	2011/12	2012/13			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%

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Employees: Legal Services						
Job Level	2010/11	2011/12	2012/13			
	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	0	0	0	0	0	0
7 - 9	1	1	1	1	0	0
10 - 12	0	0	0	0	0	0
13 - 15	1	1	1	0	0	0
16 - 18	0	0	1	1	0	0
19 - 20	0	0	0	0	0	0
Total	2	2	3	3	0	0
<i>Employees and Posts numbers are as at 30 June.</i>						

Table 208.: Employees: Legal Services

3.10.6 Procurement Services

a) Highlights: Procurement Services

Highlights	Description
Development and implementation of the Demand Management Plan	The Supply Chain Management (SCM) Unit has, through the budget development process, begun implementing the Demand Management Plan for effect during the 2013/2014 financial year and will actively promote and drive its implementation. It is the vision of the SCM Unit, as supported by the Accounting Officer, the Chief Financial Officer and guidelines of Circular No. 62, to fully utilize the Demand Management Plan (DMP) as a strategic tool in order to implement the budget. The objective is to ensure that the resources required to fulfill the needs identified in the Integrated Development Plan (IDP) of the municipality are delivered at the correct time, price and place and that the quantity and quality will satisfy those needs.
Training provided to municipal officials by Ethics South Africa	On 27 September 2012 Ethics SA facilitated a first workshop for the Overstrand Municipality's business chambers (150 members attended), in conjunction with SCM. The objective of the workshop was to promote integrity and transparency in all interactions between the municipality's supply chain management structure and the business community. During 28 January to 01 February 2013 Provincial Treasury undertook a compliance assessment on Supply Chain Management within Overstrand Municipality to assess whether or not the Municipality

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Highlights	Description
	adheres to its SCM Policy and other statutory requirements governing supply chain management. The high level outcome and feedback on the assessment was one of good performance and structures/controls in place.
The procurement and development of a electronic system as a tool for contract management and the procurement process	In May 2013 new SCM Modules were procured from SAMRAS, called SAMRAS Plus, making provision for Contract Management and Document archiving as SAMRAS financial system was considered to be the best long-term system solution.

Table 209.: 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 210.: 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
2011/2012	Requests processed	10 313	1 719	78
2011/2012	Orders processed	11 661	1 944	88
2012/13	Requests processed	10 804	900	43
2012/13	Orders processed	9 808	817.33	39.39

Table 211.: 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 2012/13	Total	Monthly average	Value R
Requests registered	138	11	n/a
Requests cancelled or referred back	9	n/a	n/a
Extensions	31	3	15,506,426.26
Bids received (number of documents)	582	48	n/a
Bids awarded	143	12	244,407,031.92
Bids awarded ≤ R200 000	38	3	4,310,214.46
Appeals registered	4	n/a	n/a
Successful Appeals	0	n/a	n/a

Table 212.: 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	7	4.70	1,674,325.17	19.67
Clause 36(1)(a)(ii)-Sole Supplier	29	19.46	712,140.28	8.36
Clause 36(1)(a)(iii)-Unique arts	3	2.01	15,550.00	0.18
Clause 36(1)(a)(v)-Impractical / impossible	110	73.83	6,112,781.79	71.79
Total	149	100	8,514,797.24	100

Table 213.: Statistics of deviations from the SCM Policy

3.11 COMPONENT L: SERVICE DELIVERY PRIORITIES FOR 2013/14

The main development and service delivery priorities for 2013/14 forms part of the Municipality's top layer SDBIP for 2013/14 and are indicated in the table below:

3.11.1 Creation of an environment conducive for LED

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL13	Develop of a world class website/e-business platform for marketing and	Website/e-business platform completed	All	1

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Ref	KPI	Unit of Measurement	Wards	Annual Target
	branding of Overstrand by the end of December			
TL14	Assess impact of 2 major festivals into the local economy	Assessments completed	All	2
TL19	Complete the informal trade policy/management of trading sites by the end of September	Policy completed	All	1
TL20	Outreach programme inclusive of Overstrand municipal area	Number of initiatives	All	8
TL21	Review the LED strategy by the end of March 2014	Strategy reviewed	All	1
TL22	Improve the LED maturity assessment position by 2 points	Points improved	All	2
TL23	Compile an action plan to improve on the LED maturity assessment	Plan completed	All	2
TL24	Develop a Tourism Marketing and Branding Strategy by the end of December 2013	Strategy developed	All	1
TL13	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

Table 214.: Service Delivery Priorities for 2013/14– Creation of an environment conducive for LED

3.11.2 Development of strategies linked to projects for vulnerable groupings

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL15	Support thirty SMME's and startup businesses	Number of startup businesses and SMME's	All	30
TL16	Implement eight initiatives aimed at SSME support and stakeholder engagement	Number of initiatives	All	8
TL17	The number of people supported through the walk in centre and outreach	Number of people supported	All	120
TL18	The number of job opportunities	Number of temporary jobs created	All	500

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Ref	KPI	Unit of Measurement	Wards	Annual Target
	created through the EPWP programme and as per set targets (grant agreement - 77 FTE's)			
TL50	Establish partnerships to assist social development strategy delivery	Number of partnerships	All	3

Table 215.: Services Delivery Priorities for 2013/14 - Development of strategies linked to projects for vulnerable groupings

3.11.3 Effective communication and community involvement

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL8	Ward committee meetings held to facilitate consistent and regular communication with residents	Number of ward committee meetings per ward per annum	All	8

Table 216.: Services Delivery Priorities for 2013/14 - Effective communication and community involvement

3.11.4 Effective Development of Municipal Infrastructure

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL2	Emergency control room measured by the daily recording of enquiries/requests on EMIS completed within the next calendar month	% completed	All	90%
TL3	m ² of roads resealed according to approved Paveman Management System within available budget	m ² of roads resealed	All	120,000
TL4	Cleaning of storm water infrastructure twice per annum	Number of cleaning cycles	All	2
TL5	Quality of effluent comply 90% with SANS 241	% compliance	All	90%
TL6	Quality of potable water comply 95% with SANS 241	% compliance	All	95%

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Ref	KPI	Unit of Measurement	Wards	Annual Target
TL7	Limit unaccounted water to less than 25%	% of water unaccounted for	All	25%
TL31	Limit electricity losses to 8.5% or less	% of electricity unaccounted for	All	8.50%
TL34	Public awareness drives/programmes together with to water programmes, environmental programmes and solid waste	Number of drives/programmes	All	8
TL38	Replacement of water pipes in Overstrand to limit unaccounted water	% completion of the project	All	40%
TL39	Complete the bulk water supply upgrade of Baardskeerdersbos by the end of March 2014	Project completed	All	1
TL40	Complete development of a new cell at Gansbaai landfill site by the end of December 2013	% completion of the project	All	100%
TL41	Achieve two Green Drop awards	Number of awards	All	2
TL42	Development and approval of the Spatial Development Framework and Environmental Management Framework by the end of June	Plan developed and approved	All	1
TL43	Report on the implementation of the Water Service Development plan annually by the end of October	Report submitted	All	1

Table 217.: Services Delivery Priorities for 2013/14 - Effective Development of Municipal Infrastructure

3.11.5 Effective financial management

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL1	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	98%
TL25	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed	Ratio achieved	All	1.7

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Ref	KPI	Unit of Measurement	Wards	Annual Target
	operating expenditure)			
TL26	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	21.6
TL27	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	All	14.50%
TL28	Achieve a debt recovery rate not less than 90%	% recovered	All	90%
TL29	Financial statements submitted to the Auditor-General by 31 August	Financial statements submitted	All	1
TL30	Compile and submit a feasible capital funding plan by the end of June	Plan approved	All	1

Table 218.: Services Delivery Priorities for 2013/14 - Effective financial management

3.11.6 Effective public safety and disaster management

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL51	Annually review and submit Disaster Management Plan to the District by the end of March	Plan reviewed	All	1
TL52	Arrange public safety awareness campaigns	Number of campaigns held	All	16
TL53	Annually review Community Safety Plan by the end of June in conjunction with the Department of Community Safety	Plan reviewed	All	1
TL54	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	3
TL55	Review the Fire Management Plan	Plan reviewed	All	1

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Ref	KPI	Unit of Measurement	Wards	Annual Target
	by the end of March 2014			
TL56	Perform compliance inspections in terms of the National Standard for community fire protection as specified in SANS 10090	Number of inspections performed	All	240
TL57	Inspect and assess municipal infrastructure and role players to ensure disaster operational readiness	Assessment report	All	1
TL58	By-law enforcement education and awareness to the community	Number of initiatives	All	4
TL59	Optimal collection of fines issued for the financial year	R-value of fines collected per quarter	All	R 5,000,000

Table 219.: Service Delivery Priorities for 2013/14 - Effective public safety and disaster management

3.11.7 Sound municipal administration

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL9	Bi-annual workshop with management to promote sound municipal administration	Number of workshops	All	2
TL10	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
TL11	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	4
TL12	Risk based audit plan approved by the Audit Committee by the end of September	Plan approved	All	1
TL44	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	1%
TL45	Review the Municipal Organisational	Structure reviewed	All	1

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Ref	KPI	Unit of Measurement	Wards	Annual Target
	Staff Structure by the end of June			
TL46	Review the Performance Management Framework by the end of February	Framework reviewed	All	1
TL47	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
TL48	90% of the approved and funded organogram filled	% filled	All	90%
TL49	Review identified HR policies by the end of June	Number of policies reviewed	All	4

Table 220.: Service Delivery Priorities for 2013/14 - Sound municipal administration

3.11.8 Effective Management, Operation and Maintenance of Municipal Infrastructure

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL2	Emergency control room measured by the daily recording of enquiries/requests on EMIS completed within the next calendar month	% completed	All	90%
TL3	m ² of roads resealed according to approved Paveman Management System within available budget	m ² of roads resealed	All	120,000
TL4	Cleaning of stormwater infrastructure twice per annum	Number of cleaning cycles	All	2
TL5	Quality of effluent comply 90% with SANS 241	% compliance	All	90%
TL6	Quality of potable water comply 95% with SANS 241	% compliance	All	95%
TL7	Limit unaccounted water to less than 25%	% of water unaccounted for	All	25%

Table 221.: Service Delivery Priorities for 2013/14 – Effective Management, Operation and Maintenance of Municipal Infrastructure

CHAPTER 4



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
	2010/11	2011/12	2012/13
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	54	64
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	100	100	100

Table 222.: National KPIs– Municipal Transformation and Organisational Development

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4.2 Introduction to the Municipal Workforce

The Overstrand Municipality currently employs **1 025** (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
322	322	399	470	1	2	350	231

Table 223.: 2012/13 EE targets/Actual by racial classification

Male (Including Disabilities)		Female (Including Disabilities)	
Target June	Actual June	Target June	Actual June
503	753	569	272

Table 224.: 2012/13 EE targets/actual by gender classification

b) Employment Equity vs. Population

Description	African	Coloured	Indian	White	Total
Population numbers	29 132	24 979	205	25 131	80 432
% Population	29.98	37.17	0.25	32.60	100
Number for positions filled	322	470	2	231	1025
% for Positions filled	31.41	45.85	0.20	22.53	100

Table 225.: EE population 2012/13

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c) Occupational Levels - Race

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

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	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	11	0	22	1	4	0	14	54
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	17	69	0	60	9	24	1	41	221
Semi-skilled and discretionary decision making	73	126	0	20	21	57	0	58	355
Unskilled and defined decision making	178	158	1	8	20	17	0	3	385
Total permanent	271	367	1	114	51	103	1	117	1025
Non- permanent employees	0	0	0	3	1	4	0	0	8
Grand total	271	367	1	117	52	107	1	117	1033

Table 226.: Occupational Levels

4.2.2 Vacancy Rate

The approved organogram for the municipality had **1099** posts for the 2012/13 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. **74** Posts were vacant at the end of 2012/13, resulting in a vacancy rate of 7%.

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

Per Post Level		
Post level	Filled	Vacant
MM &MSA section 57 & 56	7	0
Middle management (T14-T19)	59	5
Admin Officers (T4-T13)	576	56
General Workers (T3)	383	13
Total	1025	74
Per Functional Level		
Functional area	Filled	Vacant
Municipal Manager	7	0
Management Services	42	7
Financial Services	12	0

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Per Post Level		
Post level	Filled	Vacant
Community Services	41	6
Protection Services	115	6
Infrastructure and Planning Services	673	44
Economic Development Services	64	4
Total	116	14

Table 227.: Vacancy rate per post and functional level

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

Salary Level	Number of current critical vacancies	Total posts as per organo-gram	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)	5	64	Assistant Operational Manager Manager: Assets and Insurance Senior Manager: Expenditure and Assets Manager: IT Communication and Technology Manager: Municipal Court	8%
Highly skilled supervision (T4-T13)	56	632	Reliëf Operator Grade I: Tankers x 1 Works Operator Grade II x 1 Accountant : Operational Budget x 1 Administrator: Plot Clearing x 1 Amenities Assistant x 2 Artisan (Plumber) x 2 Artisan Assistant x 1 Assistant Operator: Water Purification x 1 Cashier x 1 Control Room Operator x 2 Driver Operator x 3 Environmental Officer x 2 Handyman x 1 Human Resource Officer x 1 Laboratory Technician x 1	9%

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Salary Level	Number of current critical vacancies	Total posts as per organo-gram	Vacancy job title	Vacancies (as a proportion of total posts per category)
			Librarian x 1 Mechanic x 1 Operator Grade II : Sewerage Works x 1 P.A. to Director x 1 Plant Operator x 2 Principle Clerk : Traffic x 1 Principle Technician x 1 Senior Foreman x 2 Senior Accountant : Procurement x 1 Senior Clerks x 5 Senior Electrician x 1 Senior Superintendent x 1 Small Plant Operator x 3 Senior Superintendent Metering & Distribution x 1 Supervisor : Electrical Services x 3 Supervisor Driver x 1 Tractor Driver x 3 Traffic Officer x 1 Typist/Clerk x 1 Works Operator x 2 Works Operator Assistant x 1	
Total	61	703		9%

Table 228.: 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 a **decrease** from **5.40%** in 2011/12 to **5.00%** in 2012/13

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

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2010/11	111	111	65	6.45%
2011/12	56	56	59	5.40%

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Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2012/13	57	57	56	5.00%

Table 229.: Turnover Rate

4.3 Managing the Municipal Workforce

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 a decrease for the 2012/13 financial year from **140** employees injured against **183** employees in the 2011/12 financial year. The decrease can be contributed to the lower number of casual labourers who were appointed for casual work over short periods. Health and Safety Representatives are trained and are more aware of the risks in the working environment. Municipal Vehicles are equipped with first aid kits and first aiders treat smaller injuries such as small cuts to the body on site.

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

Directorates	2010/11	2011/12	2012/13
Municipal Manager	0	0	0
Management Services	0	1	1
Financial Services	5	6	6
Community Services	85	127	98
Protection Services	21	24	12
Infrastructure and Planning Services	15	22	23
Economic Development Services	2	3	0
Total	128	183	140

Table 230.: Injuries

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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 2011/12 financial year shows a **decrease** when comparing it with the 2012/13 financial year.

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

Department	2010/11	2011/12	2012/13
Municipal Manager	26	35	54
Management Services	368	333	237
Financial Services	1047	1152	668
Community Services	7895	8390	4835
Protection Services	719	819	463
Infrastructure and Planning Services	1366	1176	546
Economic Development Services	35	45	4
Total	11456	11950	6807

Table 231.: 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	September 2009
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

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Approved policies	
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	August 2010
OHS Policy	October 2010
TASK Job Evaluation Policy	October 2010
Gift policy for officials	June 2011
Staff Succession planning policy guidelines	November 2010
Policies still to be developed	
Name of policy	Proposed date of approval
None	

Table 232.: 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 (2012/13)	Number of Employees that received training (2012/13)
MM and S57	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	1	14
	Male	2	31
Associate professionals and Technicians	Female	5	3
	Male	29	28
Professionals	Female	7	6
	Male	6	5

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Management level	Gender	Number of employees identified for training at start of the year (2012/13)	Number of Employees that received training (2012/13)
Clerks	Female	34	29
	Male	12	11
Service and sales workers	Female	5	4
	Male	73	23
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	0	1
	Male	19	18
Elementary occupations	Female	4	5
	Male	92	77
Sub total	Female	56	62
	Male	233	193
Total		277	289

Table 233.: 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.

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Occupational categories	Gender	Training provided in 2012/13						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% Variance
MM and S57	Female	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0
Legislators, senior officials and managers	Female	4	3	10	1	14	4	350
	Male	17	6	14	2	31	8	388
Professionals	Female	4	6	2	7	6	13	46
	Male	0	4	5	6	5	10	50
Technicians and associate professionals	Female	0	0	3	5	3	5	60
	Male	0	0	28	29	28	29	97
Clerks	Female	14	6	15	34	29	40	73
	Male	6	0	5	12	11	12	92
Service and sales workers	Female	0	0	4	5	4	5	80
	Male	1	1	22	73	23	74	31
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	1	1	0	0	1	1	100
	Male	5	5	13	19	18	24	75
Elementary occupations	Female	0	0	5	4	5	4	125
	Male	0	0	77	92	77	92	84
Sub total	Female	23	16	39	56	62	72	36
	Male	29	16	164	233	193	249	78
Total		52	32	203	289	255	321	79

Table 234.: Skills Development

4.4.3 Skills Development - Budget allocation

The table below indicates that a total amount of **R2 416 000** were allocated to the workplace skills plan and that **99.97%** of the total amount was spent in the 2012/13 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%

Table 235.: Budget allocated and spent for skills development

Chapter 4: Organisational Development Performance

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 August 2014. The service provider for the first three groups is 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

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.

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%:

Chapter 4: Organisational Development Performance

Financial year	Total Expenditure salary and allowances (R'000)	Total Operating Expenditure (R'000)	Percentage
	R'000	R'000	
2010/11	190 705	703 080	27.12
2011/12	199 476	733 196	29.2
2012/13	224 760	745 589	30.16

Table 236.: Personnel Expenditure

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

Financial year	2010/11	2011/12	2012/13	
Description	Actual	Actual	Original Budget	Actual
<u>Councillors (Political Office Bearers plus Other) R'000</u>				
Salary	3 420	4 828	5 132	5 008
Pension Contributions	170	144	144	224
Medical Aid Contributions	57	65	69	81
Motor vehicle allowance	1 192	1 680	1 724	1 771
Cell phone allowance	246	349	361	361
Housing allowance	0	0	0	0
Other benefits or allowances	8	0	0	0
In-kind benefits	0	0	0	0
Sub Total	5 094	7 066	7 431	7 445
% Increase/(decrease) from 2011/12- 2012/13	-	38.71%	5.17%	5.36%
<u>Senior Managers of the Municipality R'000</u>				
Salaries	4 662	5 583	5 995	6 497
Pension Contributions	948	801	813	848
Medical Aid Contributions	147	167	189	193
Motor vehicle allowance	427	402	454	415
Cell phone allowance	126	128	119	139
Housing allowance	0	2	6	6
Performance Bonus	0	0	0	0
Other benefits or allowances	740	126	134	141
In-kind benefits	0	0	0	0
Sub Total	7 050	7 209	7 710	8 239
% increase	(6.94)	2.26%	6.95%	6.86%
<u>Other Municipal Staff R'000</u>				
Basic Salaries and Wages	107 436	116 931	141 224	134 300

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Financial year	2010/11	2011/12	2012/13	
Description	Actual	Actual	Original Budget	Actual
Pension Contributions	17 968	19 853	24 228	21 754
Medical Aid Contributions	6 860	7 354	9 831	7 983
Motor vehicle allowance	7 046	7 897	9 648	8 763
Cell phone allowance	595	725	677	1 169
Housing allowance	968	1 023	1 096	1 040
Overtime	10 485	12 030	10 617	12 423
Other benefits or allowances	16 334	19 388	20 082	21 644
Sub Total	167 692	185 201	217 404	209 076
% increase	0.22	10.44%	17.39%	-3.78%
Total Municipality	179 836	199 476	232 545	224 864
% increase	(0.18)	10.92%	16.58%	-3.3%

Table 237.: Personnel Expenditure

Chapter 5: Financial Performance

CHAPTER 5

This chapter provides details regarding the financial performance of the municipality for the 2012/13 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 2012/13 financial year:

Consultant arrangement	Cost	Reason for this engagement
M5 OVERSTRAND	R 16,530,398.42	Consulting and construction engineers
AURECON SOUTH AFRICA PROPRIETA	R 6,604,500.21	Consulting engineering services
UMVOTO	R 5,124,302.33	Consulting engineering services
V & V CONSULTING ENGINEERS	R 3,420,811.36	Consulting engineering services
WORLEY PARSONS RSA (PTY) LTD	R 3,325,616.29	Consulting engineering services

Table 238.: 5 Most expensive consultants for 2012/13 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 2012/13 financial year:

Financial Summary						
Description	2011/12	2012/13			2012/13 Variance	
	Actual Restated	Original Budget	Adjusted Budget	Actual Pre-Audit	Original Budget	Adjustments Budget
Financial Performance						
Property rates	108,913	148,024	119,129	116,321	-21.4%	-2.4%
Service charges	405,415	460,017	447,228	437,030	-5.0%	-2.3%
Investment revenue	9,211	7,420	9,920	9,752	31.4%	-1.7%
Transfers recognised - operational	38,005	41,033	41,958	41,680	1.6%	-0.7%

Chapter 5: Financial Performance

Financial Summary						
Description	2011/12	2012/13			2012/13 Variance	
	Actual Restated	Original Budget	Adjusted Budget	Actual Pre-Audit	Original Budget	Adjustments Budget
Other own revenue	28,650	38,933	39,347	88,688	127.8%	125.4%
Total Revenue (excluding capital transfers and contributions)	590,194	695,427	657,582	693,471	-0.3%	5.5%
Employee costs	207,938	229,091	227,845	231,525	1.1%	1.6%
Remuneration of councillors	6,717	7,071	7,101	7,084	0.2%	-0.2%
Depreciation & asset impairment	104,041	107,515	107,417	105,280	-2.1%	-2.0%
Finance charges	31,727	38,054	38,054	37,310	-2.0%	-2.0%
Materials and bulk purchases	181,256	157,118	157,000	157,468	0.2%	0.3%
Transfers and grants	28,454	28,000	35,975	35,856	28.1%	-0.3%
Other expenditure	175,108	224,206	185,588	170,620	-23.9%	-8.1%
Total Expenditure	735,241	791,055	758,982	745,145	-5.8%	-1.8%
Surplus/(Deficit)	(145,048)	(95,627)	(101,399)	(51,674)	-46.0%	-49.0%
Transfers recognised - capital	54,833	64,042	61,399	53,809	-16.0%	-12.4%
Contributions recognised - capital & contributed assets	8,603	6,600	–	5,067	-23.2%	#DIV/0!
Surplus/(Deficit) after capital transfers & contributions	(81,612)	(24,985)	(40,000)	7,202	-128.8%	-118.0%
Share of surplus/ (deficit) of associate	–	–	–	–	0.0%	0.0%
Surplus/(Deficit) for the year	(81,612)	(24,985)	(40,000)	7,202	-128.8%	-118.0%
Capital expenditure & funds sources						
Capital expenditure	163,275	169,043	167,500	143,764	-15.0%	-14.2%
Transfers recognised - capital	59,102	62,459	72,267	53,809	-13.8%	-25.5%
Public contributions & donations	14,300	8,183	516	5,067	-38.1%	882.2%
Borrowing	73,964	83,901	77,146	67,544	-19.5%	-12.4%
Internally generated funds	15,909	14,500	17,572	17,345	19.6%	-1.3%
Total sources of capital funds	163,275	169,043	167,500	143,764	-15.0%	-14.2%
Financial position						
Total current assets	230,028	168,534	188,406	198,521	17.8%	5.4%
Total non-current assets	3,209,100	3,217,794	3,176,849	3,298,669	2.5%	3.8%
Total current liabilities	137,580	128,739	119,548	155,463	20.8%	30.0%
Total non-current liabilities	452,301	490,304	493,437	483,973	-1.3%	-1.9%
Community wealth/Equity	2,849,247	2,767,284	2,752,270	2,857,754	3.3%	3.8%
Cash flows						
Net cash from (used) operating	99,921	107,245	96,321	75,526	-29.6%	-21.6%
Net cash from (used) investing	(151,774)	(160,205)	(158,662)	(146,949)	-8.3%	-7.4%
Net cash from (used) financing	108,549	38,460	37,160	28,872	-24.9%	-22.3%
Cash/cash equivalents at the year end	126,699	87,646	101,518	84,147	-4.0%	-17.1%
Cash backing/surplus reconciliation						
Cash and investments available	132,391	98,666	112,538	95,744	-3.0%	-14.9%
Application of cash and investments	2,936	24,149	61,667	15,637	-35.2%	-74.6%

Chapter 5: Financial Performance

Financial Summary						
Description	2011/12	2012/13			2012/13 Variance	
	Actual Restated	Original Budget	Adjusted Budget	Actual Pre-Audit	Original Budget	Adjustments Budget
Balance - surplus (shortfall)	129,455	74,517	50,871	80,107	7.5%	57.5%
Asset management						
Asset register summary (WDV)	3,181,234	3,184,691	3,184,593	3,285,964	3.2%	3.2%
Depreciation & asset impairment	104,041	107,515	107,417	105,280	-2.1%	-2.0%
Renewal of Existing Assets	–	28,742	52,939	4,147	0.0%	0.0%
Repairs and Maintenance	64,845	114,413	114,413	114,414	0.0%	0.0%
Free services						
Cost of Free Basic Services provided	32,084	32,172	32,172	35,458	10.2%	10.2%
Revenue cost of free services provided	32,084	49,083	49,083	35,458	-27.8%	-27.8%
Households below minimum service level						
Water:	–	–	–	–	0.0%	0.0%
Sanitation/sewerage:	–	–	–	–	0.0%	0.0%
Energy:	1	1	1	1	0.0%	0.0%
Refuse:	–	–	–	–	0.0%	0.0%
<i>Variances 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 239.: Financial Performance 2012/13

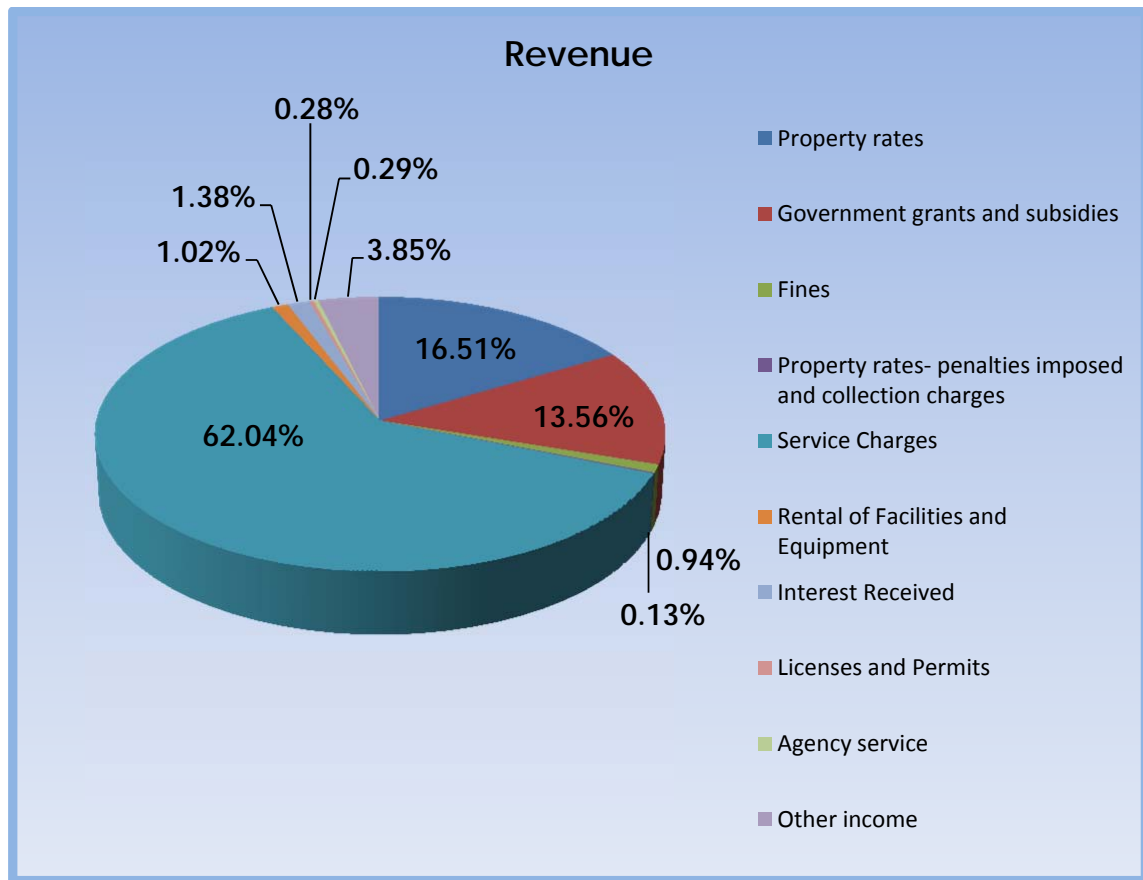
The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.		Budget	Actual	Diff.	
	R'000	R'000	R'000		R'000	R'000	R'000	
2010/11	584,660	590,194	(5,534)	0.94%	682,262	735,237	(52,975)	7%
2011/12	640,249	615,146	25,103	-4.08%	728,432	762,273	(33,841)	4%
2012/13	695,427	693,471	1,956	-0.28%	791,055	745,158	45,896	-6%

Table 240.: Performance against budgets

The following graph indicates the various types of revenue items in the municipal budget for 2012/13

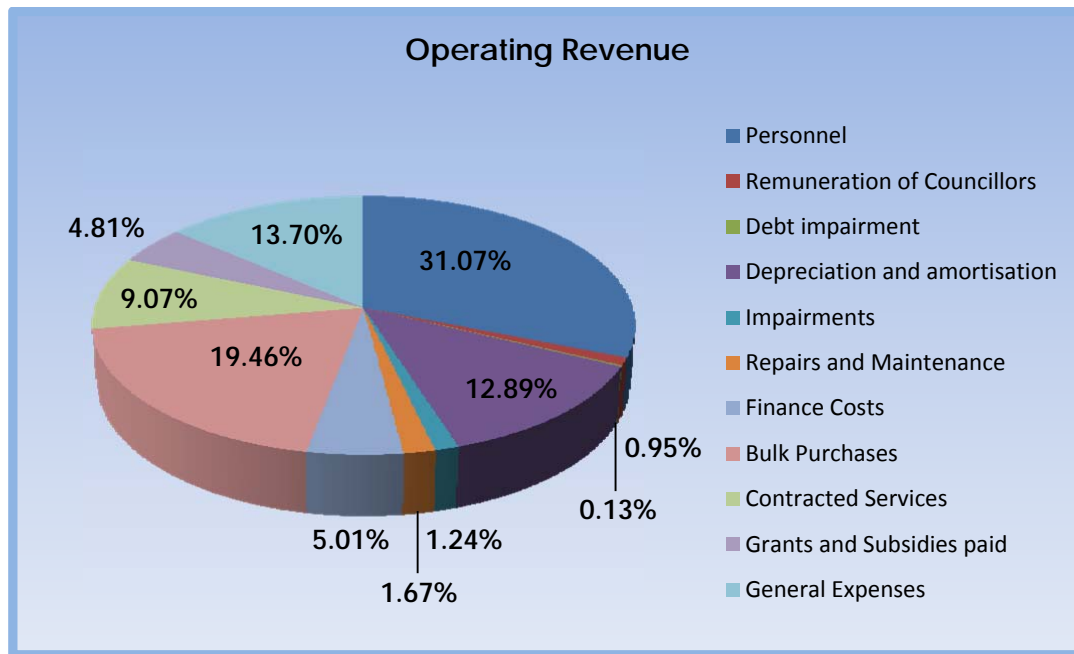
Chapter 5: Financial Performance



Graph 21.: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2012/13

Chapter 5: Financial Performance



Graph 22.: 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	2011/12	2012/13			2012/13 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote1 - Executive and Council	31,553	40,194	37,802	38,425	-4.4%	1.6%
Vote2 - Budget and Treasury Office	107,213	164,346	138,372	137,380	-16.4%	-0.7%
Vote3 - Corporate Services	7,223	9,367	3,117	54,741	484.4%	1656.3%
Vote4 - Planning and Development	12,065	8,464	9,393	7,907	-6.6%	-15.8%
Vote5 - Public Safety	10,048	11,288	12,467	12,541	11.1%	0.6%
Vote6 - Health	–	–	–	–	0.0%	0.0%
Vote7 - Community and Social Services	2,155	2,042	2,292	2,538	24.3%	10.8%
Vote8 - Sports and Recreation	7,108	8,808	9,215	7,762	-11.9%	-15.8%
Vote9 - Housing	3,965	13,919	24,254	18,645	33.9%	-23.1%
Vote10 - Waste Management	40,353	47,569	47,069	46,911	-1.4%	-0.3%
Vote11 - Road Transport	3,863	12,029	10,529	10,595	-11.9%	0.6%
Vote12 - Waste Water Management	79,357	69,723	68,280	68,756	-1.4%	0.7%
Vote13 - Water	111,834	114,629	100,611	96,579	-15.7%	-4.0%
Vote14 - Electricity	236,595	263,628	255,520	249,503	-5.4%	-2.4%
Vote15 - Environmental Management	299	63	63	65	3.5%	3.5%
Total Revenue by Vote	653,629	766,069	718,982	752,347	-1.8%	4.6%

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 241.: 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 2012/13 financial year:

Description	2011/12	2012/13			2012/13 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	108,913	147,024	118,129	116,321	-20.9%	-1.5%
Property rates - penalties & collection charges	925	1,000	1,000	914	-8.6%	-8.6%
Service Charges - electricity revenue	224,950	260,510	253,485	247,521	-5.0%	-2.4%
Service Charges - water revenue	83,755	93,528	89,943	85,498	-8.6%	-4.9%
Service Charges - sanitation revenue	57,212	58,680	57,007	57,223	-2.5%	0.4%
Service Charges - refuse revenue	39,498	47,299	46,792	46,788	-1.1%	0.0%
Service Charges - other	–	–	–	–	0.0%	0.0%
Rentals of facilities and equipment	6,743	8,011	8,192	7,208	-10.0%	-12.0%
Interest earned - external investments	6,881	5,215	7,715	7,553	44.8%	-2.1%
Interest earned - outstanding debtors	2,331	2,205	2,205	2,199	-0.3%	-0.3%
Dividends received	–	–	–	–	0.0%	0.0%
Fines	5,278	6,229	6,249	6,644	6.7%	6.3%
Licenses and permits	1,786	1,847	1,857	1,968	6.6%	6.0%
Agency services	1,912	2,081	2,081	2,025	-2.7%	-2.7%
Transfers recognised - operational	38,005	41,033	41,958	41,680	1.6%	-0.7%
Other revenue	10,086	20,765	20,968	71,461	244.1%	240.8%
Gains on disposal of PPE	1,920	–	–	(1,756)	0.0%	0.0%
Environmental Protection	–	–	–	–	0.0%	0.0%
Total Revenue (excluding capital transfers and contributions)	590,194	695,427	657,582	693,249	-0.3%	5.4%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

Table 242.: Revenue by Source

Chapter 5: Financial Performance

5.1.3 Operational Services Performance

The table below indicates the Operational services performance for the 2012/13 financial year:

Financial Performance of Operational Services						
R '000						
Description	2011/12	2012/13			2012/13 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	(28,794)	(43,258)	(52,388)	(49,407)	12.45%	-6.03%
Waste Water (Sanitation)	(16,925)	(37,324)	(36,059)	(34,477)	-8.26%	-4.59%
Electricity	(174,836)	(199,019)	(198,195)	(196,920)	-1.07%	-0.65%
Waste Management	(37,415)	(42,980)	(40,099)	(39,979)	-7.51%	-0.30%
Housing	(50,283)	8,691	19,263	14,386	39.59%	-33.90%
Component A: sub-total	(308,251)	(313,891)	(307,478)	(306,397)	-2.45%	-0.35%
Waste Water (Storm water Drainage)	(2,767)	(62)	149	65	195.21%	-130.34%
Roads	(71,852)	(68,072)	(68,614)	(60,512)	-12.49%	-13.39%
Transport	–	–	–	–	0.00%	0.00%
Component B: sub-total	(74,618)	(68,134)	(68,464)	(60,447)	-12.72%	-13.26%
Planning	(26,135)	(25,216)	(25,396)	(24,390)	-3.38%	-4.12%
Local Economic Development	(420)	(4,259)	(2,785)	(3,966)	-7.38%	29.77%
Component C: sub-total	(26,555)	(29,474)	(28,181)	(28,356)	-3.94%	0.62%
Community & Social Services	(20,411)	(25,811)	(22,500)	(21,714)	-18.87%	-3.62%
Environmental Protection	(4,712)	(7,228)	(5,783)	(5,560)	-30.02%	-4.02%
Health	–	–	–	–	0.00%	0.00%
Security and Safety	(21,167)	(23,256)	(24,490)	(24,293)	4.27%	-0.81%
Sport and Recreation	(8,766)	(12,100)	(8,789)	(8,308)	-45.64%	-5.79%
Corporate Policy Offices and Other	(131,453)	(152,151)	(139,671)	(91,088)	-67.04%	-53.34%
Component D: sub-total	(186,510)	(220,547)	(201,233)	(150,962)	-46.09%	-33.30%
Total Expenditure	(595,935)	(632,046)	(605,357)	(546,162)	-15.72%	-10.84%
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 243.: Operational Services Performance

Total Net Expenditure variance between the original budget and actual was 15.72%. Total Net Expenditure variance between the amended budget and actual was 10.84%.

Chapter 5: Financial Performance

5.2 Financial Performance per Municipal Function

5.2.1 Water Services

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	24,434	21,101	10,669	11,081	3.7%
Expenditure:					
Employees	12,794	14,635	13,420	13,290	-1.0%
Repairs and Maintenance	6,791	6,944	6,980	6,782	-2.9%
Other	33,643	42,779	42,657	40,416	-5.5%
Total Operational Expenditure	53,228	64,359	63,057	60,489	-9.4%
Net Operational (Service) Expenditure	(28,794)	(43,258)	(52,388)	(49,407)	13.2%
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: Water services

3.3.6 Waste Water (Sanitation)

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	21,453	6,575	6,805	7,068	3.7%
Expenditure:					
Employees	11,379	12,773	12,811	12,799	-0.1%
Repairs and Maintenance	4,691	4,900	5,897	5,410	-9.0%
Other	22,308	26,226	24,155	23,336	-3.5%
Total Operational Expenditure	38,378	43,899	42,863	41,545	-12.6%
Net Operational (Service) Expenditure	(16,925)	(37,324)	(36,059)	(34,477)	16.3%

Chapter 5: Financial Performance

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
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: Waste Water (Sanitation) services

3.3.7 Electricity

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	2,927	3,118	2,034	1,982	-2.7%
Expenditure:					
Employees	12,881	15,352	14,400	13,974	-3.1%
Repairs and Maintenance	4,601	4,715	4,710	4,311	-9.2%
Other	160,280	182,069	181,120	180,617	-0.3%
Total Operational Expenditure	177,763	202,137	200,230	198,902	-12.6%
Net Operational (Service) Expenditure	(174,836)	(199,019)	(198,195)	(196,920)	9.9%
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: Electricity

3.3.8 Waste Management

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	159	270	277	123	-125.8%
Expenditure:					
Employees	14,548	16,685	15,919	16,124	1.3%
Repairs and Maintenance	1,284	1,505	1,407	1,279	-10.0%
Other	21,742	25,060	23,050	22,698	-1.6%
Total Operational Expenditure	37,573	43,250	40,376	40,101	-10.3%

Chapter 5: Financial Performance

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Net Operational (Service) Expenditure	(37,415)	(42,980)	(40,099)	(39,979)	-115.5%

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: Waste Management

5.2.5 Housing

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	3,965	13,919	24,254	18,645	-30.1%
Expenditure:					
Employees	1,966	2,066	1,990	2,062	3.5%
Repairs and Maintenance	272	221	191	180	-6.4%
Other	52,010	2,941	2,810	2,016	-39.4%
Total Operational Expenditure	54,247	5,228	4,990	4,258	-42.2%
Net Operational (Service) Expenditure	(50,283)	8,691	19,263	14,387	12.2%

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: Housing

5.2.6 Waste Water (Storm water)

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	1,321	4,468	4,468	4,465	-0.1%
Expenditure:					
Employees	1,387	1,690	1,607	1,602	-0.3%
Repairs and Maintenance	619	875	747	735	-1.6%
Other	2,082	1,965	1,965	2,063	4.7%
Total Operational Expenditure	4,088	4,530	4,319	4,400	2.9%

Chapter 5: Financial Performance

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Net Operational (Service) Expenditure	(2,767)	(62)	149	65	-2.9%

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: Waste Water (Storm water)

5.2.7 Roads

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	3,863	12,029	10,529	10,595	0.6%
Expenditure:					
Employees	10,793	12,655	11,912	11,884	-0.2%
Repairs and Maintenance	25,358	25,416	26,020	25,646	-1.5%
Other	39,564	42,030	41,210	33,577	-22.7%
Total Operational Expenditure	75,715	80,101	79,142	71,107	-24.4%
Net Operational (Service) Expenditure	(71,852)	(68,072)	(68,614)	(60,512)	25.1%

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: Roads

5.2.8 Planning

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	6,663	4,359	4,266	4,157	-2.6%
Expenditure:					
Employees	14,845	16,548	16,941	17,028	0.5%
Repairs and Maintenance	317	459	370	245	-50.7%
Other	17,637	12,568	12,350	11,274	-9.5%
Total Operational Expenditure	32,798	29,575	29,661	28,547	-59.8%

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Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Net Operational (Service) Expenditure	(26,135)	(25,216)	(25,396)	(24,390)	57.2%
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: Planning

5.2.9 Local Economic Development

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	5,402	4,105	5,127	3,750	-36.7%
Expenditure:					
Employees	2,300	2,540	2,503	2,508	0.2%
Repairs and Maintenance	–	3	5	4	0
Other	3,522	5,820	5,404	5,205	
Total Operational Expenditure	5,822	8,364	7,913	7,716	0.2%
Net Operational (Service) Expenditure	(420)	(4,259)	(2,785)	(3,966)	-36.9%
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: Local Economic Development

5.2.10 Community & Social Services

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	2,155	2,042	2,292	2,538	9.7%
Expenditure:					
Employees	17,664	19,764	19,102	19,088	-0.1%
Repairs and Maintenance	2,363	2,683	2,889	2,679	-7.8%
Other	2,540	5,407	2,800	2,485	-12.7%
Total Operational Expenditure	22,567	27,853	24,791	24,252	-20.6%

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Net Operational (Service) Expenditure	(20,411)	(25,811)	(22,500)	(21,714)	30.3%
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: Community & Social Services

5.2.11 Environmental Protection

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	299	63	63	65	3.4%
Expenditure:					
Employees	3,561	4,522	3,701	3,885	4.7%
Repairs and Maintenance	1,017	2,012	1,309	1,167	-12.2%
Other	433	757	835	573	-45.9%
Total Operational Expenditure	5,011	7,291	5,846	5,624	-53.4%
Net Operational (Service) Expenditure	(4,712)	(7,228)	(5,783)	(5,560)	56.8%
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: Environmental Protection

5.2.12 Security and Safety

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	10,048	11,288	12,467	12,541	0.6%
Expenditure:					
Employees	17,833	24,332	24,591	24,633	0.2%
Repairs and Maintenance	1,163	1,164	1,346	1,321	-1.9%
Other	12,218	9,049	11,020	10,880	-1.3%
Total Operational Expenditure	31,214	34,545	36,957	36,834	-3.0%
Net Operational (Service) Expenditure	(21,167)	(23,256)	(24,490)	(24,293)	3.6%

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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 255.: Financial Performance: Security and Safety

5.2.13 Sport and Recreation

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	6,608	8,808	9,215	7,762	-18.7%
Expenditure:					
Employees	6,251	8,611	8,605	7,360	-16.9%
Repairs and Maintenance	1,619	2,627	2,058	1,887	-9.0%
Other	7,504	9,671	7,341	6,823	-7.6%
Total Operational Expenditure	15,374	20,908	18,004	16,070	-33.5%
Net Operational (Service) Expenditure	(8,766)	(12,100)	(8,789)	(8,308)	14.8%
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 256.: Financial Performance: Sport and Recreation

5.2.14 Corporate Policy Offices & Other

Description	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	56,531	66,864	61,161	114,225	46.5%
Expenditure:					
Employees	86,454	75,986	87,445	92,395	5.4%
Repairs and Maintenance	14,890	18,089	18,580	16,763	-10.8%
Other	86,640	124,940	94,807	96,155	1.4%
Total Operational Expenditure	187,984	219,015	200,832	205,313	-4.1%
Net Operational (Service) Expenditure	(131,453)	(152,151)	(139,671)	(91,088)	50.5%
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 257.: Financial Performance: Corporate Policy Offices & Other

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5.3 Grants

5.3.1 Grant Performance

The municipality had a total amount of R61 million for infrastructure and other projects available that was received in the form of grants from the National and Provincial Governments during the 2012/13 financial year. The performance in the spending of these grants is summarised as follows:

Grant Performance						
R' 000						
Description	2011/12	2012/13			2012/13 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<u>Capital Transfers and Grants</u>						
National Government:	57,619	47,082	37,040	36,911	-21.6%	-0.3%
Financial Management Grant		–	600	552	0.0%	-8.0%
Municipal Systems Improvement	156	–	20	20	0.0%	0.0%
Municipal Infrastructure Grant	13,971	16,947	16,947	16,947	0.0%	0.0%
Regional Bulk Infrastructure Grant	36,212	25,917	15,174	15,174	0.0%	0.0%
Integrated National Electrification Program	2,000	1,800	1,800	1,800	0.0%	0.0%
Neighbourhood Development Partnership Grant	5,281	2,418	3,099	2,418	0.0%	-22.0%
Provincial Government:	1,502	13,877	23,900	16,898	21.8%	-29.3%
Library subsidies	–	–	13	13	0.0%	0.0%
Housing	817	13,580	23,548	16,651	22.6%	-29.3%
Community Development Workers	–	0	11	11	0.0%	0.0%
Housing consumer education	21	–	–	–	0.0%	0.0%
Mobility strategy	664	297	327	223	0.0%	-31.9%
Total Capital Transfers and Grants	59,121	60,959	60,940	53,809	-11.7%	-11.7%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 258.: Grant Performance for 2012/13

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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	1,250	1,250	1,250	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	800	800	800	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	1,800	1,800	1,800	0.0%	0.0%	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	2,418	3,099	2,418	0.0%	-22.0%	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 neighborhoods (townships generally)
Expanded Public Works Programme	1,687	2,028	1,332	-21.0%	-34.3%	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

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Regional Bulk Infrastructure Grant	25,917	15,174	15,174	-41.5%	0.0%	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	704	704	704	0.0%	0.0%	To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives
Community Development Workers	81	81	81	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	13,580	23,848	18,120	33.4%	-24.0%	To provide funding for the creation of sustainable human settlements
Main Road subsidy	65	65	65	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	100.0%	0.0%	To provide financial assistance to Municipalities with the establishment of a Thusong Service Centre
Public Transport Infrastructure	1,500	–	–	– 100.0%	0.0%	To assist with the provision of public transport facilities in rural communities
Housing Consumer Education Grant	–	66	19	0.0%	0.0%	To inform the community of their rights and responsibilities on becoming homeowners or tenants
Mobility Strategy	297	331	225	0.0%	-32.0%	To develop, implement and promulgate impoundment facilities in accordance with the National Land Transport Act, 2009 (Act 5 of 2009).
Total	50,099	49,465	42,206	15.8%	-14.7%	
* 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 259.: Conditional Grant (excl. MIG)

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Total conditional grants for the 2012/13 financial year was R42 206 188 (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 2012/13 financial year was R5 534 240 (excluding equitable share) and the total conditional capital grants for the 2012/13 financial year was R36 861 707 (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 15.80%. Total conditional grants variance between the amended budget and actual was 14.70%. 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.
- The public transport non-motorised infrastructure grant of R1.5 million remained unspent at 30 June 2013 and has rolled over to the 2013/2014 capital budget.

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	Actual Grant 2011/12	Actual Grant 2012/13	2012/13 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Private Sector / Organisations						
WWF Table Mountain Fund Grant	240	–	–	30/4/2013	N/A	Nature conservation
DWAF: ACIP project	1,448	–	3,000	31/3/2013	30/6/2012	Replacement of water meters
CSIR Housing	1,459	–	–	N/A	N/A	Housing project
Spaces for Sport	270	630	–	N/A	30/6/2012	Recreational purposes
Cleanest Town Competition	–	–	–	N/A	N/A	Cleansing programmes
National Lotto Funds	500	–	–	N/A	N/A	Sport facilities
Eskom SWH Project	1,611	–	–	N/A	N/A	Electricity low cost housing

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Samras Usergroup		22		N/A	N/A	Samras Usergroup
Informal settlement fire victims	–	–	–	N/A	N/A	Help after event of fire destruction
<i>Provide a comprehensive response to this schedule</i>						

Table 260.: Grants Received sources other than DORA

5.3.4 Level of Reliance on Grants & Subsidies

Financial year	Total grants	Total	Percentage
	and subsidies received	Operating Revenue	
	R'000	R'000	
2010/11	82,470	617,340	13.4%
2011/12	92,838	658,998	14.1%
2012/13	95,489	704,454	13.6%

Table 261.: Reliance on grants

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

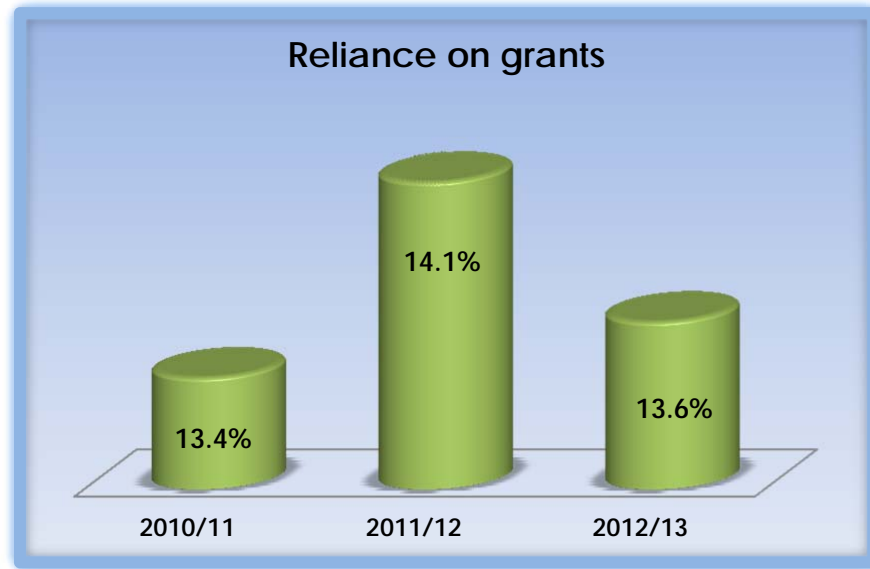


Table 262.: Reliance on grants

Total amount of conditional grants received during the 2012/13 financial year was R42 206 188 (excluding MIG). The total amount of grants received from other sources during the 2012/13 financial year was R652 000.

The benefits and conditions from conditional grants and grants received from other sources can be seen in the relevant tables above.

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.

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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

Asset 1		
Name	Preekstoel Water Treatment Works Upgrade	
Description	Upgrading of Preekstoel Water Treatment Plant	
Asset Type	Infrastructure	
Key Staff Involved	Hanre Blignaut / Patrick Robinson / Eoudia Chadinha	
Staff Responsibilities	Project Management / Asset Register Compilation	
Asset Value	2011/12	2012/13
	31 463 459	52 101 983
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 263.: Summary of Largest Asset

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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 / Eoudia Chadinha	
Staff Responsibilities	Project Management / Asset Register Compilation	
Asset Value	2011/12	2012/13
	20 771 781	22 897 159
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 264.: 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 / Eoudia Chadinha	
Staff Responsibilities	Project Management / Asset Register Compilation	
Asset Value	2011/12	2012/13
	5 244 923	16 634 716
Capital Implications	External Loan Funding	
Future Purpose of Asset	Escom 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 265.: Summary of 3rd Largest Asset

All three projects listed above are revenue generating assets and the costs are recovered through tariffs.

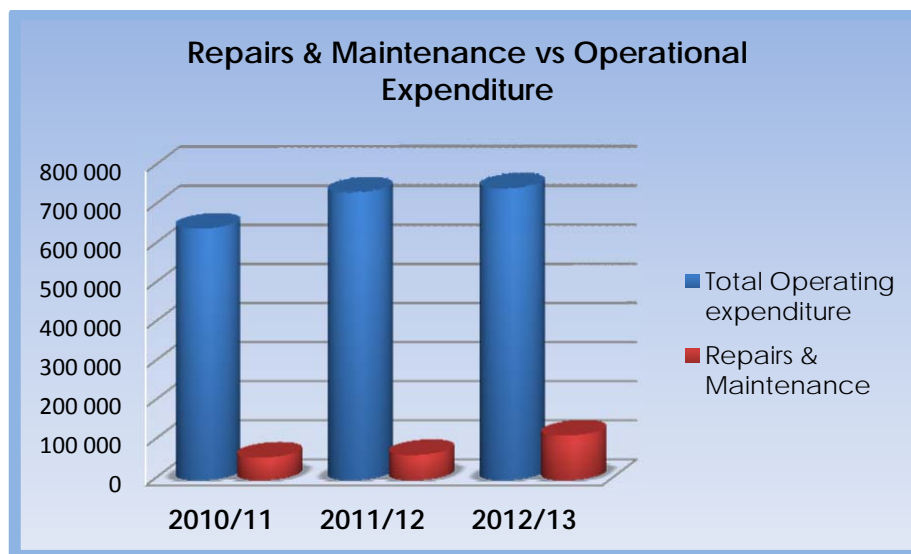
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5.4.2 Repairs and Maintenance

Description	2010/11	2011/12	2012/13
	R'000	R'000	R'000
Total Operating Expenditure	643,201	735,237	745,158
Repairs and Maintenance	58,239	64,845	114,414
% of total OPEX	9.1%	8.8%	15.4%

Table 266.: 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 23.: Repairs & Maintenance vs. Operational Expenditure

The percentage of repairs and maintenance over the total operating expenditure for the 2012/13 financial year was 15.4% (2011/12:8.8%). The repairs and maintenance expenditure appears adequate to maintain existing infrastructure as service delivery is not negatively affected.

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5.5 Financial Ratios Based on Key Performance Indicators

5.5.1 Liquidity Ratio

Description	Basis of calculation	2010/11	2011/12	2012/13
		Audited outcome	Audited outcome	Audit outcome
Current Ratio	Current assets/current liabilities	1.63	1.67	1.28
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.53	1.58	1.17
Liquidity Ratio	Cash and equivalents/Trade creditors and short term borrowings	1.06	2.12	1.30

Table 267.: Liquidity Financial Ratio

Financial year	Net current assets	Net current liabilities	Ratio
	R'000	R'000	
2010/11	211,644	129,879	1.63:1
2011/12	230,028	137,580	1.67:1
2012/13	198,521	155,463	1.28:1

Table 268.: Liquidity Financial Ratio

5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2010/11	2011/12	2012/13
		Audited outcome	Audited outcome	Audit outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.80	5.83	3.49
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	13.6%	13.3%	11.9%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	26.50	17.40	17.46

Table 269.: Financial Viability National KPAs

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5.5.3 Creditors Management

Description	Basis of calculation	2010/11	2011/12	2012/13
		Audited outcome	Audited outcome	Audit outcome
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	96%	97%	97%

Table 270.: Creditors Management

5.5.4 Borrowing Management

Description	Basis of calculation	2010/11	2011/12	2012/13
		Audited outcome	Audited outcome	Audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.5%	6.3%	6.8%

Table 271.: Borrowing Management

5.5.5 Employee costs

Description	Basis of calculation	2010/11	2011/12	2012/13
		Audited outcome	Audited outcome	Audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	30.8%	34.7%	33.1%

Table 272.: Employee Costs

Overstrand Municipality is still functioning inside the acceptable liquidity norm. The Municipality has a positive liquidity ratio. It decreased from 2.12 to 1.30. The Municipality has a positive current ratio. It decreased from 1.67 to 1.28. 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.

The creditors' system efficiency increased from 97% to 97.4%. The cost coverage decreased from 5.83 to 3.49. The total outstanding service debtors to revenue decreased from 13.3% to 11.9%. The debt coverage increased from 17.4 to 17.46. The capital charges to operating expenditure increased from 6.3% to 6.8%. The employee cost over total operating revenue decreased from 34.7% to 33.1%. The repairs and maintenance over total operating expenditure increased from 8.8% to 15.4%. The ratios indicate a sound financial position.

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COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 Analysis of Capital and operating expenditure

R million	Original Budget	Adjustment Budget	Actual	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	169,043	167,500	143,764	-17.6%	-16.5%
Operating Expenditure	791,055	758,982	745,145	-6.2%	-1.9%
Total expenditure	791,055	758,981	745,158	-6.2%	-1.9%
Water and sanitation	108,258	105,920	102,033	-6.1%	-3.8%
Electricity	202,137	200,230	198,902	-1.6%	-0.7%
Housing	5,228	4,990	4,258	-22.8%	-17.2%
Roads, Pavements, Bridges and storm water	84,630	83,461	75,507	-12.1%	-10.5%
Other	390,801	364,380	364,458	-7.2%	0.0%
External Loans	83,901	77,146	67,544	-24.2%	-14.2%
Internal contributions	14,500	17,572	17,345	16.4%	-1.3%
Grants and subsidies	62,459	72,267	53,809	-16.1%	-34.3%
Other	8,183	516	5,067	-61.5%	89.8%
External Loans	50,000	48,700	38,700	-29.2%	-25.8%
Grants and subsidies	105,075	103,358	95,489	-10.0%	-8.2%
Investments Redeemed	–	–	–	0.0%	0.0%
Statutory Receipts (including VAT)	50,309	50,309	57,427	12.4%	12.4%
Other Receipts	23,489	29,489	37,173	36.8%	20.7%
Salaries, wages and allowances	229,091	227,845	231,527	1.1%	1.6%
Cash in bank	87,646	101,518	84,147	-4.2%	-20.6%
Capital payments	169,043	167,500	143,764	-17.6%	-16.5%
Investments made	–	–	55,042	100.0%	100.0%
External loans repaid	16,454	16,454	13,554	-21.4%	-21.4%
Statutory Payments (including VAT)	26,500	26,500	27,282	2.9%	2.9%
Other payments	37,492	33,294	39,578	5.3%	15.9%

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R million	Original Budget	Adjustment Budget	Actual	Original Budget variance	Adjusted Budget Variance
R million	Original Budget	Adjustment Budget	Actual	Original Budget variance	Adjusted Budget Variance
Property rates	148,024	119,129	116,321	-27.3%	-2.4%
Service charges	460,017	447,228	437,030	-5.3%	-2.3%
Other own revenue	158,028	152,625	151,103	-4.6%	-1.0%
Employee related costs	229,091	227,845	231,527	1.1%	1.6%
Provision for working capital	1,000	1,000	934	0.0%	0.0%
Materials	12,697	13,279	12,437	-2.1%	-6.8%
Bulk purchases	144,421	143,721	145,022	0.4%	0.9%
Other expenditure	403,846	373,136	355,238	-13.7%	-5.0%
Service charges: Electricity	260,510	253,485	247,521	-5.2%	-2.4%
Grants & subsidies: Electricity	1,800	1,800	1,800	0.0%	0.0%
Other revenue: Electricity	1,860	234	182	-922.7%	-28.9%
Employee related costs: Electricity	15,352	14,400	13,974	-9.9%	-3.1%
Provision for working capital: Electricity	250	250	234	0.0%	0.0%
Repairs and maintenance: Electricity	4,715	4,710	4,311	-9.4%	-9.2%
Bulk purchases: Electricity	144,421	143,721	145,022	0.4%	0.9%
Other expenditure: Electricity	57,465	56,258	53,647	-7.1%	-4.9%
Service charges: Water	93,528	89,943	85,498	-9.4%	-5.2%
Grants & subsidies: Water	1,822	9,907	9,907	81.6%	0.0%
Other revenue: Water	19,278	761	1,174	-	35.2%
				1542.2%	
Employee related costs: Water	14,635	13,420	13,290	-10.1%	-1.0%
Provision for working capital: Water	250	250	234	0.0%	0.0%
Repairs and maintenance: Water	6,944	6,980	6,782	-2.4%	-2.9%
Bulk purchases: Water	-	-	-	0.0%	0.0%
Other expenditure: Water	64,109	62,807	60,255	-6.4%	-4.2%

Table 273.: Analysis of Capital and Operating Expenditure

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5.7 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2012/13 financial year:

Capital Expenditure - Funding Sources 2011/12 to 2012/13						
R' 000						
Details	2011/12	2012/13				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
External loans	73,964	83,901	77,146	67,544	-8.05%	-19.50%
Public contributions and donations	14,300	8,183	516	5,067	-93.70%	-38.08%
Grants and subsidies	59,102	62,459	72,267	53,809	15.70%	-13.85%
Other	15,909	14,500	17,572	17,345	21.18%	19.62%
Total	163,275	169,043	167,500	143,764	-64.86%	-51.81%
Percentage of finance						
External loans	45.3%	49.6%	46.1%	47.0%	12.4%	37.6%
Public contributions and donations	8.8%	4.8%	0.3%	3.5%	144.5%	73.5%
Grants and subsidies	36.2%	36.9%	43.1%	37.4%	-24.2%	26.7%
Other	9.7%	8.6%	10.5%	12.1%	-32.7%	-37.9%
Capital expenditure						
Water and sanitation	90,033	67,647	82,176	65,288	21.48%	-3.49%
Electricity	30,061	50,283	28,441	22,182	-43.44%	-55.89%
Housing	817	13,580	23,548	16,651	73.40%	22.61%
Roads and storm water	12,754	11,720	10,720	15,709	-8.53%	34.04%
Other	29,628	25,813	22,615	23,935	-12.39%	-7.28%
Total	163,295	169,043	167,500	143,764	30.52%	-10.00%
Water and sanitation	55.1%	40.0%	49.1%	45.4%	70.4%	34.9%
Electricity	18.4%	29.7%	17.0%	15.4%	-142.3%	558.8%
Housing	0.5%	8.0%	14.1%	11.6%	240.5%	-226.1%
Roads and storm water	7.8%	6.9%	6.4%	10.9%	-28.0%	-340.3%

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Capital Expenditure - Funding Sources 2011/12 to 2012/13						
R' 000						
Details	2011/12	2012/13				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Other	18.1%	15.3%	13.5%	16.6%	-40.6%	72.8%

Table 274.: Capital Expenditure by funding source

The Public Contribution variance is as a result of assets recognised at year end.

Capital expenditure amounting to R34.7 million, funded from external loans, remained unspent at 30 June 2013 and has rolled over to the 2013/2014 capital budget.

5.8 Capital Spending on 5 Largest Projects

Projects with the highest capital expenditure in 2012/13

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	2012/13			Variance 2012/13	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Local Economic Development Projects	2,418,000	3,388,228	3,135,483	-30%	-40%
B - Hermanus Parallel Road	10,219,798	10,719,798	10,719,798	-5%	-5%
C - New 66kva Substation - Hermanus	34,000,000	12,520,887	11,389,793	67%	63%
D - Preekstoel Water Treatment Works Upgrade	30,063,371	38,390,638	31,550,832	-5%	-28%
E - Hermanus Waste Water Treatment Works Upgrading	5,754,842	11,117,374	10,569,044	-84%	-93%

* Projects with the highest capital expenditure in 2012/13

Table 275.: Capital Expenditure on the 5 Largest Projects

Name of Project	LOCAL ECONOMIC DEVELOPMENT PROJECTS
Objective of Project	To promote and improve local economic development in municipal area
Delays	None
Future Challenges	(1)Viability of local business, (2) Entrepreneurship - ability to innovate and not copy, (3) Vandalism and community appreciation,(4) Economic viability of communities that can sustain local businesses
Anticipated citizen benefits	The idea is driven by the fact that public investment and funding can be utilized to attract private and community investment for the benefit of the local economy and unlock the social and economic potential within neglected neighbourhoods. This kind of focus is key to improving the quality of life among inhabitants in these

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	areas and address historical backlog responsible for underdevelopment.
--	--

Table 276.: Summary of Local Economic Development Projects

Name of Project	HERMANUS PARALLEL ROAD
Objective of Project	Upgrading of Mbeki Road, to provide a new Public Transport Route between Sandbaai Business Node, Industrial Area, and the Hermanus CBD, as well as to provide an alternative route to the R43 for local travelling and will link Sandbaai, Zwelihle, Mount Pleasant and in future Vermont & Onrus, to Hermanus CBD and Industrial Area . The road will also have sidewalks and cycle lanes for pedestrians & cyclists.
Delays	Project was delayed during the procurement process, as the tender amount exceeded available budget and tender was referred back until additional funding could be secured. During construction delays occurred as a result of the relocation of existing electrical services.
Future Challenges	Funding to complete other phases of the project
Anticipated citizen benefits	Promotion of road safety as proper sidewalks and cycle lane are provided. Direct access to work opportunities for the communities of Zwelihle and Mount Pleasant

Table 277.: Summary of Hermanus Parallel Road

Name of Project	NEW 66KVA SUBSTATION - HERMANUS
Objective of Project	Extend and Increase the Electricity Supply capacity for the Hermanus area of electricity supply
Delays	The project has been awarded and is proceeding as per program. Aim to align Eskom work on project with Overstrand program and end date.
Future Challenges	Adjusting the existing electricity network to align with the upgraded and altered position of electricity supply to Hermanus
Anticipated citizen benefits	Increased capacity of electricity supply will allow the addition of complexes such as a shopping mall and additional industry developments

Table 278.: Summary of New 66kva Substation - Hermanus

Name of Project	PREEKSTOEL WATER TREATMENT WORKS UPGRADE
Objective of Project	Extend water treatment capacity for Greater Hermanus and to extend the water treatment plant lifespan
Delays	Appeal on mechanical/electrical tender award - resolved
Future Challenges	Adequate maintenance and operation by adequately skilled and experienced staff
Anticipated citizen benefits	Sufficient water supply of excellent quality

Table 279.: Summary of Preekstoel Water Treatment Works Upgrade

Name of Project	HERMANUS WASTE WATER TREATMENT WORKS UPGRADING
Objective of Project	Extend waste water treatment capacity for Hermanus, as well as treatment plant lifespan
Delays	Environmental processes, weather conditions on site

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Future Challenges	Adequate maintenance and operation by adequately skilled and experienced staff
Anticipated citizen benefits	Adequate waste water treatment capacity, as well as protection of the environment

Table 280.: Summary of Hermanus Waste Water Treatment Works Upgrading

The variance between the original and adjustment budgets on these projects amount to 1%.

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 being implemented. Additional water points and toilets are being 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). Final completion of this project is expected by the end of November 2013.

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	30930	100%	0	0%
Sanitation	30930	100%	0	0%
Electricity	28333	0%	3449	0%
Waste management	31739	0%	0	0%

Table 281.: 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 2012/13 on Service backlogs					
R' 000					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
Infrastructure - Road	14,684,602	14,684,602	14,684,602	0%	0%

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Municipal Infrastructure Grant (MIG)* Expenditure 2012/13 on Service backlogs					
R' 000					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
transport					
<i>Roads, Pavements & Bridges</i>	10,219,798	10,219,798	10,219,798	0%	0%
<i>Storm water</i>	4,464,804	4,464,804	4,464,804	0%	0%
Infrastructure - Electricity	-	-	-	0%	0%
<i>Generation</i>	-	-	-	0%	0%
<i>Transmission & Reticulation</i>				0%	0%
<i>Street Lighting</i>				0%	0%
Infrastructure - Water	488,105	488,105	488,105	0%	0%
<i>Water purification</i>	488,105	488,105	488,105	0%	0%
Infrastructure - Sanitation	350,000	350,000	350,000	0%	0%
<i>Sewerage purification</i>				0%	0%
Other:	1,424,293	1,424,293	1,424,293	0%	0%
<i>Sport Re-creational facility - Swimming pool</i>	1,424,293	1,424,293	1,424,293	0%	0%
Total	16,947,000	16,947,000	16,947,000		
<p>* 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.</p>					

Table 282.: Municipal Infrastructure Grant (MIG)

The MIG Allocation for 2012/2013 of R 16 947 000.00 was spent on the following projects:

Bulk water Upgrade(R 488 105.00):

500m of new 160mm dia Water Pipeline has been installed for the new housing development in Eluxolweni, Pearly Beach to satisfy fire flow requirements and sufficient water pressure(*to ensure safety in case of fires*), as well as to ensure the provision of sufficient quality potable water and healthy living conditions to the Eluxolweni community,. 419 households will benefit, which include 100 existing houses, 211 houses to be built in 2013/2014 financial year and the 108 houses to be built in the future.

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

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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.

Hermanus Parallel Road (Mbeki Street) (R10 219 798.00):

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.

New Bulk Stormwater Infrastructure for Masakhane & Blompark, 1.8km (R 4 464 804)

Phase 1 of the project consists of the construction of 3 stormwater ponds in Masakhane area, 1 pond in Blompark area and the installation of 1.8km of stormwater pipes. Benefits of the project include the elimination of flooding and damages to properties, improve living conditions of the people and creation of temporary job opportunities. The project will benefit the Masakhane and Blompark areas.

Upgrade Soccer field in Overhills Kleinmond (R226 320.00 spent on professional services)

The existing condition of the soccer field is in a poor state, as it is being utilized daily by approximately 13 teams.

The upgrading will be conducted in various phases for budgetary purposes. The phases are proposed as follows:

- Phase 1 - Upgrading the pitch and temporary ablution facilities;
- Phase 2 – Perimeter fence and spectator seating;
- Phase 3 – Constructing a club house with ablution facilities;
- Phase 4 – Upgrade the access road.

Phase 1 will be rolled out in the 2013/2014 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.

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Zwelihle, Mount Pleasant: Rehabilitate Swimming Pool, (R 1 197 973.00)

The work included alterations to the existing pump station, pipe work, pumps and the refurbishment of the existing main- and child swimming pool. 7496 households served.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

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.

5.10 Cash Flow

Cash Flow Outcomes				
R'000				
Description	2011/12	2012/13		
	Restated	Original Budget	Adjusted Budget	Actual Pre-Audit
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	577,470	648,293	647,047	591,940
Government - operating	38,005	41,033	41,883	41,680
Government - capital	54,577	69,059	71,242	57,037
Interest	9,211	7,420	7,420	9,752
Dividends	–	–	–	–
Payments				
Suppliers and employees	(519,219)	(592,506)	(597,242)	(551,854)
Finance charges	(31,669)	(38,054)	(38,054)	(37,174)
Transfers and Grants	(28,454)	(28,000)	(35,975)	(35,856)
NET CASH FROM/(USED) OPERATING ACTIVITIES	99,921	107,245	96,321	75,526
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	13,722	–	–	1,725
Decrease (Increase) in non-current debtors	2,189	30,000	30,000	–
Decrease (increase) other non-current receivables	20	40	40	50
Decrease (increase) in non-current investments	(4,430)	(4,047)	(4,047)	(4,960)
Payments				
Capital assets	(163,275)	(186,198)	(184,655)	(143,764)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(151,774)	(160,205)	(158,662)	(146,949)

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Cash Flow Outcomes				
R'000				
Description	2011/12	2012/13		
	Restated	Original Budget	Adjusted Budget	Actual Pre-Audit
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	110,000	50,000	48,700	38,700
Increase (decrease) in consumer deposits	12,844	4,914	4,914	3,726
Payments				
Repayment of borrowing	(14,295)	(16,454)	(16,454)	(13,554)
NET CASH FROM/(USED) FINANCING ACTIVITIES	108,549	38,460	37,160	28,872
NET INCREASE/ (DECREASE) IN CASH HELD	56,696	(14,500)	(25,181)	(42,552)
Cash/cash equivalents at the year begin:	70,004	102,146	126,699	126,699
Cash/cash equivalents at the year-end:	126,699	87,646	101,518	84,147
Source: MBRR SA7				

Table 283.: Cash flow

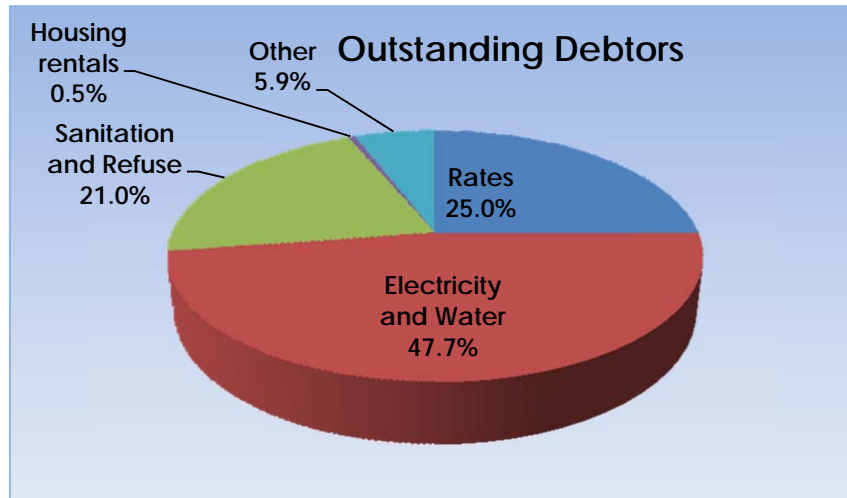
5.11 Gross Outstanding Debtors per Service

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'000	R'000	R'000	R'000	R'000	R'000
2010/11	16,617	29,374	13,154	430	5,079	64,654
2011/12	18,118	32,274	14,445	303	3,334	68,475
2012/13	16,138	31,490	14,181	317	3,870	65,996
Difference	1,980	784	265	(14)	(536)	2,479
% growth year on year	11.9%	2.7%	2.0%	-3.3%	-10.6%	3.8%

Table 284.: Gross outstanding debtors per service

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The following graph indicates the total outstanding debt per type of service for 2012/13



Graph 24.: Debt per type of service

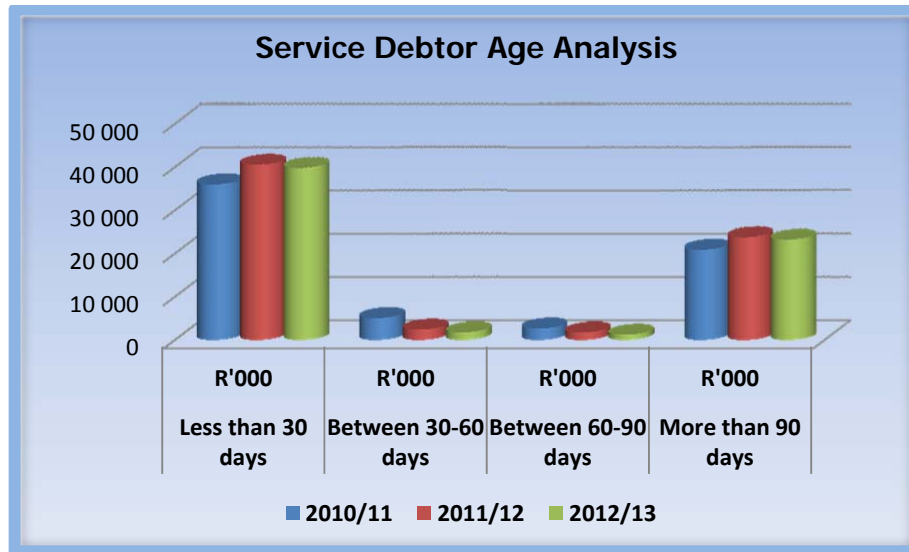
5.12 Total Debtors Age Analysis

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
2010/11	36,012	5,077	2,672	20,894	64,654
2011/12	40,533	2,411	1,761	23,769	68,475
2012/13	39,780	1,799	1,237	23,179	65,996
Difference	753	612	524	590	2,479
% growth year on year	2.1%	12.1%	19.6%	2.8%	3.8%

Table 285.: Service debtor age analysis

Variances between the original budget and the amended budget are as a result of external loans taken up and not fully spent at year end. The consumer deposits increased after the implementation of a new strategy. This can also be attributed to the variances between the actual and the original- and amended budget. The municipality has a positive net cash from operating activities.

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Graph 25.: Service debtors age analysis for the 2010/11- 2012/13 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 2010/11 to 2011/12		
R' 000		
Instrument	2011/12	2012/13
Municipality		
Long-Term Loans (annuity/reducing balance)	357,004	382,150
Financial Leases	998	745
Municipality Total	358,002	382,895

Table 286.: Actual Borrowings

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5.13.2 Municipal Investments

Actual Investments 2011/12 to 2012/13		
R' 000		
Investment* type	2011/12	2012/13
	Actual	Actual
Deposits - Bank	75,000	55,493
Guaranteed Endowment Policies (sinking)	5,416	10,470
Investo Endowment Certificate	276	675
Municipality Total	80,691	66,638

Table 287.: Municipal Investments

5.13.3 Declaration of Loans and Grants made by the municipality

Declaration of Loans and Grants made by the municipality: 2012/13				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2012/13 R'000	Total Amount committed over previous and future years
Hermanus Hacking Group	Grant-in-aid	None	20	N/A
QHAYIYA SECONDARY SCHOOL	Grant-in-aid	None	3	N/A
Seagull Shellhole (Moths)	Grant-in-aid	None	5	N/A
KOGELBERG BRANCH OF THE BOTANI	Grant-in-aid	None	25	N/A
Overstrand Hospice	Grant-in-aid	None	45	N/A
CAMPBILL FARM COMMUNITY	Grant-in-aid	None	30	N/A
HOU MOED CENTRE	Grant-in-aid	None	10	N/A
HERMANUS SENIOR CENTRE	Grant-in-aid	None	10	N/A
Camphill School	Grant-in-aid	None	50	N/A
SIYABULELA PRE PRIMARY	Grant-in-aid	None	10	N/A
Baardskeerdersbos Community development	Grant-in-aid	None	10	N/A
CREATIVE VOICE YOUTH DEVELOPME	Grant-in-aid	None	30	N/A
Overstrand Gemeenskaps Ontwikkeling	Grant-in-aid	None	10	N/A
Hermanus Passiespel	Grant-in-aid	None	10	N/A
Old Harbour Museum	Grant-in-aid	None	45	N/A
ACCESS FOR CITIZENS	Grant-in-aid	None	15	N/A
VERMONT CONSERVATION TRUST	Grant-in-aid	None	30	N/A
Hawston Gesondheid & Welsyn Organisasie	Grant-in-aid	None	25	N/A
SJECHINAH CHRISTIAN CENTRE	Grant-in-aid	None	15	N/A
	Indigent grant	Have to comply with	35,458	N/A

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Declaration of Loans and Grants made by the municipality: 2012/13				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2012/13 R'000	Total Amount committed over previous and future years
		certain requirements		
<i>* Loans/Grants - whether in cash or in kind</i>				

Table 288.: 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: Auditor-General Findings

CHAPTER 6

COMPONENT A: AUDITOR-GENERAL OPINION 2011/12

6.1 Auditor General Report 2011/12

Auditor-General Report on Financial Performance 2011/12	
Audit Report Status:	Unqualified
Non-Compliance Issues	Remedial Action Taken
The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, provisions and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.	<p>The internal control deficiency identified was inadequate review of the annual financial statements due to the timing of the finalisation of related transactions and processes.</p> <p>In order to ensure that this does not re-occur, identified processes will be performed on a quarterly basis in order to identify, prevent and correct possible misstatements timeously. Additional robust review processes will be implemented prior to the finalisation and submission of the annual financial statements.</p>
<p>An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.</p> <p>Note: These issues of non-compliance as reported by the Auditor-General have been corrected prior to the conclusion of the audit.</p>	<p>The internal control deficiency identified was inadequate review of the asset register due to the timing of the finalisation of related transactions and processes.</p> <p>In order to ensure that this does not re occur, identified processes will be performed on a quarterly basis in order to identify, prevent and correct possible misstatements timeously. Additional robust review processes will be implemented prior to the finalisation of the asset register.</p>

Table 289.: AG Report on Financial Performance 2011/12

Auditor-General Report on Service Delivery Performance: 2011/12	
Audit Report Status:	Unqualified
Non-Compliance Issues	Remedial Action Taken
There were no material findings on the annual performance report concerning the usefulness and the reliability of the information reported by the Municipality.	

Table 290.: AG Report on Service Delivery Performance 2011/12

Chapter 6: Auditor-General Findings

COMPONENT B: AUDITOR-GENERAL OPINION 2012/13

6.2 Auditor-General Report 2012/13

Auditor-General Report on Financial Performance 2012/13	
Audit Report Status:	Unqualified (Clean Audit)
Non-Compliance Issues	Remedial Action Taken
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 291.: AG Report on Financial Performance 2012/13

Auditor-General Report on Service Delivery Performance: 2012/13	
Audit Report Status:	Unqualified (Clean Audit)
Non-Compliance Issues	Remedial Action Taken
There were no material findings on the annual performance report concerning the usefulness and the reliability of the information reported by the Municipality.	

Table 292.: AG Report on Service Delivery Performance 2012/13

LIST OF ABBREVIATIONS

AG	Auditor-General
CAPEX	Capital Expenditure
CBP	Community Based Planning
CFO	Chief Financial Officer
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MAYCOM	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MSA	Municipal Systems Act No. 32 of 2000
MTECH	Medium Term Expenditure Committee
NGO	Non-governmental organisation
NT	National Treasury
OPEX	Operating expenditure
PMS	Performance Management System
PT	Provincial Treasury
SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework

Annexures

Annexure A: Audited Financial Statements



Overstrand Municipality

Annual Financial Statements
for the year ended 30 June 2013

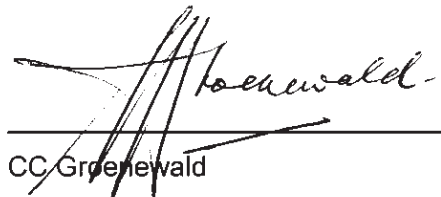
**OVERSTRAND MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS**

for the year ended 30 June 2013

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 82, 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.



CC. Groenewald

Municipal Manager

26 November 2013

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

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Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Statement of Financial Position as at 30 June 2013

Figures in Rand	Note(s)	2013	2012 Restated
Assets			
Current Assets			
Inventories	10	18,936,723	16,445,640
Operating lease asset		850,640	925,903
Receivables from exchange transactions	11	25,548,796	21,633,678
Receivables from non-exchange transactions	12	11,606,866	8,512,324
VAT receivable	13	8,346,728	5,429,460
Consumer debtors	14	49,080,265	50,361,117
Long term receivables	9	17,432	25,298
Cash and cash equivalents	15	84,147,296	126,699,467
		198,534,746	230,032,887
Non-Current Assets			
Investment property	3	175,866,200	104,672,500
Property, plant and equipment	4	3,006,327,423	2,964,461,713
Intangible assets	5	4,448,587	3,547,265
Heritage assets	6	99,322,044	108,552,044
Other financial assets	7	11,596,590	5,691,303
Long term receivables	9	83,571	126,072
		3,297,644,415	3,187,050,897
Non-current assets held for sale and assets of disposal groups	16	1,025,005	22,048,631
Total Assets		3,497,204,166	3,439,132,415
Liabilities			
Current Liabilities			
Other financial liabilities	19	17,756,093	16,423,592
Finance lease obligation	17	484,773	374,480
Payables from exchange transactions	21	66,860,021	63,172,122
Consumer deposits	22	34,932,021	31,206,422
Retirement benefit obligation	8	2,033,000	1,943,000
Unspent conditional grants	18	7,783,323	4,555,477
Provisions	20	25,636,521	19,904,493
		155,485,752	137,579,586
Non-Current Liabilities			
Other financial liabilities	19	364,394,191	340,580,681
Finance lease obligation	17	259,781	623,289
Retirement benefit obligation	8	79,887,000	71,562,000
Provisions	20	39,431,887	39,534,817
		483,972,859	452,300,787
Total Liabilities		639,458,611	589,880,373
Net Assets		2,857,745,555	2,849,252,042
Reserves			
Housing development fund		1,891,493	1,919,828
Accumulated surplus		2,855,854,062	2,847,332,214
Total Net Assets		2,857,745,555	2,849,252,042

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Statement of Financial Performance

Figures in Rand	Note(s)	2013	2012 Restated
Revenue			
Revenue from exchange transactions			
Service charges	24	437,030,176	405,414,708
Rental of facilities and equipment		7,208,321	6,742,524
Licences and permits		1,968,301	1,786,476
Agency services		2,025,238	1,911,799
Other income	27	21,812,393	17,374,511
Interest received	33	9,752,077	9,211,219
Total revenue from exchange transactions		479,796,506	442,441,237
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	23	116,321,052	108,912,930
Property rates - penalties imposed	23	914,328	924,860
Transfer revenue			
Government grants and subsidies	25	95,488,947	92,837,984
Public contributions and donations	26	5,289,119	8,602,805
Fines		6,643,860	5,278,097
Total revenue from non-exchange transactions		224,657,306	216,556,676
Total revenue		704,453,812	658,997,913
Expenditure			
Employee costs	30	(231,527,296)	(207,938,265)
Remuneration of councillors	31	(7,084,131)	(6,717,244)
Depreciation and amortisation	35	(96,076,386)	(100,929,965)
Impairment loss/ Reversal of impairments	36	(9,204,060)	(3,111,159)
Finance costs	37	(37,309,747)	(31,727,084)
Debt impairment	32	(934,421)	(27,541)
Materials	43	(12,436,890)	(54,581,893)
Bulk purchases	41	(145,021,600)	(126,669,077)
Contracted services	39	(67,600,660)	(24,078,792)
Grants and subsidies paid	40	(35,856,345)	(28,454,141)
General Expenses	28	(102,106,629)	(151,001,399)
Total expenditure		(745,158,165)	(735,236,560)
Operating deficit	29	(40,704,353)	(76,238,647)
(Loss) / Gain on disposal of assets and liabilities		(1,755,579)	1,920,086
Fair value adjustments	34	49,648,749	(7,288,753)
		47,893,170	(5,368,667)
Surplus / (Deficit) for the year		7,188,817	(81,607,314)

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Housing development fund	Total reserves	Accumulated surplus	Total net assets
Opening balance as previously reported	315,176,077	1,912,522	317,088,599	2,564,678,760	2,881,767,359
Adjustments					
Correction of errors	(315,176,077)	-	(315,176,077)	363,079,516	47,903,439
Change in accounting policy	-	-	-	1,181,252	1,181,252
Balance at 01 July 2011 as restated	-	1,912,522	1,912,522	2,928,939,528	2,930,852,050
Changes in net assets					
Surplus for the year	-	-	-	(81,607,314)	(81,607,314)
Transfer to Housing development fund	-	7,306	7,306	-	7,306
Total changes	-	7,306	7,306	(81,607,314)	(81,600,008)
Opening balance as previously reported	-	1,919,828	1,919,828	2,490,973,366	2,492,893,194
Adjustments					
Correction of errors	-	-	-	353,620,884	353,620,884
Change in accounting policy	-	-	-	2,737,961	2,737,961
Balance at 01 July 2012 as restated	-	1,919,828	1,919,828	2,847,332,211	2,849,252,039
Changes in net assets					
Surplus for the year	-	-	-	7,188,817	7,188,817
Transfer to / from Housing development fund	-	(28,335)	(28,335)	-	(28,335)
Transfer to / from Self insurance fund	-	-	-	1,333,034	1,333,034
Total changes	-	(28,335)	(28,335)	8,521,851	8,493,516
Balance at 30 June 2013	-	1,891,493	1,891,493	2,855,854,062	2,857,745,555

Note(s)

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Cash Flow Statement

Figures in Rand	Note(s)	2013	2012 Restated
Cash flows from operating activities			
Receipts			
Taxation		116,355,205	110,346,773
Sale of goods and services		440,786,984	410,072,946
Grants		98,716,792	92,582,436
Interest income		9,752,077	9,211,219
Other receipts		37,219,066	69,886,260
Movement in housing development fund and self insurance fund		1,304,700	7,306
		<u>704,134,824</u>	<u>692,106,940</u>
Payments			
Employee costs		(223,112,296)	(197,870,265)
Suppliers		(145,021,600)	(126,669,077)
Finance costs		(37,173,824)	(31,669,076)
Other payments		(219,186,845)	(224,073,957)
		<u>(624,494,565)</u>	<u>(580,282,375)</u>
Net cash flows from operating activities	42	<u>79,640,259</u>	<u>111,824,565</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(141,545,358)	(162,346,177)
Proceeds from sale of property, plant and equipment	4	1,669,546	13,721,879
Purchase of investment property	3	(945,000)	-
Proceeds from sale of investment property	3	55,000	-
Purchase of other intangible assets	5	(1,273,858)	(928,401)
Movement in financial assets		(4,960,000)	(4,429,606)
Movement in long term receivables		50,367	19,951
Movement in non-current assets held for sale		-	2,188,527
Net cash flows from investing activities		<u>(146,949,303)</u>	<u>(151,773,827)</u>
Cash flows from financing activities			
Movement in other financial liabilities		25,146,011	95,705,267
Movement in Finance lease		(389,138)	939,761
Net cash flows from financing activities		<u>24,756,873</u>	<u>96,645,028</u>
Net increase / (decrease) in cash and cash equivalents		<u>(42,552,171)</u>	<u>56,695,766</u>
Cash and cash equivalents at the beginning of the year		126,699,467	70,003,701
Cash and cash equivalents at the end of the year	15	<u>84,147,296</u>	<u>126,699,467</u>

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	460,017,440	(12,789,850)	447,227,590	437,030,176	(10,197,414)	58
Rental of facilities and equipment	8,010,863	181,240	8,192,103	7,208,321	(983,782)	
Licences and permits	1,846,732	10,000	1,856,732	1,968,301	111,569	
Agency services	2,081,257	-	2,081,257	2,025,238	(56,019)	
Other income	20,764,915	202,892	20,967,807	21,812,393	844,586	
Investment revenue	7,420,140	2,500,000	9,920,140	9,752,077	(168,063)	
Total revenue from exchange transactions	500,141,347	(9,895,718)	490,245,629	479,796,506	(10,449,123)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	147,023,883	(28,894,650)	118,129,233	116,321,052	(1,808,181)	
Property rates - penalties imposed	1,000,000	-	1,000,000	914,328	(85,672)	
Government grants and subsidies	105,074,945	(2,217,324)	102,857,621	95,488,947	(7,368,674)	
Transfer revenue						
Public contributions and donations	6,600,000	(6,100,000)	500,000	5,289,119	4,789,119	58
Fines	6,229,064	20,000	6,249,064	6,643,860	394,796	
Total revenue from non-exchange transactions	265,927,892	(37,191,974)	228,735,918	224,657,306	(4,078,612)	
Total revenue	766,069,239	(47,087,692)	718,981,547	704,453,812	(14,527,735)	
Expenditure						
Employee costs	(229,090,679)	1,245,287	(227,845,392)	(231,527,296)	(3,681,904)	58
Remuneration of councillors	(7,070,611)	(30,434)	(7,101,045)	(7,084,131)	16,914	
Depreciation and amortisation	(107,515,269)	1,969,791	(105,545,478)	(96,076,386)	9,469,092	
Impairment loss/ Reversal of impairments	-	(1,872,000)	(1,872,000)	(9,204,060)	(7,332,060)	
Finance costs	(38,053,939)	-	(38,053,939)	(37,309,747)	744,192	
Debt impairment	(1,000,000)	-	(1,000,000)	(934,421)	65,579	
Materials	(12,697,030)	(582,145)	(13,279,175)	(12,436,890)	842,285	
Bulk purchases	(144,421,300)	700,000	(143,721,300)	(145,021,600)	(1,300,300)	
Contracted Services	(69,426,162)	(2,434,816)	(71,860,978)	(67,600,660)	4,260,318	
Grants and subsidies paid	(28,000,000)	(7,975,000)	(35,975,000)	(35,856,345)	118,655	
General Expenses	(153,779,529)	41,052,289	(112,727,240)	(102,106,631)	10,620,609	
Total expenditure	(791,054,519)	32,072,972	(758,981,547)	(745,158,167)	13,823,380	
Operating deficit	(24,985,280)	(15,014,720)	(40,000,000)	(40,704,355)	(704,355)	58
Loss on disposal of assets and liabilities	-	-	-	(1,755,579)	(1,755,579)	
Fair value adjustments	-	-	-	49,648,749	49,648,749	58
	-	-	-	47,893,170	47,893,170	
Surplus before taxation	(24,985,280)	(15,014,720)	(40,000,000)	7,188,815	47,188,815	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(24,985,280)	(15,014,720)	(40,000,000)	7,188,815	47,188,815	

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	7,089,288	-	7,089,288	18,936,723	11,847,435	58
Operating lease asset	-	-	-	850,640	850,640	
Receivables from exchange transactions	23,464,611	6,000,000	29,464,611	25,548,796	(3,915,815)	58
Receivables from non-exchange transactions	-	-	-	11,606,866	11,606,866	
VAT receivable	-	-	-	8,346,728	8,346,728	
Consumer debtors	50,309,000	-	50,309,000	49,080,265	(1,228,735)	
Long term receivables	24,474	-	24,474	17,432	(7,042)	58
Cash and cash equivalents	87,646,379	13,872,056	101,518,435	84,147,296	(17,371,139)	58
	168,533,752	19,872,056	188,405,808	198,534,746	10,128,938	
Non-Current Assets						
Investment property	87,289,228	-	87,289,228	175,866,200	88,576,972	58
Property, plant and equipment	3,115,953,103	(40,945,042)	3,075,008,061	3,006,327,423	(68,680,638)	
Intangible assets	3,421,957	-	3,421,957	4,448,587	1,026,630	58
Heritage assets	-	-	-	99,322,044	99,322,044	58
Other financial assets	11,020,000	-	11,020,000	11,596,590	576,590	
Long term receivables	109,736	-	109,736	83,571	(26,165)	58
	3,217,794,024	(40,945,042)	3,176,848,982	3,297,644,415	120,795,433	
Non-current assets held for sale	-	-	-	1,025,005	1,025,005	58
Total Assets	3,386,327,776	(21,072,986)	3,365,254,790	3,497,204,166	131,949,376	
Liabilities						
Current Liabilities						
Other financial liabilities	18,401,440	-	18,401,440	17,756,093	(645,347)	
Finance lease obligation	-	-	-	484,773	484,773	
Payables from exchange transactions	63,991,960	(4,198,035)	59,793,925	66,860,021	7,066,096	58
Consumer deposits	34,913,828	-	34,913,828	34,932,021	18,193	
Retirement benefit obligation	2,033,000	-	2,033,000	2,033,000	-	
Unspent conditional grants	-	-	-	7,783,323	7,783,323	58
Provisions	9,398,956	(4,992,983)	4,405,973	25,636,521	21,230,548	58
	128,739,184	(9,191,018)	119,548,166	155,485,752	35,937,586	
Non-Current Liabilities						
Other financial liabilities	372,042,446	(1,300,000)	370,742,446	364,394,191	(6,348,255)	
Finance lease obligation	-	-	-	259,781	259,781	
Retirement benefit obligation	72,173,298	7,713,702	79,887,000	79,887,000	-	
Provisions	46,088,519	(3,280,950)	42,807,569	39,431,887	(3,375,682)	
	490,304,263	3,132,752	493,437,015	483,972,859	(9,464,156)	
Total Liabilities	619,043,447	(6,058,266)	612,985,181	639,458,611	26,473,430	
Net Assets	2,767,284,329	(15,014,720)	2,752,269,609	2,857,745,555	105,475,946	
Net Assets						
Revaluation reserve	315,176,077	-	315,176,077	-	(315,176,077)	58
Housing development fund	1,913,403	-	1,913,403	1,891,493	(21,910)	
Accumulated surplus	2,450,194,849	(15,014,720)	2,435,180,129	2,855,854,062	420,673,933	58
Total Net Assets	2,767,284,329	(15,014,720)	2,752,269,609	2,857,745,555	105,475,946	

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Taxation	143,940,328	(28,895,000)	115,045,328	116,355,205	1,309,877	
Sale of goods and services	455,374,052	-	455,374,052	440,786,984	(14,587,068)	
Grants	103,491,857	3,032,798	106,524,655	98,716,792	(7,807,863)	
Interest income	7,420,140	2,500,000	9,920,140	9,752,077	(168,063)	
Other receipts	60,492,505	(3,746,005)	56,746,500	37,219,066	(19,527,434)	58
Movement in housing development fund and self insurance fund	-	-	-	1,304,700	1,304,700	58
	770,718,882	(27,108,207)	743,610,675	704,134,824	(39,475,851)	
Payments						
Employee costs	(221,660,640)	-	(221,660,640)	(223,112,296)	(1,451,656)	
Suppliers	(144,421,300)	-	(144,421,300)	(145,021,600)	(600,300)	
Finance costs	(38,053,939)	-	(38,053,939)	(37,173,824)	880,115	
Other payments	(254,424,052)	16,184,343	(238,239,709)	(219,186,845)	19,052,864	
	(658,559,931)	16,184,343	(642,375,588)	(624,494,565)	17,881,023	
Net cash flows from operating activities	112,158,951	(10,923,864)	101,235,087	79,640,259	(21,594,828)	
Cash flows from investing activities						
Purchase of property, plant and equipment	(186,197,629)	1,542,832	(184,654,797)	(141,545,358)	43,109,439	58
Proceeds from sale of property, plant and equipment	-	-	-	1,669,546	1,669,546	
Purchase of investment property	-	-	-	(945,000)	(945,000)	
Proceeds from sale of investment property	-	-	-	55,000	55,000	
Purchase of other intangible assets	-	-	-	(1,273,858)	(1,273,858)	
Movement in financial assets	(4,046,979)	-	(4,046,979)	(4,960,000)	(913,021)	
Movement in long term receivables	39,783	-	39,783	50,367	10,584	
Movement in non-current assets held for sale	30,000,000	-	30,000,000	-	(30,000,000)	
Net cash flows from investing activities	(160,204,825)	1,542,832	(158,661,993)	(146,949,303)	11,712,690	
Cash flows from financing activities						
Movement in other liabilities	33,545,874	(1,300,000)	32,245,874	25,146,011	(7,099,863)	
Movement in finance lease	-	-	-	(389,138)	(389,138)	
Net cash flows from financing activities	33,545,874	(1,300,000)	32,245,874	24,756,873	(7,489,001)	
Net increase / (decrease) in cash and cash equivalents	(14,500,000)	(10,681,032)	(25,181,032)	(42,552,171)	(17,371,139)	
Cash and cash equivalents at the beginning of the year	102,146,379	24,553,088	126,699,467	126,699,467	-	
Cash and cash equivalents at the end of the year	87,646,379	13,872,056	101,518,435	84,147,296	(17,371,139)	

OVERSTRAND MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2013

Appropriation Statement

Figures in Rand	2013											2012			
	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 audited outcome
Financial Performance															
Property rates	148,023,883	(28,894,650)	119,129,233	-	-	119,129,233	117,235,380	-	(1,893,853)	98%	79%				109,837,790
Service charges	460,017,440	(12,789,850)	447,227,590	-	-	447,227,590	437,030,176	-	(10,197,414)	98%	95%				405,414,708
Investment Revenue	7,420,140	2,500,000	9,920,140	-	-	9,920,140	9,752,077	-	(168,063)	98%	131%				9,211,219
Transfers recognised - Operational	41,033,000	925,465	41,958,465	-	-	41,958,465	41,680,240	-	(278,225)	99%	102%				38,005,191
Other own revenue	38,932,831	414,132	39,346,963	-	-	39,346,963	89,306,862	-	49,959,899	227%	229%				35,013,493
Total Revenue (excl. capital transfers and contributions)	695,427,294	(37,844,903)	657,582,391	-	-	657,582,391	695,004,735	-	37,422,344	105%	100%				597,482,401
Employee costs	(229,090,679)	1,245,287	(227,845,392)	-	-	(227,845,392)	(231,527,296)	-	(3,681,904)	102%	101%	-	-	-	(207,938,265)
Remuneration of councillors	(7,070,611)	(30,434)	(7,101,045)	-	-	(7,101,045)	(7,084,131)	-	16,914	100%	100%	-	-	-	(6,717,244)
Debt impairment	(1,000,000)	-	(1,000,000)	-	-	(1,000,000)	(934,421)	-	65,579	93%	93%	-	-	-	(27,541)
Depreciation & asset impairment	(107,515,269)	97,791	(107,417,478)	-	-	(107,417,478)	(105,280,446)	-	2,137,032	98%	98%	-	-	-	(104,041,124)
Finance charges	(38,053,939)	-	(38,053,939)	-	-	(38,053,939)	(37,309,747)	-	744,192	98%	98%	-	-	-	(31,727,084)
Bulk purchases	(144,421,300)	700,000	(143,721,300)	-	-	(143,721,300)	(145,021,600)	-	(1,300,300)	101%	100%	-	-	-	(126,669,077)
Transfers and grants	(28,000,000)	(7,975,000)	(35,975,000)	-	-	(35,975,000)	(35,856,345)	-	118,655	100%	128%	-	-	-	(28,454,141)
Other expenditure	(235,902,721)	38,035,328	(197,867,393)	-	-	(197,867,393)	(183,899,758)	-	13,967,635	93%	78%	-	-	-	(236,950,837)
Total Expenditure	(791,054,519)	32,072,972	(758,981,547)	-	-	(758,981,547)	(746,913,744)	-	12,067,803	98%	94%	-	-	-	(742,525,313)
Surplus (Deficit)	(95,627,225)	(5,771,931)	(101,399,156)	-	-	(101,399,156)	(51,909,009)	-	49,490,147	51%	54%				(145,042,912)
Transfers recognised - capital	64,041,945	(3,142,789)	60,899,156	-	-	60,899,156	53,808,707	-	(7,090,449)	88%	84%				54,832,793
Contributions recognised - capital and contributed assets	6,600,000	(6,100,000)	500,000	-	-	500,000	5,289,119	-	4,789,119	1058%	80%				8,602,805
Surplus/(Deficit) after capital transfers and contributions	(24,985,280)	(15,014,720)	(40,000,000)	-	-	(40,000,000)	7,188,817	-	47,188,817	-18%	-29%				(81,607,314)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	0%	0%				-
Surplus (Deficit) for the year	(24,985,280)	(15,014,720)	(40,000,000)	-	-	(40,000,000)	7,188,817	-	47,188,817	-18%	-29%				(81,607,314)
Capital expenditure and funds sources															
Total capital expenditure	169,043,235	(1,542,734)	167,500,501	-	-	167,500,501	143,764,216	-	(23,736,285)	86%	85%				
Sources of capital funds															
Transfers recognised - capital	62,459,000	(919,094)	61,539,906	-	-	61,539,906	53,808,707	-	(7,731,199)	87%	86%				
Public contributions and donations	8,183,000	(7,683,000)	500,000	-	-	500,000	5,067,000	-	4,567,000	1013%	62%				
Borrowing	83,901,235	3,903,575	87,804,810	-	-	87,804,810	69,833,037	-	(17,971,773)	80%	83%				
Internally generated funds	14,500,000	3,155,785	17,655,785	-	-	17,655,785	15,055,472	-	(2,600,313)	85%	104%				
Total sources of capital funds	169,043,235	(1,542,734)	167,500,501	-	-	167,500,501	143,764,216	-	(23,736,285)	86%	85%				
Cash flows															
Net cash from (used) operating	107,245,124	(10,923,865)	96,321,259	-	-	96,321,259	79,640,258	-	(16,681,001)	83%	74%				
Net cash from (used) investing	(160,204,826)	1,542,833	(158,661,993)	-	-	(158,661,993)	(146,949,302)	-	11,712,691	93%	92%				
Net cash from (used) financing	38,459,702	(1,300,000)	37,159,702	-	-	37,159,702	24,756,873	-	(12,402,829)	67%	64%				
Net increase/(decrease) in cash and cash equivalents	(14,500,000)	(10,681,032)	(25,181,032)	-	-	(25,181,032)	(42,552,171)	-	(17,371,139)	169%	293%				
Cash and Cash equivalents at the beginning of the year	102,146,379	24,553,088	126,699,467	-	-	126,699,467	126,699,467	-	-	100%	124%				
Cash/cash equivalents at the year end	87,646,379	13,872,056	101,518,435	-	-	101,518,435	84,147,296	-	(17,371,139)	83%	96%				

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1. Presentation of Annual Financial Statements

The annual 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 annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

The financial statements have been prepared on a going-concern basis.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out in note 2 Changes in accounting policy

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual 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 annual financial statements.

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. 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 including [list entity specific variables, i.e. production estimates, supply demand], together with economic factors such as [list economic factors such as exchange rates inflation interest].

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 20 - Provisions.

Useful lives of infrastructure and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for infrastructure and other assets. 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.

1.2 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

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.2 Investment property (continued)

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 in the following circumstances:

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 business, 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.

1.3 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 the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction (no cost or for a nominal cost), 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 monetary assets, or a combination of monetary 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.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.3 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Useful life in years
Buildings	5 - 30
Furniture and fixtures	3 - 15
Motor vehicles	4 - 10
Office equipment	3 - 15
Infrastructure	
• Roads 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
Other property, plant and equipment	
• Bins and containers	10 - 15

The residual value, the useful life and depreciation method of each asset are reviewed at the end 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 of the asset.

The gain or loss arising from 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.

1.4 Intangible assets

An asset is identified as an intangible asset when it:

- 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, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

Intangible assets are initially recognised at cost.

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.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.4 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

1.5 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 annual 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

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.5 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.

1.6 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 an entity's statement of financial position.

Classification

The municipality has the following types of financial assets as reflected on the face of the statement of financial position or in the notes thereto:

Class

- Operating lease assets
- Receivables from exchange transactions
- Other 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 obligation
- 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 entity 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

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.6 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.

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.

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 continue 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.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.6 Financial instruments (continued)

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 entity 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).

1.7 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 effective interest rate applicable to 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.

1.8 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.

Subsequently inventories are measured at the lower of cost and net realisable value.

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.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.8 Inventories (continued)

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 and purified effluent are valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

1.9 Non-current assets held for sale

Non-current assets 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.

The gain or loss on the eventual sale of non-current assets held for sale is included in the statement of financial performance as 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.

1.10 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.

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.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.11 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.

1.12 Employee benefits

Employee benefits are all forms of consideration given by an entity 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 an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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 municipality 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 municipality 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.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.12 Employee benefits (continued)

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.

Other post retirement obligations

The municipality provides post-retirement health care benefits 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.

1.13 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.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.13 Provisions and contingencies (continued)

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.

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.

1.14 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.

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.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.14 Revenue from exchange transactions (continued)

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.

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.

1.15 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 municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality 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.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

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.

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.

Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with management's best estimate of the probable inflows from the amounts not yet collected.

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.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

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.

1.16 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.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.17 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.18 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.

1.19 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.

1.20 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.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.20 Irregular expenditure (continued)

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 debt 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 accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

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 economic entity'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.

1.21 Presentation of currency

These annual financial statements are presented in South African Rand.

1.22 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

1.23 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.

1.24 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.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.25 Conditional grants and receipts

Conditions on transferred assets require that the entity either consume the future economic benefits or service potential of the asset as specified or return future economic benefits or service potential to the transferor in the event that the conditions are breached. Therefore, the recipient incurs a present obligation to transfer future economic benefits or service potential to third parties when it initially gains control of an asset subject to a condition.

Restrictions on transferred assets do not include a requirement that the transferred asset, or other future economic benefits or service potential is to be returned to the transferor if the asset is not deployed as specified. Therefore, gaining control of an asset subject to a restriction does not impose on the recipient a present obligation to transfer future economic benefits or service potential to third parties when control of the asset is initially gained.

1.26 Budget information

Municipality 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 municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2012/07/01 to 2013/06/30.

The annual 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 annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

Comparative information is not required.

1.27 Related parties

Management is regarded as a related party. 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.

1.28 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.

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.

1.29 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.

Overstrand Municipality

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Accounting Policies

1.30 Standards, amendments to standards and interpretations 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

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 policies dealing with the following transactions, but have not early adopted these standards:

GRAP 20 Related parties - issued June 2011

GRAP 25 Employee benefits - issued November 2009

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.

The following standards have been issued and are effective but not yet applicable:

GRAP 25 Employee benefits - effective 1 July 2013

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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2. Changes in accounting policy

The annual 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.

- GRAP 21 Impairment of non-cash-generating assets - effective 1 July 2012
- GRAP 23 Revenue from non-exchange transactions - effective 1 July 2012
- GRAP 24 Presentation of budget information in financial statements - effective 1 July 2012
- GRAP 26 Impairment of cash-generating assets - effective 1 July 2012
- GRAP 103 Heritage assets - effective 1 July 2012
- GRAP 104 Financial instruments - effective 1 July 2012

New standards of GRAP

During the year, the municipality changed its accounting policies with respect to the treatment of impairment, revenue, budget information, heritage assets and financial instruments. In order to conform with the benchmark treatment in the above mentioned standards of GRAP.

Change in accounting policy in terms of measurement after recognition of land and buildings

During the year, the municipality changed the accounting policy with respect to the treatment of land and buildings in GRAP 17 - Property, plant and equipment. The measurement after recognition has changed from the revaluation model to the cost model. As the current financial year would have been the first year there will be no effect on the financial position, financial performance, cash flows and net assets of the municipality.

The municipality's land and buildings are not traded in an active market. The probability of disposal is negligible as these assets are used for basic service delivery. The cost model is based on objective values whereas the revaluation model is subjective. Therefore the cost model is more appropriate for this asset class.

Refer to note 47

3. Investment property

	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	175,866,200	-	175,866,200	104,672,500	-	104,672,500

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

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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3. Investment property (continued)

Reconciliation of investment property - 2012

	Opening balance	Transfers	Fair value adjustments	Total
Investment property	103,398,228	8,563,025	(7,288,753)	104,672,500

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 for the 2012/13 financial year was R1,198,987 (2011/12 : R1,019,823).

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.

4. Property, plant and equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	341,368,178	-	341,368,178	341,198,078	-	341,198,078
Buildings	134,003,587	(21,324,765)	112,678,822	131,275,386	(16,289,750)	114,985,636
Infrastructure	5,056,065,136	(2,627,044,048)	2,429,021,088	4,942,020,109	(2,559,019,054)	2,383,001,055
Community	118,432,841	(39,866,317)	78,566,524	116,579,373	(35,215,455)	81,363,918
Other	73,742,861	(30,107,686)	43,635,175	70,003,821	(27,211,942)	42,791,879
Finance leases	1,379,399	(321,763)	1,057,636	1,207,907	(86,760)	1,121,147
Total	5,724,992,002	(2,718,664,579)	3,006,327,423	5,602,284,674	(2,637,822,961)	2,964,461,713

Overstrand Municipality

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Notes to the Annual Financial Statements

Figures in Rand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Disposals	Transfers	Under construction	Depreciation	Impairment loss	Total
Land	341,198,078	1,346,702	-	(751,394)	-	-	(425,208)	341,368,178
Buildings	114,985,636	3,319,769	(1,728,000)	1,568,432	-	(5,467,015)	-	112,678,822
Infrastructure	2,383,001,055	65,652,638	(708,815)	(644,551)	62,744,663	(81,023,902)	-	2,429,021,088
Community	81,363,918	2,328,158	-	(747,881)	273,191	(4,650,862)	-	78,566,524
Other	42,791,879	5,708,744	(538,380)	-	-	(4,327,068)	-	43,635,175
Finance leases	1,121,147	171,493	-	-	-	(235,004)	-	1,057,636
	2,964,461,713	78,527,504	(2,975,195)	(575,394)	63,017,854	(95,703,851)	(425,208)	3,006,327,423

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Disposals	Transfers	Under construction	Depreciation	Total
Land	337,559,463	12,056,428	(523,593)	(8,015,279)	121,059	-	341,198,078
Buildings	121,208,918	155,000	(224,703)	(493,098)	-	(5,660,481)	114,985,636
Infrastructure	2,346,686,150	53,998,573	(10,337,815)	-	79,691,187	(87,037,040)	2,383,001,055
Community	80,184,327	4,929,780	-	-	608,417	(4,358,606)	81,363,918
Other	37,162,050	9,577,826	(379,680)	-	-	(3,568,317)	42,791,879
Finance leases	-	1,207,907	-	-	-	(86,760)	1,121,147
	2,922,800,908	81,925,514	(11,465,791)	(8,508,377)	80,420,663	(100,711,204)	2,964,461,713

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.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

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5. Intangible assets

	2013			2012		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Water rights	2,360,000	-	2,360,000	2,360,000	-	2,360,000
Computer software, other	3,005,259	(916,672)	2,088,587	1,731,401	(544,136)	1,187,265
Total	5,365,259	(916,672)	4,448,587	4,091,401	(544,136)	3,547,265

Reconciliation of intangible assets - 2013

	Opening balance	Additions	Amortisation	Total
Water rights	2,360,000	-	-	2,360,000
Computer software, other	1,187,265	1,273,858	(372,536)	2,088,587
	3,547,265	1,273,858	(372,536)	4,448,587

Reconciliation of intangible assets - 2012

	Opening balance	Additions	Amortisation	Total
Water rights	2,360,000	-	-	2,360,000
Computer software, other	477,625	928,401	(218,761)	1,187,265
	2,837,625	928,401	(218,761)	3,547,265

Intangible assets with indefinite lives:

Water rights	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 indefinite. 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.

6. Heritage assets

	2013			2012		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Conservation areas	107,635,535	(9,230,000)	98,405,535	107,635,535	-	107,635,535
Stamp collections, military insignia, medals, coin	99,309	-	99,309	99,309	-	99,309
Recreational parks	817,200	-	817,200	817,200	-	817,200
Total	108,552,044	(9,230,000)	99,322,044	108,552,044	-	108,552,044

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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6. Heritage assets (continued)

Reconciliation of heritage assets 2013

	Opening balance	Impairment losses recognised	Total
Conservation areas	107,635,535	(9,230,000)	98,405,535
Stamp collections, military insignia, medals, coin	99,309	-	99,309
Recreational parks	817,200	-	817,200
	108,552,044	(9,230,000)	99,322,044

Reconciliation of heritage assets 2012

	Opening balance	Transfers	Total
Conservation areas	107,763,000	(127,465)	107,635,535
Stamp collections, military insignia, medals, coin	99,309	-	99,309
Recreational parks	817,200	-	817,200
	108,679,509	(127,465)	108,552,044

7. Other financial assets

Designated at fair value

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 has been received. Therefore a portion of the impairment was reversed. This brings the total payout to 99.15% of the original investment.		
Liberty - Sinking fund	10,469,952	5,415,671
Momentum - Sinking fund	675,490	275,632
	11,596,590	5,691,303

Non-current assets

Designated at fair value	11,596,590	5,691,303
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Financial assets at fair value

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.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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8. Employee benefit obligations

Defined benefit plan

The municipality provides certain post-retirement 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 2012 by Mr DR Poane, Fellow of the Actuarial Society of South Africa, including projections for the 2013 and 2014 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)	387	387
Continuation members (retirees, widowers and orphans)	70	70
	457	457

The amounts recognised in the statement of financial position are as follows:

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(81,920,000)	(73,505,000)
Non-current liabilities	(79,887,000)	(71,562,000)
Current liabilities	(2,033,000)	(1,943,000)
	(81,920,000)	(73,505,000)

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	73,505,000	63,437,000
Net expense recognised in the statement of financial performance	8,415,000	10,068,000
	81,920,000	73,505,000

Net expense recognised in the statement of financial performance

Current service cost	4,580,000	4,191,000
Interest cost	5,778,000	5,234,000
Actuarial (gains) / losses	83,043	2,517,906
Benefits paid	(2,026,043)	(1,874,906)
	8,415,000	10,068,000

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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8. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	7.86 %	7.86 %
Medical cost trend rates	6.37 %	6.37 %
Net effective discounted rate	1.40 %	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 effects:

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	13,432,000	9,766,000
Effect on defined benefit obligation	94,208,000	72,089,000

Amounts for the current and previous four years are as follows:

	2013 R	2012 R	2011 R	2010 R	2009 R
Defined benefit obligation	81,920,000	73,505,000	63,437,000	56,587,000	53,518,638

Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all its employees. A number of defined contribution plans, 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.

9. Long term receivables

Land sales	1,452	3,352
Officials: Study loans	-	5,300
Housing selling scheme loans	17,710	18,643
Sport clubs	81,841	124,075

101,003	151,370
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Non-current assets

Long term receivables	83,571	126,072
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Current assets

Long term receivables	17,432	25,298
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101,003	151,370
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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.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
10. Inventories		
Stores and material	7,868,690	6,588,292
Water	263,104	221,887
Work-in-progress - Property developments	10,804,929	9,635,461
	18,936,723	16,445,640
Inventories recognised as an expense during the year:		
Stores and material	7,831,644	7,777,481
Work-in-progress - Property developments	-	49,987,689
Water	21,944,511	19,410,548
	29,776,155	77,175,718
11. Receivables from exchange transactions		
Trade debtors - Unbilled revenue	14,631,066	13,150,811
Accrued interest	10,685	7,192
Other debtors	10,907,045	8,475,675
	25,548,796	21,633,678
In determining the recoverability of trade and other receivables, 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.		
12. Receivables from non-exchange transactions		
Government grants and subsidies	6,552,223	6,552,223
Control accounts - sundry	4,175,998	1,111,966
Public contributions and subsidies	420,716	420,716
Deposits	457,929	427,419
	11,606,866	8,512,324
13. VAT receivable		
VAT	8,346,728	5,429,460
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.		
14. Consumer debtors		
Gross balances		
Rates	16,137,962	18,118,393
Electricity	19,007,633	19,695,691
Water	12,482,300	12,578,302
Sewerage	8,091,988	8,972,831
Refuse	6,088,564	5,472,506
Housing rental	317,181	303,119
Other	3,870,202	3,333,967
	65,995,830	68,474,809

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
14. Consumer debtors (continued)		
Less: Allowance for impairment		
Rates	(4,263,813)	(6,210,091)
Electricity	(1,270,055)	(1,785,894)
Water	(3,907,440)	(3,531,360)
Sewerage	(2,853,395)	(3,355,778)
Refuse	(1,573,294)	(1,948,787)
Housing rental	(221,261)	(194,960)
Other	(2,826,307)	(1,086,822)
	(16,915,565)	(18,113,692)
Net balance		
Rates	11,874,149	11,908,302
Electricity	17,737,578	17,909,797
Water	8,574,860	9,046,942
Sewerage	5,238,593	5,617,053
Refuse	4,515,270	3,523,719
Housing rental	95,920	108,159
Other	1,043,895	2,247,145
	49,080,265	50,361,117
Included in above is receivables from exchange transactions		
Electricity	17,737,578	17,909,797
Water	8,574,860	9,046,942
Sewerage	5,238,593	5,617,053
Refuse	4,515,270	3,523,719
Housing rental	95,920	108,159
	36,162,221	36,205,670
Included in above is receivables from non-exchange transactions (taxes and transfers)		
Rates	11,874,149	11,908,302
Other	1,043,895	2,247,145
	12,918,044	14,155,448
Net balance	49,080,265	50,361,118
Rates		
Current (0 -30 days)	7,269,167	8,241,203
31 - 60 days	259,014	467,021
61 - 90 days	178,391	346,601
91 - 120 days	142,197	280,916
+ 120 days	4,025,380	2,572,561
	11,874,149	11,908,302
Electricity		
Current (0 -30 days)	11,901,965	12,341,359
31 - 60 days	305,716	393,282
61 - 90 days	176,579	244,699
91 - 120 days	125,352	189,050
+ 120 days	5,227,966	4,741,407
	17,737,578	17,909,797

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
14. Consumer debtors (continued)		
Water		
Current (0 -30 days)	4,893,587	6,782,275
31 - 60 days	307,209	522,333
61 - 90 days	248,512	427,855
91 - 120 days	224,380	360,567
+ 120 days	2,901,172	953,912
	8,574,860	9,046,942
Sewerage		
Current (0 -30 days)	3,015,845	4,231,746
31 - 60 days	148,507	285,019
61 - 90 days	108,477	225,721
91 - 120 days	91,421	196,812
+ 120 days	1,874,343	677,755
	5,238,593	5,617,053
Refuse		
Current (0 -30 days)	2,732,330	2,375,280
31 - 60 days	113,360	151,102
61 - 90 days	81,451	116,288
91 - 120 days	66,878	95,119
+ 120 days	1,521,251	785,930
	4,515,270	3,523,719
Housing rental		
Current (0 -30 days)	44,643	67,956
31 - 60 days	6,927	10,891
61 - 90 days	4,608	6,798
91 - 120 days	3,583	4,561
+ 120 days	36,159	17,953
	95,920	108,159
Other		
Current (0 -30 days)	397,165	680,448
31 - 60 days	73,549	107,610
61 - 90 days	41,718	64,063
91 - 120 days	21,706	44,558
+ 120 days	509,757	1,350,466
	1,043,895	2,247,145

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
14. Consumer debtors (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	31,094,150	30,342,372
31 - 60 days	1,602,982	1,986,508
61 - 90 days	1,158,927	1,442,994
91 - 120 days	939,408	1,185,151
+ 120 days	20,213,700	19,962,219
	<u>55,009,167</u>	<u>54,919,244</u>
Less: Allowance for impairment	(16,269,900)	(17,233,204)
	38,739,267	37,686,040
Industrial/ commercial		
Current (0 -30 days)	8,166,464	9,553,301
31 - 60 days	71,300	318,332
61 - 90 days	26,634	206,858
91 - 120 days	17,683	88,763
+ 120 days	1,396,300	774,983
	<u>9,678,381</u>	<u>10,942,237</u>
Less: Allowance for impairment	(645,666)	(880,487)
	9,032,715	10,061,750
National and provincial government		
Current (0 -30 days)	519,446	637,749
31 - 60 days	125,007	106,558
61 - 90 days	51,712	111,180
91 - 120 days	18,474	155,707
+ 120 days	593,646	1,602,134
	<u>1,308,285</u>	<u>2,613,328</u>
Total		
Current (0 -30 days)	39,780,060	40,533,421
31 - 60 days	1,799,288	2,411,399
61 - 90 days	1,237,273	1,761,032
91 - 120 days	975,564	1,429,621
+ 120 days	22,203,645	22,339,336
	<u>65,995,830</u>	<u>68,474,809</u>
Less: Allowance for impairment	(16,915,565)	(18,113,692)
	49,080,265	50,361,117
Less: Allowance for impairment		
Current (0 -30 days)	(9,525,357)	(10,297,589)
31 - 60 days	(585,008)	(648,344)
61 - 90 days	(397,537)	(468,994)
91 - 120 days	(300,047)	(378,663)
+ 120 days	(6,107,616)	(6,320,102)
	<u>(16,915,565)</u>	<u>(18,113,692)</u>

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
14. Consumer debtors (continued)		
Reconciliation of allowance for impairment		
Balance at beginning of the year	(18,113,692)	(20,231,883)
Contributions to allowance	(594,272)	190,129
Debt impairment written off against allowance	1,792,399	1,928,062
	(16,915,565)	(18,113,692)

15. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	16,230	16,330
Bank balances	29,089,520	51,683,137
Short-term deposits	55,041,546	75,000,000
	84,147,296	126,699,467

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2013	30 June 2012	30 June 2011	30 June 2013	30 June 2012	30 June 2011
ABSA-Cheque-322-000-0035	56,932,992	70,318,621	41,821,282	27,959,806	51,031,117	19,493,713
ABSA-Cheque-405-589-9787	235	6,994	147	2,485	1,686	5,301
ABSA-Cheque-405-642-0921	81,327	63,400	28,244	93,290	74,237	37,772
ABSA-Cheque-405-657-8021	693,477	404,637	418,444	359,548	331,156	325,261
ABSA-Cheque-405-298-3157	674,390	244,941	128,855	674,391	244,941	128,854
ABSA Call accounts	30,041,546	25,000,000	20,000,000	30,041,546	25,000,000	20,000,000
Investec Call account	-	-	30,000,000	-	-	30,000,000
Nedbank Call account	25,000,000	-	-	25,000,000	-	-
STB Call account	-	50,000,000	-	-	50,000,000	-
Cash on hand	-	-	-	16,230	16,330	12,800
Total	113,423,967	146,038,593	92,396,972	84,147,296	126,699,467	70,003,701

16. 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 NO. 109, Van Dyksbaai

In principle approval was obtained on 23 September 2009. The tender was advertised on 20 September 2012 (active marketing of sale). Section 14 disposal advertisement appeared in the media on 15 February 2013. Final approval for transfer was obtained on 23 March 2013. Deed of Sale was signed on 25 May 2013. A conveyancing attorney was appointed on 30 May 2013. The sale will be completed within one year from the date of recognition.

ERF NO. 217, Zwelihle

Transaction was not completed within one year of date of recognition. The delay was caused by the purchaser: late payment of application fee; compliance with restrictive condition to consolidate properties and delay in signature of Deed of Sale. In principle approval was obtained on 30 May 2012. The advertisement appeared in the media on 31 August 2012. Final approval for transfer was obtained on 28 November 2012. Council still intends to dispose of the property and a Deed of Sale was signed on 13 May 2013. Transfer attorneys were appointed on 20 May 2013. The sale will be completed by 30 June 2014.

ERVEN NO. 6468 to 6490, ERF 11456, ERF 2834 and ERF 3895

These erven have been derecognised as the sales will not be completed within the next 12 months. Erf 2834 was cancelled due to breach of contract by the purchaser.

ERF 3897, ERF 2203 and ERF 7699

The municipality was informed of the possible establishment of a TB clinic on one of these properties, to the benefit of the community. After negotiations took place, it was decided to rather donate these properties. The in principle decision for the donation was obtained on 24 April 2013.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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16. Non-current assets held for sale (continued)

ERF 11154, ERF 611 and ERF 11436

The municipality decided not to sell these properties as after going out on tender no purchasers were obtained.

Non-current assets held for sale comprises of the following:

Erven no. 6468 to 6490 - Hermanus Mount Pleasant	-	1,513,636
Erf no. 109 - Van Dyksbaai	1,025,000	1,025,000
Erf no. 611 - Gansbaai	-	99,821
Erf no. 3895 - Gansbaai	-	3,232
Erf no. 2203, portion of 407 - Hawston	-	193,059
Erf no. 11154 - Hermanus	-	4,300,000
Erf no. 11436 - Hermanus	-	48,847
Erf no. 217 - Zwelihle	5	5
Erf no. 3897 - Gansbaai	-	109,656
Erf no. 7699 - Kleinmond	-	697
Erf no. 2834 - Sandbaai	-	14,436,976
Erf no. 11456, a portion of 243 - Hermanus	-	317,702
	1,025,005	22,048,631

17. Finance lease obligation

Minimum lease payments due

- within one year	560,631	486,663
- in second to fifth year inclusive	266,484	683,749
	827,115	1,170,412
	(82,561)	(172,643)
Present value of minimum lease payments	744,554	997,769

Present value of minimum lease payments due

- within one year	484,773	374,480
- in second to fifth year inclusive	259,781	623,289
	744,554	997,769

Non-current liabilities	259,781	623,289
Current liabilities	484,773	374,480
	744,554	997,769

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% (2012: 12%).

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent. Refer note 4 for the carrying value of assets under finance lease.

18. Unspent conditional grants

Unspent conditional grants and receipts comprises of:

Housing consumer education grant	47,385	66,321
Human settlements development grant	5,460,898	3,418,697
Mobility strategy	105,868	330,839
Public transport non-motorised infrastructure grant	1,500,000	-
Unspent public contributions and donations	669,172	739,620
	7,783,323	4,555,477

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
18. Unspent conditional grants (continued)		
Movement during the year		
Balance at the beginning of the year	4,555,477	4,377,054
Additions during the year	63,292,914	73,224,272
Income recognition during the year	(60,065,068)	(65,379,900)
Transfer to debtors	-	(7,665,949)
	7,783,323	4,555,477

The nature and extent of government grants recognised in the annual 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 25 for reconciliation of grants from National/Provincial Government.

19. Other financial liabilities

At amortised cost

Annuity loans	382,150,284	357,004,273
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Non-current liabilities

At amortised cost	364,394,191	340,580,681
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Current liabilities

At amortised cost	17,756,093	16,423,592
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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.

20. Provisions

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
Long service bonuses	6,095,136	1,044,125	(690,261)	6,449,000
Gratification payable	464,606	-	(21,106)	443,500
Other provisions	14,293,826	2,949,978	(678,866)	16,564,938
	59,439,310	7,239,792	(1,610,694)	65,068,408

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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20. Provisions (continued)

Reconciliation of provisions - 2012

	Opening Balance	Additions/ Adjustments	Utilised during the year	Reversed during the year	Total
Rehabilitation of tip sites	33,412,214	3,457,236	-	-	36,869,450
Clearing of alien vegetation	1,983,914	144,019	(411,641)	-	1,716,292
Long service bonuses	4,571,000	1,524,136	-	-	6,095,136
Gratification payable	481,096	-	(11,602)	(4,888)	464,606
Other provisions	13,187,302	1,106,524	-	-	14,293,826
	53,635,526	6,231,915	(423,243)	(4,888)	59,439,310
Non-current liabilities				39,431,887	39,534,817
Current liabilities				25,636,521	19,904,493
				65,068,408	59,439,310

Rehabilitation of tip sites

The cost to rehabilitate all identified sites in the Overstrand are estimated at R40,123,493.

Clearing of alien vegetation

Approximately 23% of a total area of 5,705ha must be cleared during the next 5 to 10 years and the estimated cost amounts to R1,487,477.

Long service bonuses

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 2013 may become entitled to in future, based on an actuarial valuation performed at 30 June 2012.

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.

Other provision

Other provisions consist of leave pay and bonus provisions. Annual leave and 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 the value of leave and bonuses.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
21. Payables from exchange transactions		
Trade payables	27,282,023	25,803,292
Payments received in advanced	6,442,338	5,153,448
Retention monies	9,224,664	7,372,536
Accrued interest	9,012,949	5,189,671
Deposits received	383,203	349,617
Deferred income	379,706	728,742
Control accounts - salaries	52,915	53,946
Builders' deposits	7,811,036	7,442,626
Control accounts - sundry	5,045,854	6,115,571
Other payables	1,225,333	4,962,673
	66,860,021	63,172,122
22. Consumer deposits		
Electricity	23,941,493	21,799,608
Water	10,990,528	9,406,814
	34,932,021	31,206,422
23. Property rates		
Rates received		
Residential and business	148,598,778	138,437,499
Less: Income forgone	(32,277,726)	(29,524,569)
	116,321,052	108,912,930
Property rates - penalties imposed	914,328	924,860
	117,235,380	109,837,790
Income forgone can be 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.		
24. Service charges		
Sale of electricity	247,521,351	224,949,513
Sale of water	85,497,617	83,755,045
Sewerage and sanitation charges	57,223,249	57,211,707
Refuse removal	46,787,959	39,498,443
	437,030,176	405,414,708
25. Government grants and subsidies		
Operating grants		
Equitable share	36,146,000	31,156,000
National Financial management grant	697,782	1,250,000
National Municipal systems improvement grant	780,270	790,000
Provincial Community development workers grant	69,909	78,000
Provincial Housing consumer education grant	18,936	63,070
Provincial Library grant	691,159	640,000
Provincial Main road subsidy	65,000	65,000
Provincial Thusong service centres grant	218,000	-
Provincial Human settlement developments grant	1,659,228	3,186,121
Provincial Mobility strategy	1,956	-
National Expanded public works programme	1,332,000	777,000
	41,680,240	38,005,191

Overstrand Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2013	2012
25. Government grants and subsidies (continued)		
Capital grants		
National Financial management grant	552,218	-
National Municipal systems improvement grant	19,730	-
Provincial Community development workers grant	11,091	-
Provincial Library grant	12,841	-
Provincial Human settlement developments grant	16,650,723	-
National Regional bulk infrastructure grant	15,174,089	36,211,611
National Integrated national electricity grant	1,800,000	2,000,000
National Neighbourhood development partners grant	2,418,000	2,000,000
Provincial Mobility strategy	223,015	650,182
Provincial Municipality infrastructure grant	16,947,000	13,971,000
	53,808,707	54,832,793
	95,488,947	92,837,984

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigents receive a monthly subsidy based on the basic service charges for water, electricity, sewerage, refuse and 6kl free basic water and 50kw/h units of electricity, which is funded from the grant.

National Financial management grant

Current-year receipts	1,250,000	1,250,000
Conditions met - transferred to revenue	(1,250,000)	(1,250,000)
	-	-

National Municipal systems improvement grant

Current-year receipts	800,000	790,000
Conditions met - transferred to revenue	(800,000)	(790,000)
	-	-

Provincial Library grant

Current-year receipts	704,000	640,000
Conditions met - transferred to revenue	(704,000)	(640,000)
	-	-

Provincial Community development workers grant

Current-year receipts	81,000	78,000
Conditions met - transferred to revenue	(81,000)	(78,000)
	-	-

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
25. Government grants and subsidies (continued)		
Provincial Main road subsidy		
Current-year receipts	65,000	65,000
Conditions met - transferred to revenue	(65,000)	(65,000)
	-	-
Provincial Housing consumer education grant		
Balance unspent at beginning of year	66,321	129,391
Conditions met - transferred to revenue	(18,936)	(63,070)
Conditions still to be met - remain liabilities (see note 18)	47,385	66,321
National Expanded public works programme		
Current-year receipts	1,332,000	777,000
Conditions met - transferred to revenue	(1,332,000)	(777,000)
	-	-
Provincial Human settlements development grant		
Balance unspent at beginning of year	3,418,697	-
Current-year receipts	20,352,152	9,914,339
Conditions met - transferred to revenue	(18,309,951)	(3,186,121)
Transfer to debtors	-	(3,309,521)
Conditions still to be met - remain liabilities (see note 18)	5,460,898	3,418,697
Provincial Municipal infrastructure grant		
Current-year receipts	16,947,000	13,971,000
Conditions met - transferred to revenue	(16,947,000)	(13,971,000)
	-	-
National Integrated national electricity grant		
Current-year receipts	1,800,000	2,000,000
Conditions met - transferred to revenue	(1,800,000)	(2,000,000)
	-	-
National Neighbourhood development partners grant		
Current-year receipts	2,418,000	2,000,000
Conditions met - transferred to revenue	(2,418,000)	(2,000,000)
	-	-
Provincial Mobility strategy		
Balance unspent at beginning of year	330,839	981,021
Conditions met - transferred to revenue	(224,971)	(650,182)
Conditions still to be met - remain liabilities (see note 18)	105,868	330,839

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
25. Government grants and subsidies (continued)		
Provincial Thusong service centres grant		
Current-year receipts	218,000	-
Conditions met - transferred to revenue	(218,000)	-
	-	-
Provincial Public transport infrastructure grant		
Current-year receipts	1,500,000	-
Conditions still to be met - remain liabilities (see note 18)	1,500,000	-
National Regional bulk infrastructure grant		
Current-year receipts	15,174,089	36,211,611
Conditions met - transferred to revenue	(15,174,089)	(36,211,611)
	-	-
26. Public contributions and donations		
Eskom SWH rebate	-	1,610,890
VUNA awards	-	394,109
Department of water affairs ACIP project	-	1,301,795
Spaces for sport	200,447	155,508
National lotto funds	500,000	-
ODM Whale coast signage	-	39,863
SAMRAS usergroup	21,672	-
CSIR housing and grail	-	394,853
Public contributions Non-cash	4,387,000	4,470,917
Government contributions Non-cash	180,000	-
WWF Table mountain fund	-	234,870
	5,289,119	8,602,805
Reconciliation of conditional contributions		
Balance unspent at beginning of year	739,620	125,127
Current-year receipts	651,672	770,000
Conditions met - transferred to revenue	(722,120)	(155,507)
Conditions still to be met - remain liabilities (see note 18)	669,172	739,620

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
27. Other income		
Administration charges	156,546	184,425
Admission fees	707,355	661,180
Application fees	19,996	13,061
Baboon proof bins	70,650	102,790
Building clause levy	34,537	33,231
Building plan fees	2,879,523	3,252,194
Cemetery fees	169,446	190,674
Central improvement district	3,918,214	3,663,150
Collection charges	2,541,512	2,070,543
Commission received	109,081	91,493
Construction of benches	13,138	36,561
Developers contributions	2,614,576	1,718,763
Duplicating charges	30,298	35,785
Legal fees	220,235	65,094
Library fees	36,491	40,628
Parking fees	1,283,802	374,410
Plot clearing charges	307,429	227,645
Post office fees	33,340	46,383
Pound fees	179,462	179,220
Private telephone calls recovered	276,230	307,893
Reconnection fees	894,129	779,520
Roadworthy certificates	463,153	452,770
SETA claims	1,058,174	1,046,460
Searching fees	29,561	28,371
Sundry income	2,522,415	599,184
Swimming pool fees	62,111	82,132
Town planning fees	793,312	755,642
Valuation and clearance certificates	387,677	335,309
	21,812,393	17,374,511

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
28. General expenses		
Advertising	1,510,821	1,365,974
Assets expensed	299,105	459,469
Auditors remuneration	2,869,365	2,501,277
Baboon proof bins	52,280	51,929
Bank charges	1,098,505	973,885
Chemicals	8,487,761	6,410,924
Commission paid	4,014,225	3,416,026
Conditional receipts expenses	4,132,611	54,612,203
Consultant fees	9,366,875	10,765,943
Consumables	-	977,818
Contribution to provisions	3,245,690	3,601,254
Delegate expenses	174,484	129,910
Diesel for boilers	289,184	259,625
Electricity	3,247,947	2,574,777
Fuel and oil	9,903,227	9,041,885
Hermanus public protection	3,920,805	3,602,728
Hire	631,046	342,783
Insurance	2,144,527	1,651,319
LED project implementation	428,811	760,232
Lease rentals	768,302	1,175,452
Legal fees	1,649,497	2,765,576
Management of informal settlements	1,512,589	1,475,015
Occupational health and safety	222,337	66,344
Plot clearing costs	426,935	284,798
Postage and courier	1,285,607	1,400,145
Printing and stationery	1,874,725	1,867,771
Property valuation charges	1,030,036	2,418,035
Public functions	276,584	303,465
Radio license fees	-	17,440
Reference library	138,942	189,547
Refuse/recycle bags	285,307	242,666
Removal costs	32,001	71,111
Security services	3,759,272	3,434,791
Skills development levies	1,921,236	1,719,374
Solid waste chipping	2,151,497	2,369,445
Solid waste dumping fees	-	1,374,809
Solid waste haulage	6,318,195	4,345,238
Special projects	1,270,328	1,058,561
Staff welfare	89,708	161,506
Subscriptions and membership fees	1,829,315	1,414,806
Subsistence and transport	947,366	894,795
Sundry expenses	259,796	156,812
Telephone and fax	2,933,650	3,912,101
Title deed search fees	97,845	85,388
Tourism development	2,731,785	2,823,933
Tow in fees	16,311	17,245
Training	2,362,777	2,747,988
Uniforms and protective clothing	1,551,934	1,532,736
Veterinary services	404,006	193,084
Ward committee meetings	214,700	226,400
Water catchment, research and testing	5,294,832	5,647,953
Workmen's compensation assurance	2,631,945	1,107,108
	102,106,629	151,001,399

Membership fees paid over to SALGA during the year amounted to R1,768,725 (2012: R1,369,306).

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
29. Operating deficit		
Operating deficit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	67,760	55,860
• Contingent amounts	521,855	376,404
Equipment		
• Contractual amounts	178,687	743,188
	768,302	1,175,452
(Loss)/Gain on sale of property, plant and equipment	(1,755,579)	1,920,086
Impairment on property, plant and equipment	9,655,208	3,111,159
Impairment on other financial assets	(451,148)	-
Depreciation on property, plant and equipment	96,076,386	100,929,965
Employee costs	238,611,427	214,655,509
30. Employee related costs		
Basic	141,082,537	122,514,408
Bonus	10,823,296	9,483,178
Medical aid - company contributions	8,176,057	7,520,845
UIF	1,283,965	1,166,035
Other payroll levies	73,024	51,357
Leave pay provision charge	2,138,141	1,327,499
Post-employment benefits - Pension - Defined contribution plan	33,503,506	34,120,741
Overtime payments	12,423,091	12,029,721
Long-service awards	690,261	758,794
Acting allowances	1,146,202	1,098,986
Car allowance	9,178,222	8,298,951
Housing benefits and allowances	1,046,492	1,025,209
Scarcity allowance	1,528,196	1,458,555
Standby allowance	5,367,241	4,813,106
Group life - company contributions	956,960	863,882
Sundry allowances	2,063,562	1,387,603
Full time union representative	46,543	19,395
	231,527,296	207,938,265
30.1 Remuneration of municipal manager		
Annual Remuneration	1,173,620	1,068,483
Contributions to UIF, Medical and Pension Funds	280,368	286,701
Entertainment	14,400	10,910
	1,468,388	1,366,094
Cellphone allowance	19,872	18,396
Leave	-	87,432
	19,872	105,828
30.2 Remuneration of chief financial officer		
Annual Remuneration	1,047,628	957,878
Car Allowance	4,000	-
Contributions to UIF, Medical and Pension Funds	291,983	272,043
Entertainment	7,200	7,197
	1,350,811	1,237,118

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
30. Employee related costs (continued)		
Cellphone allowance	19,872	18,840
Acting allowance	2,990	-
Leave	82,440	-
	105,302	18,840
30.3 Remuneration of director: Management services		
Annual Remuneration	753,544	554,090
Car Allowance	72,000	24,000
Contributions to UIF, Medical and Pension Funds	174,436	139,371
Entertainment	5,917	4,000
Housing subsidy	6,000	2,088
	1,011,897	723,549
Cellphone allowance	19,872	15,700
Acting allowance	-	20,471
Leave	-	27,522
	19,872	63,693
30.4 Remuneration of director: Protection services		
Annual Remuneration	744,316	608,961
Car Allowance	93,000	120,000
Contributions to UIF, Medical and Pension Funds	34,616	32,854
Entertainment	6,888	6,000
	878,820	767,815
Cellphone allowance	19,872	18,840
30.5 Remuneration of director: Infrastructure and planning		
Annual Remuneration	1,039,368	937,397
Car Allowance	48,000	60,000
Contributions to UIF, Medical and Pension Funds	249,340	224,208
Entertainment	8,825	8,934
Computer allowance	5,256	6,516
	1,350,789	1,237,055
Cellphone allowance	19,872	18,840
30.6 Remuneration of director: Local economic development		
Annual Remuneration	743,975	629,876
Car Allowance	120,000	120,000
Contributions to UIF, Medical and Pension Funds	34,181	27,885
Entertainment	19,995	19,985
	918,151	797,746
Cellphone allowance	19,872	18,840

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
30. Employee related costs (continued)		
30.7 Remuneration of director: Community services		
Annual Remuneration	994,401	827,187
Car Allowance	78,000	78,000
Contributions to UIF, Medical and Pension Funds	36,680	33,275
Entertainment	8,082	8,082
Computer allowance	3,912	3,912
	1,121,075	950,456
Cellphone allowance	19,872	18,840
31. Remuneration of councillors		
Executive Major	645,549	611,895
Deputy Executive Mayor	516,439	489,515
Mayoral Committee Members [2013: 4; 2012: 4]	1,936,648	1,835,684
Speaker	516,439	489,515
Councillors [2013: 18; 2012: 18]	3,469,056	3,290,635
	7,084,131	6,717,244
32. Debt impairment		
Contributions to debt impairment provision	929,121	27,541
Debts impaired	5,300	-
	934,421	27,541
33. Investment revenue		
Interest revenue		
Other financial assets	5,991,154	4,271,487
Bank	1,535,352	1,823,701
Interest charged on consumer debtors	2,199,158	2,330,692
Interest received - other	26,413	785,339
	9,752,077	9,211,219
34. Fair value adjustments		
Investment property (Fair value model)	49,154,610	(7,288,753)
Other financial assets		
• Other financial assets (Designated as fair value)	494,139	-
	49,648,749	(7,288,753)
35. Depreciation and amortisation		
Property, plant and equipment	95,703,850	100,711,204
Intangible assets	372,536	218,761
	96,076,386	100,929,965
36. Impairment of assets		
Property, plant and equipment	9,655,208	3,111,159
Other financial assets	(451,148)	-
	9,204,060	3,111,159

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
36. Impairment of assets (continued)		
The main classes of assets affected by impairment losses are:		
Heritage assets		
PPE - Land		
The main classes of assets affected by reversals of impairment losses are:		
Other financial assets		
The main events and circumstances that led to the recognition of these impairment losses are as follows:		
The carrying value was compared to the value reflected in the valuation roll. Any heritage assets identified where the carrying value was more than the general valuation value was impaired.		
Property was accured in an exchange transaction and impairment was recognised as a road was build on the property which affected its fair value.		
The main events and circumstances that led to the reversals of these impairment losses are as follows:		
The municipality has an investment with New Republic Bank which was impaired from R2,631,821 to Rnil in 2010/2011 financial year. Management reversed a portion of the impairment to the amount of R451, 148 during the 2012/2013 financial year as a further 9th dividend was paid out to the municipality in the new financial year to the amount of R451,148.		
37. Finance costs		
Finance leases	135,923	58,008
Current borrowings	37,173,824	31,669,076
	37,309,747	31,727,084
38. Auditors' remuneration		
Fees	2,869,365	2,501,277
39. Contracted services		
Ward projects	5,678,549	5,246,729
Vehicle maintenance	4,918,313	4,732,079
Maintenance contractors	45,383,932	41,022
Contracted services	11,619,866	14,058,962
	67,600,660	24,078,792
40. Grants and subsidies paid		
Other subsidies		
Low income house-hold subsidies	35,458,345	28,084,461
Grants to organisations	398,000	369,680
	35,856,345	28,454,141
41. Bulk purchases		
Electricity	145,021,600	126,669,077

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
42. Cash generated from operations		
Surplus / (Deficit)	7,188,817	(81,607,314)
Adjustments for:		
Depreciation and amortisation	96,076,386	100,929,965
Loss / (Gain) on sale of assets	1,755,579	(1,920,086)
Fair value adjustments	(49,648,749)	7,288,753
Finance costs - Finance leases	135,923	58,008
Impairment deficit	9,204,060	3,111,159
Debt impairment	934,421	27,541
Movements in operating lease assets	75,263	29,036
Movements in retirement benefit obligation	8,415,000	10,068,000
Movements in provisions	5,629,098	5,803,784
Movement in housing development fund	(28,335)	7,306
Movement in self insurance fund	1,333,035	-
Changes in working capital:		
Inventories	(2,491,083)	44,736,506
Receivables from exchange transactions	(3,915,118)	(347,116)
Other receivables from non-exchange transactions	(3,094,542)	12,444,514
Consumer debtors	346,431	(5,966,561)
Payables from exchange transactions	3,687,896	(9,753,236)
VAT	(2,917,268)	14,326,321
Unspent conditional grants	3,227,846	(255,548)
Consumer deposits	3,725,599	12,843,533
	79,640,259	111,824,565

43. Materials

Materials	12,436,890	54,581,893
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National treasury requested via circular 54 that municipalities change the repairs and maintenance to materials as well as the unpacking thereof between materials and contracted services, to reflect a more accurate view of components of repairs and maintenance. Repairs and maintenance was, as far as practically possible, unpacked for the 2011/12 year, as a result there is a variance from 2012 to 2013 for materials and contracted services.

44. Commitments

44.1 Capital commitments

Contracts entered into

• Property, plant and equipment	13,565,429	20,302,159
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Contracts not initiated, but budget approved by council

• Property, plant and equipment	123,509,115	169,043,235
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44.2 Operating lease commitments

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	133,010	139,980
- in second to fifth year inclusive	74,280	207,290
	207,290	347,270

Operating lease payments represent rentals payable by the municipality for its office equipment and office space. Leases are negotiated for an average term of 3 years and rentals are fixed for the lease term.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
44. Commitments (continued)		
Operating leases - as lessor (income)		
Minimum lease payments due to the municipality		
- within one year	353,771	408,396
- in second to fifth year inclusive	772,852	1,014,736
- later than five years	3,090,621	3,202,508
	4,217,244	4,625,640

Dedicated municipal property is held to generate rental income. Lease agreements are non-cancellable and have terms from 3 to 99 years. There are no contingent rentals receivable.

45. Contingencies

Contingent liabilities

G Lamont et al v Overstrand Municipality

The applicant's application for an order in the Western Cape High Court, requesting the Municipality to remove dune sand in a road reserve, was dismissed with costs. The applicant subsequently appealed the decision on 16 April 2013. The appeal shall be settled within the new financial year. The municipality's exposure is approximately R120 000.

Golden Bay Properties 234 cc v Overstrand Municipality

The Municipality has been sued in the amount of R100 000 by Golden Bay Properties for the alleged replacement of a transformer by the latter on behalf of the Municipality. The summons was served on 26 February 2013. The Municipality is currently opposing the claim in the local magistrate's court.

Cape Joint Pension Fund v Overstrand Municipality

Summons has been served on the Municipality by Cape Joint Pension Fund on 23 November 2012 in lieu of outstanding employer contributions in the amount of R41 194. The matter is enrolled at the local magistrate's court. The parties are currently engaged in settlement negotiations in order to settle the dispute.

Cape Joint Pension Fund v Overstrand Municipality

On 30 June 2009 Cape Joint Pension Fund realised a rate of interest of less than 5.5% on the total monies of the Fund. Rule 17(5) of the Fund state that local authorities associated with the Fund shall cover the shortfall in proportion to the contributions paid by each local authority. At 30 June 2011 the claim made by the Cape Joint Pension Fund amounts to R1,385,757 plus interest at the prescribed rate from 15 February 2010.

The board of trustees has endorsed a proposed transfer of the fund's defined benefit members to its defined contribution section. The claim will be withdrawn by the fund if this proposal is accepted by the participating employers and employees.

Marius Kleynhans et. al vs Overstrand Municipality

The matter is still pending in the Western Cape High Court and is expected to resume in November 2013. The municipality's exposure is approximately R3,500,000.

South African Revenue Service

On 5 July 2013 the municipality received a notice of audit findings regarding the treatment of tax on SAMWU provident fund amounting to R517 894 excluding penalties and interest. The municipality submitted documentation disputing the claim but have not received an outcome from SARS to date.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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45. (continued)

Mario Pieters obo Mickailen and Leon Pieters obo Earl Marais vs Eskom Holdings Ltd & Overstrand Municipality

Summonses in cases no. 20380/12 and 20379/12 was served on the municipality by the sherrif of the High Court on 6 November 2012 in which the municipality was cited as the 2nd respondent for damages in the amounts of R800 000 each. Two minors suffered injuries at a municipal electrical power box in Hawston. The claims are currently being defended by the municipality's insurance lawyers as these are insured events.

Contingent assets

Overstrand Municipality vs Corptrain (Pty) Ltd

The applicant filed a Notice of Motion in the Gauteng High Court requesting that: Corptrain (Pty) Ltd return monies erroneously transfered to them. A warrant of execution against the property of Corptrain (Pty) Ltd has been obtained. The exposure is approximately R176,250 plus interest at 13.5% from 4 August 2010.

New Republic Bank

The municipality has an investment with New Republic Bank. The bank is under receivership since October 1999. Interest only accrued untill 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. Management reversed a portion of the impairment to the amount of R451, 148 during the 2012/2013 financial year.

46. Related parties

Relationships

Members of key management

Refer to notes 30.1 to 30.7 and 31

There were no related party transactions that occurred during the financial year.

47. Comparative figures

The information presented below are 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 2012/2013 financial period. These errors include mathematical errors ¹, misapplication of accounting policies ², oversight or misinterpretation of facts ³, and effects of fraud ⁴

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 23 and 103 regarding Revenue from non-exchange transactions and Heritage assets, respectively, that became effective on 1 July 2012 and needed to be implemented retrospectively.

Refer to note 2

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

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47. Comparative figures (continued)

The correction of errors and change in accounting policy detailed below has the following impact on the global opening balances as at 1 July 2011:

Assets: Inventories	9,344,942	Liabilities: Payables	7,947,660
Operating lease	177,060	Unspent grants	5,143,925
Other receivables	17,149,530	Provisions	(13,187,302)
PPE	(101,579,634)	Reserves: Revaluation	315,176,077
IP	15,409,000	Accumulated surplus	(364,260,768)
Heritage assets	108,679,509		

Statement of Financial Position	Amount previously reported	Accounting errors	Changes in classification	Changes in accounting policy	Restated amount
Assets					
Current Assets					
Inventories ³	7,076,011	9,369,629	-	-	16,445,640
Operating lease asset ³	738,266	187,637	-	-	925,903
Receivables from exchange transactions ³	13,158,003	8,475,675	-	-	21,633,678
Receivables from non-exchange transactions ³	8,471,930	37,505	2,891	-	8,512,326
VAT receivable ³	3,566,924	1,862,536	-	-	5,429,460
Consumer debtors ³	50,320,199	40,918	-	-	50,361,117
Non-Current Assets					
Investment properties ³	87,822,500	16,850,000	-	-	104,672,500
Property, plant and equipment ³	3,065,756,551	(24,426,994)	-	(76,867,844)	2,964,461,713
Heritage assets ³	-	31,684,200	-	76,867,844	108,552,044
Non-current assets held for sale ³	22,823,298	(774,667)	-	-	22,048,631
Liabilities					
Current Liabilities					
Finance lease obligation	(997,769)	-	623,289	-	(374,480)
Payables from exchange transactions ³	(71,919,620)	(5,543,440)	14,290,935	-	(63,172,125)
Unspent conditional grants and receipts ³	(7,975,247)	681,808	-	2,737,961	(4,555,478)
Provisions	(5,610,667)	-	(14,293,826)	-	(19,904,493)
Non-Current Liabilities					
Finance lease obligation	-	-	(623,289)	-	(623,289)
Net Assets					
Revaluation reserve ³	(315,176,077)	315,176,077	-	-	-
Accumulated surplus ³	(2,490,973,366)	(353,620,884)	-	(2,737,961)	(2,847,332,211)
Statement of Financial Performance					
Revenue					
Property rates ³	136,510,901	214,913	(27,812,884)	-	108,912,930
Service charges ³	405,669,978	(255,269)	-	-	405,414,709
Penalties - property rates ³	995,095	(70,235)	-	-	924,860
Rental of facilities and equipment ³	6,731,614	10,910	-	-	6,742,524
Public contributions ³	14,300,171	(6,558,380)	-	861,014	8,602,805
Government grants ³	95,422,704	(3,280,865)	-	696,145	92,837,984
Agency services	1,907,238	-	4,561	-	1,911,799
Other income ³	17,228,746	150,776	(4,561)	(450)	17,374,511
Interest received ³	9,210,119	1,100	-	-	9,211,219
Expenditure					
Depreciation ³	(100,668,631)	(261,334)	-	-	(100,929,965)
Debt impairment ³	190,129	(217,670)	-	-	(27,541)
Materials ³	(64,844,769)	(1,809)	10,264,685	-	(54,581,893)
Contracted services ³	(24,777,215)	257,811	440,613	-	(24,078,791)
General expenses ³	(167,555,412)	(553,577)	17,107,586	-	(151,001,403)
Gain / (loss on sale of assets ³	2,256,088	(336,002)	-	-	1,920,086
Fair value adjustment ³	(8,729,753)	1,441,000	-	-	(7,288,753)

Overstrand Municipality

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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.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

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):

Other financial assets

F1	55,041,546	75,000,000
F3	11,596,590	5,691,303

Counter parties without external credit rating:

Trade and other receivables from exchange and non-exchange transactions

Group 2	15,520,396	14,006,138
Group 3	10,728,221	7,664,189

Consumer debtors

Group 1	16,771,546	12,271,567
Group 2	839,736	1,432,025
Group 3	1,214,280	1,937,258
Group 4	30,254,703	34,720,267

Long term receivables

Group 3	101,003	151,370
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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.

Overstrand Municipality

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48. Risk management (continued)

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's policy is to maintain approximately 60% of its borrowings in fixed rate instruments. During 2013 and 2012, the municipality's borrowings at variable rate were denominated in 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 R175,933 (2012: R179,284) 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 R67,565 (2012: R75,882) 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	12.50 %	36,223,463	12,856,802	-	-	49,080,265
Cash in current banking institutions	4.60 %	84,131,066	-	-	16,230	84,147,296
Fixed interest rate instruments	10.37 %	61,238,353	54,676,450	161,262,954	422,789,475	699,967,232
Variable interest rate instruments	7.80 %	2,148,962	1,382,872	3,607,236	2,088,783	9,227,852

Overstrand Municipality

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Notes to the Annual Financial Statements

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49. Fruitless and wasteful expenditure		
Opening balance	203,050	176,250
Fruitless and wasteful expenditure	10,000	104,482
Recovered / written-off by council	(36,800)	(77,682)
	176,250	203,050

Incident

Study bursary debt

MFMA course

Non-compliance with NEMA

Disciplinary steps/criminal proceedings

Certified as irrecoverable and written off

Resolved to recover retracted

Certified as irrecoverable and written off on 30 October 2013

50. Irregular expenditure

Opening balance	19,566,638	8,364,621
Procuring goods and services without obtaining official deviations	1,000	43,562
Procuring goods and services without obtaining three quotations	11,302	42,951
Procuring goods and services without obtaining a valid tax clearance certificate	-	46,452
Procuring goods and services without following any official procurement process	40,960	191,880
The procurement of goods from a person in the service of the state	15,600	-
Tenders not advertised for 30 days as prescribed	10,543,749	11,139,851
Approved/condoned/recovered in terms of the SCM policy	-	(262,679)
	30,179,249	19,566,638

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.

51. Actual operating expenditure versus budgeted operating expenditure

Refer to Appendix E(1) for the comparison of actual operating expenditure versus budgeted expenditure.

52. Actual capital expenditure versus budgeted capital expenditure

Refer to Appendix E(2) for the comparison of actual capital expenditure versus budgeted expenditure.

53. 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 annual financial statements.

Refer to pages 63 to 71 for the supply chain management deviations.

54. 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.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

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54. Multi-employer retirement benefit information (continued)

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 R33.5 million (2012: R34.1 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 2011. The scheme both operates a Defined benefit and Defined contribution scheme.

Defined Benefit Scheme:

The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% (period 30 June 2009 to 31 January 2012) and 23.06% (period 1 February 2012 to 30 June 2012) by their councils. The actuarial valuation report at 30 June 2012 disclosed an actuarial valuation amounting to R3,014,878 million (2011 : R2,971,150 million), with a net accumulated deficit of R18,287 million (2011 : R58 935 million), with a funding level of 99.4% (2011 : 98.1%).

Defined Contribution Scheme:

The actuarial valuation report at 30 June 2012 indicated that the defined contribution scheme of the fund is in a sound financial position, with a assets amounting to R421.9 million (2011 : R386,570 million), net investment reserve of R21,231 million (2011 : R15,285 million) and a funding level of 105.3% (2011 : 104.1%).

South African Local Authorities Pension Fund (SALA):

The scheme is subject to an annual actuarial valuation. 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 R8,753.4 million (2011 : R8,015 million), with funding levels of 100% (2011 : 98,1%). 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.

The trustees have subsequently agreed with the Financial Services Board on a revised scheme of arrangement. As part of the new scheme of arrangement, the fund's benefits have been restructured to ease the pressure on the required future service contribution rate.

It is the actuary's opinion that the fund can be regarded as financially sound at the valuation date.

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 2012.

The statutory valuation performed as at 30 June 2012 revealed that the assets of the fund amounted to R11,348,285 million (2011 : R9,930,837 million), with funding levels of 99.9% and 108% (2011 : 100,3% and 116,9%) for the Share Account and the Pensions Account respectively. The contribution rate paid by the members (7,50%) and the municipalities (19,50%) 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 2009. The latest interim valuation was performed as at 30 June 2010.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

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54. Multi-employer retirement benefit information (continued)

The interim valuation performed as at 30 June 2010 revealed that the assets of the fund amounted to R1 483, 786 381 (30 June 2009: R1 123. 672 020) million. 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.

Although the last actuarial valuation was performed on 30 June 2012, the actuarial valuation had not been made public at the date of completion of these financial statements.

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 ratio 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.

55. Distribution losses

	Electricity	Water
2013		
Rand value	7,101,127	3,829,726
	6.91%	20.01%
2012		
Rand value	6,512,826	2,891,622
% loss	7.12%	20.36%

Water losses to the amount of R3,829,726 (20.01%) 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.

Cost per kilolitre was calculated using the following basis:

The water treatment and raw water departments are used in calculating the cost per kilolitre. The following costs for each department is used:

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 of above 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 R7,101,127 (6.91%) 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 such as theft and vandalism.

56. Awards to close family members of persons in the service of the state

Refer to page 72 to 73.

Overstrand Municipality

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57. Awards to persons in service of the state

The following awards were given to persons in service of the state:

Description	SCME #	Date of payment	Awarded to	Value of the irregular expenditure incurred
The procurement of a conference venue for the SDF forum held in August 2012, award to a person in the service of the state	2013/07	30/08/2012	Zelpy 1776 (Pty) Ltd t/a Misty Waves: Councillor M. Lerm	15,600

58. Budget differences

Material differences between budget and actual amounts

Explanations for variances over 10% between budget and actual figures.

Statement of Comparison of Budget and Actual Amounts

Financial Performance:

Revenue:

Rentals - (12%) - Caravan parks revenue down by 24% (R1,3m) due to economic factors.

Public contributions - 958% - Non cash contributions for land that vested to the municipality and turnkey projects accounted for at year end. Unable to accurately predict impact of public contributions at the budget stage.

Expenses:

Impairments - 392% - Impairment loss recognised for conservation areas (Heritage assets), resulting from the implementation of GRAP 103. Unable to accurately predict impact of public contributions at the budget stage.

Loss on sale of assets - (100%) - Not budgeted for as it is impracticable to determine the outcome in advance.

Fair value - 100% - Not budgeted for as it is impracticable to determine the outcome in advance.

Surplus - Fair Value Adjustments of R49m (see above explanation under expenses par.).

Financial Position:

Inventories - 167% - Low cost housing development at Eluxolweni and additional housing rental stock of R10,52m identified at year-end.

Receivables from exchange - 129% - Kleinmond harbour development and acquisition of land for housing at Stanford of R10,9m identified at year-end.

Long term receivables - (25%) - Redemption and repayment of loans

Cash and cash equivalents - (17%) - Cash not generated from land sales as expected due to market slump and a R10m external loan delayed.

Investment Property - 101% - Fair value adjustment of Sandbaai commonage on transfer to IP (see above explanation under financial position par.).

Intangibles - 30% - Budgeted additions included in PPE and only split/moved at year-end.

Heritage - 100% - Reclassification from PPE (see above explanation under financial position par.).

Non-current assets held for sale - 100% - The determination of the date of sale was only known after final budget approval

Payables - 13% - Increases in payments in advance and retention monies

Unspent grants - 100% - Capital projects not completed identified at year-end and rolled over to 2013/2014.

Provisions - 38% - Bonus and leave pay provisions were reclassified from payables to provisions after final budget approval

Revaluation reserve - (100%) - Correction of error (see note 2 and 47 for more detail).

Accumulated surplus - (17%) - Correction of error for revaluation reserve (see note 2 and 47 for more detail).

Overstrand Municipality

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Cash Flow:

Receipts:

Other receipts - (34%) - Kleinmond harbour development and acquisition of land for housing at Stanford of R10,9m identified at year-end.

Self insurance and housing development funds - 100% - Contribution and movement for 2012/2013

Investing:

Purchase of property, plant and equipment - (23%) - Budget underspent, projects rolled over to 2013/2014

Appendix E(1)

Revenue:

Rentals - (12%) - Caravan parks revenue down by 24% (R1,3m) probably due to economic factors.

Public contributions - 958% - Non cash contributions for land that vested to the municipality and turnkey projects accounted for at year end.

Expenses:

Impairments - 392% - Impairment loss recognised for conservation areas (Heritage assets), resulting from the implementation of GRAP 103.

Loss on sale of assets - (100%) - Not budgeted for as it is impracticable to determine the outcome in advance.

Fair value - 100% - Not budgeted for as it is impracticable to determine the outcome in advance.

Appendix E(2)

Community and Social - (45%) - Land purchased for cemetery not developed yet.

Housing - (29%) - Projects not completed, rolled over to 2013/2014.

Public Safety - (32%) - Project not completed, application for roll over of unspent allocation.

Waste Management - (23%) - Projects not completed, rolled over to 2013/2014.

Water - (14%) - Projects not completed, rolled over to 2013/2014.

Electricity - (22%) - Projects not completed, rolled over to 2013/2014.

Corporate services - (14%) - Properties acquired through donations and or vesting.

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.

Supply Chain Management Policy
DEVIATIONS FROM THE POLICY, APPROVED IN TERMS OF CLAUSE 36(1)(a) FOR THE 2012/2013 FINANCIAL YEAR

#	Deviation #	Approved	Deviation in terms of Clause 36(1)(a)	Description	Responsible Official	Awarded to	Amount Operational	Amount Capital	VAT @ 14%	Value of the Deviation
1	SCD2533	2012.09.10	Clause 36(1)(a)(i)-Emergencies	Emergency assessment of industrial switching gear after an explosion at the Industrial Switching Station – Hermanus via a strip-and-quote process	Deputy Director: Electrotechnical Services, Louw D	ABB SA (Pty) Ltd	6,917.74		968.48	7,886.22
2	SCD2537	2012.09.18	Clause 36(1)(a)(i)-Emergencies	Emergency repair of industrial switching gear after an explosion at the Industrial Switching Station – Hermanus via a strip-and-quote process	Deputy Director: Electrotechnical Services, Louw D	ABB SA (Pty) Ltd	135,773.73		19,008.32	154,782.05
3	SCD2492	2012.07.12	Clause 36(1)(a)(ii)-Sole suppliers	Calibration of Truvelo speed law enforcement equipment by the sole supplier of the equipment	Isaacs LR	Truvelo Manufacturers (Pty) Ltd	9,809.04		1,373.27	11,182.31
4	SCD2508	2012.08.03	Clause 36(1)(a)(iii)-Sole suppliers	The provision of training, by the exclusively accredited service provider, to ensure that the nominated employees achieve the required full accreditation.	Senior Manager: Human Resources L Bucchianeri	NOSA (Pty) Ltd	11,394.74	-	1,595.26	12,990.00
5	SCD2517	2012.08.17	Clause 36(1)(a)(ii)-Sole suppliers	Procurement of credits for a postage franking machine for Hermanus from the sole service provider for this specific equipment	Manager: Council Support Services, Van Tonder H	Earlyworx 282 (Pty) Ltd	17,543.86	-	2,456.14	20,000.00
6	SCD2521	2012.08.22	Clause 36(1)(a)(ii)-Sole suppliers	The evaluation and grading of Kleinmond Beach in terms of the Blue Flag status programme, by the sole organisation authorised by the international Foundation for Environmental Education (FEE) to implement FEE programmes in South Africa.	Principal Technician: Operational, C Harding	WESSA	17,500.00	-	2,450.00	19,950.00
7	SCD2523	2012.08.22	Clause 36(1)(a)(ii)-Sole suppliers	The evaluation and grading of Hermanus Beaches in terms of the Blue Flag status programme, by the sole organisation authorised by the international Foundation for Environmental Education (FEE) to implement FEE programmes in South Africa.	Area Manager: Hermanus: D Kearney	WESSA	35,000.00	-	4,900.00	39,900.00
8	SCD2525	2012.08.29	Clause 36(1)(a)(iii)-Sole suppliers	The repair and calibration of Drager breathalyzer equipment, by the sole importer, supplier and service company of Drager equipment in South Africa.	Chief: Traffic Services: R Fraser	Drager South Africa (Pty) Ltd	975.00	-	136.50	1,111.50
9	SCD2528	2012.09.05	Clause 36(1)(a)(ii)-Sole suppliers	The repair of the damaged H-Frame and buckets of Caterpillar 422E Backhoe Loader, by the authorized dealer of Caterpillar branded products, including parts, for the Southern African region.	Manager: Corporate Projects: JJ Arendse	Barloworld Equipment	50,675.52		7,094.57	57,770.09
10	SCD2536	2012.09.14	Clause 36(1)(a)(iii)-Sole suppliers	The Calibration of the BW Technologies Gas Alert Microclip Detector of the Fire Services Department , by the sole Authorised Agent within the Western Cape	Chief: Fire & Disaster, Jacobs A	Invuyani Safety	600.00		84.00	684.00
11	SCD2538	2012.09.17	Clause 36(1)(a)(iii)-Sole suppliers	The procurement of mouthpieces for Drager Alcotest 6810 breathalyzer by the sole importer, supplier and service company for Drager equipment in South Africa	Chief: Traffic Services: R Fraser	Drager South Africa (Pty) Ltd	520.00		72.80	592.80
12	SCD2541	2012.09.21	Clause 36(1)(a)(ii)-Sole suppliers	The identification and repair of fault with a ProvoGraph meter, used to monitor the quality of electrical power, by the sole manufacturer and supplier of the specific meter.	Superintendent: Electro Technical Services, Lourens D	CT Lab (Pty) Ltd	3,796.00		531.44	4,327.44
13	SCD2486	2012.07.10	Clause 36(1)(a)(v)-Impractical or impossible	Procurement of credits for a postage franking machine for Gansbaai from the sole service provider for this specific equipment	Myburgh F	Earlyworx 282 (Pty) Ltd	40,000.00		5,600.00	45,600.00
14	SCD2487	2012.07.10	Clause 36(1)(a)(v)-Impractical or impossible	Repair of a storm damaged communications dish at the Hawston Library & Thusong Centre by the approved service provider	Van Staden J	Gijima Holdings (Pty) Ltd	5,925.00		829.50	6,754.50
15	SCD2488	2012.08.03	Clause 36(1)(a)(v)-Impractical or impossible	License fees for the use of the Traffic Contravention System software by the owner of the software for the 2012/13 financial year	Fraser R	Total Client Services (Pty) Ltd	48,800.00		6,832.00	55,632.00
16	SCD2489	2012.07.10	Clause 36(1)(a)(v)-Impractical or impossible	License fees for the use of the Innkeeper software for caravan park reservations by the owner of the software for the 2012/13 financial year	Kearney D	PSD Distribution Africa (Pty) Ltd	5,239.46		733.52	5,972.98
17	SCD2490	2012.07.10	Clause 36(1)(a)(v)-Impractical or impossible	Maintenance of bulk sewage tanks by the sole service provider approved and authorised to do so	Franken H	Flotron Instrumentation Services (Pty) Ltd	4,475.00		626.50	5,101.50
18	SCD2491	2012.07.10	Clause 36(1)(a)(v)-Impractical or impossible	Maintenance charges per copy of leased multi-functional office machines on a month-to-month basis for an interim period during the procurement of replacement equipment for June 2012	Van Staden J	Cape Office Machines (Pty) Ltd	977.07		136.79	1,113.86
19	SCD2493	2012.07.16	Clause 36(1)(a)(v)-Impractical or impossible	Repair of roller door cupboard by the supplier of the furniture	Muller S	All Office Equipment (Pty) Ltd	1,132.00		158.48	1,290.48

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20	SCD2494	2012.07.13	Clause 36(1)(a)(v)- Impractical or impossible	Provision of web-based monitoring of electricity power distribution network by the sole provider of the system for the period 01 July to 31 December 2012	Du Plessis JH	CT Lab (Pty) Ltd	60,000.00		8,400.00	68,400.00
21	SCD2495	2012.09.05	Clause 36(1)(a)(v)- Impractical or impossible	Construction of sewer line in Harbour Road north of the Circle (Kleinmond Harbour Development) by the contractor appointed by the developer of the site, who is already established on the site and following an official procurement process might cause undue delays and have additional cost implications for the completion of the development	Senior Manager: Engineering Services, Hendriks D	Wharfside Development Kleinmond (Pty) Ltd	-	371,018.75	51,942.63	422,961.38
22	SCD2496	2012.07.20	Clause 36(1)(a)(v)- Impractical or impossible	Design & manufacture of unique history boards at Hermanus Pietersfontein by a specialist service provider	Kearney D	Inspirations @ Home Work Play	5,440.00		-	5,440.00
23	SCD2497	2012.07.20	Clause 36(1)(a)(v)- Impractical or impossible	Provision of TCS Software maintenance license for ID & License scanners for 2012/13 by the sole supplier	Fraser R	Total Client Services Ltd	5,400.00		756.00	6,156.00
24	SCD2498	2012.07.20	Clause 36(1)(a)(v)- Impractical or impossible	Strip-and-quote repair of hinges for the sweeper blades of a refuse compactor truck	Arendse JJ	Transtech	23,780.48		3,329.27	27,109.75
25	SCD2499	2012.07.20	Clause 36(1)(a)(v)- Impractical or impossible	Re-condition of engine of backhoe loader after three quotations were obtained without advertising on Council's website and notice boards	Arendse JJ	Worcester Engine Centre	35,928.00		5,029.92	40,957.92
26	SCD2500	2012.07.26	Clause 36(1)(a)(v)- Impractical or impossible	Re-condition of engine of fire engine truck after three quotations were obtained without advertising on Council's website and notice boards	Arendse JJ	Automotive Dynamix	41,202.45		5,768.34	46,970.79
27	SCD2502	2012.07.27	Clause 36(1)(a)(v)- Impractical or impossible	Repair of curtain rail in auditorium during the Kalfiefees in 2011 as a strip-and-quote prior to approval of a deviation	Area Manager: Hermanus: D Kearney	Anza Curtains	1,000.00	-	-	1,000.00
28	SCD2503	2012.07.31	Clause 36(1)(a)(v)- Impractical or impossible	Provision of Parking Management Services by the existing supplier, from the 1st to the 31st of August 2012, to ensure continued service delivery and a smooth transition to the new service provider (SC1216/2012)	Director : Protection Services: N Michaels	Buyambo Holdings	9,377.89	-	1,312.90	10,690.79
29	SCD2504	2012.08.01	Clause 36(1)(a)(v)- Impractical or impossible	Strip-and-quote repair of fault with two-way hand-held radio, which failed to power on, by the approved service provider.	The Acting Manager: ICT J van Staden	Benliekor Communications CC	1,783.40	-	249.68	2,033.08
30	SCD2505	2012.08.01	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of fault with four municipal vacuum cleaners, via a strip-and-quote process.	Area Manager: Hermanus: D Kearney	Op-Sy-Kop Vac Shop	1,050.00	-	-	1,050.00
31	SCD2506	2012.08.30	Clause 36(1)(a)(v)- Impractical or impossible	Mining of gravel for road maintenance on Portion 40 of the Farm Uyenkraal no. 695, per a permit, without following the standard procurement process, due to the large cost saving resulting from this special agreement.	Manager: Operational Services, D Crafford	Groenewald CS	300,000.00	-	42,000.00	342,000.00
32	SCD2507	2012.08.01	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of faults with fountain festival lights, via a strip-and-quote process, by the original supplier/importer.	Senior Manager: Electro Technical Services D Maree	Candi-Lite Cables CC	10,250.00	-	1,435.00	11,685.00
33	SCD2509	2012.08.06	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of fault with the municipal trailer's (CAM22845) wiring and lighting, which had eroded, via a strip-and-quote process.	Manager: Corporate Projects: JJ Arendse	Supa Quick Kleinmond	487.67	-	68.27	555.94
34	SCD2510	2012.08.06	Clause 36(1)(a)(v)- Impractical or impossible	License fees for the use of the Innkeeper software at the Palmiet / Kleinmond caravan park by the owner of the software for the 2012/13 financial year	The Area Manager: Kleinmond Administration: Jonkheid C	PSD Distribution Africa (Pty) Ltd	6,725.47	-	941.57	7,667.04
35	SCD2511	2012.08.08	Clause 36(1)(a)(v)- Impractical or impossible	Procurement of a submersible solids handling pump for the Zwelihle Main Pump Station by the sole authorised agent and distributor.	Principle Technician: Operational, D Nel	HSM Amanzi CC	-	75,756.00	10,605.84	86,361.84

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36	SCD2512	2012.08.30	Clause 36(1)(a)(v)-Impractical or impossible	Extension of the eMIS license and support agreement for a period of four months, ending 31 January 2013, to coincide with the termination of the PlantMan agreement, and thereby mitigate any potential operational risks.	Acting Manager: IT Communication & Technology, Van Staden JJ	Water Management Services CC	135,675.03	-	18,994.50	154,669.53
37	SCD2513	2012.08.08	Clause 36(1)(a)(v)-Impractical or impossible	Maintenance charges per copy of leased multi-functional office machines on a month-to-month basis for an interim period during the procurement of replacement equipment for June 2012	Acting Manager: IT Communication & Technology, Van Staden JJ	Cape Office Machines (Pty) Ltd	29,158.42	-	4,082.18	33,240.60
38	SCD2514	2012.08.10	Clause 36(1)(a)(v)-Impractical or impossible	The expansion of security alarm monitoring services at the buildings of the Traffic and Housing departments by the current service provider, while remaining within the original contract period.	ADT Security (Pty) Ltd, D Esau	ADT Security (Pty) Ltd	2,796.73	-	391.54	3,188.27
39	SCD2515	2012.08.20	Clause 36(1)(a)(v)-Impractical or impossible	The extension of a lease agreement of a container, for the purpose of storage, at the Hawston sports field in order to save on costs and time, relating to delivery and collection.	Area Manager: Hermanus: D Kearney	Rent A Container	2,420.00	-	338.80	2,758.80
40	SCD2516	2012.08.17	Clause 36(1)(a)(v)-Impractical or impossible	The identification and repair of faults with the municipal grader's (CEM2445) diesel pump, which was heavily worn, via a strip-and-quote process.	Manager: Corporate Projects: JJ Arendse	Worcester Engine Centre	16,659.00	-	2,332.26	18,991.26
41	SCD2518	2012.08.17	Clause 36(1)(a)(v)-Impractical or impossible	Strip-and-quote repair of fault with two-way hand-held radio, which had faulty antenna's and volume knobs, by the approved service provider.	Acting Manager: IT Communication & Technology, Van Staden JJ	Benliekor Communications CC	1,798.00	-	251.72	2,049.72
42	SCD2519	2012.08.20	Clause 36(1)(a)(v)-Impractical or impossible	Renewal of agreement for the setting up of municipal tariffs & training for the period ending June 2013 by the original implementer and developer of the current system.	Senior Manager: Chief Electrical Services, Du Plessis JH	PJ Technologies Cape CC	7,976.00	-	1,116.64	9,092.64
43	SCD2520	2012.08.17	Clause 36(1)(a)(v)-Impractical or impossible	The supply and installation of an insertion flow meter by manufacturer and implementer of the "My City" flow monitoring system for the Overstrand Municipality.	Deputy Director: Community Services, M Bartman	Flotron Instrumentation Services (Pty) Ltd	26,191.00	-	3,666.74	29,857.74
44	SCD2522	2012.08.24	Clause 36(1)(a)(v)-Impractical or impossible	The identification and repair of fault with a Dell MFP 1815DN printer, which needed to be serviced and have a sensor repaired, via a strip-and-quote process.	Acting Manager: IT Communication & Technology, Van Staden JJ	CompuSup.com	895.00	-	125.30	1,020.30
45	SCD2526	2012.09.05	Clause 36(1)(a)(v)-Impractical or impossible	The calibration and repair of Endress & Hauser transmitter and sensor at Pringle Bay by the original supplier and installer of the product, due to the product still being under warranty.	Principal Technician: Operational, C Harding	Henntech	3,720.00	-	520.80	4,240.80
46	SCD2527	2012.08.31	Clause 36(1)(a)(v)-Impractical or impossible	The identification and repair of fault with vehicle CAM165's gearbox, which needs to have bearing replaced, and vehicle CEM26264's differential, which needs to be shimmed and have bearings replaced, via a strip-and-quote process.	Manager: Corporate Projects: JJ Arendse	Worcester Gearbox Centre	8,422.35	-	1,179.13	9,601.48
47	SCD2529	2012.09.05	Clause 36(1)(a)(v)-Impractical or impossible	Strip-and-quote repair of fault with two-way hand-held radio, which either could not charge, had no reception, or required parts to be replaced, by the approved service provider.	Acting Manager: IT Communication & Technology, Van Staden JJ	Benliekor Communications	1,514.00	-	211.96	1,725.96
48	SCD2530	2012.09.05	Clause 36(1)(a)(v)-Impractical or impossible	Appointment of a service provider for the development of Spatial Development Frameworks over a period of a year as a natural continuation of the appointment in terms of SC429/2008 for work already commenced in terms of the contract	Senior Manager: Planning & Property Administration, Kuchar R	Urban Dynamics (Pty) Ltd	1,206,440.35	-	168,901.65	1,375,342.00
49	SCD2531	2012.09.07	Clause 36(1)(a)(v)-Impractical or impossible	The identification and repair of faults with Tiger NX3F breaker, which is needed to safely handle overcurrent situations, via a strip-and-quote process.	Superintendent: Electro Technical Services, Lourens D	De Kock & Cronje CC	23,830.00	-	3,336.20	27,166.20
50	SCD2532	2012.09.10	Clause 36(1)(a)(v)-Impractical or impossible	Strip-and-quote repair of fault with two-way hand-held radio, which would not turn on, by the approved service provider.	Acting Manager: IT Communication & Technology, Van Staden JJ	Benliekor Communications	629.00	-	88.06	717.06
51	SCD2534	2012.09.12	Clause 36(1)(a)(v)-Impractical or impossible	The identification and repair of fault with a HP M2727 printer, which needed to have a formatter and scanner motor repaired, via a strip-and-quote process.	Acting Manager: IT Communication & Technology, Van Staden JJ	Heldertech	1,210.00	-	169.40	1,379.40

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52	SCD2535	2012.09.12	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of a diesel boiler at the Onrus Caravan Park via a strip-and-quote process.	Senior Resort Manager, Potgieter R	Pro Heat & Energy Electrical CC	877.19		122.81	1,000.00
53	SCD2539	2012.09.14	Clause 36(1)(a)(v)- Impractical or impossible	The repair of specialised fire protective clothing, which must meet specific NFPA and SABS standards, by the company authorised to repair LYMAE clothing and who is the sole distributor of LYMAE products in the Western Cape.	Chief: Fire & Disaster, Jacobs A	Invuyani Safety	592.10		82.89	674.99
54	SCD2540	2012.09.19	Clause 36(1)(a)(v)- Impractical or impossible	The assessment and repair of a storm water manhole in Hermanus main road, which has begun collapsing, via a strip-and-quote process.	Principal Technician, Nel D	Alan Bailey Civils CC	6,877.19		962.81	7,840.00
55	SCD2543	2012.09.28	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of faults with high-pressure steam machines, which are out of warranty, via a strip-and-quote process.	Manager: Corporate Projects: JJ Arendse	Boland Hoëdrukspuiter (Pty) Ltd	9,163.95		1,282.95	10,446.90
56	SCD2554	2012.10.12	Clause 36(1)(a)(i)- Emergencies	The emergency repair of a 630kVa mini-substation in Kleinmond which began leaking oil, via a strip-and-quote	Senior Manager: Chief Electro Technical Services: K du Plessis	Power Transformers (Pty) Ltd	9,300.00		1,302.00	10,602.00
57	SCD2556	2012.10.18	Clause 36(1)(a)(i)- Emergencies	The emergency/urgent procurement of food and refreshments for community members affected after a fire at the Overhills informal settlement on 21 September 2012	Manager: Housing Administration: F Frans	Kleinmond SPAR	1,133.62		76.27	1,209.89
58	SCD2560	2012.10.18	Clause 36(1)(a)(i)- Emergencies	The urgent procurement and delivery of 25x4 and 70x4 SWA electrical cables from an alternate supplier due to non-performance of the successful bidder of SC1180/2012, to ensure continued service delivery by the electrical department.	Storekeeper: Gansbaai: J. Van der Merwe	Siyaphambili Electrical & Industrial Supplies CC	120,320.00		16,844.80	137,164.80
59	SCD2545	2012.10.05	Clause 36(1)(a)(ii)- Sole suppliers	The supply and delivery of 6kw UV lamps and fittings for Triogen UV-System from the sole agents for all UV systems manufactured by Triogen for South Africa	Principle Technician: Operational: C. Harding	Nine Kings CC	54,470.00		7,625.80	62,095.80
60	SCD2550	2012.10.04	Clause 36(1)(a)(ii)- Sole suppliers	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 2013 and not exceeding a total cost of R120,000.00, exclusive of VAT.	Manager: Council Support Services: H van Tonder	Earlyworx 282 (Pty) Ltd	120,000.00		16,800.00	136,800.00
61	SCD2551	2012.10.09	Clause 36(1)(a)(ii)- Sole suppliers	The identification and repair of fault (strip-and-quote) of SebaKMT Teleflex T3050 by the authorized agent within the Western Cape, as confirmed by the sole importer/agent for SebaKMT in southern Africa.	Senior Superintendent: Electrical: Nigrini J	Flo Specialized Product Solutions CC	1,430.00		200.20	1,630.20
62	SCD2555	2012.10.12	Clause 36(1)(a)(ii)- Sole suppliers	The provision of training, by the only accredited service provider within the Western Cape, to ensure that the nominated employees achieve the required full accreditation.	Environmental Officer: K Van der Merwe	The Nature College Wild Life Training	24,000.00		3,360.00	27,360.00
63	SCD2568	2012.11.09	Clause 36(1)(a)(ii)- Sole suppliers	The Servicing and repair of Caterpillar equipment (CAM16700 & CEM19317) by the sole authorised agent for Southern Africa	Manager: Corporate Projects: JJ Arendse	Barloworld Equipment	24,833.74		3,476.72	28,310.46
64	SCD2570	2012.11.16	Clause 36(1)(a)(ii)- Sole suppliers	The identification and repair of fault (strip-and-quote) of an Ursus 4512 tractor via a strip-and-quote process, by the authorized agent of Ursus tractors in South Africa	Manager: Corporate Projects: JJ Arendse	Ursus S.A. (Pty) Ltd	1,791.73		250.84	2,042.57
65	SCD2571	2012.11.12	Clause 36(1)(a)(ii)- Sole suppliers	The identification and repair of faults with the compactor truck (CEM6932) by the accredited agent within the greater cape area (Northern, Western & Eastern) via a strip-and-quote process.	Manager: Corporate Projects: JJ Arendse	Transtech	66,177.63		9,264.87	75,442.50
66	SCD2573	2012.11.16	Clause 36(1)(a)(ii)- Sole suppliers	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 2013 and not exceeding a total cost of R58 320.00, exclusive of VAT.	Senior Manager: Kleinmond: C Jonkheid	Earlyworx 282 (Pty) Ltd	58,320.00		8,164.80	66,484.80
67	SCD2574	2012.11.22	Clause 36(1)(a)(ii)- Sole suppliers	The repair and service of Bauer Air Compressors by the sole authorised South African agent.	Divisional Commander: Gansbaai & Stanford: B Lobb	High Pressure Systems	5,513.90		771.95	6,285.85
68	SCD2577	2012.11.26	Clause 36(1)(a)(ii)- Sole suppliers	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: K du Plessis	Power Measurement & Distribution CC	19,250.00		2,695.00	21,945.00
69	SCD2578	2012.11.28	Clause 36(1)(a)(ii)- Sole suppliers	Procurement and installation of 100w Heaters for the Hermanus Industrial Switching Station by the sole manufacturer of the product which adheres to required specifications	Senior Manager: Chief Electro Technical Services: K du Plessis	ABB SA (Pty) Ltd	38,814.76		5,434.07	44,248.83
70	SCD2552	2012.10.09	Clause 36(1)(a)(iii) Special works of Art	The procurement of music services for the purpose of entertainment at the National Blue Flag Campaign, held at Grotto Beach, without obtaining three quotations as it is too difficult to develop specifications for the procurement of works of art	Manager: Communications: F Krige	The Zwelihe Marimba Band	800.00		-	800.00

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71	SCD2562	2012.10.23	Clause 36(1)(a)(iii) Special works of Art	The procurement of music services for the purpose of entertainment at the Mayoral Cup Tournament 2012, held in Gansbaai, without obtaining three quotations due to the uniqueness/individuality related to the procurement of works of art	Senior Manager: Gansbaai/Stanford: F Myburgh	S.S. Jacobs	3,000.00		-	3,000.00
72	SCD2542	2012.10.01	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of fault as well as service of Jonway scooters by the authorised agent within the Overstrand Area	Manager: Corporate Projects: JJ Arendse	Hermanus Mower Centre	2,488.60		348.40	2,837.00
73	SCD2544	2012.10.01	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of fault with the electrical roller door at the Hermanus Transfer Station, which cannot open and has loose brackets, via a strip-and-quote process	Manager: Solid Waste Planning: J van Taak	Amoroc Doors	2,543.86		356.14	2,900.00
74	SCD2546	2012.10.05	Clause 36(1)(a)(v)- Impractical or impossible	The payment of Overstrand Municipality's obligation towards the Kraaibosch Dam safety inspection, as required in terms of the original binding contract	Deputy Director: Engineering Services: H Blignaut	Lomond Wine Estate (Pty) Ltd	7,982.84		1,117.60	9,100.44
75	SCD2547	2012.10.19	Clause 36(1)(a)(v)- Impractical or impossible	The identification of fault and service of Hanna HI 9146 DO Meter, via a strip-and-quote process, as it is required that the supplier first investigate the equipment before providing a reliable quote	Senior Manager: Environmental Services: Bezuidenhout L	Hanna Instruments	1,052.63		147.37	1,200.00
76	SCD2548	2012.10.01	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of fault with the Cherry Picker of truck CEM15338, which includes moving the hydraulic pipes to the outside of the boom for easier access and fault-finding in the future	Manager: Corporate Projects: JJ Arendse	Hycos Hydraulics & Pneumatics CC	15,600.00		2,184.00	17,784.00
77	SCD2557	2012.10.18	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of fault with a Samsung SCX-4720FN printer, which needed to have its main board replaced, via a strip-and-quote process	Acting Manager: IT Communication & Technology, Van Staden JJ	Heldertech	2,370.00		331.80	2,701.80
78	SCD2558	2012.10.18	Clause 36(1)(a)(v)- Impractical or impossible	The identification of fault and subsequent replacement of the fish pond pump at the Hermanus head office, via a strip-and-quote process	Horticulturist: L Rainbird	Louis Havenga	2,390.00	-	-	2,390.00
79	SCD2559	2012.10.18	Clause 36(1)(a)(v)- Impractical or impossible	The booking of a space at the Cape Getaway show without requesting quotations from other show organizers due to the uniqueness of the show and the Municipality's intended target market	Manager: Tourism: S Greeff	Ramsay Media (Pty) Ltd	10,361.00		1,450.54	11,811.54
80	SCD2561	2012.10.25	Clause 36(1)(a)(v)- Impractical or impossible	The Calibration of vehicle testing equipment without obtaining three quotations, as only two prospective bidders could be identified which met the municipality's technical requirements.	Chief: Traffic Services: R Fraser	Workshop Electronics CC	7,010.00		981.40	7,991.40
81	SCD2563	2012.10.23	Clause 36(1)(a)(v)- Impractical or impossible	The repair to a leaking water pipe at Hermanus Primary School by the supplier who identified the cause of the leak, after it was found that responsibility for the repair lies with the municipality.	Principal Technician: D Nel	Flo-Right Irrigation	1,003.46		140.48	1,143.94
82	SCD2564	2012.10.19	Clause 36(1)(a)(v)- Impractical or impossible	The urgent procurement of tow-in services from the only available service provider in immediate Hermanus area, as the occupants of the towed vehicle were not in a state to drive.	Chief: Traffic Services: R Fraser	Hermanus Towing	482.46		67.54	550.00
83	SCD2565	2012.10.23	Clause 36(1)(a)(v)- Impractical or impossible	The part payment for the installation of a new repeater in Gansbaai, due to the original unit being vandalized, as per the agreement reached between the respective parties.	Acting Manager: IT Communication & Technology, Van Staden JJ	Benliekor Communications	15,666.67		2,193.33	17,860.00
84	SCD2566	2012.10.26	Clause 36(1)(a)(v)- Impractical or impossible	The provision of on-site support services for the Collaborator Foundation System for a period of 8 months ending 30 June 2013, from the primary owner of the system.	Manager: Council Support Services: H van Tonder	Business Engineering (Pty) Ltd	232,560.00		32,558.40	265,118.40
85	SCD2567	2012.10.29	Clause 36(1)(a)(v)- Impractical or impossible	The inspection of fault with and subsequent replacement of a manifold for vehicle CEM 14827, which needs to be specially measured and moulded to fit the vehicle.	Manager: Corporate Projects: JJ Arendse	Gamco Services	2,776.85		388.76	3,165.61
86	SCD2549	2012.11.16	Clause 36(1)(a)(v)- Impractical or impossible	The reimbursement of Mediclinic for the repair of a sewerage pipeline which was identified afterwards to have been the responsibility of Overstrand Municipality.	Principal Technician, Nel D	Mediclinic	3,333.34		466.67	3,800.01

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87	CD2218A/20	2012.11.19	Clause 36(1)(a)(v)- Impractical or impossible	The amendment of the final contract value of SCD2218/2012: Acquisition of Microsoft Software Licenses, which was initially incorrectly quoted due to human error.	Acting Manager: IT Communication & Technology, Van Staden JJ	First Technology (Pty) Ltd	211,312.79		29,583.79	240,896.58
88	SCD2569	2012.11.02	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of fault with the "Cherry Picker" of truck CEM15338, which need to have its hydraulic cylinder and main arm replaced.	Manager: Corporate Projects: JJ Arendse	Hycos Hydraulics & Pneumatics CC	5,130.00		718.20	5,848.20
89	SCD2575	2012.11.22	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of fault with multiple Motorola handheld radios (i.e. broken antenna and alignment of internals), via a strip-and-quote process.	Acting Manager: IT Communication & Technology, Van Staden JJ	Benliekor Communications	2,149.00		300.86	2,449.86
90	SCD2576	2012.11.21	Clause 36(1)(a)(v)- Impractical or impossible	The maintenance of My City flow metering system in Gansbaai by the manufacturer and implementer of the system for the Overstrand Municipality.	Superintendent: Water & Sanitation: Franken H	Flotron Instrumentation Services (Pty) Ltd	14,750.00		2,065.00	16,815.00
91	SCD2586	2012.12.21	Clause 36(1)(a)(v)- Impractical or impossible	The urgent (emergency) procurement of pumping services for the emptying of 6 overflowing sludge-settling dams in Gansbaai without following the required procurement processes due to the incident occurring over the weekend. The overflow was caused by increased consumption due to influx of visitors and high temperatures.	Superintendent: Water & Sanitation: Franken H	Fred de Pauw Commercial Diving Services	12,000.00		-	12,000.00
92	SCD2582	2012.12.10	Clause 36(1)(a)(v)- Impractical or impossible	Identification and repair of fault with a chemical lime dosing pump at the Preekstoel water treatment plant by the official agents of Milton Roy equipment in the Western Cape	Principal Technician, D Nel	Maxal Projects SA (Pty) Ltd	12,753.00		1,785.42	14,538.42
93	SCD2583	2012.12.14	Clause 36(1)(a)(v)- Impractical or impossible	Servicing and/or repair of Fire Services breathing apparatus, to ensure compliance with the OHASA Act of 1993, by the sole authorised South African agent through the strip-and-quote process	Acting Chief Fire Officer: MD Rust	SAMSAC Africa (Pty) Ltd	6,619.27		926.70	7,545.97
94	SCD2584	2012.12.14	Clause 36(1)(a)(v)- Impractical or impossible	Procurement and installation of a new ejector cylinder for refuse truck CEM 6932 from the sole accredited agent within the greater Cape area (Northern, Western and Eastern).	Manager: Corporate Projects: JJ Arendse	Transtech	10,170.95		1,423.93	11,594.88
95	SCD2590	2012.12.21	Clause 36(1)(a)(v)- Impractical or impossible	The repair of the telemetry system of the Hawston Reservoir by the approved sole service provider after being damaged by vandals	Principal Technician, Nel D	Spectrum Communications (Pty) Ltd	2,034.00		284.76	2,318.76
96	SCD2579	2012.12.05	Clause 36(1)(a)(v)- Impractical or impossible	Procurement of 200 specialised calendars for use as a marketing tool and gift, without obtaining 3 quotations due to the uniqueness/individuality as procurement of works of art	Manager: Communications: F Krige	Northcliff House College	11,800.00		-	11,800.00
97	SCD2580	2012.12.05	Clause 36(1)(a)(v)- Impractical or impossible	Procurement of 11kv bundle conductor for the replacement of a faulty line in Zwelihle without obtaining 3 formal written quotations due to the specialised nature and long lead times for procuring 11kv conductor cable, after it was found that the conductor kept on inventory per the stock tender, is not suitable for the project	Senior Manager: Chief Electro Technical Services: K du Plessis	Universal Cables CC	109,750.00		15,365.00	125,115.00
98	SCD2581	2012.12.10	Clause 36(1)(a)(v)- Impractical or impossible	Inspection of fault with, and subsequent repair of, the differential for vehicle CEM 26226, via a strip-and-quote process	Manager: Corporate Projects: JJ Arendse	Worcester Gearbox Centre	5,329.00		746.06	6,075.06
99	SCD2585	2012.12.18	Clause 36(1)(a)(v)- Impractical or impossible	Provision of electricity power quality monitoring services for a six month 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 2013.	Senior Manager: Chief Electro Technical Services: K du Plessis	CT Lab (Pty) Ltd	60,000.00		8,400.00	68,400.00
100	SCD2587	2012.12.19	Clause 36(1)(a)(v)- Impractical or impossible	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: S Greeff	Interactive Trading 498 (Pty) Ltd	11,655.00		1,631.70	13,286.70
101	SCD2588	2012.12.20	Clause 36(1)(a)(v)- Impractical or impossible	Strip-and-quote repair of fault with two-way hand-held radio, which had faulty microphones and fuses, by the approved services provider	Acting Manager: IT Communication & Technology, Van Staden JJ	Benliekor Communications CC	5,082.50		711.55	5,794.05
102	SCD2589	2012.12.21	Clause 36(1)(a)(v)- Impractical or impossible	The removal, identification and repair of two-way communication repeaters at Waterkop & Salmonsdam in Gansbaai by the approved service provider via strip-and-quote processes after the theft of equipment and damage to the installations.	Acting Manager: IT Communication & Technology, Van Staden JJ	Benliekor Communications CC	26,395.00		3,695.30	30,090.30

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#	Deviation #	Approved	Deviation in terms of Clause 36(1)(a)	Description	Responsible Official	Awarded to	Amount Operational	Amount Capital	VAT @ 14%	Value of the Deviation
103	SCD2591	2012.12.21	Clause 36(1)(a)(v)- Impractical or impossible	The repair of VHF Repeaters at Hermanus & Gansbaai Fire Fighting services as a strip-and-quote process as the damages are impossible to establish and it is impractical to have another service provider perform the same	Acting Manager: IT Communication & Technology, Van Staden JJ	Benliekor Communications CC	2,212.00		309.68	2,521.68
104	SCD2605	2013/03/08	Clause 36(1)(a)(i)	The procurement of emergency fire fighting services for the period 24/12/2012 – 29/01/2013 as the magnitude of situation exceeded the municipality's own resources.	Acting Chief: Fire & Disaster, Rust M.	FFA Aviation (Pty) Ltd	1,188,533.51		166,394.69	1,354,928.20
105	SCD2596	2013/01/22	Clause 36(1)(a)(ii)	Calibration of Truvelo speed law enforcement equipment by the sole supplier of the equipment	Chief: Traffic Services: R Fraser	Truvelo Manufacturers (Pty) Ltd	9,809.04		1,373.27	11,182.31
106	SCD2598	2013/02/05	Clause 36(1)(a)(iii)	Procurement of services for the repair and servicing of a pump at the Hermanus Waste Water Treatment Works by the sole authorised agent	Principal Technician, Nel D	Maxal Projects (SA) (Pty) Ltd	12,022.00		1,683.08	13,705.08
107	SCD2600	2013/02/07	Clause 36(1)(a)(ii)	The testing and service of Drager Self-Contained Breathing equipment, by the sole importer, supplier and service company of Drager equipment in South Africa.	Station Commander: Hermanus, Aplon A	Drager South Africa (Pty) Ltd	3,635.00		508.90	4,143.90
108	SCD2610	2013/03/14	Clause 36(1)(a)(ii)	Identification and repair of fault with a chemical lime dosing pump feeder at the Preekstoel water treatment plant by the official agents of Milton Roy equipment in the Western Cape	Principal Technician, Nel D	Maxal Projects (SA) (Pty) Ltd	7,686.00		1,076.04	8,762.04
109	SCD2593	2013/01/10	Clause 36(1)(a)(v)	The procurement of system specific Payroll IRP5 training, for two municipal employees, by current service provider of the municipality's personnel and payroll system.	Senior Manager: Human Resources L Bucchianeri	Pay-Day Software Systems	7,543.86		1,056.14	8,600.00
110	SCD2594	2013/01/10	Clause 36(1)(a)(v)	The identification and repair of a leak in the south-west corner office at the Hermanus head office via a strip-and-quote process.	Principal Technician, Nel D	Waterworks CC	7,400.00		1,036.00	8,436.00
111	SCD2595	2013/01/11	Clause 36(1)(a)(v)	The relocation and testing of the Server for the Innkeeper Booking System used at the Onrus Caravan Park to the Hermanus Data Centre, in order to identify whether or not the system is able to operate via the network from a centralized point, by the current service provider of the system to Overstrand Municipality (Phase 1)	Acting Manager: IT Communication & Technology, Van Staden JJ	PSD Distribution Africa (Pty) Ltd	2,920.00		408.80	3,328.80
112	SCD2597	2013/02/01	Clause 36(1)(a)(v)	Strip-and-quote repair of fault with two-way hand-held radio, which had faulty microphones and fuses, by the approved service provider.	Acting Manager: IT Communication & Technology	Benliekor Communications CC	8,488.00		1,188.32	9,676.32
113	SCD2599	2013/02/04	Clause 36(1)(a)(v)	The inspection of fault with, and subsequent repair of, the "Pinion Shaft" for vehicle CEM 8154 by the sole dealer/agent for the Western and Eastern Cape, via a strip-and-quote process.	Manager: Corporate Projects: JJ Arendse	Kemach Cape (Pty) Ltd	2,839.34		397.51	3,236.85
114	SCD2601	2013/02/13	Clause 36(1)(a)(v)	The continued leasing of office space at 37 5th Avenue, Kleinmond, due to the current shortage of municipal office space for Town Planning personnel in the Kleinmond area, for the period 1 July 2012 to 30 June 2015, effective as of 1 March 2013	Senior Manager: Town Planning & Property Administration	Alida Bekker	162,320.00		-	162,320.00
115	SCD2602	2013/02/19	Clause 36(1)(a)(v)	The relocation of the server for Innkeeper booking system used at the Onrus and Kleinmond Caravan Parks, to the Hermanus Data Centre, in order to operate the system via the network from a centralized point, by the current service provider of the system (Phase 2).	Acting Manager: IT Communication & Technology, Van Staden JJ	PSD Distribution Africa (Pty) Ltd	3,120.00		436.80	3,556.80
116	SCD2603	2013/02/19	Clause 36(1)(a)(v)	The identification and repair of fault with the gearbox for vehicle CAM 31017 via a strip-and-quote process.	Manager: Corporate Projects: JJ Arendse	Autotech & CEO Hydraulic Engineering	3,066.67		429.33	3,496.00
117	SCD2604	2013/02/25	Clause 36(1)(a)(v)	The procurement of REK staples for Nashua MP5000 printer from the current Lessor of the machine, in terms of the service agreement which stipulates that a lessee may only use consumables supplied by Nashua.	Acting Manager: IT Communication & Technology, Van Staden JJ	Nashua Breede Valley – (Hybricode (Pty) Ltd)	1,950.00		273.00	2,223.00
118	SCD2606	2013/03/12	Clause 36(1)(a)(v)	The identification of fault with Unicab fire truck via a strip-and-quote process, which includes engine inspection, chassis checked for obstructions and replacement of lubricants and fuel	Acting Chief: Fire & Disaster, Rust M.	Fire Raider (Pty) Ltd	20,000.00		2,800.00	22,800.00
119	SCD2607	2013/03/28	Clause 36(1)(a)(v)	The identification of fault with, and subsequent replacement of, VHF and UHF radio repeaters and antenna at Dangerpoint, Gansbaai, via a strip-and-quote process.	Acting Manager: IT Communication & Technology, Van Staden JJ	Benliekor Communications CC	15,640.00		2,189.60	17,829.60
120	SCD2608	2013/03/13	Clause 36(1)(a)(v)	The procurement of catering services for day 1 (2013/03/14) of the Annual Traffic Chiefs' Form hosted by Overstrand Municipality from 14 to 15 March 2013.	Chief: Traffic Services: R Fraser	PJ Hendriksz t/a EAT Hermanus	4,649.12		650.88	5,300.00
121	SCD2609	2013/03/14	Clause 36(1)(a)(v)	The identification and repair of fault with the clutch for vehicle CAM 9402 via a strip-and-quote process, as the vehicles gearbox needs to first be removed and opened in order to identify the fault.	Manager: Corporate Projects: JJ Arendse	Ursus S.A. (Pty) Ltd	6,251.98		875.28	7,127.26

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122	SCD2611	2013/03/18	Clause 36(1)(a)(v)	The repair of unforeseen faults identified during the replacement of bolts on a raw water sump at Palmiet River, as it was identified that certain components cannot be repair and need to be replaced.	Principal Technician, Harding C	Equisale 115 CC t/a Pump Service Centre	3,621.60		507.02	4,128.62
123	SCD2612	2013/04/02	Clause 36(1)(a)(ii)	The testing and service of 21 units of Drager Self Containing Breathing Apparatus equipment, by the sole importer, supplier and service company of Drager equipment in South Africa.	Station Commander: Hermanus, A. Aplon	Drager South Africa (Pty) Ltd	10,895.00	-	1,525.30	12,420.30
124	SCD2613	2013/04/17	Clause 36(1)(a)(v)	The payment of costs related to the continued development and improvement of Overstrand Municipality's Financial Management System (SAMRAS), as per the municipality's SLA with the contractor.	System Administrator: Finance, Loubser JT	Bytes System Integration (Pty) Ltd	276,903.15	-	38,766.44	315,669.59
125	SCD2614	2013/04/05	Clause 36(1)(a)(v)	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 S116(3) of the MFMA will be adhered to by 30 June 2013.	Senior Manager: Chief Electrical Services, K. du Plessis	PJ Technologies Cape CC	22,100.25	-	3,094.04	25,194.29
126	SCD2615	2013/04/05	Clause 36(1)(a)(v)	The identification and repair of fault with the APC Smart UPS used at the Kleinmond ICT Data Centre, which needed to have its batteries replaced, via a strip-and-quote process.	Acting Manager: IT Communication & Technology, J. Van Staden	UPS Cape CC t/a AC Digital Energy	2,266.00	-	317.24	2,583.24
127	SCD2616	2013/04/05	Clause 36(1)(a)(v)	The Provision of Professional Services for the establishment of market-related remuneration for top management	Municipal Manager, C. Goenewald	Work Dynamics (Pty) Ltd	17,543.86	-	2,456.14	20,000.00
128	SCD2617	2013/04/10	Clause 36(1)(a)(v)	The procurement and implementation of Phase 1 of the SAMRASPlus system as well as the required Bytes Operating Software for the said system (once-off), from the developer of the system and whom is the current supplier of the municipality's Financial Management System.	Acting Manager: IT Communication & Technology, J. Van Staden	Bytes System Integration (Pty) Ltd		256,768.00	35,947.52	292,715.52
129	SCD2618	2013/04/10	Clause 36(1)(a)(v)	The identification and repair of fault with the gearbox for tractor CEM 26581 via a strip-and-quote process, as the municipal workshop does not have the needed equipment to remove the gears in order to perform a full inspection.	Manager: Corporate Services, Arendse JJF	Ursus S.A. (Pty) Ltd	18,460.00	-	2,584.40	21,044.40
130	SCD2619	2013/04/10	Clause 36(1)(a)(v)	The identification and repair of faults within the Hermanus electrical telemetry network, by the original implementer of the system, who is also the only service provider with the required capacity and equipment needed to accurately identify the fault.	Senior Manager: Chief Electro Technical Services, du Plessis, K	Spectrum Communications (Pty) Ltd	4,860.00	-	680.40	5,540.40
131	SCD2620	2013/04/11	Clause 36(1)(a)(ii)	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	12,320.00	-	1,724.80	14,044.80
132	SCD2621	2013/04/12	Clause 36(1)(a)(ii)	The testing and service of Drager Self Containing Breathing Apparatus equipment, by the sole importer, supplier and service company of Drager equipment in South Africa.	Station Commander: Hermanus, Aplon A.	Drager South Africa (Pty) Ltd	4,134.50	-	578.83	4,713.33
133	SCD2622	2013/04/15	Clause 36(1)(a)(ii)	The testing and calibration of BW Gas Alert Microclip detectors, by the sole approved representative for BW Technology products in the Western Cape.	Station Commander: Hermanus, Aplon A.	Invuyani Safety CC	1,767.00	-	247.38	2,014.38
134	SCD2623	2013/04/16	Clause 36(1)(a)(v)	The renewal and hosting of Overstrand Municipality's tourism website (www.whalecoast.info), originally controlled by the Cape Whale Coast DMO, until 30 April 2013, by the company who original developed and currently maintains the site.	Manager: Tourism, Greeff S.	Studio 137	2,845.00	-	-	2,845.00
135	SCD2624	2013/04/25	Clause 36(1)(a)(v)	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.	Acting Manager: IT Communication & Technology, J. Van Staden	UPS Cape CC t/a AC Digital Energy	3,990.00	-	558.60	4,548.60
136	SCD2626	2013/04/29	Clause 36(1)(a)(v)	The identification and repair of fault with HP Colour Laserjet printer, which needed to have its formatter and fax module replaced, via a strip-and-quote process.	Acting Manager: IT Communication & Technology, J. Van Staden	Heldertech CC	3,270.00	-	457.80	3,727.80
137	SCD2617a	2013/05/30	Clause 36(1)(a)(v)	The technical setup and commissioning of the VM Server environment to host SAMRASPlus, as part of the implementation of Phase 1 of the SAMRASPlus system, by the developer of the system and whom is the current supplier of the municipality's Financial Management System.	Acting Manager: IT Communication & Technology, J. Van Staden	Bytes System Integration (Pty) Ltd		42,560.00	5,958.40	48,518.40
138	SCD2625	2013/05/03	Clause 36(1)(a)(i)	The emergency procurement of tow-in services for the towing of municipal truck CEM 20030 by the nearest available service provider without being able to obtain three quotations due to the incident occurring outside of office hours (03 April 2013 @ 18:53)	Manager: Corporate Services, Arendse JJF	De Kock Panel beaters & Spraypainters CC	6,800.00	-	952.00	7,752.00

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#	Deviation #	Approved	Deviation in terms of Clause 36(1)(a)	Description	Responsible Official	Awarded to	Amount Operational	Amount Capital	VAT @ 14%	Value of the Deviation
139	SCD2627	2013/05/23	Clause 36(1)(a)(v)	Provision of the Municipal Finance Management Development Programme for Group 4 to ensure compliance with the MFMA.	Senior Manager: Human Resources L Bucchianeri	Stellenbosh University – School of Public Leadership	1,087,500.00	-	-	1,087,500.00
140	SCD2628	2013/05/17	Clause 36(1)(a)(v)	A presentation on the expected future economic trends within South Africa and its impact on local government, by a specialist.	Municipal Manager, Groenewald C	Mr. Mike Schussler via his corporation: Rain CC	24,561.40	-	3,438.60	28,000.00
141	SCD2629	2013/05/20	Clause 36(1)(a)(v)	The identification and repair of fault with the final drive for tractor CEM 21823 via a strip-and-quote process, as the municipal workshop does not have the needed equipment to perform a full inspection.	Manager: Corporate Services, Arendse JJF	Ursus S.A. (Pty) Ltd	3,473.93	-	486.35	3,960.28
142	SCD2630	2013/05/22	Clause 36(1)(a)(v)	The identification and repair of fault with the cylinder head of vehicle CEM 22015, which had been damaged after the timing-belt snapped, via a strip-and-quote process.	Manager: Corporate Services, Arendse JJF	Worcester Enjinsentrum	2,895.00	-	405.30	3,300.30
143	SCD2631	2013/05/23	Clause 36(1)(a)(iii)	The manufacture and erection of a specially designed sun dial to be used as an attraction at Swallow Park, Hermanus	Senior Manager: Hermanus, Kearney D	Hermanus Astronomy Centre	11,750.00	-	-	11,750.00
144	SCD2632	2013/06/27	Clause 36(1)(a)(v)	The provision of Intellicash 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.	Senior Manager: Financial Services, King B	Pricewaterhouse Coopers Inc.	70,443.37	-	9,862.07	80,305.44
145	SCD2633	2013/06/19	Clause 36(1)(a)(v)	The identification and repair of fault with Caterpillar Grader, which first had to have its blades inspected in order to identify the extent of repairs required, via a strip-and-quote process and by the authorized dealer for Caterpillar equipment in the Republic of South Africa.	Manager: Corporate Services, Arendse JJF	Barloworld Equipment, a division of Barloworld South Africa (Pty) Ltd	32,176.79	-	4,504.75	36,681.54
146	SCD2634	2013/06/24	Clause 36(1)(a)(v)	The identification and repair of fault with the hydraulic pump for Grader CEM 2445 via a strip-and-quote process, as the municipal workshop does not have the needed equipment and / or capacity to perform a full inspection.	Manager: Corporate Services, Arendse JJF	Hycos Hydraulics & Pneumatics CC	28,250.00	-	3,955.00	32,205.00
147	SCD2635	2013/06/19	Clause 36(1)(a)(v)	The identification of fault with the fuel pump of vehicle CEM 24211, which had a faulty safety switch, via a strip-and-quote process. Subsequent to the investigation it was decided that the repairs will be done in-house in order to minimize costs.	Manager: Corporate Services, Arendse JJF	Barloworld Equipment, a division of Barloworld South Africa (Pty) Ltd	4,380.00	-	613.20	4,993.20
148	SCD2636	2013/06/28	Clause 36(1)(a)(v)	The identification of fault with the radio repeater site at Salmonsdam, which had been vandalised, via a strip-and-quote process. Subsequent to the investigation it was decided that the site will not be repaired and that an alternate solution will be investigated.	Manager: IT Communication & Technology, van Staden J	Estreaux Systems CC t/a Benliekor Communications	2,606.00	-	364.84	2,970.84
149	SCD2637	2013/06/28	Clause 36(1)(a)(v)	The provision of support services regarding the back-up procedures on the SAMRAS DB4 server by the sole developer, supplier and implementer on the system.	System Administrator: Finance, Loubser, JT	Bytes Systems Integration (Pty) Ltd	3,040.00	-	425.60	3,465.60
							6,882,971.80	746,102.75	885,722.70	8,514,797.24

SUPPLY CHAIN MANAGEMENT							
Awards to close family members of persons in the service of the state in excess of R 2 000- 2012/2013 financial year in terms of Clause 45 of the policy							
Creditor Num.	SCD Num.	Company Name	Relationship Type	Name	Government Entry	Capacity of employment	Amount
H000088	21	ADENCO CONSTRUCTION (PTY) LTD	CHILD	MACHIMANA HV	Transnet Port Terminals	Mechatronic Engineer	R 1,701,429.92
H000318	314	ANDY'S LOW PROFILE SECURITY	SPOUSE	LOWINGS E	Overstrand Municipality	Admin Ass Building Control	R 39,295.80
K94455	1774	ANTONIE C	SPOUSE	ANTONIE S	Overstrand Municipality	Committee Official	R 30,530.00
H93792	280	AURECON SOUTH AFRICA (PTY) LTD	FAMILY	GELDENHUYS N	Transnet Port Terminals	Mechatronic Engineer	R 6,598,957.99
H94682	1814	BAARDMAN DO	SPOUSE	BAARDMAN M	Overstrand Municipality	Chief Clerk: Rates & Housing	R 17,550.00
K90303	1109	CARELSE EG	BROTHER	CARELSE W	Overstrand Municipality	Parks	R 428,625.13
H95422	2578	COALITION TRADING 1318	SPOUSE	TOBIAS-MEINTJIES AA	Theewaterskloof Municipality	Forman: Street & Stromwater	R 460,321.06
G004086	1510	D & J VERVOER	PARENT	VERMEULEN JC	Overstrand Municipality	Accountant: Income	R 193,806.00
G93478	2236	DOWN SOUTH SURF AND TURF	SPOUSE	NEL C	Overstrand Municipality	Senior Clerk Income	R 12,600.00
G93497	2326	DREYER B	INLAW	DICKSON R	Overstrand Municipality	Building Inspector	R 2,004.00
				DICKSON M	Overstrand Municipality	Senior Clerk	
H91751	477	DU PLESSIS SW	INLAW	COETZEE G	Overstrand Municipality	Principle Technician - Building Control	R 154,501.11
H95027	2127	EASY MIX	SPOUSE	DE JAGER H	Cape Agulhas Municipality	Clerk: Rates	R 289,183.73
H95004	2093	ECO CREATIONS	SPOUSE	RAINBIRD L	Overstrand Municipality	Horticulturist	R 881,455.66
H95504	2652	EDWARD NATHAN SONNENBERGS INC	FAMILY	REYNBURN L	Department of Trade and Industry	Member of the Competition Tribunal	R 3,649,558.38
				COODE K	Companies and Intellectual Property Commission	Director: Education and Compliance	
				LEWIS C	Department of Justice	Judge	
				VAN NIEKERK L	National Prosecuting Authority	Senior State Advocate	
H91909	1372	ELCO TUINDIENSTE	INLAW	COETZEE JG	Overstrand Municipality		R 29,835.00
G93522	2471	EMMENEM KONSTRUKSIE	SPOUSE	DUNSDON EM	Department of Education	Teacher	R 56,850.00
H93339	266	ENGELBRECHT & SCORGIE TEKENKAN	SPOUSE	ENGELBRECHT C	Overstrand Municipality	Administrator: ICT	R 260,256.97
H95367	2512	EROLD WESSELS MAINTENANCE	FAMILY	WILLIAMS J	Western Cape Provincial Traffic Department	Traffic Officer	R 12,600.00
G93222	688	EUROPA E (ELSA KONSTRUKSIE)	INLAW	JANTJIES L	Overstrand Municipality	Store Attendent	R 79,000.00
				JUMAT K		Driver	
				EUROPA D		Nature Conservation	
K900575	1769	FLORIS SM	BROTHER	FLORIS A	Overstrand Municipality		R 23,285.00
H95375	2523	GATEWAY PAVERS CC	SPOUSE	BAARDMAN M	Overstrand Municipality	Chief Clerk: Rates & Housing	R 29,350.00
H94686	1822	GERRIT VISSER ONDERHOUDSWERK	SPOUSE	VISSER A	Overstrand Municipality	Snr Clerk: Internal Management	R 10,651.65
H91522	637	HERMANUS TOWING CC	SPOUSE	MINNAAR L	Overstrand Municipality	Principle Clerk: Property	R 18,874.60
H95417	2573	HYCO (HYCO HYDRAULICS AND PHEU	CHILD	JONES MM	Department of Sports, Arts and Culture	Administrative Clerk	R 3,990.00
G93413	1905	JANTJIES C	SPOUSE	JANTJIES L	Overstrand Municipality	Store Attendent	R 2,800.00
H94005	790	JEFFREY NKANUNU CONSTRUCTION C	SPOUSE	NKANUNU NA	Overstrand Municipality	General Assistant Cleaners	R 13,464.00
H94163	1036	JUDITH'S CATERING	AUNT	FORTUIN C	Overstrand Municipality	Clerk: Rates	R 3,520.00
H91845	1478	MCINJANA TOURS	CHILD	MCINJANA TT	Overstrand Municipality	Law Enforcement	R 34,640.00

H93350	649	MCNEIL DJ (MAC THATCHERS)	BROTHER	MCNEIL G	Department of Education	Teacher	R	21,639.00
G004644	1908	MIGGELS D	INLAW	SHERIFF F	Overstrand Municipality	General Assistant: Water	R	26,600.00
H95368	2514	MRUBATA CUPBOARDS AND RENOVATI	BROTHER	MRUBATA P		General Assistant: Cemeteries	R	4,620.30
H91745	1338	NEL MM	SPOUSE	NEL JG	Overstrand Municipality	Streets and Stormwater	R	2,760.00
H95461	2608	NKWENKWEZI BUILDERS	SISTER	NKWENKWEZI N	Overstrand Municipality	Parking Marshall	R	8,265.00
H95411	2569	NORTHCLIFF HOUSE COLLEGE	SPOUSE	MATSCHKE W	Overstrand Municipality	Principle Clerk: Creditors	R	11,800.00
H94455	1468	OUTDOOR ILLUMINATION CC	SPOUSE	VD MERWE K	Overstrand Municipality	HR Practitioner Admin Officer: Property	R	382,052.11
H91398	1295	PJTC CONSTRUCTION CC	FAMILY	FORTUIN C	Overstrand Municipality	Clerk: Rates	R	14,345.00
H93951	623	QUINTESSENTIAL SECURITY CC	SPOUSE	VAN TONDER H	Overstrand Municipality	Manager: Council Services Support	R	2,177,753.36
H93981	693	RHODE BROS STEEL PROJECTS CC	CHILD	RHODE D	SAPS	Police Officer	R	70,452.00
H94674	1800	SALES A	SPOUSE	SALES E	Overstrand Municipality	Personal Assistant: Infrastructure & Planning	R	21,236.00
H90587	1741	SOLOMON'S WINDOW CLEANING SERV	SPOUSE	MANANGA NP	Department of Social Development (SASSA)	Contract	R	5,000.00
K94534	2322	SWARTZ L	CHILD	SWARTZ CC			R	2,320.00
H000515	1114	TOPS TIMBERS	INLAW	PRETORIUS R	Overstrand Municipality	PA to the Municipal Manager	R	4,300.00
G93473	2209	VERIFLOW VALVES AND INDUSTRIAL	FAMILY	LOURENS C	Overstrand Municipality	Buyer	R	5,355.72
				LOURENS A	Overstrand Municipality	Supervisor: Carpentry		
H91183	585	WALLY'S PANELBEATERS	SPOUSE	WILLIAMS J	Overstrand Municipality	Clerk: License & Registration	R	72,510.00
G004307	1277	WILLOUCON CC	CHILD	KRIEL JGF	Overstrand Municipality	Electrician	R	136,463.70
Total							R	18,006,408.19

Appendix A

June 2013

Schedule of external loans as at 30 June 2013

Loan Number		Redeemable	Balance at 30 June 2012 Rand	Received during the period Rand	Redeemed written off during the period Rand	Balance at 30 June 2013 Rand
Development Bank of South Africa						
DBSA @ 7.894%	13535/102	2020	2,512,779	-	157,049	2,355,730
DBSA @ 7.894%	13543/101	2019	2,188,918	-	136,807	2,052,111
DBSA @ 7.594%	13761/101	2020	2,216,326	-	130,372	2,085,954
DBSA @ 12.00%	10450/102	2017	598,880	-	93,560	505,320
DBSA @ 9.86%	102169/1	2022	13,753,977	-	413,465	13,340,512
DBSA @ 10.92%	103946/1	2026	56,000,000	-	2,000,000	54,000,000
DBSA @ 10.60%	103946/2	2026	90,000,000	-	-	90,000,000
			167,270,880	-	2,931,253	164,339,627
Lease liability						
SHARP @ 15.07%		2014	726,570	-	244,956	481,614
NASHUA @ 9.00%		2014	271,199	-	129,524	141,675
CAPE OFFICE @ 16.37%		2015	-	139,289	35,224	104,065
SHARP @ 13.74%		2014	-	32,204	15,004	17,200
			997,769	171,493	424,708	744,554
Annuity loans						
ABSA @ 10.38%	3029589816	2024	64,038,694	-	2,684,130	61,354,564
ABSA @ 10.44%	4073054262	2024	36,029,495	-	1,605,815	34,423,680
ABSA @ 10.82%	4073923493	2024	37,956,907	-	1,661,161	36,295,746
ABSA @ 7.92%	2879000653	2020	-	7,000,000	-	7,000,000
ABSA @ 9.11%	2879000652	2028	-	31,700,000	-	31,700,000
INCA @ 12.82%	20030226	2012	1,708,296	-	1,708,296	-
INCA @ 10.09%		2022	50,000,000	-	2,963,333	47,036,667
			189,733,392	38,700,000	10,622,735	217,810,657
Total external loans						
Development Bank of South Africa			167,270,880	-	2,931,253	164,339,627
Lease liability			997,769	171,493	424,708	744,554
Annuity loans			189,733,392	38,700,000	10,622,735	217,810,657
			358,002,041	38,871,493	13,978,696	382,894,838

Appendix B

June 2013

Analysis of property, plant and equipment as at 30 June 2013

Cost/Revaluation	Accumulated depreciation
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	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Fair value Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings													
Land (Separate for AFS purposes)	341,198,078	1,346,702	-	(751,394)	-	341,793,386	-	-	-	-	(425,208)	(425,208)	341,368,178
Buildings (Separate for AFS purposes)	131,275,386	3,319,769	(2,160,000)	1,568,432	-	134,003,587	(16,289,750)	432,000	-	(5,467,015)	-	(21,324,765)	112,678,822
	472,473,464	4,666,471	(2,160,000)	817,038	-	475,796,973	(16,289,750)	432,000	-	(5,467,015)	(425,208)	(21,749,973)	454,047,000
Infrastructure													
Roads, Pavements & Bridges	1,681,247,692	24,607,400	(1,137,765)	-	-	1,704,717,327	(810,844,489)	572,973	-	(27,879,194)	-	(838,150,710)	866,566,617
Storm water	212,833,881	6,107,356	-	-	-	218,941,237	(137,175,624)	-	-	(2,023,063)	-	(139,198,687)	79,742,550
Electricity	978,804,938	26,767,541	-	-	-	1,005,572,479	(378,068,944)	-	-	(18,750,957)	-	(396,819,901)	608,752,578
Water	1,318,754,827	50,766,455	(12,569,958)	-	-	1,356,951,324	(899,254,329)	12,425,936	-	(16,105,729)	-	(902,934,122)	454,017,202
Sewerage	694,528,108	14,620,876	-	-	-	709,148,984	(314,875,555)	-	-	(13,390,716)	-	(328,266,271)	380,882,713
Solid waste disposal	41,696,593	5,527,673	-	-	-	47,224,266	(9,837,468)	-	-	(2,255,989)	-	(12,093,457)	35,130,809
Security measures	14,154,070	-	-	(644,551)	-	13,509,519	(8,962,646)	-	-	(618,254)	-	(9,580,900)	3,928,619
	4,942,020,109	128,397,301	(13,707,723)	(644,551)	-	5,056,065,136	2,559,019,055	12,998,909	-	(81,023,902)	-	2,627,044,048	2,429,021,088
Community Assets													
Recreational facilities	116,579,373	2,601,349	-	(747,881)	-	118,432,841	(35,215,455)	-	-	(4,650,862)	-	(39,866,317)	78,566,524
	116,579,373	2,601,349	-	(747,881)	-	118,432,841	(35,215,455)	-	-	(4,650,862)	-	(39,866,317)	78,566,524

Appendix B

June 2013

Analysis of property, plant and equipment as at 30 June 2013

Cost/Revaluation						Accumulated depreciation						
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Fair value Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

Heritage assets

Conservation areas	107,635,535	-	-	-	-	107,635,535	-	-	-	-	(9,230,000)	(9,230,000)	98,405,535
Mayoral chains	99,309	-	-	-	-	99,309	-	-	-	-	-	-	99,309
Parks	817,200	-	-	-	-	817,200	-	-	-	-	-	-	817,200
108,552,044	-	-	-	-	-	108,552,044	-	-	-	-	(9,230,000)	(9,230,000)	99,322,044

Other assets

General vehicles	54,781,806	3,825,501	(1,456,064)	-	-	57,151,243	(20,269,587)	1,024,180	-	(2,360,335)	-	(21,605,742)	35,545,501
Furniture and Fittings	2,334,313	58,809	(26,429)	-	-	2,366,693	(1,275,445)	17,253	-	(254,204)	-	(1,512,396)	854,297
Office Equipment	14,095,609	1,995,927	(487,211)	-	-	15,604,325	(5,753,670)	389,891	-	(1,947,533)	-	(7,311,312)	8,293,013
71,211,728	5,880,237	(1,969,704)	-	-	-	75,122,261	(27,298,702)	1,431,324	-	(4,562,072)	-	(30,429,450)	44,692,811

Appendix B

June 2013

Analysis of property, plant and equipment as at 30 June 2013

Cost/Revaluation

Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Fair value Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment													
Land and buildings	472,473,464	4,666,471	(2,160,000)	817,038	-	475,796,973	(16,289,750)	432,000	-	(5,467,015)	(425,208)	(21,749,973)	454,047,000
Infrastructure	4,942,020,109	128,397,301	(13,707,723)	(644,551)	-	5,056,065,136	2,559,019,055)	12,998,909	-	(81,023,902)	-	2,627,044,048)	2,429,021,088
Community Assets	116,579,373	2,601,349	-	(747,881)	-	118,432,841	(35,215,455)	-	-	(4,650,862)	-	(39,866,317)	78,566,524
Heritage assets	108,552,044	-	-	-	-	108,552,044	-	-	-	-	(9,230,000)	(9,230,000)	99,322,044
Other assets	71,211,728	5,880,237	(1,969,704)	-	-	75,122,261	(27,298,702)	1,431,324	-	(4,562,072)	-	(30,429,450)	44,692,811
	5,710,836,718	141,545,358	(17,837,427)	(575,394)	-	5,833,969,255	2,637,822,962)	14,862,233	-	(95,703,851)	(9,655,208)	2,728,319,788)	3,105,649,467
Intangible assets													
Computers - software & programming	1,731,401	1,273,858	-	-	-	3,005,259	(544,136)	-	-	(372,536)	-	(916,672)	2,088,587
Water rights	2,360,000	-	-	-	-	2,360,000	-	-	-	-	-	-	2,360,000
	4,091,401	1,273,858	-	-	-	5,365,259	(544,136)	-	-	(372,536)	-	(916,672)	4,448,587
Investment properties													
Investment property	104,672,500	945,000	(55,000)	21,149,090	49,154,610	175,866,200	-	-	-	-	-	-	175,866,200
	104,672,500	945,000	(55,000)	21,149,090	49,154,610	175,866,200	-	-	-	-	-	-	175,866,200
Total													
Land and buildings	472,473,464	4,666,471	(2,160,000)	817,038	-	475,796,973	(16,289,750)	432,000	-	(5,467,015)	(425,208)	(21,749,973)	454,047,000
Infrastructure	4,942,020,109	128,397,301	(13,707,723)	(644,551)	-	5,056,065,136	2,559,019,055)	12,998,909	-	(81,023,902)	-	2,627,044,048)	2,429,021,088
Community Assets	116,579,373	2,601,349	-	(747,881)	-	118,432,841	(35,215,455)	-	-	(4,650,862)	-	(39,866,317)	78,566,524
Heritage assets	108,552,044	-	-	-	-	108,552,044	-	-	-	-	(9,230,000)	(9,230,000)	99,322,044
Other assets	71,211,728	5,880,237	(1,969,704)	-	-	75,122,261	(27,298,702)	1,431,324	-	(4,562,072)	-	(30,429,450)	44,692,811
Intangible assets	4,091,401	1,273,858	-	-	-	5,365,259	(544,136)	-	-	(372,536)	-	(916,672)	4,448,587
Investment properties	104,672,500	945,000	(55,000)	21,149,090	49,154,610	175,866,200	-	-	-	-	-	-	175,866,200
	5,819,600,619	143,764,216	(17,892,427)	20,573,696	49,154,610	6,015,200,714	2,638,367,098)	14,862,233	-	(96,076,387)	(9,655,208)	2,729,236,460)	3,285,964,254

Appendix C

June 2013

Segmental analysis of property, plant and equipment as at 30 June 2013 Cost/Revaluation Accumulated Depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Fair Value Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment deficit Rand	Closing Balance Rand	Carrying value Rand
Municipality													
Executive and Council	108,552,044	-	-	-	-	108,552,044	-	-	-	-	(9,230,000)	(9,230,000)	99,322,044
Corporate Services	75,303,129	7,154,094	(1,969,704)	-	-	80,487,519	(27,842,838)	1,431,324	-	(4,920,236)	-	(31,331,750)	49,155,769
Planning and Development	104,672,500	945,000	(55,000)	21,149,090	49,154,610	175,866,200	-	-	-	-	-	-	175,866,200
Community and Social	472,473,464	4,666,471	(2,160,000)	817,038	-	475,796,973	(16,289,750)	432,000	-	(5,481,387)	(425,208)	(21,764,345)	454,032,628
Public Safety	14,154,070	-	-	(644,551)	-	13,509,519	(8,962,646)	-	-	(618,254)	-	(9,580,900)	3,928,619
Sport and Recreation	116,579,373	2,601,349	-	(747,881)	-	118,432,841	(35,215,455)	-	-	(4,650,862)	-	(39,866,317)	78,566,524
Waste Management	949,058,582	26,255,905	-	-	-	975,314,487	(461,888,647)	-	-	(17,669,768)	-	(479,558,415)	495,756,072
Road Transport/Roads	1,681,247,692	24,607,400	(1,137,765)	-	-	1,704,717,327	(810,844,489)	572,973	-	(27,879,194)	-	(838,150,710)	866,566,617
Water/Water Distribution	1,318,754,827	50,766,456	(12,569,958)	-	-	1,356,951,325	(899,254,329)	12,425,936	-	(16,105,729)	-	(902,934,122)	454,017,203
Electricity /Electricity Distribution	978,804,938	26,767,541	-	-	-	1,005,572,479	(378,068,944)	-	-	(18,750,957)	-	(396,819,901)	608,752,578
	5,819,600,619	143,764,216	(17,892,427)	20,573,696	49,154,610	6,015,200,714	2,638,367,098	14,862,233	-	(96,076,387)	(9,655,208)	2,729,236,460	3,285,964,254
Total													
Municipality	5,819,600,619	143,764,216	(17,892,427)	20,573,696	49,154,610	6,015,200,714	2,638,367,098	14,862,233	-	(96,076,387)	(9,655,208)	2,729,236,460	3,285,964,254
	5,819,600,619	143,764,216	(17,892,427)	20,573,696	49,154,610	6,015,200,714	2,638,367,098	14,862,233	-	(96,076,387)	(9,655,208)	2,729,236,460	3,285,964,254

Appendix D

June 2013

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
Municipality						
31,553,102	75,849,877	(44,296,775)	Executive & Council/Mayor and Council	38,425,068	86,147,894	(47,722,826)
154,804,763	75,739,666	79,065,097	Finance & Admin/Finance	137,379,813	51,536,968	85,842,845
2,223,335	42,281,395	(40,058,060)	Planning and Development/Economic Development/Plan	7,907,079	38,308,208	(30,401,129)
2,165,366	27,892,647	(25,727,281)	Comm. & Social/Libraries and archives	2,538,388	28,908,082	(26,369,694)
3,964,696	55,838,501	(51,873,805)	Housing	18,644,506	5,279,444	13,365,062
10,047,692	36,811,989	(26,764,297)	Public Safety/Police	12,541,233	42,093,112	(29,551,879)
6,608,688	18,360,633	(11,751,945)	Sport and Recreation	7,761,749	19,210,983	(11,449,234)
298,796	6,002,036	(5,703,240)	Environmental Protection/Pollution Control	64,829	6,433,345	(6,368,516)
79,685,726	48,376,297	31,309,429	Waste Water Management/Sewerage	68,755,807	56,778,290	11,977,517
3,862,822	85,307,856	(81,445,034)	Road Transport/Roads	10,594,972	84,221,105	(73,626,133)
111,680,239	84,062,736	27,617,503	Water/Water Distribution	96,578,920	85,488,628	11,090,292
238,198,889	209,264,891	28,933,998	Electricity /Electricity Distribution	249,503,229	223,901,903	25,601,326
8,663,524	59,121,414	(50,457,890)	Corporate Services	54,740,855	69,612,864	(14,872,009)
39,877,558	44,231,113	(4,353,555)	Waste Management	46,910,531	46,737,337	173,194
693,635,196	869,141,051	(175,505,855)		752,346,979	844,658,163	(92,311,184)
Municipal Owned Entities						
Other charges						
-	(93,898,540)	93,898,540		-	(99,500,000)	99,500,000
-	(93,898,540)	93,898,540		-	(99,500,000)	99,500,000
693,635,196	869,141,051	(175,505,855)	Municipality	752,346,979	844,658,163	(92,311,184)
-	(93,898,540)	93,898,540	Other charges	-	(99,500,000)	99,500,000
693,635,196	775,242,511	(81,607,315)	Total	752,346,979	745,158,163	7,188,816

Appendix E(1)

June 2013

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2013

	Current year 2013 Act. Bal.	Current year 2013 Adjusted budget Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
	Rand				
Revenue					
Property rates	116,321,052	118,129,233	(1,808,181)	(1.5)	
Service charges	437,030,176	447,227,590	(10,197,414)	(2.3)	
Rental of facilities and equipment	7,208,321	8,192,103	(983,782)	(12.0)	Refer to note 58
Licences and permits	1,968,301	1,856,732	111,569	6.0	
Property rates - penalties imposed	914,328	1,000,000	(85,672)	(8.6)	
Fines	6,643,860	6,249,064	394,796	6.3	
Agency services	2,025,238	2,081,257	(56,019)	(2.7)	
Other income	21,812,393	20,467,807	1,344,586	6.6	
Public contributions	5,289,119	500,000	4,789,119	957.8	Refer to note 58
Government grants	95,488,947	103,357,621	(7,868,674)	(7.6)	
Interest received	9,752,077	9,920,140	(168,063)	(1.7)	
	704,453,812	718,981,547	(14,527,735)	(2.0)	
Expenses					
Employee costs	(231,527,296)	(227,845,392)	(3,681,904)	1.6	
Remuneration of councillors	(7,084,131)	(7,101,045)	16,914	(0.2)	
Depreciation	(96,076,386)	(105,545,478)	9,469,092	(9.0)	
Impairments	(9,204,060)	(1,872,000)	(7,332,060)	391.7	Refer to note 58
Finance costs	(37,309,747)	(38,053,939)	744,192	(2.0)	
Debt impairment	(934,421)	(1,000,000)	65,579	(6.6)	
Materials	(12,436,890)	(13,279,175)	842,285	(6.3)	
Bulk purchases	(145,021,600)	(143,721,300)	(1,300,300)	0.9	
Contracted Services	(67,600,660)	(71,860,978)	4,260,318	(5.9)	
Grants and subsidies paid	(35,856,345)	(35,975,000)	118,655	(0.3)	
General Expenses	(102,106,629)	(112,727,240)	10,620,611	(9.4)	
	(745,158,165)	(758,981,547)	13,823,382	(1.8)	
Other revenue and costs					
Gain or loss on disposal of assets and liabilities	(1,755,579)	-	(1,755,579)	(100.0)	Refer to note 58
Fair value adjustments	49,648,749	-	49,648,749	100.0	Refer to note 58
	47,893,170	-	47,893,170	-	
Net surplus/ (deficit) for the year	7,188,817	(40,000,000)	47,188,817	(118.0)	

Appendix E(2)

June 2013

Budget Analysis of Capital Expenditure as at 30 June 2013

	Additions	Revised Budget	Variance	Variance	Explanation of significant
	Rand	Budget	Rand	%	variances from budget
		Rand			
Municipality					
Planning and Development	3,135,483	3,388,228	252,745	7	
Comm. & Social/Libraries and archives	1,162,309	2,101,161	938,852	45	Refer to note 58
Housing	16,650,723	23,548,000	6,897,277	29	Refer to note 58
Public Safety	223,015	327,449	104,434	32	Refer to note 58
Sport and Recreation	1,971,124	2,024,293	53,169	3	
Waste Water Management/Sewerage	21,331,122	22,867,393	1,536,271	7	
Road Transport/Roads	10,719,798	10,719,798	-	-	
Water/Water Distribution	48,946,027	56,878,743	7,932,716	14	Refer to note 58
Electricity /Electricity Distribution	22,474,741	28,341,417	5,866,676	21	Refer to note 58
Corporate Services	11,790,648	10,304,020	(1,486,628)	(14)	Refer to note 58
Waste Management	5,359,226	7,000,000	1,640,774	23	Refer to note 58
	143,764,216	167,500,502	23,736,286	14	

Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003
June 2013

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	Mar	Jun	Sep	Dec		Yes/ No	
FMG	Nat Treasury	1,250	-	-	-	122	100	114	914	-	-	-	-		Yes	
MSIG	Nat Treasury	800	-	-	-	14	148	197	441	-	-	-	-		Yes	
MIG	Nat Treasury	6,106	7,766	3,075	-	1,327	2,203	3,717	9,700	-	-	-	-		Yes	
NDPG	Nat treasury	2,418	-	-	-	985	1,433	-	-	-	-	-	-		Yes	
RBIG	Nat Treasury	7,778	6,541	855	-	4,428	10,746	-	-	-	-	-	-		Yes	
EPWP	PAWC	400	600	332	-	227	205	576	324	-	-	-	-		Yes	
INEG	DME	1,800	-	-	-	-	-	-	1,800	-	-	-	-		Yes	
Library	PAWC	446	129	129	-	77	246	178	203	-	-	-	-		Yes	
Comm. Dev. Workers	PAWC	81	-	-	-	12	13	11	45	-	-	-	-		Yes	
Prov road sub.	PAWC	-	-	65	-	25	-	-	40	-	-	-	-		Yes	
Housing cons. education	PAWC	-	-	-	-	-	-	12	7	-	-	-	-		Yes	
Social housing	PAWC	190	9,577	10,585	-	1,809	2,554	5,627	8,130	-	-	-	-		Yes	
Mobility strategy	PAWC	-	-	-	-	-	7	5	213	-	-	-	-		Yes	
Public trans. infrastructure	PAWC	-	-	1,500	-	-	-	-	-	-	-	-	-		Yes	
Thusong service centre	PAWC	-	-	218	-	-	-	-	218	-	-	-	-		Yes	
		21,269	24,613	16,759	-	9,026	17,655	10,437	22,035	-	-	-	-			

Note: Above values are presented to the nearest R'000.

Annexures

Annexure B: Report of the Auditor-General

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 73, which comprise the statement of financial position as at 30 June 2013, 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 Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (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 2013 and its financial performance, cash flows and the comparison of budget and actual amounts for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

8. As disclosed in note 47 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of errors discovered during 2013 in the financial statements of the Overstrand Municipality at, and for the year ended, 30 June 2012.

Material impairments

9. As disclosed in note 36 to the financial statements, material impairments to the amount of R9,6 million were incurred as a result of a decrease in the fair value of heritage assets and property, plant and equipment.
10. As disclosed in note 14 to the financial statements, a material impairment of 25,6% (2011-12: 26,5%) to the amount of R16 915 565 (2011-12: R18 113 692) was made as a result of the impairment of irrecoverable debtors.

Additional matter

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

12. The supplementary information set out on pages 74 to 82 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 93 to 108 of the annual report.
15. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability.
16. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned strategic objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury's *Framework for managing programme performance information*.

17. The reliability of the information in respect of the selected strategic objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
18. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matter

19. Material misstatements in the annual performance report were identified during the audit, all of which were subsequently corrected by management.

Compliance with laws and regulations

20. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters.
21. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA.

Internal control

22. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations.
23. I did not identify any deficiencies in internal control that I considered sufficiently significant for inclusion in the audit report.

OTHER REPORTS

Investigation

24. An investigation was completed during the year relating to allegations of the irregular procurement of goods and services, including a possible conflict of interest at the Hermanus waste water treatment works and the water purification works. The investigation resulted in a criminal sentence against the relevant supplier.

Auditor-General

Cape Town

29 November 2013



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexures

Annexure C: Report of the Audit Committee

OVERSTRAND MUNICIPALITY
ANNUAL OVERSIGHT REPORT OF THE AUDIT- AND PERFORMANCE AUDIT
COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

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 please to present our oversight report for the financial year ended 30 June 2013.

2. AUDIT COMMITTEE

2.1 Members

During the period from 01 July 2012 to 30 June 2013, 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:

- 31 August 2012
- 20 September 2012
- 16 November 2012
- 15 February 2013
- 26 April 2013
- 25 June 2013

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.

3. Reports and Charters reviewed

The Committee reviewed the following reports and charters for the period under review:

- 3.1 Ad-Hoc Audit Request: Request by Western Cape Government – Local Government (Directorate: Municipal Governance) Allegation of irregularities in the allocation of tenders to a company run by Overberg District Municipality.

OVERSTRAND MUNICIPALITY
ANNUAL OVERSIGHT REPORT OF THE AUDIT- AND PERFORMANCE AUDIT
COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

- 3.2 Housing Consumer Education 2011/2012
- 3.3 Hawkers / Market Stalls
- 3.4 Special request: Re-advertisement of the Gansbaai Caravan Park tender
- 3.5 Internal Audit Charter
- 3.6 Audit Committee Charter

4. Draft Annual Financial Statements 2012/2013 financial period

For the first time the Audit Committee was in a position to have prior scrutiny of the draft Annual Financial Statements as required by the MFMA and Audit Committee Charter. This review was done on 27 August 2013.

5. Management Report of the Auditor-General for 2012/2013

The Audit Committee notes the audit findings together with related management comments.

6. Specific matters

- 6.1 The Overstrand Audit Committee took the initiative to invite National Treasury to convene a one day workshop which was attended by neighbouring Audit Committees to examine the contents and impact of MFMA Circular 65. This step has been replicated on a national basis by National Treasury.
- 6.2 All the members of the Audit Committee attended the two day training session presented by National & Provincial Treasury. This was the first formal Audit Committee training offered on a national basis.

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:

- 19 October 2012
- 15 March 2013
- 17 May 2013

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.

OVERSTRAND MUNICIPALITY
ANNUAL OVERSIGHT REPORT OF THE AUDIT- AND PERFORMANCE AUDIT
COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

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:

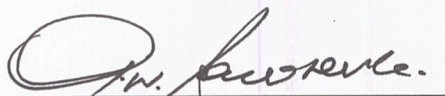
- 8.1 Predetermined Objectives 4th Quarter – Financial period 2011/2012.
- 8.2 Predetermined Objectives 1st Quarter – Financial period 2012/2013
- 8.3 Predetermined Objectives 2nd Quarter – Financial period 2012/2013.
- 8.4 Predetermined Objectives 3rd Quarter – Financial period 2012/2013.

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 and that the Performance Management officials have set a benchmark standard in this regard.

9 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.

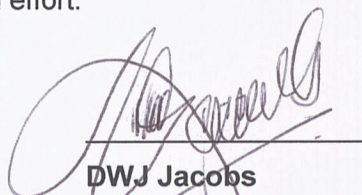
It should be noted that the Internal Audit department did valuable work and the Committees relied heavily on their inputs and effort.



GN Lawrence
Chairperson:
Audit Committee

13-12-2013

DATE



DWJ Jacobs
Chairperson:
Performance Audit Committee

13/12/2013

DATE

Annexures

Annexure D:

Water Services Audit 2012/13

OVERSTRAND MUNICIPALITY

WATER SERVICES AUDIT FOR 2012/2013

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 water services 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 DWA 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 2012/2013 financial year, and can be seen as an annexure to the 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).

Methodology followed: The Service Delivery Budget Implementation Plan (SDBIP) of the Municipality for the 2012/2013 financial year was used to report on the KPIs for water and sewerage services. The Municipality's previous WSDP was further used as basis to compile the report. The latest water usage figures and the WWTWs flows up to June 2013 were obtained from the Municipality, analysed and included under the various sections of the Water Services Audit Report.

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 documents were also made available to the DWA as required by legislation.

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 2012/2013 financial year, as included in the Municipality's SDBIP.
- The Municipality's performance with regard to the KPIs as included in the Strategic Framework for Water Services and DWA's Water Services Regulation Strategy for Institutional Effectiveness.
- The Municipality's Performance with regard to DWA'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.
- DWA'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 Elements in the DWA's latest WSDP guidelines (February 2012).

The Municipality got 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 2011/2012 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 2012) 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 DWA's BDS and GDS. All the WTWs and WWTWs are also registered on the BDS and GDS websites.
- The Asset Register was updated to include the projects completed during the 2012/2013 financial year.
- The Municipality completed a RBIG Scoping report for the planned Hermanus Reclamation Project and an ORIO application was also prepared and submitted for possible funding.
- A technical report was prepared for the upgrading of the Stanford WWTW.
- Process Audit Reports were completed for all the WTWs and WWTWs, as required by the DWA during their Blue and Green Drop Assessments.
- Kleinmond WTW Sludge management option investigation.
- Stanford WWTW capacity investigation.
- Greater Hermanus Bulk Water Resource Study: Theewaterskloof Dam and Palmiet River Options.

The following awards / acknowledgements were also received by the Municipality:

- Overstrand Municipality is performing very well with regard to drinking water quality management, to the extent where the Greater Hermanus -, Buffels River -, Kleinmond -, Greater Gansbaai - and the Pearly Beach distribution system were all awarded Blue drop status (> 95%) by the DWA during their 2012 assessment. The Municipality also received Blue Drop Scores of 92.73% for the Stanford Oog distribution system, 93.81% for the Buffeljags Bay distribution system and 91.57% for the Baardskeerdersbos distribution system. **The Municipality's overall Blue Drop Score was 96.82% and the Municipality was 5th on the 2012 Blue Drop Provincial Performance Log for the Western Cape, and in 12th position on the National Performance Log.**
- Overstrand Municipality is also performing very well with regard to wastewater quality management, to the extent where the Hermanus drainage systems was awarded Green drop status by the DWA for their 2011 assessment. The Municipality also received Green Drop Scores of 87.9% for the Hawston drainage system, 83.0% for the Stanford drainage system, 82.5% for the Kleinmond drainage system and 75.8% for the Gansbaai drainage system. **The Municipality's overall Green Drop Score was 88.8% for DWA's 2011 assessment and the Municipality was ranked 9th place nationally in the DWA's 2011 Green Drop Performance Log.**

- DWA's 2012 RPMS Report (Municipal Water Services Performance Assessment Report) reported that Overstrand Municipality has done very well across all measurable indicators with the exception of water use efficiency. Particular recognition is given to strong performance on asset and financial management. Overall sound performance across the business is indicative of good capacity within the WSA and provides a positive outlook on the future sustainability of water services. The Local Municipality is applauded for good management.
- Overstrand Municipality achieved 100% RBIG (DWA) and MIG (DLG) expenditure for the 2012/2013 financial year.
- Overstrand Municipality won the Water Management category in the 2012/2013 Provincial Greenest Municipality Competition.

Demographics

The 2001 Census recorded the population in the Overstrand Municipality's Management Area at 55 770 (19 082 Households) and the 2007 Community Survey recorded the 2007 population at 74 574 (21 953 Households). The 2011 Census data recorded the population at 80 430 (28 011 Households).

Service Levels

The current existing residential water and sanitation service levels in Overstrand Municipality's Management Area are estimated as follows:

Service Level	Buffels River	Kleinmond	Greater Hermanus	Stanford	Greater Gansbaai	Pearly Beach	Baardskeerdersbos	Buffeljags Bay	Farms	Total
WATER SERVICE LEVELS										
Basic Need (RDP)	0	0	0	0	0	0	0	0	83	83
Housing Need	0	377	1 344	115	1 570	0	0	0	0	3 406
Adequate	3 198	3 898	16 060	1 537	4 441	670	64	29	1 712	31 609
SANITATION SERVICE LEVELS										
Basic Need (RDP)	0	0	0	0	0	0	0	0	270	270
Housing Need	0	377	1 344	115	1 570	0	0	0	0	3 406
Adequate	3 198	3 898	16 060	1 537	4 441	670	64	29	1 525	31 422

The total number of households with access to communal services in the informal areas is 3 406. 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.

Overstrand Municipality's challenges with regard to the provision of basic water and sanitation services are as follows:

- To provide basic water and sanitation services in the informal areas to new citizens moving into the informal areas and to ensure that health and hygiene awareness and education is part of the process of providing basic services.
- To identify suitable land for the relocation of the people from informal areas, with existing communal services, to formal houses with a higher level of water and sanitation service (Services inside the house).
- To identify adequate funding for the rehabilitation, maintenance, replacement and upgrading of the existing bulk and reticulation infrastructure in order to support the sustainability of the water and sanitation services.

- To monitor the provision of basic water and sanitation on privately owned land.
- To develop additional water sources to serve all communities sustainably for the future.

Socio-Economic

Social: Overstrand Municipality plays a key role in assisting organisations delivering services to the most vulnerable groups in its communities.

The Department of Communication, through the Grant-in-Aid provides financial assistance to qualifying organisations, while the LED Department assists the youth through the creation of employment opportunities and skills development. The Junior Town council assists in rolling out additional projects and programmes to the youth.

The Overstrand Rehabilitation & Educational Institute for Adolescents (OREIA) is a registered NGO that aims to establish a rehabilitation centre in the municipal area that will focus on counselling services, rehabilitation and education facilitation and skills development. The project, still in a conceptual phase, will be managed by an external role-player, with the Hawston Secondary School as a project partner.

A Sustainable Primary Healthcare Facility is planned in the Gansbaai area by the Desmond Tutu Tuberculosis Centre (DTTC), Facility of Health Services, at the University of Stellenbosch. The municipality is considering making land available at a nominal rate, due to the project's significant social benefit.

Housing: A Housing Strategy is in place and the main vision of the Strategy is to not only eradicate the current housing backlog, but to develop and plan for future integrated communities and settlements that would be able to sustain the growing needs for housing in such a way that all people will benefit from the housing developments.

A detailed action plan has been set in place to reduce the backlog and address the current and future housing need. This Housing Strategy Five-Year Plan will incorporate several housing programmes, each focused on and addressing different needs. The Overstrand Municipality has compiled a comprehensive Five Year Human Settlement Strategy to guide and improve housing development and is specifically focussed on delivery within the Municipality. The current housing backlog of Overstrand Municipality is for 6321 households.

Health: The health profile in relation to treated water is good. Within the urban context, drinking water throughout the municipal area is considered to be of a high quality. Where specific problems are encountered, these are prioritised for addressing.

The rehabilitation and maintenance of the basic services have also had positive results, in that the installations appear neater, a healthier environment has been created and less pollution than previously takes place. It is believed that this played a significant role in reducing disease previously caused by unhygienic conditions and absence of basic services.

Economics: The Overstrand economy has improved over the last few years and has experienced significant growth within specific sectors which is assisted with job creation. Tourism growth indicated positive signs, with growth in the number of visitors and attendance in locally organized events such as festivals. A LED Strategy for the Overstrand Municipality is in place. The LED comprises of eight strategic interventions *inter alia*: skills development; job creation programmes; development of infrastructural capacity and connectivity between different communities.

Infrastructure

The CRC, DRC, RUL and Age distribution of the water and sewer infrastructure in Overstrand Municipality's Management Area is summarised in the table below (June 2013):

Asset Type			CRC	DRC	%CEC / DRC
Water Infrastructure			R 1 356 601 325	R 796 750 691	58.7%
Sewer Infrastructure			R 709 498 984	R 328 266 270	46.3%
Remaining Useful Life					
Asset Type	0 – 5 yrs	5 – 10 yrs	10 – 15 yrs	15 – 20 yrs	> 20 yrs
Water Infrastructure	R 242 838 095	R 556 185 814	R 69 001 991	R 63 123 882	R 425 451 543
Sewer Infrastructure	R 201 161 863	R 51 236 612	R 21 988 051	R 4 461 931	R 430 650 528
Age Distribution					
Asset Type	0 – 5 yrs	5 – 10 yrs	10 – 15 yrs	15 – 20 yrs	> 20 yrs
Water Infrastructure	R 266 943 079	R 63 594 149	R 54 283 501	R 50 408 924	R 921 371 671
Sewer Infrastructure	R 117 909 223	R 32 900 048	R 94 179 434	R 248 265 622	R 216 244 658

The above table means that 41.3% of the water infrastructure and 53.7% 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.

Operation and Maintenance

The DWA launched the blue and green drop certification, with regard to drinking water quality and wastewater quality management, at the Municipal Indaba during September 2008. Blue drop status is awarded to those towns that comply with 95% criteria on drinking water quality management. The Blue Drop Certification programme is in its fifth year of existence and promises to be the catalyst for sustainable improvement of South African drinking water quality management in its entirety. Overstrand Municipality received Blue Drop Status for five of their eight distribution systems and received an overall Blue Drop Score of 96.82%.

The DWA also completed their Second Order Assessment of Municipal Waste Water Treatment Plants, DWA's Green Drop Report for 2011, which provides a scientific and verifiable status of municipal waste water treatment. Green drop status is awarded to those WWTWs that comply with 90% criteria on wastewater quality management. Overstrand Municipality received an overall Green Drop Score of 88.8%.

The Maintenance Team mainly performs their own repair and preventative maintenance work to the equipment and infrastructure of the Municipality, except when specialised repair work is required, in which case the work is sub-contracted to approved sub-contractors on the municipal database.

An Operational and Compliance Water Quality and Final Effluent Monitoring Programme, which meets the requirements of the DWA as stipulated in their Blue and Green Drop criteria, were drawn up by Overstrand Municipality and are implemented by the Municipality.

The percentage compliance of the water quality samples taken over the period July 2012 to June 2013 for the various distribution systems are summarised in the table below (DWA's 2014 Blue Drop Limits).

Distribution System	Acute Health – 1 Chemical	Chronic Health	Aesthetic	Risk assessment defined Health (Acute or Chronic)	Operational Efficiency
Buffels River	100.0%	96.5%	99.2%	97.6%	98.3%
Kleinmond	100.0%	94.9%	100.0%	96.4%	97.7%
Greater Hermanus	99.1%	98.3%	98.8%	98.7%	93.3%
Stanford	100.0%	95.7%	100.0%	96.6%	97.3%
Greater Gansbaai	98.8%	100.0%	97.6%	99.6%	96.8%
Pearly Beach	100.0%	98.4%	94.1%	98.8%	99.3%
Baardskeerdersbos	100.0%	98.4%	69.1%	98.8%	81.4%
Buffeljags Bay	100.0%	100.0%	89.1%	100.0%	89.8%

The overall percentage compliance of the final effluent samples taken over the period July 2012 to June 2013 at the Kleinmond, Hawston, Hermanus, Stanford and Gansbaai WWTW is summarised in the table below.

WWTW	Microbiological	Chemical	Physical
Kleinmond	58.3%	88.3%	100%
Hawston	83.3%	66.7%	77.8%
Hermanus	83.3%	88.3%	69.4%
Stanford	91.7%	86.6%	100%
Gansbaai	91.7%	86.7%	77.8%
Overall compliance percentages	81.7%	83.3%	85.6%

Associated Services

All schools and medical facilities in Overstrand Municipality's Management Area are supplied with adequate water and sanitation services.

Conservation and Demand Management

The implementation of a Water Demand Management Strategy by Overstrand Municipality has been extremely successful and has reduced the water demand of the towns significantly. The overall percentage of non-revenue water for Overstrand Municipality for the 2012/2013 financial year was calculated as 24.2%.

The table below gives a summary of the non-revenue water for the various distribution systems in Overstrand Municipality's Management Area.

Description	Unit	12/13	Record : Prior (Ml/a)				
			11/12	10/11	09/10	08/09	07/08
Buffels River	Volume	540.123	463.088	513.972	543.764	653.503	630.007
	Percentage	59.7%	55.0%	56.1%	56.2%	59.2%	57.8%
	ILI	5.45	5.07	5.06	6.69		
Kleinmond	Volume	283.500	239.492	198.745	268.918	212.481	213.977
	Percentage	34.2%	30.1%	25.1%	31.1%	24.6%	24.3%
	ILI	2.49	2.58	2.17	4.09		
Greater Hermanus	Volume	324.189	317.241	594.352	593.867	805.122	311.620
	Percentage	9.0%	9.7%	15.6%	13.3%	16.6%	7.9%
	ILI	0.85	0.98	1.50	2.22		
Stanford	Volume	91.388	142.029	128.297	194.486	163.496	123.058
	Percentage	30.8%	37.5%	35.5%	41.6%	36.4%	30.9%

Description	Unit	12/13	Record : Prior (MI/a)				
			11/12	10/11	09/10	08/09	07/08
	ILI	2.9	5.90	5.67	11.08		
Greater Gansbaai	Volume	405.799	435.335	457.525	457.580	438.158	402.311
	Percentage	31.2%	32.0%	32.8%	31.5%	30.8%	27.5%
	ILI	3.15	3.46	3.71	2.07		
Pearly Beach	Volume	67.435	45.689	36.511	21.683	27.326	34.163
	Percentage	41.9%	32.3%	26.3%	19.7%	21.6%	25.7%
	ILI	4.79	3.02	2.41	3.20		
Baardskeerdersbos	Volume	4.000	2.778	4.085	2.722	4.915	2.869
	Percentage	36.3%	29.3%	37.3%	25.9%	39.4%	31.3%
	ILI	0.75					
Buffeljags Bay	Volume	0.090	0.019	0	0	0.112	0.360
	Percentage	2.63%	0.5%	0%	0%	4.4%	12.3%
	ILI	0.46					
TOTAL	Volume	1 716.524	1 645.671	1 933.486	2 083.020	2 305.113	1 718.365
	Percentage	24.20%	24.17%	26.06%	24.96%	26.12%	21.72%
	ILI	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 Resources

The table below gives an overview of the years in which the annual water demand will exceed the sustainable yield from the various resources.

Table 11.1: Years in which the annual water demand will exceed the sustainable yield from the various resources				
Distribution System	Total sustainable Yield (x 10 ⁶ m ³ /a)	Annual Growth on 2012/2013 Demand (2%, 3% or 4%)	Annual Growth on 2012/2013 Demand (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	6.012*	2028 (4%)	2023 (6%)	2027
Stanford	1.950	> 2037 (3%)	> 2037 (5%)	> 2037
Greater Gansbaai	2.768	2027 (4%)	2022 (6%)	2031
Pearly Beach	0.307	2033 (3%)	2025 (5%)	2028
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. The Water Use Licenses for Camphill and Volmoed are however not yet issued and the values were therefore estimated.

Buffels River and Kleinmond Areas: Overstrand Municipality completed a detail investigation during 2010/2011 of the water resources for the area from Rooi Els to Kleinmond and the recommendations from the Study will be implemented.

Greater Hermanus Area: The Gateway, Camphill and Volmoed wellfields were developed by Overstrand Municipality as additional groundwater resources for the greater Hermanus Area. The Gateway boreholes are in production and the Municipality keep on implementing their Groundwater Monitoring Programmes for all their wellfields, in order to comply with the License conditions. A new pipeline from the Camphill and Volmoed boreholes to the Preekstoel WTWs was constructed and the new boreholes were incorporated into the system. The Municipality further applied for a License review to the DWA which may include an increased yield from the Gateway Wellfield.

A detail feasibility study was also completed during the 2010/2011 financial year for the re-use of treated effluent from the Hermanus WWTWs. An ORIO application was prepared and submitted for the Hermanus Reclamation Project. The Municipality will also start investigating various desalination options in future.

Stanford: The Municipality explored the groundwater potential of the Kouevlakte area since 2009, through exploration borehole siting and drilling. Two newly drilled boreholes were put into operation and new bulk supply pipelines were constructed during the 2011/2012 financial year in order to connect the two newly drilled boreholes to the existing water reticulation network. Irrigation of sports fields with treated effluent from the Stanford WWTW was also investigated.

Greater Gansbaai: A new Reverse Osmosis Filtration Plant was constructed during the 2010/2011 financial year in order to fully utilise the Klipgat and Grotte resources and improve the quality of the water.

Pearly Beach: Overstrand Municipality is committed to manage the dam efficiently. Other future resource options include groundwater development and the possible Kraaibosch scheme.

Baardskeerdersbos: Two new boreholes will be commissioned soon and the supply will be adequate to meet the medium- and long-term future water requirements. The supply from the stream will only be utilised as a back-up supply when necessary.

Buffeljags Bay: The current source is adequate to supply the medium- and long-term future water requirements.

Water Quality: Overstrand Municipality monitors the water quality in the distribution networks of all the towns within their Municipal Management Area. The Operational Managers oversees the sample analysis carried out by the various Supervisors at the WTWs. The Supervisors immediately inform the Operational Managers if any results are out of the required SANS:241 specifications, so that emergency protocols can be implemented.

Up to present it was not necessary to take any steps to inform the consumers of any health risk regarding the potable water supplied by Overstrand Municipality. The Municipality however has specific Safety Management Procedures in place, to inform its consumers about any potential health risks regarding the water quality, should it become necessary.

Financial

The Tariff Structures of Overstrand Municipality for water and sanitation services are summarised under Section 12 of the Report. The operational budget of the past five financial years for water and sanitation services is summarised in the table below:

Service	Expenditure / Income	Actual 12/13	Actual 11/12	Actual 10/11	Actual 09/10	Actual 08/09
Water	Expenditure	R85 498 520-43	R83 115 288-69	R73 321 373-08	R72 496 148-39	R48 040 492-36
	Income	R96 578 920-13	R104 938 998-48	R79 588 700-02	R74 598 682-45	R66 998 742-40
	Surplus / (Deficit)	(R11 080 399-70)	(R21 823 709-79)	(R6 267 326-94)	(R2 102 534-06)	(R18 958 250-04)
Sanitation	Expenditure	R51 607 042-31	R45 790 334-40	R40 666 933-48	R37 715 839-36	R25 170 345-76
	Income	R58 061 161-65	R57 391 202-29	R50 836 919-03	R36 071 030-75	R31 924 980-93
	Surplus / (Deficit)	(R12 683 961-25)	(R28 833 324-22)	(R10 244 608-51)	R1 555 670-98	(R6 885 698-33)

Water Services Institutional Arrangements

Overstrand Municipality is the official WSA for the entire Municipal Management Area and act as the WSP for the whole area. Overstrand Municipality's current water services are delivered by way of an internally operated and managed mechanism.

Overstrand Municipality's previously updated WSDP was for the 2012/2013 financial year and the Municipality is currently busy to update the WSDP for the 2014/2015 financial year. A comprehensive set of Water Services By-laws are in place and is implemented. The Water Services By-laws cover the provision of services for water supply, sanitation and industrial effluent.

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 training provided in the 2012/2013 financial year is summarised in Section 13 of the Report.

Overstrand Municipality is currently busy with a Section 78 Investigation to review their current bulk water services delivery mechanism. The focus of the Section 78 assessment is on how to optimise service delivery to the Overstrand community. The current debate is whether 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 Service Requirements

A comprehensive Customer Services and Complaints system is in place at Overstrand Municipality. After hour emergency requests are being dealt with by the control room on a twenty four hour basis. Requests are furthermore captured on an electronic mail or works-order system to ensure execution thereof. All help desks were equipped with Batho Pele picture signage.

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.

List of Projects

The water and sewer capital projects completed during the last three financial years is included in Section 15 of the Report. Overstrand Municipality's capital budget expenditure, for the 2012/2013 financial year, was R48.6 million (86% of the budget) for water infrastructure projects and R16.3 million (91% of the Budget) for the sewer infrastructure projects.