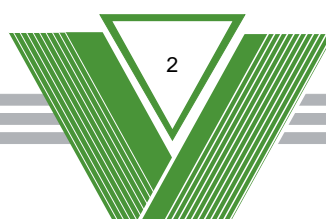


**ANNUAL 2020
REPORT 2021**

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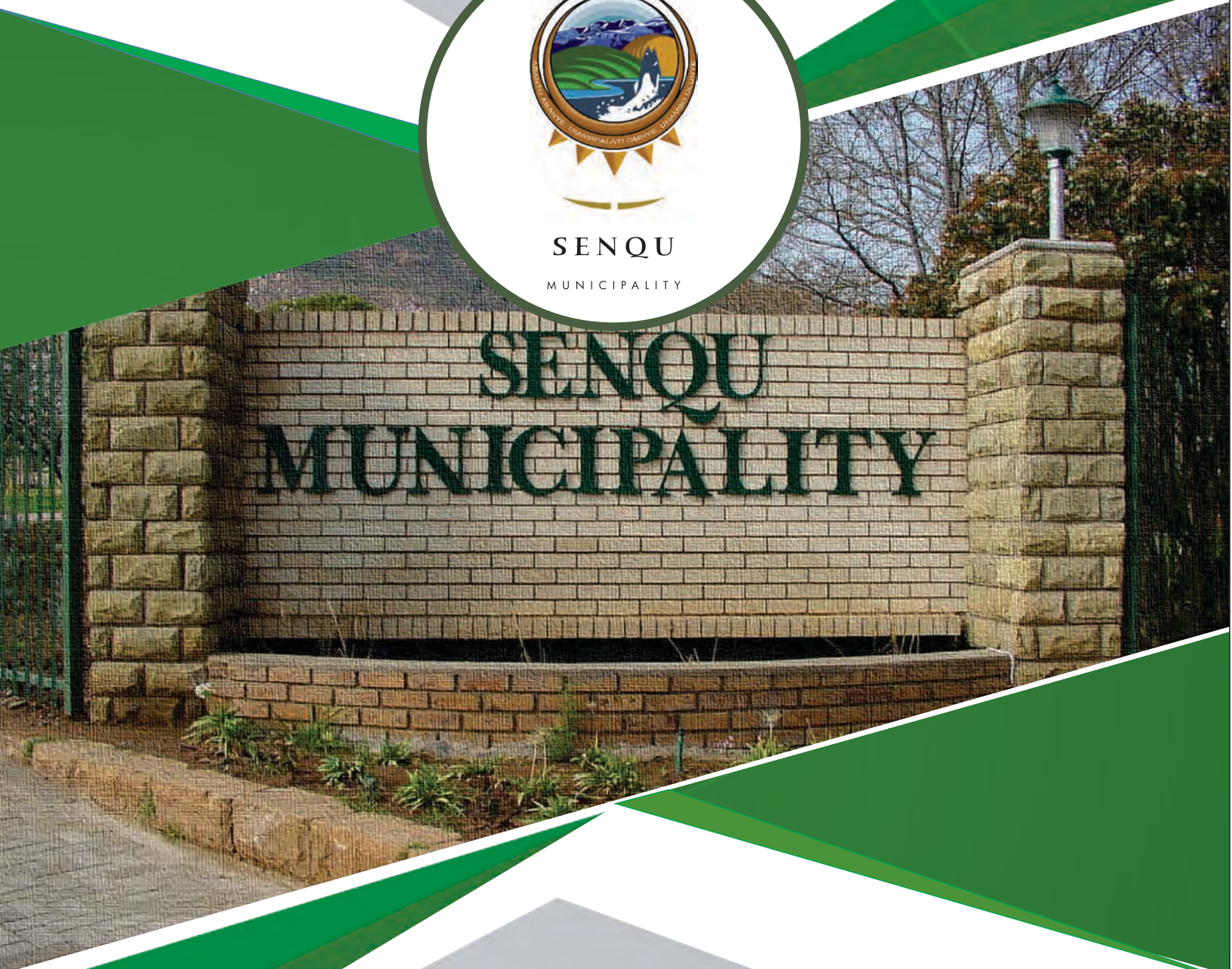


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**CHAPTER 1:
MAYOR'S FOREWORD & EXECUTIVE SUMMARY**

CHAPTER 1 MAYOR'S FOREWORD & EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

This marks the fifth years of the current council and knowingly the last review of its term. The journey was not an easy one, but the municipality managed to pull through regardless of the challenges we faced during our term. The most challenging period was the outbreak of the Corona Virus in December 2019, which ultimately reached our shores early in 2020. As reported in the past financial year this forced the municipality and the country as whole to do things differently to achieve set objectives.

Senqu municipality as a rural municipality was experienced various challenges with reference to this and as a result drastic measures had to be put in place to ensure that the delivering of services to communities is not affected. One of the few things the municipality had to adapt to be the issue of working offsite. This might not be an issue for many urban municipalities but with us it came with a lot of challenges, ranging from poor ITC infrastructure which was not initially intended for such disasters if one were to use such a word, up to financial resources which meant that the municipality had to now readjust its finances to cater for the unintended working arrangements. This was necessary as people expected the municipality to deliver basic services, regardless of the situation the country found itself in.

Much of this involved the utilization of virtual electronic media platforms which included the use of virtual meetings (while making use of platforms such as: Microsoft Teams and / or Zoom applications; teleconference facilities; Office 365 and the like). Use of these platforms has enabled employees to communicate and hold meetings; access emails and access productivity tools remotely. Counsellors', management and staff even utilized these platforms to carry out virtual awareness campaigns that were live streamed on all digital platforms. In addition, the local Radio broadcaster in the area was used. Opinion pieces were placed on the website and adverts were **aired through the local radio stations. Every effort was made to "think out the box" and to still engage with all relevant parties** and deliver required services and meet political and administrative targets and responsibilities. As a positive spin-off from this, it is to be noted that Senqu Local Municipality did in fact save costs due to the lack of travel, roadshow expenses and the like, that would normally be incurred.

Despite the progress made and acknowledged under difficult circumstances, it must also be noted that many institutional targets were in progress at the time of the COVID - 19 lockdown and many targets could not be met as a direct result of this. The easing of lockdown restrictions in many instances came too late for recovery. That being said it must be noted that while COVID did and continues to present significant challenges, it cannot be used as a standard, ongoing and valid reason for not meeting all service delivery and other targets. It presented and continues to present challenges – but in many instances these could and can continue to be overcome by engaging in alternative methods of operation and the year that follows will be focused on identifying and implementing appropriate alternatives.

Senqu Local Municipality continues to do us proud, and we are reminded that during the previous financial year Senqu Local Municipality was recognized as having been the only Municipality in the Eastern Cape that was in receipt of a clean audit opinion (receiving a **"clean audit with other matters"**), **from the Auditor General, for the seventh consecutive year.** Despite the challenges of the 2020/2021 financial year, Senqu Local Municipality continues to show its strength in financial management and proven financial sustainability. It has historically been ranked year upon year by Ratings Africa as the number one (1) financial performer of local authorities within the Eastern Cape. Despite the ongoing challenges of retaining these accolades and awards, Senqu Municipality has managed to continue to successfully perform and to continue to be recognized as a leading municipality nationally and within the Eastern Cape.

1.1 VISION

Senqu Municipality's vision:

"A unified, people centered, developmental and vibrant Municipality"

Senqu Municipalities objective continues to be the creation of and sustainability of a "people centred government and a sustainable municipality". Our efforts and goals remain "community oriented" and ensuring that we improve the quality of life for all who reside within this municipal area.

We will continue to honor this mandate which we hold in the highest esteem. Considerable effort will be made to meet and sustain community needs at all identified levels – as dictated and defined by the constraints of available infrastructure and resources.

As taken from the IDP, it is acknowledged that Senqu Municipalities Vision will be achieved by the following mission statements and related action:

- Promoting a culture of good governance,
- Promoting a culture of performance excellence,



- Developing and maintaining appropriate and economically run infrastructure,
- Developing and retaining human capital,
- Implementing a zero-tolerance campaign against corruption,
- Promoting a conducive environment to stimulate economic development,
- Implementing appropriate financial management systems to ensure the continued growth and viability of the Municipality,
- Ensuring regular and scheduled public interaction with communities to enhance accountability and people-centred planning,
- Providing basic service delivery needs to communities in an equitable manner, and
- Encouraging the maintenance of a safe and healthy environment,

Historically we have and continue to face many challenges and limitations in our efforts to meet the strategic objectives of Senqu Municipality. The COVID pandemic has merely added to the list. In dedicating our efforts to meeting these challenges, we are ever conscious of the socio-economic conditions facing our society and every effort continues to be made to ensure that local enterprises and community members are and remain empowered. In this manner the community becomes equipped to contribute towards the growth and sustainability of the community and the environment within which we live.

Aside from COVID, our challenges may be grouped as follows: old and ageing infrastructure, high rates of unemployment, a poor rates base (leading to financial resource challenges), challenges relating to other resources generally (human resources – scarce skills and the like) and extreme weather conditions.

At a strategic level it must be noted that we are directed and guided by the Integrated Development Plan (IDP) which is developed with community input while taking current resources and practical considerations into account. This is a five (5) year plan which guides our operational levels of functioning (aligned to the current term of office). This is revised and updated annually while taking current resources (detailing annual strategic objectives) into account. The strategic goals and priorities are cascaded into the strategic and operational **plans of all directorates and related employee scorecards. By ensuring this “cascade approach”, all staff and directorates “feed into the overall objectives and goals of the organization” and in so doing, ensure that all parties remain focused on meeting required targets and objectives.**

The Integrated Development Plan (IDP) Priorities for the IDP (2017 – 2022) are revised annually. As required and within this financial year the final review of the 2017 – 2022 Draft IDP was adopted 31 March 2021 and the Final IDP adopted by Council on 26 May 2021. The IDP Process Plan was developed and approved at the Council meeting that was held 29 July 2020. Under normal circumstances, the IDP priorities for each period are identified through inputs obtained from public participation initiatives and processes such as Mayoral Outreach initiatives, the Integrated Participatory Planning Forum and the IDP & Budget Steering Committee. This year, the COVID lockdown restrictions have impacted negatively on the number of meetings held to ensure appropriate levels of participation. In an effort to remedy and rectify the inability to hold all required meetings and participatory events relating to these processes, virtual meetings did and will now replace face - to - face meetings where necessary and other media platforms will be utilized as required, so that required inputs are obtained. By way of example, the municipality could not obtain inputs into the draft IDP/Budget in the traditional manner. As a result, the inputs were obtained jointly via LA and EKHEPHINI FM on 18 May 2020.

The Integrated Development Plan (IDP) Priorities for the IDP (2017 – 2022) are revised annually. Priorities for the 2020/2021 period are reflected as follows:

- Service Delivery – solid waste management, electricity losses in Sterkspruit
- Access roads (villages)
- Access to land – shortage, bulk un-serviced sites, land tenure, invasions, surveying
- Local Economic Development
- Job Creation
- Youth Development and Employment; and
- Revenue Enhancement.

1.2 IDP PRIORITIES

The priorities listed have been expanded somewhat and are detailed with inclusions:

a) Basic Service Delivery

The targets for basic Service Delivery are aligned with the Strategic Objectives of the IDP. There is alignment between the IDP, the Service Delivery and Budget Implementation Plans and the Budget – thereby creating service delivery targets that have the potential to be achieved – taking restrictions, challenges and available resources into account. In order to ensure that all targets are addressed operationally throughout the organization, these aligned targets were incorporated within the SDBIP and reflect within individual and institutional scorecards. Targets are specific and also take into account the pre-determined targets. General constraints and general



challenges relate to old and ageing infrastructure, lack of resources (especially financial) and geographical factors (leaning at times to the challenge of scarce skills). Despite challenges, planning is for the most part is realistic as it takes these factors into account. As already alluded to, COVID – 19 challenges had a great impact on the inability to meet numerous service delivery targets.

Electricity losses during the 2020/2021 financial year are reflected at 18,28 % and remain an area of concern. These are issues that will be required to be taken into account moving forward.

b) Access Roads

As reflected within the IDP and aligned Budget and SDBIP, priority areas will include roads maintenance (as per the Roads Maintenance Plan). This incorporates planned maintenance, addressing potholes and the paving and construction of access roads – especially access roads to villages. Overall, it is noted that roads are in a bad state due to rains and re-gravelling. There is a need to increase investment in extending the Road Maintenance Plan that falls within the Municipal scope. Many contingency plans will be required to be put in place to manage unforeseen and critical maintenance of Roads.

c) Land Shortages

The shortage of urban land for development remains one of the most difficult challenges facing our municipality. It is noted that the greater portions of land are either currently privately owned or owned by traditional authorities. There are also many instances of government owned land being illegally occupied. This has had a huge impact on the ability of the municipality to provide the most basic services that require land such as: solid waste, cemeteries and recreational facilities.

Difficulties have been experienced with the lack of land and tenure challenges. The fast expanding Sterkspruit and the development of Barkly East both continue to be regarded as areas of priority. Improvements that were hoped to be coordinated through the establishment of the Senqu Land Development Forum. The target of establishing this forum has been rolled over from the previous financial year and was again not successfully met. This was due to the fact that stakeholders from DRPW were either unavailable to meet and / or confirmation from all departments for the attendees of the forum meetings were not yet received. As a direct consequence, the endorsement of the committee by Council could not be achieved as this was not established by the end of the financial year. This target is earmarked to receive additional focus in the new financial year.

Notwithstanding and in the interim, the Spatial Development Framework which was originally adopted in March 2017 proposes general policies and guidelines for Land Development within Senqu Municipality – providing structure and basic guidelines.

d) Job Creation

The EPWP (Expanded Public Works Programmes) involves the running of projects that focus on providing unemployed members of the public with an opportunity to work and improve skills within basic levels of EPWP project functioning. During the 2020/2021 period an average of 194 jobs were created in this manner. This is an increase of 32 jobs compared to the previous financial year.

e) Youth Development

To ensure that the Youth of Senqu municipality is not involved in criminal and drug related activities, the municipality has established a Special Programmes Unit which is responsible for youth, women, and people living with disability development. However, in 2020/2021 financial year, because of Covid restrictions no interventions could be made during the financial year under review for the development of youth and other related groups.

f) Local Economic Development (LED)

Local Economic Development is an important aspect of the municipality. The municipality remains committed in ensuring that economic conditions are improved within the municipality. The municipality supports several initiatives in line with its LED Strategy. These range from supporting SMME's with training, sourcing funding and applications for support from other government entities. The municipality also promotes its tourism structures within the municipality since tourism is one of the key economic drivers of the area.

There are plans to make Sterkspruit the Economic Hub of the municipality, and to achieve that the municipality is investing in the infrastructure development and maintenance within the Sterkspruit area. Once achieved this will attract more investors and open more jobs for communities in the surrounding areas.

Lastly the municipality also ensures that when it issues construction tenders more than R6 million, smme's are sub-contracted for 30% of the total cost of the contract. This will ensure that our smme's also grow within the industry.

g) Communication and Public Participation

Efforts are continuously being made to “improve communication and to heighten efforts in which opportunities for public participation occur”. During this period the municipality enhanced its usage of its social media sites as well as other digital platforms to communicate with its communities all issues that are pertaining to service delivery and challenges thereof when experienced. This proved to be effective however, we are still venturing in ensuring that communication on most such issues is effectively done in all relevant languages that exist within Senqu Municipality. Currently only notices are done in all languages and that might not be enough.

Public Participation was highly affected by the Covid pandemic as innovative ways had to be explored to comply with all public participation related activities without breaking the Covid 19 regulations with its numerous adjustments.

In other areas and in an effort to ensure that communication channels remain open, the mayor and indeed the municipality has used various media platforms in order to ensure that wherever possible the required level of communication occurs. Efforts were made to improve municipal access to the community and by using various communication platforms (municipal website et al), the public were encouraged to use electronic banking for services/ to make payments /purchase electricity and the like, from convenient and more accessible service providers.

As reflected within the IDP, the areas detailed hereunder continue to remain areas of priority. **Despite falling outside of the Municipality's** designated powers and functions to a large extent, they are critically important:

- Water
- Sanitation
- Electricity; and
- Disaster Management.

1.3 KEY POLICY DEVELOPMENTS

Compliance and the continuous quest for excellence in service delivery requires that policies continue to be reviewed regularly and developed where necessary – always ensuring that the organization remains compliant and that appropriate structures are put into place and implemented. Application of all said policies and their levels of success are required to be monitored. In any instance where a deficiency is noted, or improvement is required, appropriate remedial action and/or amendment to policy is undertaken.

The reviewal of most policies during the financial year was to accommodate the changes that were brought about by Covid 19 and its regulations which forced many entities to do things differently. Such policies are outlined in Chapter 4 of this document. Most affected policies thou were those dealing with employees and councillors and to an extend those that involve activities of public participation and communication to stakeholders.

All Finance policies *(budget related) were reviewed and adopted by Council in May 2021.

- Vision 2030 and District Development Model (DDM)

These reflects both a plan and a policy that emphasizes a developmental focus for Senqu Municipality. The organization is required to be a “**people centered, vibrant, dynamic municipality**”. The strength of this vision is built on five (5) pillars, namely: stimulation of economic growth; access to what is decent access roads; the positioning of steadfast and reliable governance systems; the creation of an enabling environment for all residents to prosper and the social upliftment of all residents.

The implementation of vision 2030 will ensure that the goals of performance as outlined in the country's National Development Plan (NDP) will be achieved.

Vision 2030 will ensure that through long-term planning and effective and strategic leadership, Senqu Municipality will focus on and achieve improved living standards for the residents of Senqu Municipality. The emphasis will be on ensuring:

- Sufficient / adequate water and sanitation provision;
- A clean environment;
- Regular waste collection;
- Good housing and urbanization of all towns within the municipal jurisdiction; and
- Excellent education and training (empowering all genders, youth, and disadvantaged / vulnerable groups through the elimination of poverty).

While the municipality is still struggling to Implement the District Development Model together with its circular 88, the Provincial Government of Cooperative Governance and Traditional Affairs has extended a hand of support to assist the municipality in implementing this model and realise its objectives. This is expected to be up and running in the 2021/2022 financial year.

1.4 KEY SERVICE DELIVERY IMPROVEMENTS

Challenges regarding old and aging infrastructure continue to be experienced and every effort is made to compensate for this at every level. Efforts for improvement are required to be focused on the following areas:

1.4.1 Roads

These remain a priority and the challenge is in ensuring the quality and sustainable maintenance of the roads themselves. Certain areas lack roads infrastructure altogether and as always, our efforts focus on obtaining funding to assist with roads infrastructure development – especially in areas where there are no roads altogether (villages and the like). It must be noted that certain targets within Roads and Stormwater have been negatively affected due to the COVID – 19 lockdown regulations. Notwithstanding, a Roads Master Plan and a Roads Maintenance Policy are both in place but are due for reviewal.

1.4.2 Commercial Property Development

As per the IDP, Senqu Municipality is one of the key partners of the Joe Gqabi Economic Development Agency (JoGEDA) which is tasked with heading up economic development projects on behalf of the district municipality and the four local municipalities in Joe Gqabi. With respect to Senqu, the Agency has prioritised commercial property development and plastic manufacturing. This is achieved also with partnering with the Senqu Tourism Association and the Small Enterprise Development Agency (SEDA), both of which provide support services to tourism enterprises and other small businesses in the area. Other partners include: JGDM, ECDC, DLGTA, DEDEA and the Department of Agriculture.

This function will also be affected by the changes in the organizational structure, where the function will now no longer be housed at finance under revenue management as was the case, but be moved to Development and Town Planning Services (DTPS) under town planning section.

1.4.3 Job Creation

An average of 194 jobs were created during 2020/2021 through LED initiatives including capital projects.

1.4.4 Landfill Challenges

Commendable progress has been made and the municipality managed obtain permission to construct landfill sites in Herschel and Rossouw. Development is currently underway in both sites.

In Barkly East, the landfill site has been upgraded and lined according to the minimum requirements of solid waste requirement and as per the NEMWA Act. This occurred during the current financial year.

In Rhodes, the EIA was rejected by the Rate Payers Association of Rhodes, claiming that that there are no Buffer zones and that the site is situated on the riverbanks. Plans are afoot to register and develop a transfer station to avoid the legal operations required in operating a landfill site according to National Environmental Management: Waste Act 59 of 2008. This is a waste transfer facility that is used to accumulate and temporarily store waste before it is transported to a recycling, treatment, or waste disposal facility, which in this case will be Barkly East.

1.4.5 Youth Projects

Despite project planning and targets that were set in this regard, COVID has impacted hugely on all youth projects and processes planned. As a direct no youth project were implemented during the financial year under review.

1.4.6 Sportfields

The geographic spread of sport facilities within the Senqu Municipality indicates that most urban areas have access to the sport facilities. Sport fields are found at Sterkspruit Town, Lady Grey, Barkly East, KwaGcina Village in Sterkspruit, and Naledi Village in Sterkspruit. On

Maintenance of Sportfields during the current year 5 sports fields were maintained with the available budget. Targets in SDBIP were met for the maintenance of the sports fields. Sports grounds in the rural areas were not maintained due to insufficient personnel and budget. In terms of success, it must be noted that notwithstanding challenges, the required maintenance was carried out. It is acknowledged that greater efforts are to be made in respect of the planning phase to ensure that rural sports grounds are maintained.

1.4.7 Traffic Services

- *Basic traffic law enforcement* functions are well provided overall using four traffic **officers, and it must be noted that there hasn't** been any significant increase in the number of tickets and summons issued because of a directive from Eastern Cape Provincial Department of Transport and RTMC on the promulgation of AARTO system country wide and its eminent implementation by all law enforcement agencies. Administrative Adjudication of Road Traffic Offences Act, 1998 is an act of the Parliament of South Africa which introduces a points demerit system for violations of traffic law. It is managed by the Road Traffic Management Corporation, a public entity under the Department of Transport. This service has proved to be challenging with the vehicle population increase in Sterkspruit warranting additional traffic wardens and collaboration with other relevant stakeholders
- *The Roadworthy Division* in Barkly East does not meet compliance criteria and does not have all the required resources to function. It is noted that this testing station / division/ roadworthy system has not been functional for the 4 past financial years *since 2017/2018. No vehicles have been tested for Roadworthiness during the previous financial year, nor during the current year under review. COVID - 19 has exacerbated the status; and efforts are however underway to revive the operations.
- *The Driving License Testing Centre* is fully function relatively meeting the requirements of the Minimum Norms and Standards as per the DOT Service Level Agreement, National Road Traffic Act and regulations including the minimum requirements for Grading of Centers, functions and grading of examiners. Improvements required relate to access control, space layout and general infrastructure maintenance.

1.4.8 Hawkers

Hawkers are encouraged to operate legitimately with assistance provision at every opportunity. **Hawker's licenses are renewed, and business licenses are issued to the compliant premises.**

1.5 PUBLIC PARTICIPATION

While wherever possible public participation initiatives were undertaken, COVID – 19 had a dramatic impact on the implementation of all aspects of planned public participation initiatives during 2020/2021 financial year.

To this end it is noted that:

- Community participation was done through radio slots by the Exco and community members,
- Where few members were required in compliance with Covid 19 regulations, such meetings took place,
- Inputs into important documents like the budget and the Annual Report were requested through print media, website, and municipal notice boards, and lastly
- No services were impacted negatively by the usage of alternative methods to obtain public consent on any of the municipal functions that required such.

1.6 FUTURE ACTIONS

Historically, when examining challenges and successes, similar areas remain highlighted as requiring particular focus moving forward. Areas continue to include:

- Public participation initiatives (particularly focusing on new media platforms as per COVID related challenges in particular);
- Minimization of electricity losses;
- Roads maintenance and construction initiatives in order to minimize extensive challenges;
- Sustainable road and bridge development and maintenance;
- Capacitation of both staff, councillors and the community;
- Economic regeneration plans for each town and related implementation in this regard;
- Effective performance management and reporting in the ever quest to improve service delivery;
- Land availability, land tenure changes and allocation of sites;
- Eradicating /minimizing cases of irregular, wasteful and fruitless expenditure;
- Paving of sidewalks and roads in towns (EPWP initiatives);
- Updating and adherence to local municipal bylaws regarding buildings, business, land and traffic.

1.7 AGREEMENTS /PARTNERSHIPS

These reflect the formal and semi-formal structures that existed in order to improve all aspects of functioning such as: MUNIMEC, DIMAFU, IGR and the like. These need to be actively pursued moving forward.

Agreements are entered into with the appointed Service Providers who are then evaluated in accordance with the recognized service **provider's assessment processes**. The JOGEDA (recognized Development Agency) that is used to boost tourism in the area, is effective in ensuring that tourism objectives are prioritized.

Agreements with DSRAC (libraries), Department of Roads and Public Works are examples of other agreements entered into nationally in order to ensure that services are provided effectively.

1.8 CONCLUSION

The 2020/2021 marked the last year of our term as councillors elected in 2016. The road was not an easy one but through the support of all our stakeholders both internally and externally we are glad to exit with a clean audit bill.

During our term we had many challenges which seemed to frustrate the delivery of service to our communities, but because the political and administrative arm were committed in ensuring that Senqu Municipality communities receive services as promised to them, these challenges were seen as lessons more than stumbling blocks.

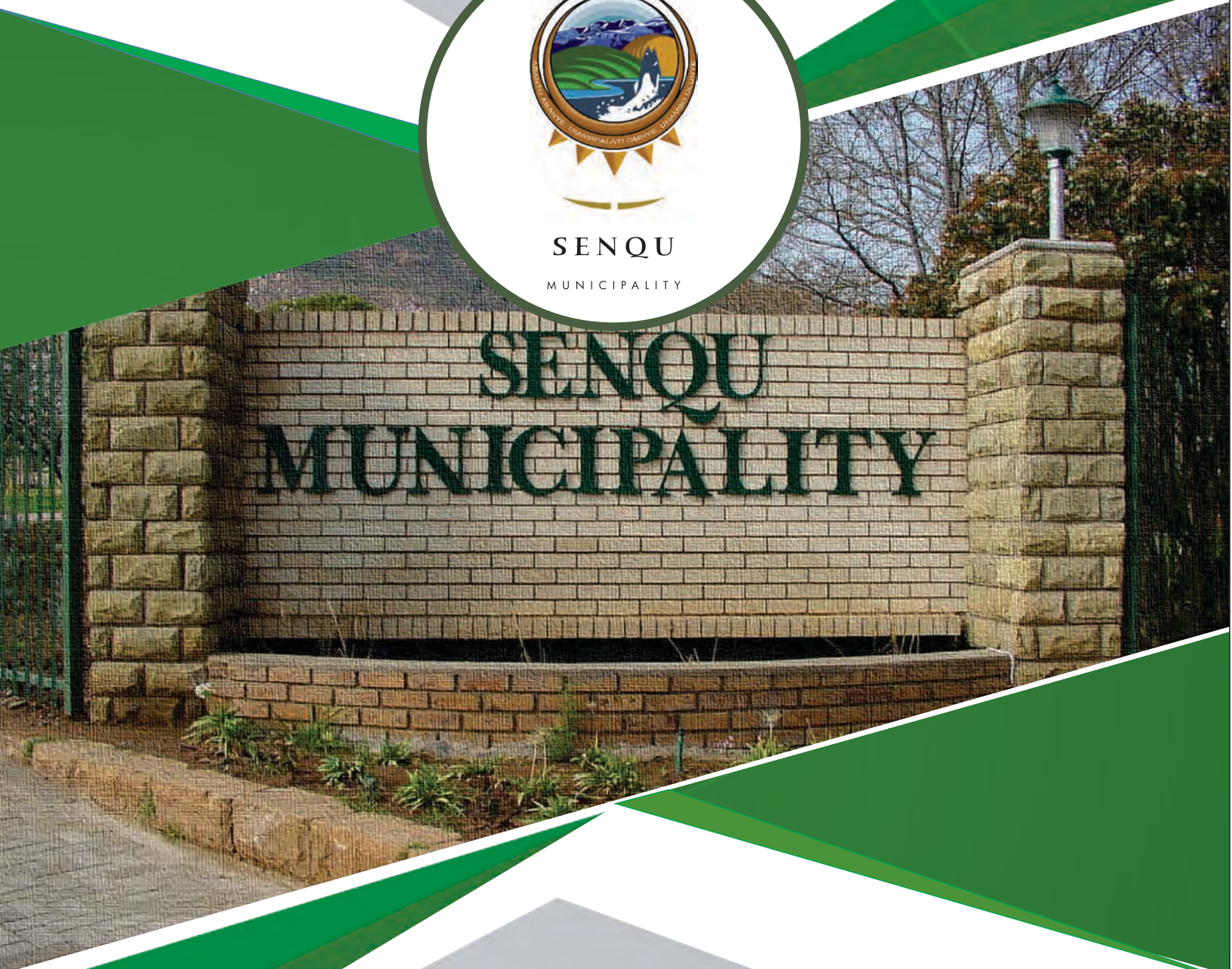
It is safe to say that we have an unwavering political and administrative support structure and base. Through the dedication and ongoing commitment of all management, staff, and politicians, we will ensure that our political mandate and the provisions of the ANC manifesto will be met.

I hereby take this opportunity to expressly thank the Speaker, our Chief Whip, Exco, Council, the Municipal Manager, and all staff for their unwavering support throughout our term of office. Together we will stand tall and strong and as a community we will continue to strive to work together – creating a sustainable and better life for all!

I also wish the New Council that will be elected in November nothing but the best and I trust they will continue to deliver only the best to the communities of Senqu Municipality.

V.V STOKHWE
MAYOR





**COMPONENT B
EXECUTIVE SUMMARY**

COMPONENT B: EXECUTIVE SUMMARY

1.9 MUNICIPAL MANAGER'S OVERVIEW

The 2020/2021 financial year has certainly arrived with a unique set of challenges – some which could have been predicted and others that have occurred without any warning whatsoever. As the administrative head, it is very tempting to allow the challenges of the current year to be completely overshadowed by the COVID – 19 pandemic as this remains in the forefront of our minds. To do this however, would certainly be an injustice on so many levels and would or could also be seen as an excuse that is not justifiable when performance targets are not met.

To say that we have experienced challenges is an understatement. To say that the COVID pandemic has contributed to these is in many instances **correct, but it is not the sole contributing factor, and it is imperative that we consider our “positive actions” that have been taken when faced with our challenges, rather than our “inactions” or less positive results.** I firmly believe that it is this mindset that will set us apart from other municipalities in the long term and will ensure our sustainability and success in all areas moving forward.

One of the greatest challenges that we face as this municipality, is ensuring that we continue to achieve a clean audit – an accolade and testament of success that we have achieved for the last six consecutive years. These accolades and achievements talk to our financial sustainability and stability overall. We also cannot fail to acknowledge the recognition received from Ratings Afrika, which has acknowledged Senqu Local Municipality as being the second highest scoring municipality within South Africa and as the highest performing municipality within the Eastern Cape. These are certainly achievements of which to be proud and the recognition from Ratings Afrika takes into account the financial stability index and the financial sustainability of the municipality overall. To re-iterate, the current challenge facing us to ensure that we can sustain these acknowledgements in the years to come.

This Annual Report serves to provide us with summaries and insights into the manner in which this municipality has performed during the current financial year. The information provided is yet to be audited externally as the Auditor General is currently busy with the audit itself and the final audit outcome is not yet available. We will acknowledge success where it is due, and we will analyze and determine the appropriate manner in which to deal with challenges as identified. Our vision, goals and objectives remain strong and steadfast. Performance will be examined within the following areas:

1.9.1 Alignment of Service Delivery Priorities

- The performance of the municipality is directed by the strategic objectives as contained within the IDP (Integrated Development Plan). The IDP is developed at the beginning of each term of office for a period of five (5) years (the length of the term of office). This IDP or 5-year strategic plan is reviewed annually, and a set of annual strategic objectives are developed while taking into account community inputs, national indicators (pre-determined targets), organizational objectives, current infrastructure and related budget. Annual plans and targets represent a realistic set of targets that take into account compliance targets and realistic targets – with alignment to the budget, resources and ultimately with the 5-year IDP.
- **The IDP is effectively a “peoples” document that is informed predominantly by inputs obtained via public participation** initiatives. Final strategic objectives as reflected within the IDP, reflect not only the needs of the community, but are required to take into account the pre-determined objectives (with emphasis on service delivery) that are required nationally as a matter of compliance, not to mention the competencies required in terms of the Competency Framework (as per the revised Performance Management Framework and System).
- In order to ensure that these targets are successfully achieved a Service Delivery and Budget Implementation Plan (SDBIP) for the organization as a whole (reflected within each Directorate) is created and this is aligned to both Budget and IDP.
- The Service Delivery and Budget Implementation Plan (SDBIP) is used as a means to cascade the required targets throughout the organization and these are cascaded down to further levels – at all times showing alignment with the IDP and Budget. In this way, it is ensured that every person/employee at every level, will ultimately contribute towards achieving the high-level targets overall;
- **Realistic service delivery targets are created / formulated, and this occurs using what is formally known as the “SMART” principles. Targets are therefore written in such a way that they are considered to be “SMART” i.e., Simple; Measurable; Achievable; Realistic and Timebound.**
- In identifying and aligning service delivery priorities it must be noted that information was obtained locally for input into the IDP, Budget and SDBIP through the implementation of the Public Participation Framework and Plan, the IDP Process Plan and related initiatives. These include but are not limited to:
 - Council Meetings;
 - Mayoral Meetings;
 - Mayoral Imbizos;



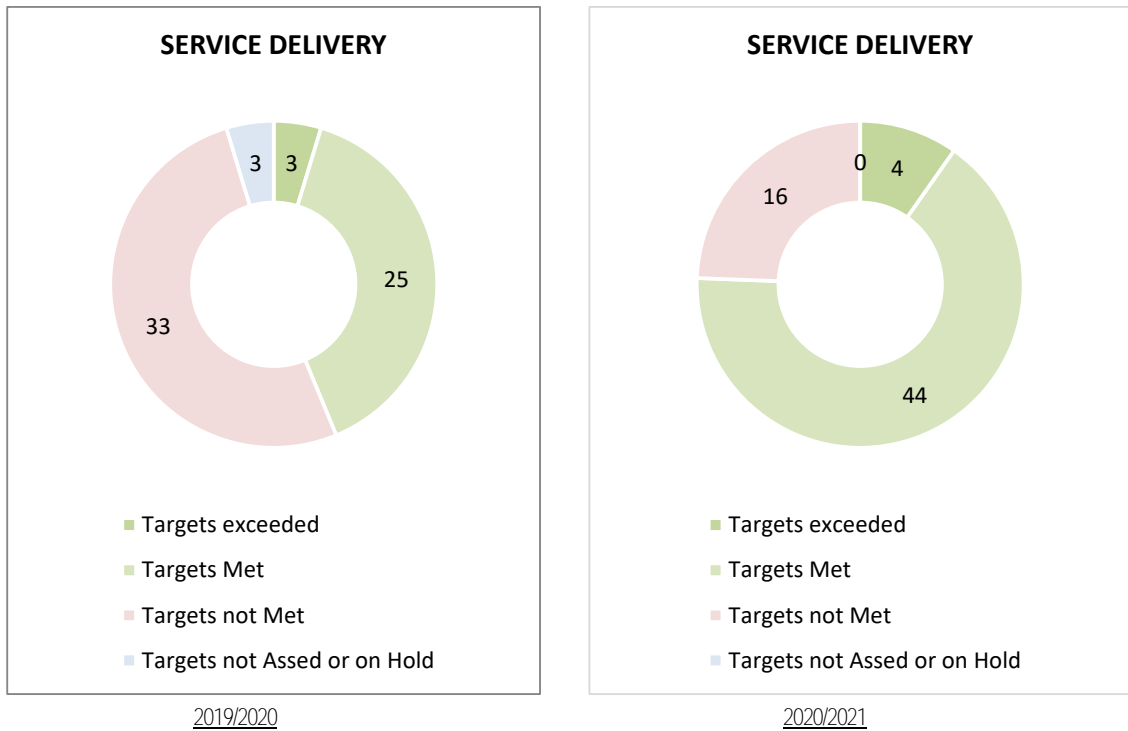
- MPAC meetings and reports/ auditing; and
- The Presidential Hotline.

1.9.2 Service Delivery Performance

Service Delivery Performance for the 2020/2021 financial year is depicted diagrammatically within this section and comparisons are made between the current year and the preceding year i.e. 2019/2020.

The graphs and tables that follow illustrate the challenges that we now face as we acknowledge and examine the contributing factors that have led to the severe decline in service delivery performance within the last financial year. Service Delivery Targets (Exceeded, Met, Not Met): 2019/2020 as compared with 2020/2021.

a. Basic Service Delivery



Legend as per tables above:



Service Delivery: 2019/2020 (Previous Financial Year)

KPA	Total number of KPI's per KPA area	Number KPI's Exceeding Target	%KPI's Exceeding Target	Number KPI's Meeting Target	% KPI's Meeting Target	Number of KPI's not meeting target	% KPI's Not achieved	Number of targets on Not assessed/ On Hold	% Targets Not assessed/ On Hold
Service Delivery	64	3	4,69%	25	39,06%	33	51,56%	3	4,69%

Service Delivery 2020/2021 (Current Financial Year)

KPA	Total Number of KPI's Per KPA AREA	Number KPI's Exceeding Target	% KPI 'S Exceeding Target	Number KPI's Meeting Target	% KPI 'S Meeting Target	Number of KPI's Not Achieved	% KPI's Not Achieved	Number of targets on Not assessed/ On Hold	% Targets Not assessed/ On Hold
Service Delivery	41	4	9,76%	27	65,85%	10	24,39%	0	0,00%

The diagrams / tables above represent the comparison of performance in the Basic Service Delivery Key Performance Areas for the 2019/2020 and 2020/2021 financial years. While understanding and accepting the challenges in terms of old and ageing infrastructure relating to service delivery, it must be noted that service delivery contributes to the highest number of performance targets that are required to be measured organizationally. **During 2020/2021 only 4 KPI's i.e. 9.76% of the performance targets exceeded required performance; 65,85% met required performance targets; and 24,39% as compared with 51,56% during 2019/2020 of the targets were not met and 0% of the targets were put on hold during 2020/2021.** This is a tremendous improvement if one compares the two financial years.

Although there was a great improvement in the Service Delivery KPA, it must be noted that the municipality can still do more especially if can expedite its appointment of service providers and also do due diligence in the monitoring of work done by service providers on its behalf.

Generally, the following areas are highlighted:

- a) Road Traffic

Most targets were well achieved. The construction of the DLTC in Sterkspruit remains an issue. In addition, it is to be noted that due to insufficient budget, the roadworthy division in Barkly East does not meet compliance criteria and does not have all the required resources with which to function. This testing station / division for roadworthy of vehicles has not been functional for the past 4 financial years. While COVID - 19 has exacerbated the current status, all other traffic related targets were well achieved.

b) Roads, bridges and transport infrastructure

In these areas' performance is highlighted as follows:

- (i) *Pothole repairs and maintenance.* These targets were over - achieved, due to critical unplanned maintenance repairs being completed as a result of COVID and the need to access badly maintained areas. As per the Maintenance Plan, 89.68 kilometers of maintenance was achieved, and 7511 potholes fixed. Critical Maintenance contingency plans will be required to be put in place moving forward.
- (ii) *Construction of 4 km of Paved Road (Phase 1) in Boysi Nondala* was completed during the financial year under review.
- (iii) *On the Construction of 7.01 kms of access road with storm water control in W2*, 6.51 kilometers were constructed leaving a variance of 0.5 to complete the project. This will be completed in the first quarter of 2021/2022 financial year.
- (iv) *On the construction of 7.5 of a New Gravel Road with 1.5 stormwater channels in Esilindini and Frans*, the variance of 2 kilometers recorded in the previous financial year was completed in the financial year under review.

c) Recreation and Community Facilities

These targets were well met in repairs and maintenance of halls. Town and Community halls exist in the towns of Lady Grey, Sterkspruit, Barkly East, Rhodes, Rossouw and Herschel. Halls are utilized on a regular basis including standing users of which the services of SASSA are examples. Cleaning of halls is done by the municipal cleaning staff in towns, while maintenance of the buildings is carried outsourced and performed by municipal Caretakers. Maintenance is being carried out subject to the availability of funds. The renovation of the Barkly East Town Hall will commence in the first quarter of 2021/2022 financial as there were unexpected delays in the handing over of the site to the contractor.

d) Cemeteries and Pauper Burials

Senqu Municipality operates and maintains cemeteries in urban and rural areas. Cemeteries maintenance was successfully carried out during the year in review. Burial plots were provided as per the targets achieved in the SDBIP. The services provided include the maintaining a register of graves and the maintenance of cemeteries to an acceptable level of orderliness. EPWP projects were also implemented for the maintenance of cemeteries. Vandalism of cemeteries and the fences remain a problem. The extension of existing cemeteries in Lady Grey was granted by Department of Economic Development, Environmental Affairs and Tourism. The development of new cemeteries in Sterkspruit, Herschel and Lady Grey is also problematic due to the tedious land issues and environmental authorization processes that must be followed. The development of the new cemetery in Barkly East is underway.

e) Sportfields Maintenance

Maintenance plan was implemented in Lady Grey, Barkly East, Sterkspruit and two sport fields in rural areas however vandalism of sport facilities has also impacted negatively within this area during this period.

f) Libraries

Senqu Municipality has 5 libraries and two modular libraries. All libraries are operating from Monday to Friday from 08:00 to 16:00. **The libraries have 10 permanent library personnel. Libraries are financed through the conditional grant from the Department of Sport Recreation Arts and Culture.** Library Service Level Agreement was signed by the Municipal Manager and was sent to DSRAC. In accordance with this it must be noted that while services were provided for and reported library services did not operate efficiently due to the COVID restrictions. Libraries have free WIFI access available to the public through the ICT project funded by DSRAC. There is monthly circulation of books in the libraries. Barkly East and Sterkspruit libraries offers audio books available for the visually impaired.

g) Parks and Public Open Spaces

Monthly reports on the maintenance of the parks were done and submitted to the standing committee and the same is true for public open spaces (Lady Grey, Barkly East, Sterkspruit & Rhodes). The parks are regularly maintained in line with the maintenance plan of parks and public open spaces.

h) Commonages and Animal Licensing

Stock registers were updated as required. The restrictions on public gatherings during the COVID – 19 period prevented the campaigns from taking place. The animal pound in Lady Grey is operational although there is still a challenge of non-availability of transport to impound animals from other areas like Sterkspruit and Barkly East.

i) Waste Management

The waste management function has overall been well achieved and targets have been exceeded in respect of waste removal specifically. Regular reporting regarding the removal of waste in all six towns was compiled and submitted.

Solid waste removal in rural towns was exceeded. The municipality collected a total of 10031.05 tons in 6 towns in the financial year under review

To ensure that people continue to be compliant on issue of waste management, the municipality conducted 11 waste awareness campaigns in W15, W16, W8, W14, and W10.

As reported in the Annual Report of 2019/ 2020 financial year, the construction and completion of the solid waste site in Herschel was not fully achieved due COVID – 19 restrictions and other internal issues. Then in 2020/2021 the contractor was appointed on 24 June 2021 for the development of the solid waste site for Herschel and the site handover is expected to be done on 01 July 2021.

On the construction and completion of the Rossouw solid waste site the contractor was only appointed on 21 April 2021. This meant the project can now flow smoothly through completion in the 2021/2022 financial year.

Progress on the Lady Grey site could not be completed due to litigation issues that needed to be resolved.

In the previous financial year, i.e., 2019/2020, the application for the EIA in Rhodes was not approved and the initial EIA was rejected as the identified land was within the buffer zone i.e., within 500m of a settlement. A new site had to be identified and required a further EIA which carried with it additional financial implications – not budgeted for. This remains a very high risk for the municipality as it carries a hefty fine if the site remains non-compliant, and during the period under review no budget was set aside for the development of the EIA and the dumping area is expected to be closed in 2023.

As reported in the past financial year, the application for the EIA and appointment of the contractor in Sterkspruit was not achieved as planned. The initial preferred site was rejected and not deemed suitable due to a housing development adjacent to the site. A second site was chosen, and the target milestones were reviewed mid-year. As at the end of the period under review, there was no progress in connection with the new planned solid waste site for Sterkspruit, after the initial site was expropriated and the communities started to build shacks and thereafter affected the buffer zones and the delays in appointing a Service Provider to conduct the Hydraulic test resulted the site being disqualified as not suitable for the development of the Solid Waste Site.

The municipality is in the process of Re-applying for the extension of the Closure permit for the current dumping site for the second time. Due to the lack of progress in the development of the new solid waste site

Additional recycling co-ops existed within the municipality, which were supposed to claim all the recyclable material which ended up in landfill sites, minimizing the air space in our landfill sites. The co-ops beneficiaries were also provided with PPEs and the relief programme by DEFFE.

j) Free Basic Service Delivery

The municipality has improved on this aspect – especially in respect of the reporting on indigents that receive free basic electricity and access to alternative energy. Reporting on refuse removal for indigents is required to receive additional focus in order to achieve accurate statistics;

k) Electricity and Street Lighting

While there were various challenges experienced by the municipality in as far as electricity supply is concerned. It must be noted that the municipality electrified 303 households in 2020/2021. Of the total applications received for prepaid installation, only 1.14% were done outside the prescribed period of 4 days from the date of receipt of the instruction to install prepaid meters. To improve on this the municipality has increased the turnaround time to 7 days from the date of receipt of instruction.

Lastly, of the 90 streetlights planned to be replaced 84 were done, leaving a variance of 6 streetlights.



l) EPWP Projects (Expanded Public Works Programmes)

These projects are designed and created in order to facilitate job creation and thus the capacitation of unemployed persons, by utilizing their skills/labour within service delivery projects. “Job Creation” is now termed “EPWP” and EPWP projects are currently run within the following departments: Street Cleaning; Pothole repair, Waste Management, Refuse Removal and Grass Cutting.

m) Expanded Public Works Programmes are required to be informed by the need to meet specific projects and to assist with the achievement of service delivery objectives and targets. Challenges continue to be experienced with processes involving the manner in which these are staffed and the manner in which statistics are maintained and reported. To resolve these challenges (and related others), it is suggested that an EPWP Policy be implemented in a manner that allows for the recruitment of EPWP workers by the Corporate Services Directorate – following modified but standard recruitment and selection practices for limited duration contracts such as those applicable to EPWP contracts.

1.9.3 Conclusion

Having learnt from the previous financial year, the municipality had to improvise in several areas to ensure that delivering of services is not interrupted by any form of lockdown that may be imposed on it. **We have entered into a new way of working” on so many levels and** yet our objectives remain the same (aligned annually). This resulted in the municipality improving on its performance generally when compared year to year. The challenge remains the capacity of IT infrastructure to stand the test of time as it was never initially planned for what hit us in the 2019/2020 financial year when Covid was first introduced to South Africa.

We remain committed to maintaining the required standards of service delivery on every level while doing all that we can to educate and enforce a culture within the institution and the community that is focused on adhering to compliant ways in which to remain physically safe and healthy during the COVID times. The well-being of Councillors, management, staff and the community remains of paramount importance.

As the year marked the end of term for our council/ and or political leadership, I must congratulate the Mayor, Exco, Councillors and staff alike. We have pulled together as one team with a common focus.

Senqu Municipality’s success bares testimony to the manner in which both the administrative and political arms have managed to work together and with the community at large. Our success will continue to depend on these sound practices.

We look forward to another successful year albeit a different one – a year that involves change on every level – ensuring that we are equipped to handle the challenges dictated by this pandemic. The year ahead will involve a 5 - year strategic planning initiatives that are successfully implemented, so that we are able to stay ahead of these challenges. Teamwork and commitment is the key.

We will continue as always and unabated, to strive to excel and to continue to meet the needs of the community, so that a better quality of life may be experienced by all.



M. M YAWA
MUNICIPAL MANAGER

MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.9.4 Introduction to Background Data

The geographical area and aspects defining the Senqu Municipal context within which it exists, together with demographics relating to the population itself will be examined. This information is captured further within Senqu Municipalities Integrated Development Plan (IDP) that is updated annually. In this manner, insight into the challenges and situations faced by Senqu Municipality will be obtained and must be considered when determining context at any and every level.

1.9.5 Geographical Context and Overview of the Municipality

Historically it must be noted that Senqu Municipality was established following the amalgamation of the following Local Authorities and towns:

- Lady Grey (including Transwilger and Kwezi Naledi);
- Barkly East (including Nkululeko, Fairview and Lulama Hlanjwa);
- Sterkspruit;
- Rhodes (including Zakhile), Rossouw; and
- Portion of Wodehouse (Dordrecht) and Indwe.

The Senqu area also covers commercial farms and villages of the former magisterial districts of Barkly East, Rhodes, Herschel, Lady Grey and Sterkspruit and portions of Wodehouse (Dordrecht) and Indwe.

The map which follows clearly indicates the boundaries relating to the Senqu Municipal district and provides an appropriate pictorial context and frame of reference for further discussion.



- Senqu Municipality is the largest Municipality in the Joe Gqabi District Municipality and spans an area of 6 772km squared.
- It borders the Eastern Cape Province and Lesotho.
- It is characterized by mountains and beautiful rivers. There are many game-fishing opportunities and both agriculture and the potential for tourism are considered to be critical economic factors to nurture for growth.
- Elundini and Sakhisizwe Municipalities are to the south of Senqu Municipality and in the west is Maletswai Municipality. To the north is the border between the Eastern Cape Province and the Free State Province. The R58 and R392 are the key transport routes through this Municipality. These then link to the N6 at Alwal North.
- The municipality has three urban nodes viz. Barkly East, Sterkspruit and Lady Grey with Sterkspruit displaying the highest population growth rate.

- The remaining areas of the municipality are characterized by small villages and communal and commercial farming land.

In examining the background detail, due cognizance must be taken of the efforts made by Senqu Municipality to satisfy basic service delivery requirements, while facing the many social and economic challenges.

1.9.6 Demographic Overview: Senqu Municipality (2017/2022 IDP)

- Senqu Municipality consist of 3 main towns i.e. Lady Grey, Barkly East and Sterkspruit;
- The dominant home languages are Isi Xhosa, isiHlubi, seSotho, Afrikaans and English. A larger part of isiHlubi speakers can be found living within the Sterkspruit area;
- According to the 2001 Census, 86% of households are rural in nature. This dynamic is shifting with the phenomenon of urban migration – particularly around the town of Sterkspruit (SDF 2016). In essence, people appear to be moving to live in villages which are expanding towards the urban centre of Sterkspruit. The previous practice of a rural countryside with scattered homesteads is disappearing and is now being replaced by many villages that are growing towards each other -- creating rural urbanization;
- **There appears to be an “out migration” of people both out of the rural areas and to the urban areas and from JGDM to other districts.** An inward migration from Lesotho to Mt Fletcher and Sterkspruit is also being experienced (Joe Gqabi WSDP 2010);
- Population density: As per the IDP 2017/2022 Senqu Municipality in 2016 has a higher population density than Joe Gqabi district at 19.3 people per square kilometre compared to 14.5 people per square kilometre. This is an increase from 2006 of 18.71 which is an annual growth rate of 0.33%. This was the lowest average annual growth rate in the District Municipality. This average is however less than the Eastern Cape Province of 41.5 per square kilometre (Ecsecc,2017:70-71). The majority of the population still reside in rural areas as opposed to urban area. This includes rural villages and farm households;
- Average unemployment rate of those actively looking for employment
- As reflected within the IDP 2017/2022 and based on the official definition, more than one third (30.34%) of the economically active group within Senqu is unemployed while the district average is 23.54%. If one includes those not actively seeking for work, unemployment in Senqu is as high as 65% compared to 54% and 48% for the District and Eastern Cape respectively;
- Literacy levels: As reflected within the IDP 2017/20122 only 58.66% of the adult population can read and write as compared to the provincial level of 66.7% and the national average of 73.62%;
- Skills Challenge: It is noted that the majority of the adult population (32.21%) are unskilled and there is a major shortage of technical skills (currently reflected at only 0.19%). Notwithstanding, it is to be noted that Senqu has a relatively high proportion of professionally skilled persons (23.46%);
- Income:
 - 50.25% of the households earn no income at all.
 - 21.39% of households earn between R1 and R1600 per month; and
 - Almost two thirds of Senqu households are indigent. More than a quarter of the households (6 134) earn R400 or less per month.

NOTE: This reflects Senqu’s low economic base, which negatively affects investor confidence, their investments and has serious negative repercussions for the economy and the municipality overall. Fewer people are able to sustain their livelihoods and afford to live and pay for services.

- While Senqu has experienced positive economic growth between 2000 and 2010, the economy has been unable to create meaningful benefits for the poor. The poverty rate is 62.93% (much higher than the provincial average of 53.61%);
- The municipality has a very high youthful population which requires a high need for employment, secondary and tertiary education in the region. Tertiary opportunities are offered outside the region. As summarized, Senqu Municipality experiences a youthful population with low skills levels and high unemployment. The majority of the population live in rural villages and rely on social grants. There is high migration to the more urban areas inside and outside the municipality for employment and educational opportunities. The high “out migration” to areas outside the municipality has an annual season with persons returning for Easter and Christmas holidays. Persons also tend to return to the traditional areas when they are faced with illnesses that require high caring from relatives;
- The traditional employment opportunities in agriculture and the commercial sector for low skilled workers do not appeal to the better educated youth;
- Senqu is a poor area with:
 - High levels of service backlogs;
 - Poverty;
 - Unemployment;
 - A very small tax base to pay for services;

- Limited skills base; and
- Reliance on public sector employment.

NOTE: The Municipality disputes the accuracy of the figures relating to the population. Due to the scattered and mountainous terrain of the municipality, the rural population was not adequately accounted for in the census.

- Population Figures & Gender and Race

As per the statistics reflected within the IDP of 2017/2022 the following figures and statistics are additionally noted:

- The male/female split in population was 88.1:100 (Male: Female) in 2016. The Municipality effectively has more females (53.17%) **than males due to the high "out migration" of males looking for work due to historical factors;**
- According to (Ecsecc,2017:13) there were 75 400 (53.17%) females and 66 400 (46.83%) males;
- The largest population group is between 0-14 years of age who make up 32.7% of the population and this indicates a very youthful population that the LED Strategy is required to take into account in order to ensure employment opportunities in the future.
- The category with the second largest number of people is the young working age (25-44 years) age; and
- The composition of the households by population group shows that Africans are the largest group of 97.3%, followed by Whites at 1.2% and then Coloureds at 0.9%. The smallest population group in terms of households is the Asian population group with only 0.6% in 2016 (Ecsecc,2017:17).

- Poverty Levels

The poverty gap measures the depth of poverty by measuring the average distance of the population from the poverty line and is **expressed as a percentage of the upper bound poverty line, as defined by StatsSA. "It is estimated that the poverty gap rate in Senqu Local Municipality amounted to 30.0% in 2016 - the rate needed to bring all poor households up to the poverty line and out of poverty. In 2016, the poverty gap rate was 30.0% and in 2006 the poverty gap rate was 32.5%, it can be seen that the poverty gap rate decreased from 2006 to 2016, which means that there were improvements in terms of the depth of the poverty within Senqu Local Municipality (Ecsecc,2017:63)".**

1.9.7 Service Delivery Challenges

A number of Service Delivery challenges appear to exist, and these are reflected generally as follows:

a) Water

As per STATS SA, 2011: 7 209 households out of 38 046 households reflect the unserved population. This figure reflects a percentage below 20%;

b) Sanitation

Sanitation provision has improved, and it is noted that currently 6,7 % of the population does not have any access to sanitation at all (STAT SA,2016). **Senqu continues to work towards eradication all old, "decaying" and poorly designed water and sanitation systems that simply cannot handle the current demands placed upon them.**

c) Electrification and Telecommunication

It is acknowledged that these networks are mostly inadequate and poor quality is experienced in many areas. In addition, it is noted that a great deal of electricity leakages/losses are experienced, and it is the intention to address this in a manner that produces desired outcomes and reduces these losses;

d) Waste management

While success has been achieved with the waste removal function, it is acknowledged that challenges are experienced in terms of old vehicles that require maintenance. The development of solid waste sites and the maintenance of solid waste sites can be challenging (especially in terms of supply chain management issues and when attempting to obtain required Environmental Impact Assessments as these are reliant on third parties). Recycling efforts also remain limited due to financial constraints;

e) Environmental Management

Service delivery within this area is poorly provided due to limited financial and human resources provision. This makes it extremely difficult to enforce related by-laws. As a direct consequence, many town planning by-laws are broken, and illegal land invasion occurs regularly. The greatest challenges faced in terms of environmental issues include the following:

- Alien vegetation eradication (specifically the Crack Willow which grows along the Kraai River and sucks up litres of water);
- Firewood collection that results in the destruction of trees;
- Grassland burning (indiscriminately) which heightens air pollution and loss of biodiversity;
- Dipping tank locations as these can poison water supplies (from streams);
- Borrow Pits which are not adequately rehabilitated;
- Drainage culverts that can either hinder or promote gully erosion;
- The proximity of all wastewater treatment works which may result in water contamination (risk of flood damage and spillage into dams, rivers and wetlands) causing contamination generally and risk to animals);
- Soil erosion which is the highest in the Joe Gqabi District Municipality (JGDM) due to marginal soils being utilised for inappropriate agricultural practices;
- The registration and management of solid waste disposal sites;
- The lack of recycling at waste sites;
- The burning of and inadequate collection of waste at times that may lead to illegal dumping;
- Inappropriate land and hygiene practices leading to increased sedimentation and pollution of fresh and groundwater sources; and
- The increased invasion by alien and undesirable species like Slangbos and blue bush near Lady Grey and limited protection of environmental sensitive areas.

Overall it may be stated that limited financial and human resources make it extremely difficult to control the environmental factors that present themselves.

f) Access Roads and Bridges

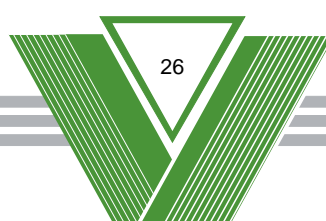
Access roads and bridges in the rural areas are generally of a very poor standard, due to the lack of maintenance and staff. It is also noted that rural people do struggle to access services due to these factors and especially during the rainy period when the roads become impassable and flooded. Access to clinics and schools remains a challenge as people are required to walk long distances and the quality of the service is limited.

1.9.8 Concluding Statements: Demographics

- a) Population studies have indicated that Senqu is characterized as having a youthful population with low skills and high unemployment. There is there for a high need for tertiary and secondary education;
- b) The majority of the population lives in rural villages and relies on social grants.
- c) The majority of the population are black Africans.
- d) There is high migration to the more urban centres inside and outside the municipality for employment and educational opportunities.
- e) **The high “out migration” to areas outside the municipality presents as an annual season with persons returning for the Easter and Christmas holidays;**
- f) Senqu has an exceptionally low rate base;
- g) There is a corresponding need for infrastructure and social services due to the high number of indigent people. This means that there is a risk that the Equitable Share contribution will remain insufficient to provide basic services as set out in the Constitution;
- h) Agriculture and Tourism are the major economic drivers of the local economy;
- i) Tourism reflects as a key potential economic sector, and economic driver, particularly **with the inclusion of the country’s only ski resort, Tiffendell;** and
- j) Senqu is characterised by scenic beauty, hiking and wildlife attractions and trout fishing.

Natural Resources

NATURAL RESOURCE	
Major Natural Resource	Benefit / Potential
Mountains	Beautiful scenery (adventure and agricultural tourism)
Wind	Off grid and cleaner sources of electricity from wind
Rivers	Game fishing and tourism



More specifically and as reflected within the IDP it must be noted that Senqu's rugged terrain is able to be utilized for adventure and agricultural tourism which is already occurring, such as the case of the "Salmon Skyrun".

Numerous varieties of sandstone are available and have a variety of uses, such as: building bricks or paving - as is being provided from Hershel Sandstone. It must be noted that there is also a great deal of fine river sand for building purposes, but this needs to be monitored as a great deal of illegal sand mining occurs without permits.

The high levels of wind and solar energy facilitate the use of greener energy alternatives such as wind and solar energy (JGDM Environmental Management Plan 2011). Despite this it is acknowledged that these types of alternatives require further study and mapping.

The Senqu District is home to many bird species and a vulture restaurant is located near Lady Grey. It contains many species of the unique alpine plants and an example of this is the red-hot poker which does not grow anywhere else.

In addition, many paleontological species are being discovered in the area with many dinosaur skeletons as well as rock art.

1.10 SERVICE DELIVERY OVERVIEW

1.10.1 Service Delivery Introduction

Free Basic Water and Free Basic Sanitation statistics are handled by Joe Gqabi District Municipality (District Municipal Function) and not Senqu Municipality.

FREE BASIC REFUSE REMOVAL					
No. of Indigent (poor) beneficiaries	No. of other beneficiaries (non-indigent)	Total beneficiaries	Level of Service	Type of subsidy e.g. Equitable Share	Frequency of waste collection e.g. once a week or twice a week
2 414	0	2 414	On site appropriate & regularly supervised disposal	Equitable share	Once a week
			Community transfer to central collection point	0	0
			Curbside Collection	2 414	1 x Week
			Other (Please specify)	0	

FREE BASIC ENERGY	
No. of Indigent (poor) beneficiaries	13 027
No. of other beneficiaries (non-indigent)	0
Total beneficiaries	12530
No. of Indigents configured in Eskom database	11 661
No. of Indigent who collected tokens and the % thereof	8 269
Beneficiaries provided by Eskom	7 533
Beneficiaries provided by Municipality	736
Non-grid energy Beneficiaries	497
level of Service (e.g., 50 kWh per household) or the Rand value in the case of non-grid	259.82

1.11 FINANCIAL HEALTH OVERVIEW

As at the end of the financial year, the financial health of the municipality and its management was and is positive overall. In terms of the Auditor General's report for 2020/21, Senqu Local Municipality received a clean audit once again, making it the municipality's 8th consecutive clean audit opinion. A broad overview is provided as follows:

- Senqu Municipality has received a clean audit for the eighth year in succession in the 2020/21 financial year.
- The municipality's liquidity is relatively sound with the current and liquidity ratios of 7.4 and an operating surplus of R63.7 million.
- During 2020/21 four (4) Quarterly Reports relating to Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches were compiled and submitted as required. However, no unauthorized expenditure was incurred.
- Fruitless and Wasteful expenditure for the financial year (2020/2021) amounted to R134 906 and R80 026 was incurred during the previous financial years. These related to penalties paid to the Department of Transport of R130 368 and Interest paid to Eskom of R4 538.



- Irregular expenditure increased from R21.9 million during 2019/2020 to R22.4 million during the 2020/2021 financial year. This occurred due to deviations from supply chain management regulations and non-compliance with the BBBEE Act. The management continues to improve the internal controls in respect of unauthorised, irregular, fruitless and wasteful expenditure moving forward.
- Under expenditure is noted throughout the budget, mainly in bulk purchases, materials, contracted services and other expenditure which could be attributed to the implementation of cost containment measures and to a lesser extent, the COVID-19 restrictions.
- Assets and liabilities are well managed overall when taking into account available budget and accepted practices. The assets are governed by the Asset Management Policy and liabilities are informed by recognized practices and principles regarding long-term borrowing.
- This municipality is acknowledged for paying its creditors within 30 days, as is stipulated by the MFMA (except in situations where there have been disputes between the Municipality and the creditor). Special efforts and procedures were put into play to ensure that this practice of compliance continued despite the COVID lockdown restrictions and remote working by employees from time to time.
- An overriding challenge is always to ensure that outstanding debt levels are minimized as this affects cash flow directly. Strict credit control measures are executed (as per Credit Control Policy and By-Laws) to ensure that this situation is effectively managed.
- Under-expenditure was noted on Repairs and maintenance wherein expenditure of R10.4 million was incurred against the budget of R 12.9 million, due to planned maintenance not occurring as planned in the adjustment budget phase.
- Long term liabilities are expected to decrease within the future financial period as initial loans are redeemed and no additional loans are expected to be undertaken.
- Reporting to National Treasury in respect of performance reporting is being well achieved within the prescribed periods.
- Senqu Municipality was chosen to be the pilot site for the implementation of mSCOA – which was applied nationally during 2016 as a matter of compliance. Financial and support systems are becoming more integrated with mSCOA requirements and performance reporting, and it is fair to say that mSCOA is progressing well;
- The OPCA Project (Operations Projects Clean Audit) has progressed exceptionally well and the challenge moving forward is to ensure that this achievement can be sustained.
- The introduction of GRAP has become more readily available and this allows information to be presented correctly in many instances. Despite this, difficulties are experienced in terms of the information required for property, plant and equipment, inventory, external valuations of employee benefits and tip site provisions.
- It is noted that the Internal Audit and the Audit Committee are required to work together to review the Strategic and Annual Performance Plans and to ensure that all aspects of the Audit Action Plan are addressed – while ensuring that appropriate and valuable reporting occurs; and
- The quality of quarterly and monthly reports is at all times required to be addressed and suitable and timeous action is required to be taken to rectify any issues identified (financial, pre-determined targets or otherwise). Oversight from managers and the Internal Audit/Audit Committee is required.

The following dashboard information and tables indicate the municipality's performance in terms of 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 Areas.

As an overall assessment, the following indicators are highlighted:

	2019/2020	2020/2021
Capital charges to Operating Expenditure	1%	1%
Liquidity: times	8.5	7.4
Outstanding debtors to Annual Revenue	11.6%	7.5%
Creditors to cash	1.2%	2.2%
IDP regulation financial viability figures		
Debt Coverage	4.4	3
Outstanding Service Debtors	46%	31%
Cost Coverage	20 months	23 months

1.12 ORGANIZATIONAL DEVELOPMENT OVERVIEW

1.12.1 Organizational Development Performance

Reference is made to Chapter 4 as this issue is dealt with and reported on extensively in this section.

a) Introduction to Employee Personnel

This aspect is to be examined with reference to Chapter 4.

The Human Resources function is considered to have been well managed overall. Generally, and with specific reference to staffing the following points are noted:

- (i) While efforts to strictly adhere to the Human Resources Strategy, Employee Performance, Recruitment and Selection Policy and the Employment Equity Plan when planning for the appointment of staff it must be noted that targets have not been met in respect of turnaround times relating to appointments being required to be made within 3 months. This is a result of Covid 19 risks which were flagged by the municipality. The municipality will continue to monitor the situation and improvise where necessary. One of the ideas the municipality intends to venture on is e-recruit, where people will submit their application online and limit the risk of paper sharing from one individual to another,
- (ii) The Employment Equity targets have been met as per Employment Equity reporting to the Equity Registry /Department of Labour, for target groups employed in the three highest levels of management. This is in compliance with the **municipality's approved** Employment Equity Plan. More specifically it is noted that:
 - a) The top management post targets are reflected as: 3 African Males; 1 Coloured Male; and 2 African Females. Of the 6 people in the top management, 4 of them joined the municipality within the financial year under review, after one female **director's contract ended, and 3 others had their contracts rescinded. The municipality remains within its targets in as far as** top management is concerned on employment equity.
 - b) The category of Middle Management has been combined with the category Professional qualified and experienced specialist and mid-management.

The following targets were achieved: 19 African Males; 1 Coloured Male; 17 African Females and 3 African females.

Notwithstanding it must be noted that recruitment of staff was suspended during the last quarter due to COVID-19 restrictions which required an innovative change of policy, because of that, only critical positions were filled within the financial year under review.

- (i) The Employment Equity Plan was reviewed quarterly, and reporting was conducted as required. The Employment Equity Report was captured on the Equity Registry Site before the legislated date for electronic submissions i.e. January 2021;
- (ii) All staff are in possession of job descriptions and these were written according to the TASK system of Job Evaluation. Notwithstanding, the Municipality recently underwent a restructuring exercise and currently all job descriptions are being redrafted according to said new structure. The job descriptions will be re-**evaluated by the PJEC'S appointed locally. This will** continue to occur thereafter, as and when there are changes to either the organizational structure or the job profiles;
- (iii) The organogram was reviewed and approved by the MM and noted by Council on 26 May 2021.
- (iv) Skills Retention remains a challenge, especially due to the geographical location of the municipality (rural nature) and the inability to offer competitive salaries; and
- (v) Staff capacitation remains of critical importance and the development, and the implementation of the Workplace Skills Plan ensures that this occurs in a planned manner. Most trainings within the financial year took place virtually due to Covid restrictions.

b) Managing the Municipal Workforce

Numerous and varied efforts have been made in order to ensure that the municipal workforce continues to be effectively managed. Historically it is noted that a strong administrative support structure was created in order to facilitate this process. More specifically, it is noted that:

- (i) Policies and procedures have been put in place, not simply as a matter of compliance, but to ensure that the manner in which work is performed occurs under guidance and with fairness to both the employer and employee. Funding constraints are the greatest challenge experienced when attempting to ensure that this occurs;
- (ii) In its strategic session in March 2021, the municipality decided to reinforce its management of personnel by separating the function of performance management into two. The Employee Performance was moved to Corporate Service under Human Resources section, while the Institutional Performance remained within the section of Good Governance, however the section was moved from DTSP to the Office of the Municipal Manager.



- (iii) Occupational Health and Safety Committees have been formed and are functional with reporting occurring. This committee assisted greatly in managing the Covid Risks within the Municipality.
 - (iv) The current Performance Management Policy is compliant with the performance regulations and the MSA and there were no additional changes or amendments to legislation that supported or warranted review of the said policy. This policy will be reviewed in the 2021/2022 financial year to also accommodate the changes which were approved in the strategic session on movement of functions; and
 - (v) Risk is managed through the establishment and implementation of a Risk Management Plan.
- c) Capacitating the Municipal Workforce

Emphasis continues to be placed on capacitating Councillors, management and staff and overall this target has not been well achieved. The COVID – 19 pandemic undoubtedly presented additional challenges in so far as meeting all planned targets. Notwithstanding, progress has been made as detailed below:

- (i) The Workplace Skills Plan (WSP) together with all supporting documentation was submitted on 29 April 2021. The WSP is aligned to the IDP performance objectives and incorporates the future needs of the Municipality and Personal Development Plans.
- (ii) Efforts are continuously made to ensure that only competent service providers are used in the delivery of training initiatives and to **this end “value add” is imperative;**
- (iii) The implementation of the training plan and reporting in terms of the submission of implementation plans was thwarted to a large extent due to the impact of COVID-19. As a direct result and in this instance, it must be noted that the overall target for councillors and staff training was not met and specifically only 16 out of the 60 planned training initiatives were implemented.
- (iv) Despite the impact of COVID – 19, innovative ways in which to stretch the budget to cover / implement more training interventions are required. Innovative ways to reduce associated training costs, as with on line platform training, training via Microsoft /zoom platforms or webinars are required and COVID has certainly enabled the organization to pursue these forms of training.
- (v) The contracts of FMG Interns were extended by six months since there is a moratorium on advertising of entry level positions and Internships due to Covid 19 related risks.
- (vi) Every effort is made to ensure that the Municipality continues to enrol designated staff in the prescribed competency training to ensure that they meet all minimum competency levels as prescribed in terms of the Minimum Competency Regulations of 2007. As required, two planned reports were submitted to National Treasury on staff who meet Minimum Competency levels.

d) Managing Workforce Expenditure

Very strict protocols exist in an attempt to ensure that workforce expenditure is managed effectively and correctly. Protocols are in place to ensure that any changes to the payroll are checked and audited, prior to any change being sanctioned.

Failure to ensure that all controls are instituted will result in a greater degree of inaccurate data and an inability to identify and remedy any discrepancies between systems.

1.13 AUDITOR GENERAL'S REPORT

Report of the Auditor-General to the Eastern Cape Provincial Legislature and the council of Senqu Municipality

Reference is made to Chapter 6 in which this document is now incorporated



1.14 STATUTORY ANNUAL REPORT PROCESS

ANNUAL REPORT PROCESS TABLE		
No.	ACTIVITY	TIMEFRAME
1.	Consideration of next financial year's Budget and IDP process plan. Aside from legislative plan should conform with in-year reporting formats so that reporting and content, this process monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2.	Implementation and monitoring of approved Budget and IDP commences (in-year financial reporting).	
3.	Finalisation of the 4 th quarter report for previous financial year.	
4.	Submission of the draft year's Annual Report to Internal Audit and Auditor-General	
5.	Municipal entities submission of draft annual reports to Municipal Manager	
6.	Consideration by the Audit/Performance committee of the draft Annual Report of municipality and entities (where relevant)	August
7.	Tabling by the Mayor of the unaudited Annual Report	
8.	Municipal submission of draft Annual Report (including consolidated annual financial statements and performance report) to Auditor General	
9.	Annual Performance Report submitted to Auditor General to be provided as input into the IDP analysis phase	
10.	Auditor General auditing of Annual Report, including consolidated Annual Financial Statements and Performance data.	September – October
11.	Municipalities receiving and starting to address the Auditor-Generals comments	November
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
13.	Audited Annual Report is made public and representation is invited	
14.	Oversight Committee assesses Annual Report	
15.	Council adopts Oversight report	December
16.	Oversight report is made public	
17.	Oversight report is submitted to relevant provincial councils	
18.	Commencement of draft Budget/IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January

1.14.1 Comments on the Annual Report Process

The table above defines all the deadlines required to be met in terms of compliance. In this manner it is ensured that all required reporting occurs timeously and is an accurate consolidation of all required reporting.

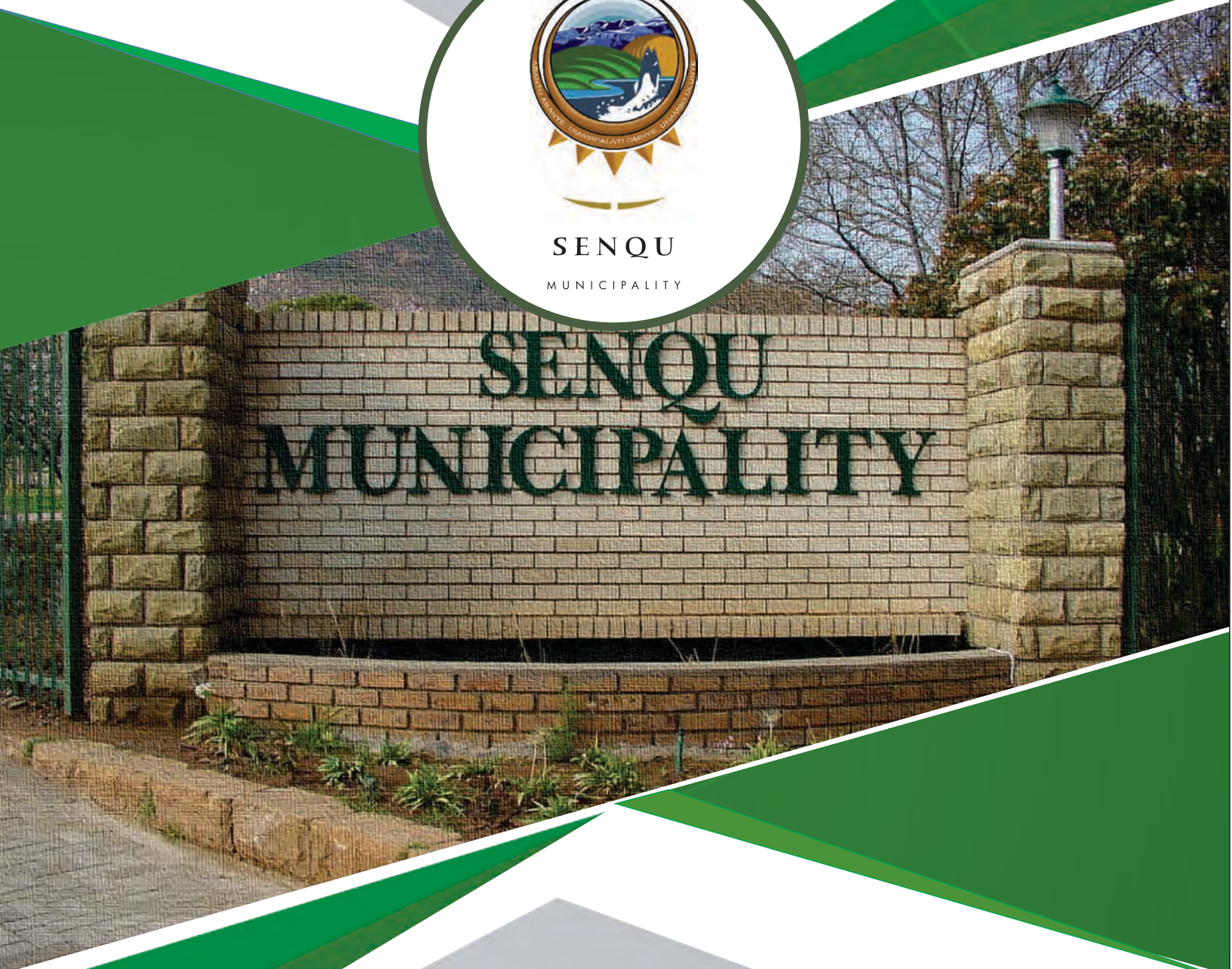
The Annual Report is acknowledged as the strategic document that accurately depicts an annual review of performance for the entire year. It is this document that will be used for all forward planning and for this reason it is imperative that there is alignment and verification between all content shown between and within the IDP, SDBIP, Budget (AFS) and the Annual Report.

The Annual Report is required to reflect the most accurate, aligned and consolidated version of all preceding documents. This is achieved through a very structured process of auditing (internally and externally). Through validation and confirming the accuracy of data, the Annual Report may be used to inform the IDP review process; the structuring of the organogram; the development of SDBIP's; Performance Planning; the development of the Budget and the like.

The Annual Report provides a holistic view of the organization – its challenges, available resources and records of performance.

The Annual Report is required to comply with very definite prescripts and timeframes as follows:

- The Annual Performance Report (s46) and Annual financial statements were compiled and submitted to the Auditor General by 31 August 2021; and
- The draft Annual Report 2020/2021 will be tabled on or before 31 January 2022 and the final Annual Report (with related oversight reporting) will be submitted to Council on or before 31 March 2022.



**CHAPTER 2
GOVERNANCE**

CHAPTER 2: GOVERNANCE

INTRODUCTION TO GOVERNANCE

“Governance” involves the interdependence and interaction that occurs between four critical components which will be examined further below. The concept of “Governance” requires that one take a holistic view of these four (4) components, to establish whether the organization is functioning effectively and achieving its required objectives.

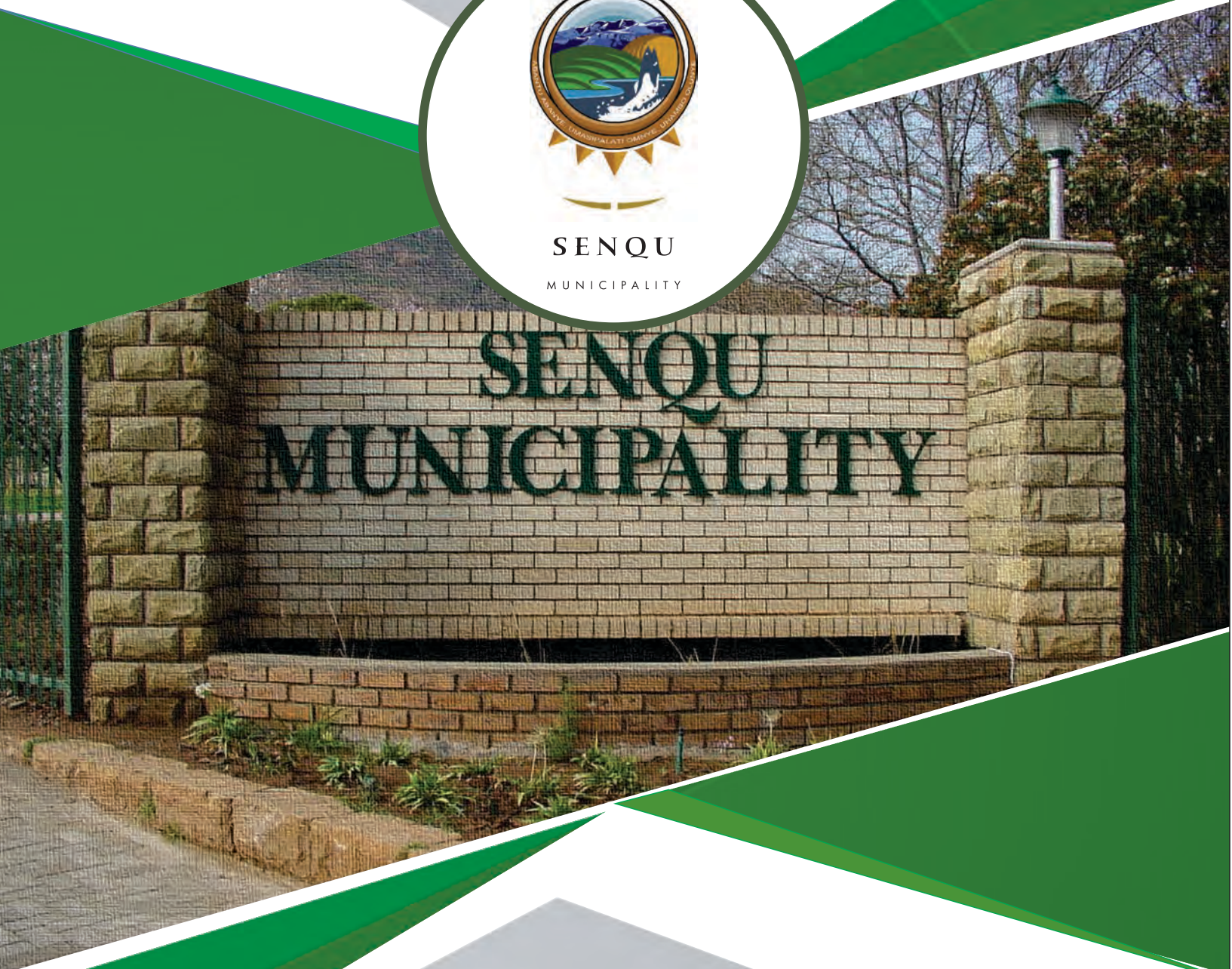
The following four (4) components are discussed to examine and understanding “Governance” appropriately:

Component A: Political and Administrative Governance

Component B: Intergovernmental Relations

Component C: Public Accountability and Participation

Component D: Corporate Governance



**COMPONENT A
POLITICAL AND
ADMINISTRATIVE GOVERNANCE**

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Political and administrative frameworks and infrastructure have been created both internally and externally and exist as formal structures to facilitate and enhance operational performance. Policy created for this purpose has ensured that both political and administrative structures have been developed, together with the development of procedures and compliance prescriptions, to assist and direct day-to-day operations. An appropriate infrastructure and support system has been created overall to ensure that political and administrative governance occurs in the most effective manner.

Senqu Local Municipality is driven by its strategic objectives. In accordance with this, the annual strategic objectives are reflected within **the organization's Integrated Development Plan (IDP) and represent a set of realistic annual targets that are cascaded** operationally from the IDP throughout the organization, to ensure that they remain the focus of operational effort and are achieved as required. These targets are adjusted annually after being aligned to identified community needs, pre-determined targets nationally and dictated **additionally by realistic assessment of the organization's available resources and infrastructure. These objectives are initially** translated into the performance targets that are reflected within the Service Delivery and Budget Implementation Plan (SDBIP). Operational and management targets are developed aligned to the SDBIP and are incorporated within the relevant performance scorecards found within each directorate – ensuring that all targets are aligned to the overall strategic objectives. This process facilitates the meeting of performance targets by ensuring that they are monitored and met over a designated period and in the manner prescribed. These performance targets will be translated into the targets of each employee as the strategic targets are cascaded down to each subsequent level within the organization. The successful achievement of these objectives depends on the available resources i.e., operational, human, and financial – enabling targets to be met as required.

Functions of the political arm:

- Advocating and protecting the needs of the community. In this manner a better quality of life for all is fostered; and
- Communicating effectively by engaging with members of the community and involving them in decision – making wherever practical and possible. In this manner a **“people-centred government” is achieved.**

Functions of the administrative arm:

- Ensuring that there is adequate infrastructure (human capital, resources, policies, and procedures) in order to ensure that the strategic objectives can be met. This is achieved through the effective management and control of operations, service delivery and matters of compliance; and
- By providing an overall supportive and administrative role and function.

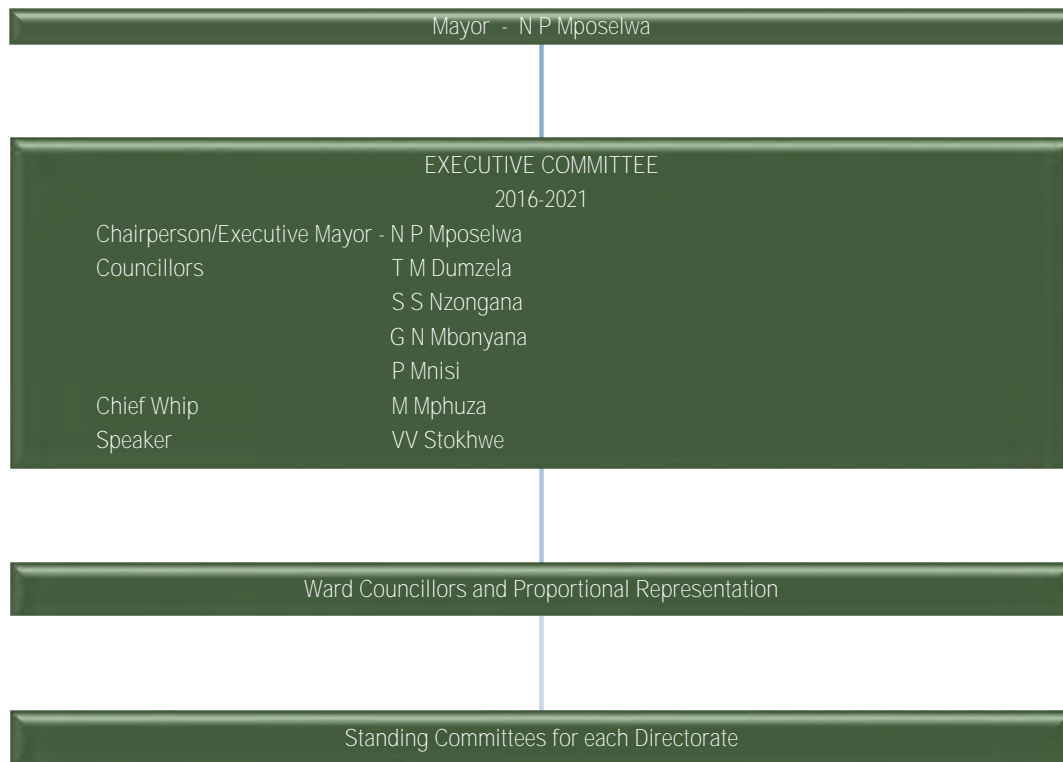
2.1.1 Political Governance

Introduction to Political Governance

As per the Municipal Structures Act, Act No. 117 of 1988, Senqu Municipality has a Council Executive System. In terms of this and as depicted within the diagram below, it presents as a democratically elected Category B municipality with a structure that is categorized by elected Ward Councillors and Proportional Representative Councillors.



Political Structure 2016 - 2021



Councillors are allocated to Standing Committees that meet monthly. Formal decision making is enhanced at every level by having Councillors engaged in discussions at the level of Standing and other Committees. This facilitates informed and appropriate decisions at higher levels as their inputs and votes are made from a place of knowledge and additional insights – issues having already been discussed at lower levels. **Through these committee meetings Councillors are better placed to make “informed decisions” and appropriate recommendations to Council for final approval.**

a. Councillors

Refer to Appendix A (Chapter 6: Glossary): Full list of Councillors (including the Committee allocations and attendance of Council meetings).

The Senqu Municipal Council is comprised of 34 Councillors (Ward Councillors and Party Representatives) and this is reflected as follows:

Party Representatives: 17
Ward Councillors: 17

Administrative responsibilities of Councillors/Council

- Attendance quarterly of Council meetings and Special Council meetings. The Special Council meetings are convened adhoc to address urgent issues.
- Taking part in political decisions regarding service delivery.
- Provision of an oversight role regarding Council decisions and operations overall.
- Compliance with Chapter 3 of the Municipal Systems Act, (Act No. 32 of 2000). It is legislated and understood that the executive and legislative authority of a municipality lies with the Council and accordingly, Council is required to take all the decisions of the municipality subject to s59.
- Executive Committee meetings are convened monthly and are constituted as follows: The Mayor, Political Heads of Standing Committees, and the top management of the municipality; and
- Standing Committees meet monthly to discuss or recommend that certain actions are taken by the Executive Committee or Council. These committees are chaired by the Portfolio Councillors who form part of the Executive Committee members. The other members are Councillors, who are elected by political parties, traditional leaders, and the administration.

b. Committees of Council (Standing Committees, MPAC, Traditional Leaders, Ward Committees et al)

Reference is made to Appendix B (Chapter 6: Glossary) which details all the committees applicable to Councillors and their purpose.

c. Standing Committees

There are 5 Standing Committees, and these correspond with the 5 Directorates (detailed within table that follows):

- Committee meetings are held monthly as scheduled.
- Information and recommendations from these meetings are submitted to the full Council, for consideration; and
- All Councillors are required to serve on the Standing Committees, except for both the Mayor and the Speaker.
- The role and function of the Standing Committee is to ensure that the process of informed decision making is facilitated. Councillors who serve on these Committees become more knowledgeable about the directorates with which they are linked. In this manner and with heightened knowledge they can make more informed decisions regarding the challenges and operational issues facing the directorate in whose committee they serve. When issues are referred to full Council, they can contribute at a higher level and guide discussion in a helpful, positive, and insightful manner. In this manner, decision making abilities are greatly improved and decisions made are regarded as being “informed decisions”.

Approved and functioning Standing Committee Structures (as reflected within the table that follows):

DIRECTORATE	FOCUS AREAS
<p>BUDGET & TREASURY</p> <p>Chairperson: Cllr P M Mnisi</p> <p>Councillors: Cllr K Mpiti Cllr S Ntlwatini Cllr Z S Khoba Cllr R Lose</p>	<ul style="list-style-type: none"> • Management of financial resources <ul style="list-style-type: none"> • Budget and Treasury, • Revenue Services, • SCM, • Stores and Expenditure Management ▪ Policies, Procedures and By-laws (MFMA and National Treasury) • Financial support to all Departments • Information Technology Support • Fleet Management • eNatis Licensing
<p>DEVELOPMENT AND TOWN PLANNING</p> <p>Chairperson: Cllr M Phuza (Chief Whip)</p> <p>Councillors: Cllr M Sehloho Cllr N Nyongwana Cllr A P Kwinana Cllr M Mgojo</p>	<ul style="list-style-type: none"> • Support to community participation structures • Housing, Town Planning and Land Use Management • Performance Management • Integrated Planning and Economic Development • Governance and Compliance – Risk Management Strategic Planning • LED

DIRECTORATE	FOCUS AREAS
COMMUNITY AND SOCIAL SERVICES Chairperson: Cllr S Ndzongana Councillors: Cllr N C Mraji Cllr D J Somsila Cllr Mqakelana	Community based service provision: <ul style="list-style-type: none"> • Cemeteries, • Environmental management, • Libraries and amenities • Traffic Services – Law enforcement • Community based by-laws • Waste Management and Refuse
CORPORATE & SUPPORT SERVICES Chairperson: Cllr G N Mbonyana Councillors: Cllr S Mfisa Cllr N January Cllr N Y Monakali	<ul style="list-style-type: none"> • Council Administration, Assets and Building Preservation • Council Support and ward support • HR & Labour Relations • Stakeholder Relations – participation • Customer Care/ Presidential Hotline • Legal Services / Compliance • Special Programmes (HIV Aids Youth, disabled, elderly and woman) • By-Laws Facilitation • Document Management • Fleet Management
TECHNICAL SERVICES Chairperson: Cllr T Dumzela Councillors: Cllr I Mosisidi Cllr C Kibe Cllr J Mposelwa Cllr X G Magcai	<ul style="list-style-type: none"> • Infrastructure Development (Maintenance and Minor Construction) • Technical Service Delivery • Electricity • Roads (Maintenance and Minor Roads Construction) and Stormwater • PMU Project Management /Administration



The diagram above illustrates the way oversight occurs. The oversight role is completed by the following critical structures who engage in oversight, auditing, and audit verification:

- Audit Committee
- MPAC (Oversight Committee)
- Auditor General (External Auditor).

Note: Decision making occurs according in the following hierarchy: from Standing Committees to EXCO and finally to Council. In this manner, an informed decision is made possible. Oversight is provided by the relevant structures - ensuring compliance and correctness of operation at all times.

e. Audit Committee

Committee responsibilities and performance during 2020/2021:

- The Audit Committee was established in terms of s166 of the MFMA 56 of 2003 and is comprised of four (4) independent members.
- **This Committee is bound by the Council approved Audit Committee's Charter.**
- The Committee performs an advisory function and role for the municipality and is directly accountable to Council. It plays a key role in ensuring that there is accountability and transparency within the organization.
- The quarterly performance information is required to be reviewed in terms of compliance.
- The unaudited financial statements are required to be reviewed prior to submission to the Auditor – General as per prescriptions of compliance.
- The following Ordinary Audit Committee Meetings were formally scheduled and held in terms of compliance, oversight, and governance. During 2020/2021 and despite the challenges of the COVID – 19 pandemic these were held virtually as follows:
 - Quarter 1: 24 August 2020
 - Quarter 2: 23 November 2020
 - Quarter 3: 23 February 2021; and
 - Quarter 4: 21 May 2021.
- **The committee is required to provide an objective view on the effectiveness of the municipality's risk management processes** during each quarter in terms of compliance. Specific feedback is then required to be provided to the Accounting Officer and Council in this regard. All Audit Committee meetings that were planned successfully sat during the period under review and all matters of concern were dealt with in these meetings.
- The quarterly Institutional Audit Dashboard Report was effectively monitored as result several controls which were concerning improved during this period.
- The committee is responsible for oversight on the integrity of financial controls, combined assurance, compliance management and meaningful integrated reporting to stakeholders.
- The Audit Committee is required to discharge its responsibilities by using work done/information received from the internal audit unit and other information presented to it by the management at its quarterly meetings.
- The committee minutes contain comments, resolutions and reports on work performed by the internal audit and the committee, and these are required to be approved during the quarterly meetings.
- Approved internal audit reports are required to be distributed quarterly to the Accounting Officer, the Mayor and the chairperson of the Municipal Public Accounts Committee (MPAC) for notification and to management for action.

Audit Committee Recommendations:

Reference is made to Appendix G in Chapter 6 for the full set of recommendations made for 2020/2021 based on the Auditor General's Report.

The audited report of the Audit Committee to Council for the year ended 30 June 2021 is summarized below. As already stated, **recommendations incorporated from the Auditor General's 2020/2021 report will be incorporated within Chapter 6.**

Efficiency and Effectiveness of Internal Control

The Internal Audit Committee was of the opinion that despite the existence of certain internal control weaknesses within the SDBIP and the Quarterly Assessment Report, a good control framework existed overall. Improvements are required in certain key control activities and these are summarized within the areas listed below – relating to the degree of risk that these represented:

- Alignment discrepancies between the IDP, 2019/2020 SDBIP and the Annual Performance Report

Having highlighted this, this issue was immediately addressed by management and remedied – acknowledging that the incorrect s46 report had been utilized. This has since been revised in order to remove identified errors and omissions and displays improved alignment between SDBIP and Annual Performance Report in all areas identified.

- Key Performance Indicators within the IDP and SDBIP not considered to be strategic in nature.

The Internal Audit Committee found that the Key Performance Indicators were worded in a way that was too operational and not measurable, objective and/or relevant. It was considered that this had made the development of targets difficult when attempting to adhere to recognized SMART principles (i.e., targets are to be Specific; Measurable; Achievable; Realistic and Time bound). Management acknowledged that this had been influenced through the development of objectives with mSCOA. It was intimated that the service provider had written objectives

according to projects rather than programmes, making these more operational rather than strategic. It is recognized that these strategic objectives become more operational as they are cascaded further down the organization, but that making them highly operational at the outset poses difficulties in attempting to cascade these accurately and as operationally as required. This was to be corrected in the new IDP 2021 – 2025.

Comparison to previous year

There were no material misstatements reported by the AGSA in the 2020/2021 Audit. There Audit of performance improved tremendously compared to that of 2019/2020, where there were material adjustments. In 2020/2021 the audit of performance was clean with no material misstatement as result no adjustments were made.

The Audit Committee was constituted as follows:

MEMBER	POSITION
Mr Dumisani Mrwetyana	Chairperson
MR. S. Maharaj	Ordinary Member
Mr. A Makhabeni	Ordinary Member
Mrs. N. Hermanus - Mabuza	Ordinary Member

Note: The Chief Audit Executive facilitates the audit function in- house.

Internal Audit Unit Functioning

The internal audit unit has seen a great deal of improvement overall during this financial year. More specifically it must be noted that:

- Improvements have been experienced overall within the Internal Audit Units functioning – despite challenges that have been experienced for quite some time regarding internal capacity and the filling of posts. Accordingly, it must be noted that within this financial year all four (4) Quarterly Reports on the Audit Dashboard were submitted timeously as required.
- 4 Quarterly Reports on matters of Compliance were submitted to the Internal Auditor for Audit Committee Consideration.
- Matters of risk were submitted quarterly to the Internal Auditor for Audit Committee Consideration
- The IT Security Audit did not meet timeously 30 June 2020. Logistical issues prevented a meeting with the service provider prior to final submission which meant that this report could not be tabled 24 August 2020 as required.
- The Internal Audit External Quality Review was completed. This was required to be tabled 20 July 2020. Unfortunately, this did not occur as the meeting was postponed and was finally reported to the Audit Committee of 24 August 2020. This review is a critically important tool that is used to obtain the necessary audit and compliance insight that can be used to contribute to required improvements overall; and
- The four (4) quarterly feedback reports on the implementation of the Audit Action Plan were completed. This is part of a strategic and compliance initiative that will ultimately facilitate that the ability of the organization to meet all compliance initiatives identified **as being “at risk”**. Failure to monitor this has far reaching implications overall.

Oversight, feedback, and assistance are all critical functions of the audit unit, who through the Municipal Manager are required to do what is required to work with the organization/Directorates (not against them) and in this manner to adequately prepare them to meet all matters of compliance. Daily and certainly prior to external audits being conducted, it is the role of the internal audit to facilitate the successful functioning and reporting on all levels – ensuring that all aspects of compliance are met.

d. MPAC (Municipal Public Accounts Committee)

The committee is constituted as follow:

MEMBER	POSITION
Cllr. M. Mfisa	Chairperson
Cllr. A Kwinana	Member
Cllr. M.H. Rorwana	Member
Cllr. B. Moelets	Member
Cllr. M. Jeje	Member

Functions of MPAC

- Provision of an oversight role in respect of the administration and executive committee of the council.
- Reviewing the municipal / municipal entity's quarterly, mid-year and annual reports and providing an oversight report on the Annual Report for consideration by Council.
- Assisting Council to maintain oversight over the implementation of the Supply Chain Management Policy.
- Examining the financial statements and audit reports of the municipality and municipal entities (considering improvements from previous statements and reports);
- Evaluating the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented.
- Promoting good governance, transparency, and accountability on the use of municipal resources.
- Examining the Mid-Year Review documents in line with the Integrated Development Plan (IDP); and
- Recommending or undertaking any investigation that falls within the scope of this committee's responsibilities/ area of competence.

To fulfil its functions MPAC is required to:

- Seek / have access to any information required from any councillor/employee.
- Report to council on the activities of the committee.
- Perform any other function assigned to the committee through a resolution of Council.
- Call upon the accounting officer of the municipality or the chairperson of the municipal entity to provide information or clarity.
- Request the support of the internal and external auditors when necessary.
- Engage directly with the public and consider public comments when received.
- Have permanent referral with regard to the following reports:
 - Mid-year /In-year s72 reports
 - Annual Financial Statements
 - Reports of Auditor General and Audit Committee
 - Any other financial audit report from the municipality
 - Information on compliance in terms of sections 128 and or sections 133 MFMA
 - Information in respect of any disciplinary action taken in terms of MFMA on matters serving or having been served before the committee; and
 - Performance information relating to the municipality.

e. Ward Committees Establishment and Functionality

Ward Committees were established in terms of section 73 of the Municipal Structures Act 117 of 1998.

Purpose

As per s74 of the Municipal Structures Act 117 of 1998, the purpose of these committees is to assist Municipal Councils to ensure that ward issues are properly communicated to Council and are catered for should there be a need for a budget to address such issues. Ward Committees play a critical role in achieving the above. Ward committees are essentially a representative structure of the community and citizens and they are created in order to be in a position to inform the municipality regarding the issues, goals, aspirations and difficulties experienced by community members.

Ward Committee meetings provide the community and the municipality with an opportunity to engage and to facilitate what is in essence and in simplified form an opportunity for two-way communication. Ward committees have an extremely important role to play in ensuring that there is active participation and involvement from the community when determining core municipal process. These include: Integrated Development Planning, municipal budgeting and municipal performance management processes. Should these processes occur without **this involvement it is fair to say that our system of "democratic government and developmental local government" will not be** considered to have been centred within the community and having representation from the community.

Ward committee meetings are required to provide opportunities to report to the Speaker on issues of interest to the municipality which are taking place in their wards. This process has assisted the municipality in ensuring that public participation is enhanced, and accountability of the municipality is not compromised. In the past and in the brewing protests in Sterkspruit for example, information was communicated via this channel, especially on issues such as Municipal Public meetings and other information sharing sessions.

During 2020/2021 the targeted number of required Ward Committee meetings were not held as required. Challenges were experienced especially because of COVID. **This resulted in Ward Committees' roles being changed to that of Covid 19 implementers.** They ensured that Covid 19 protocols were adhered to in all meetings, funerals and any other activities which took place in all wards during this time.

It is noted that performance reporting is required to be detailed and qualitative and respond to the specifics of the target set. Reporting to detail required the number of meetings held per ward. Ward Committee meetings sat haphazardly, and it was extremely difficult to get councillors to meet at agreed times – a situation exasperated by the COVID 19 lockdown. It is fair to say that the target of 1 meeting per Ward in each quarter (17 wards), was not met. Other methods such as alternative media platforms will be required to be utilized as it is clear that the challenges presented by COVID-19 continue unabated and the prescriptions relating to public participation require meetings of this nature to occur – as a matter of compliance and due to the tremendous benefit afforded by these meetings.

Issues raised by ward committees are required to be reported quarterly to the Executive Committee. Under normal circumstances and historically in the past, it appears that these meetings and this method of communication was successful, with issues being resolved. In 2020/2021, brought about unique set of circumstances that greatly reduced the effectiveness of this mode of communication. Under more normal circumstances, this system ensures that council is kept current on all issues raised within Ward Committee meetings. Accordingly, reports on the functionality of Ward Committees are required to be submitted to Standing Committees, Exco and Council meetings. This meant that the committees were not functional, and this is not by design but as a result of risks associated with Covid 19.

Administrative Considerations

- Ward Committees were established as required and in terms of Gazette No. 1405, Notice no. 209 of 9/12/2005.
- The Municipality published its By-Laws relating to Ward Committees in terms of s13 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) read with s162 of the Constitution of the Republic of South Africa Act 1996 (Act 108 of 1996).
- In terms of these prescriptions the following issues are required to apply:
 - Representation on Ward Committees shall not be according to political party affiliation and will include religious, youth, civic, **education, sport, culture, business, welfare, and women's associations.**
 - Committees are required to meet at least once per quarter and report formally to the Municipal Manager at least quarterly through their Ward Councillor.
 - The term of office of a member is a period of five years – concurrent with the term of office of Council.
 - The Speaker is responsible overall for the functioning of the Ward Committees and will meet at least quarterly with all Ward Committees to discuss issues of mutual concern and issues to be addressed.
 - The Speaker shall submit a 6-month report to Council on the activities and considerations of the Ward Committees.
 - Each Committee will be chaired by its respective Ward Councillor and only the 10 Ward Committees of the ward and secretariat is provided by the municipality to ensure that proper minutes are taken. These meetings are also used to get complaints from the wards, which are then reported to customer care who then ensures that the complaints are sent to the responsible officials at the local municipality, district municipality as well as sector departments.
 - During Ward meetings, the community members are briefed about developments in their ward and within the municipality itself. In this manner, a consultative community structure is created and maintained; and
 - To facilitate the smooth running of these communities a code of conduct has been developed which will in turn be work shopped.
- In keeping with all required legislation, it must be noted that:
 - All records of meetings scheduled and attended are maintained (minuted).
 - Minutes of all meetings are made available.
 - Written proof of resolutions tabled to Council are made available.
 - Minutes are available for all feedback meetings with communities; and
 - Ward Committee activity reports are made available to all.

f. **Community Development Workers (CDW's)**

Community Development Workers (CDWs) are effectively multi-skilled public servants who are deployed at the community level in order to bridge the gap between the provision of services by government and access to those services by the communities. CDWs are deployed to municipalities where they live in order to address issues that may include lack of information, knowledge and poor communication that communities experience in relation to municipal services.

Functioning of CDW's

- All CDW's are required to undergo the appropriate training (ensuring that they clearly understand their role and purpose).
- CDW's report monthly to their co-ordinator in Sterkspruit in order to provide operational monthly reports i.e., reports on activities performed. Issues and observations noted, are forwarded monthly to the municipality via the Speakers Office.
- All Ward Committee meetings are attended by the CDW's who also then provide assistance to the Ward Councillors in respect of the dissemination of information.
- The role and task of CDWs is to link communities with all government spheres and departments.
- CDW's work as community facilitators and organisers, focuses on the following key functions:
 - Assisting communities with developing and articulating their needs
 - Facilitating the development of community structures
 - Facilitating public participation in government development projects (e.g. IDP, LED, infrastructure and service delivery projects and the like)
 - Identifying service blockages in the community
 - Finding solutions to identified needs and blockages by interacting with national, provincial, and local government structures.
- Community Development Workers are required to interact with the community, identify households in need and to ensure that community relationships are nurtured so that community participation, support and correct utilization of services occurs because of effective marketing.
- Even though this financial year required the organization to engage in other means to reach the public and community (local radio station and the like), CDW's remain operating on the ground and in the communities to spread required information regarding content and the platforms used. Social distancing and standard COVID safety precautions were required to be always upheld.
- CDW's report to COGTA by utilizing designated reporting mechanisms to obtain required support and assistance for particular households; and
- Round Table Meetings are held quarterly and chaired by the Speaker. COGTA representation is to be found at these meetings. CDW's report on their activities performed, while detailing challenges experienced within the communities in which they work – with a view to resolving these at higher levels.

While this programme has achieved great success through its marketing campaigns, it is hampered by the lack of transport and telecommunications that would enable CDW's to ensure that the requested services reached the required families.

Institutional Meetings Held by Committees 2020/2021

INSTITUTIONAL MEETINGS	DATES ATTENDED - 2020/2021
MPAC	18 March 2021
	06 May 2021
	10 June 2021
EXCO	22 July 2020
	26 August 2020
	23 September 2020
	21 October 2020
	25 November 2020
	03 January 2021
	24 February 2021
	24 March 2021
	19 April 2021
	19 May 2021
	30 June 2021
Audit Committee Meetings	24 August 2020
	23 November 2020
	23 February 2021
	21 May 2021
Council Meetings	Council Meetings:
	29 July 2020
	28 October 2020
	25 January 2021
	29 January 2021
	26 February 2021
	31 March 2021

INSTITUTIONAL MEETINGS	DATES ATTENDED - 2020/2021
	30 April 2021
	26 May 2021

g. **Committees and Committees' Purpose**

COMMITTEES (OTHER THAN MAYORAL /EXECUTIVE COMMITTEE) AND PURPOSE OF COMMITTEES	
Municipal Committees	Purpose of Committee
Audit committee	Administrative Oversight
Municipal Public Accounts Committee (MPAC)	Oversight
Local Labour Forum	Labour Issues
Training Committee	Training and Employment Equity Issues
Bid Committees	Bid/Specification/Tender Adjudication
Performance Management Evaluation	Assessment of Performance
Mandate Committee	To carry out and discuss all the mandatory issues of the Council
Remuneration Committee	To carry out and discuss all the remuneration issues of the Council
Strategic and Governance Committee	To carry out and discuss all the strategic issues of the Council
Ethics Committee	To carry out and discuss all the ethical issues of the Council
Corporate and Support Services Committee	To discuss, recommend and dealing with council related business.
Community Services Committee	To discuss, recommend and dealing with council related business.
Technical Services Committee	To discuss, recommend and dealing with council related business.
Budget and Treasury Committee	To discuss, recommend and dealing with council related business.
Development and Town Planning Services Committee	To discuss, recommend and dealing with council related business.
Occupation Health and Safety Committee	To carry out and discuss all the Occupational Health and Safety issues of the Council
Employment Equity Committee	To carry out and discuss all the Employment Equity issues of the Council

The following Traditional leaders are recognized and consulted as and when appropriate

J Mguye	Traditional Leader
T Kakudi	Traditional Leader
N J Tikiso	Traditional Leader
N H Binza	Traditional Leader
Z Mphambo	Traditional Leader

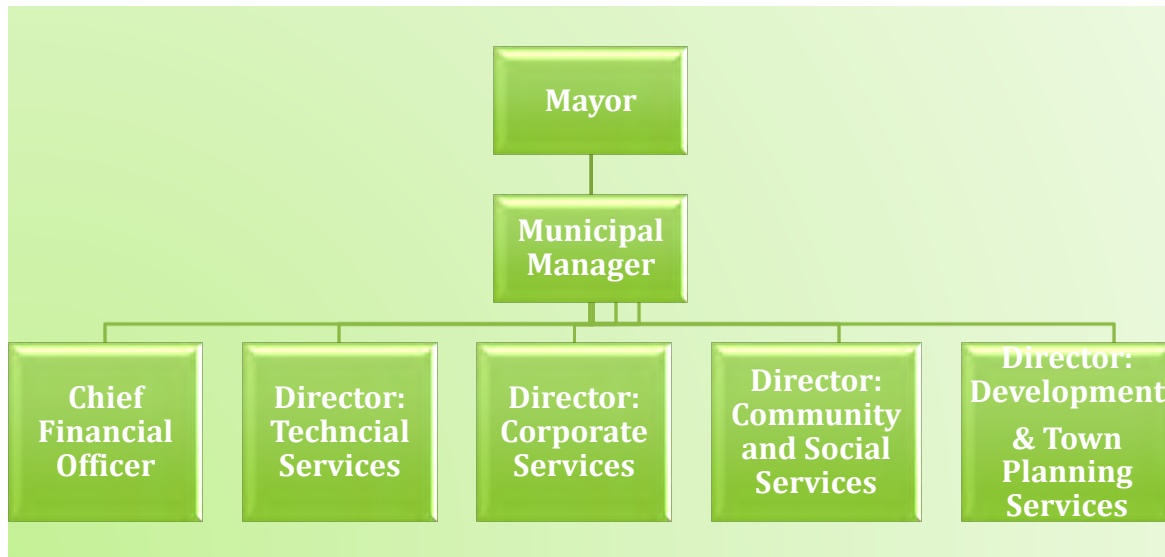
h. **Political Decision Making**

Political decisions are made through Standing Committee resolutions (after examining reports submitted) and at times these are forwarded to Council for a decision from Council i.e., Council Resolution. Actions taken must be taken strictly in accordance with a resolution number to be valid. A Resolution Register provides detail regarding action to be taken and follow ups are conducted to ensure that resolutions are acted upon.

2.1.2 Administrative Governance

a. Introduction to Administrative Governance

The functional structure representing administrative governance is reflected as follows:



As depicted by the diagram above, the administrative structure consists of the Municipal Manager (Administrative Head) and the five (5) s56 Directors who report to the Municipal Manager.

S56 Directors are appointed under the following conditions:

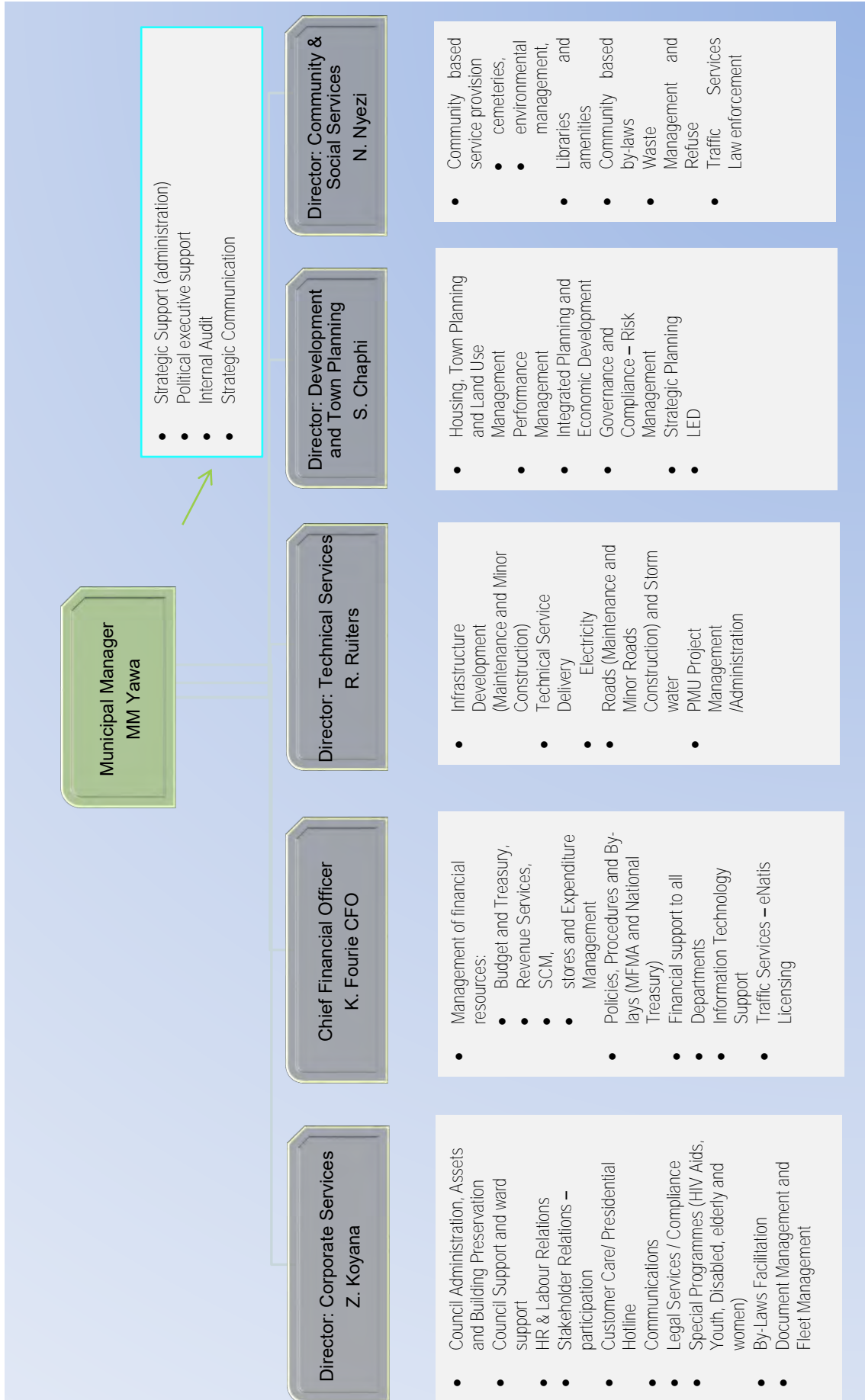
- Four of the five Director listed above were appointed during the financial year under review,
- Two appointed resumed their duties in September 2021, while the other two resumed their duties in April and May 2021.
- They are appointed on 5-year fixed term contract.
- **Performance Agreements are signed annually between the s56 Directors' and the Municipal Manager (to whom they report).** This details their specific contract conditions and together with an annually reviewed performance scorecard, their performance goals and objectives are agreed to annually (as performance measurable targets). It is against these that their performance will be measured; and
- **S56 Directors' report regularly to the Municipal Manager regarding performance and issues requiring appropriate action.**

b. Reporting Relationships and Administrative Functioning

- Directors report directly to the Municipal Manager regarding functional issues that relate to their specific directorates.
- Reporting occurs according to reporting lines and recognized communication structures (encouraging free flow of communication).
- **Director's compile/present reports to Council regarding their respective directorates monthly (to the Standing Committees), who then recommend that these are approved/taken to Exco/Council as deemed appropriate (for final approval /resolution).**
- Council resolutions are required to be implemented within a specific period and follow ups are required to be undertaken to ensure that this occurs timeously and, in the manner, required.
- Directors are required to meet the terms and conditions of the approved Performance Management Policy; and
- Directors are required to ensure that all reporting occurs in terms of compliance and in respect of all internal controls and systems.

The diagram that follows details each directorate, the name of its director and the functional requirements for each directorate:

The functional nature of each Directorate is reflected below:



COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.2 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

It is recognized that organizations benefit from both individual and shared experiences. In this manner, opportunities are created for organizations to share and learn from each other and to develop more effective skills in handling day to day operations and specific challenges.

Efforts to improve and facilitate these relationships has led to the development of IGR (intergovernmental relations) structures which have been put in place and are driven at the level of the district. The IGR Forum has been established to formally promote and to improve this process.

To govern and facilitate this process further, an Intergovernmental Relations Framework Policy was adopted by the district (Joe Gqabi District Municipality) and related structures were created that were linked to the following clusters:

- a. Social Needs.
- b. Economic and Infrastructure.
- c. Safety and Justice; and
- d. Governance and Administration.

These clusters meet within the district by-monthly, in order to discuss service delivery, policy issues, integration, co-ordination, monitoring and evaluation.

2.2.1 Existing and Functional Structures

Aside from the clusters, the following structures exist:

- The District Technical Task Group.
- **The District Mayor's Forum (DIMAFU).**
 - Meets quarterly to align key programmes and issues that relate to municipalities.
 - This is a s79 committee (special committee that consists of Mayors of all Local Municipalities within Joe Gqabi District Municipality).
- MUNIMEC Meetings.
 - Attended by Mayor and Municipal Manager.
 - Driven and coordinated by MEC for Co-operative Governance (to evaluate the performance of government programmes).
- Presidential Hotline
 - The Presidential Hotline continues unabated.
 - **Targets in respect of having "resolved issues" were all met in this regard and 12 reports on the number of resolved issues from the Presidential Hotline were submitted.**
 - Quarter 1 For two months of Quarter 1, the Presidential Hotline was functioning at 100% and during September 2020 only 1 call was logged and was attended to. During quarter 2, reports were submitted. During the month of October, the Presidential Hotline was on 99.06% and only 1 call was logged. During both Quarter 3 and Quarter 4 no reports on the number of resolved issues from the Presidential Hotline occurred. More innovative action is required to be utilized during times of crises and that ways to assist in centralizing customer care systems with a view to improving productivity; reducing costs; being more competitive; and building value, may be required.
 - Quarter 3 and quarter 4 reports could not be developed as the office at said time closed because of the Covid 19 National Lockdown. It is acknowledged that for this hotline to become a more effective platform - efforts must be made to create more awareness and facilitate better understanding within the communities of the hotline purpose and functioning itself; and
 - To develop alternative methods of functioning and access to information in the event of another lockdown scenario.
- IDP Representative and Public Participation Forum Meetings (IPPF)
During Quarter 1 the IPPF Meeting was held on 21 August 2020. During Quarter 2, one IPPF Meeting was held 23 October 2020 and 26 November 2020. During Quarter 3, no IPPF Meeting was held; and during Quarter 4, 13 May 2021.

2.2.2 Intergovernmental Relations

a. National Intergovernmental Structures

All the programmes that are developed by Senqu Municipality are derived from the legislative policies that are approved by National and Provincial Government. **The Local Development strategies in Senqu Municipality's Integrated Development Plan are aligned to the National Development strategies and policies.**

b. Provincial Intergovernmental Structures

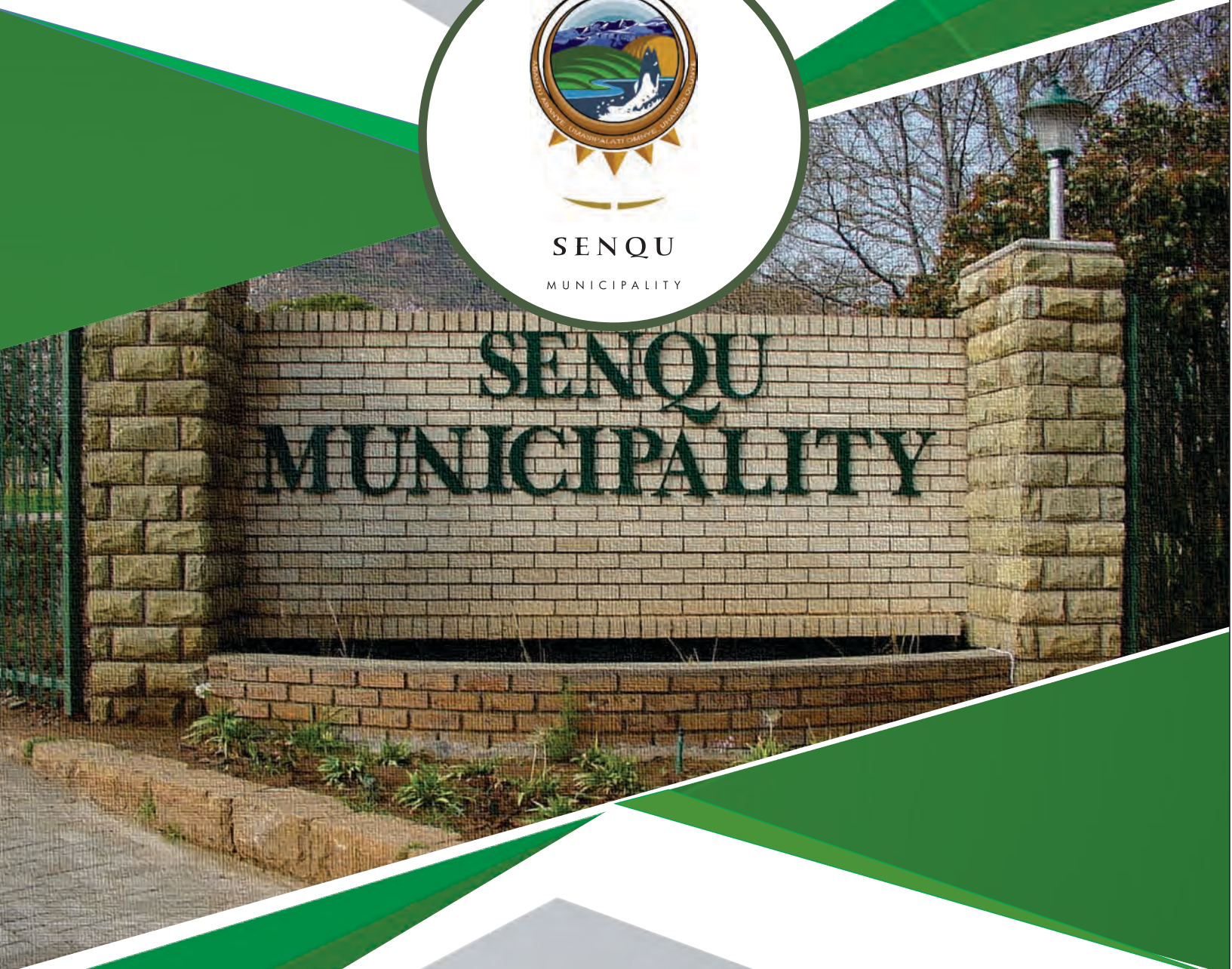
Munimec meetings are attended as and when run. Munimec technical team and political team meetings are scheduled and attended accordingly. These meetings are held to discuss and to resolve issues of mutual interest with neighbouring municipalities. Reference is made to Appendix D (detailing a complete list of entities and delegated functions).

c. District Intergovernmental Structures

Efforts to improve intergovernmental relations are driven at the level of the district. The IGR Forum has been used in the past to promote this process and Joe Gqabi District Municipality has adopted an Intergovernmental Relations Framework Policy. Intergovernmental structures were created historically (linked to the clusters of Social Needs; Economic and Infrastructure; Safety and Justice and Governance and Administration). Notwithstanding it must be noted that the District IGR Forum has not been active for the last two financial years.

Additional structures have and do include:

- The District Technical Task Group.
- **The District Mayor's Forum (DIMAFU)** – meeting quarterly in order to align key programmes and issues between all municipalities within Joe Gqabi District Municipality. This s79 committee comprises the Mayors of all local municipalities within the district.
- As is clearly observed, in this manner, many opportunities are provided for the benefit of both district and local municipalities.



**COMPONENT C
PUBLIC ACCOUNTABILITY
AND PARTICIPATION**

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.3 OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Every year formal opportunities are created to provide the public with opportunities to input into organizational objectives and the manner in which services need to be and are addressed. **In addition, they are given opportunities to “interact” with information regarding service delivery, operational and financial performance (IDP and Budget meetings, SDBIP reporting, Performance and Annual Reports and the like). In this manner, a “people centered” organization is created** – one in which the needs of the community are noted, and plans are made to address these through processes of interaction and inclusion.

The IDP Process and Budget Plan are just a few of the structures that have been created to ensure that public participation occurs effectively – ensuring that the needs of the public are met.

2.3.1 Public Meetings

Communication, Participation and Forums

Historically, it is noted that the Communication Plan and Strategy was adopted and implemented successfully (reported on monthly) and implementation reports were submitted quarterly to Council.

During this financial year the targets applicable to the Communication Plan were not met. The Communication Plan was not implemented as planned. More specifically it must be noted that the quarterly reporting on implementation was not achieved, nor was it tabled to the Standing Committee. In terms of 4 reports (quarterly reports on implementation) it must be noted that during quarters 1 and 2, while reports were compiled, they were not tabled to the relevant Standing Committee. During Quarter 3 the planned milestone of having a media breakfast and local communications forum was not implemented. Finally, during Quarter 4 it must be noted that COVID-19 lockdown restrictions and regulations impeded the implementation of the Communication Plan overall, compounding its failure in terms of implementation. Historically it must be noted that this Plan has never been sufficiently funded for implementation. The alleged budgetary constraints and lack of resources need to be investigated, or it must be established whether the issue relates to a capacity or a performance issue, so that this can be dealt with appropriately.

Ward Committee members, Councillors, members of the LED Forum, SPU and government departments were invited to form part of the Public Participation Forum. Unfortunately, the targets relating to this forum were not met.

Mayoral outreach targets were met, and two meetings were held within two quarters as required. In this regard, innovative alternatives were utilized to meet the target under the extenuating circumstances relating to COVID. During Quarter 4 of 2020/2021, alternative mechanisms were undertaken to reach the community – only stakeholders were invited to attend the Mayoral Outreach on the 27 and 28 May 2021. Whilst Covid 19 protocols were observed not more than 50 people were invited and was held in the following villages – on 27 May 2021 Storomo and Hillside and 28 May 2021 Esilindini and Bhunga Hall.

The target relating to the Budget Speech for 2020/2021 was met. More specifically, innovative alternatives were undertaken to meet the target in extenuating circumstances. During Quarter 4, the Budget Speech of the Mayor was held on the 4 June 2021 at the Methodist Church in Stekspruit as well via the local radio stations and the budget speech was incorporated in said media communication. In this manner attempts were made to obtain inputs from the community and budgetary constraints, operational issues and challenges were used to inform and choose projects that appeared in the municipal 5-year IDP (2017 - 2022). Community information sessions and feedback were used to prioritize these projects for each subsequent year. The results of this were then prioritized within the IDP and Public Representative Forum meetings, and the prioritized projects (municipal and government) were then tabled to Ward Committee members.

Communication continues through Ward Committee meetings that now favor - radio talk shows and printed media. Additionally, the Presidential Hotline and the manual receipt of complaints are also being utilized to address all complaints received from communities and other stakeholders. Targets relating to these aspects have not been met. During Quarter 1 (for two months of the quarter), the Presidential Hotline was on 100% and during September 2020 only 1 call was logged and was attended to. In October 2020, the Presidential Hotline was on 89.00%. During Quarter 3 only one call was logged, and during Quarter 4, no reports were issued on the number of resolved issues from the Presidential Hotline as result of the Covid 19 Lockdown. Greater innovation is required to be employed during crisis situations such as COVID and this will require looking at introducing ways to centralize customer care systems which will improve productivity; reduce costs; be more competitive; and build the value. A central customer care center with modern technology,

such as a “cloud based” or an “App-based” system will be required to be investigated. This will ensure that no matter where employees are located – they have access to login and access the information they need within minutes, while at the same time providing them with all the information any given moment in time to manage reporting requirements. Reporting monthly in terms of Customer Care complaints and appropriate action to resolve issues has not occurred successfully.

Efforts to improve public participation and communication have involved the extensive use of other communication media. This became extremely necessary also during the time of lockdown due to COVID – 19. As a result, the Communication Policy was reviewed during this reporting period and, includes communication in a crisis to minimise the negative impact on operations in case of a crisis, including a disease like Covid-19.

Broadcast media such as: Takalani Community Radio, Ekhephini Community Radio and LA FM Community Radio were used to communicate important issues and perform public participation activities which could not necessarily be possible during the pandemic. These were used for media activities such as: advertising of Mayoral Outreaches and to communicate with the community generally.

- The Adjusted Budget was tabled to Council on the 26 February 2021.
- The draft Budget was tabled to Council on the 31 March 2021. The notice was placed on the website but not on the newspapers due to the National Lockdown. The Final Budget was Approved by the Council through a virtual meeting that was created as result of COVID - 19 on the 26 May 2021.

2.3.2 Other Role-players Used to Improve Public Participation

In addition, the following role-players are used to heighten and improve public participation overall:

a. **Community Development Workers (CDW's)**

The CDW's report to province, but also report to the municipality via the Round Table Meeting which is held quarterly. Communication and cooperation is facilitated by these round table meetings where issues relating to the wards may be discussed. **These discussions are chaired by the Speaker and meetings are constituted as follows: Ward Councilors', Traditional Leaders, Local Government, Traditional Affairs Representatives and CDW's.**

b. Economic Development Forum

This forum is required to meet quarterly and comprises all stakeholders involved in LED. Issues and challenges relating to LED implementation are discussed and the forum monitors the implementation of the LED Strategy.

c. Communications Forum

This forum meets quarterly to discuss issues relating to communications within the region. It consists of local municipal communicators, GCIS and local media representatives. Meetings will again be held once COVID restrictions and regulations are relaxed, and operations are normalized.

d. Ward Committees

As s73 structures (as per s73 of the Municipal Structures Act, Act 117 of 1998) these have been created to facilitate ward communication with Council.

Committees are required to meet monthly and report to the Speaker regarding issues of interest. Historically, meetings have not always been held as regularly as required and in an effort to improve attendance, the payment of stipends was recommended by National Treasury. Financial constraints have impacted negatively on this.

These committees are extremely effective in facilitating two-way dissemination of information, notwithstanding any challenges experienced with Sterkspruit.

Senqu Ward Committees are effective in the sense that issues raised by ward committees are reported on quarterly to the Executive Committee. This ensures that council in general is always on board of function of the ward committees. COVID restrictions impacted negatively on these meetings, preventing them from occurring.

Reference: Appendix E (Ward Committee Governance) and Appendix F (Performance Data for Wards)

e. Comment on Effectiveness of Public Meetings Held

The Public Participation Plan was approved and adopted, and Public Participation Meetings were held, although it is noted that this is an area that requires attention and meetings were postponed at times especially during the fourth quarter, due to COVID.

It is recognized that despite progress and the effectiveness of meetings held, ongoing efforts must continue to increase opportunities for Public Participation.



2.3.3 IDP Participation and Alignment

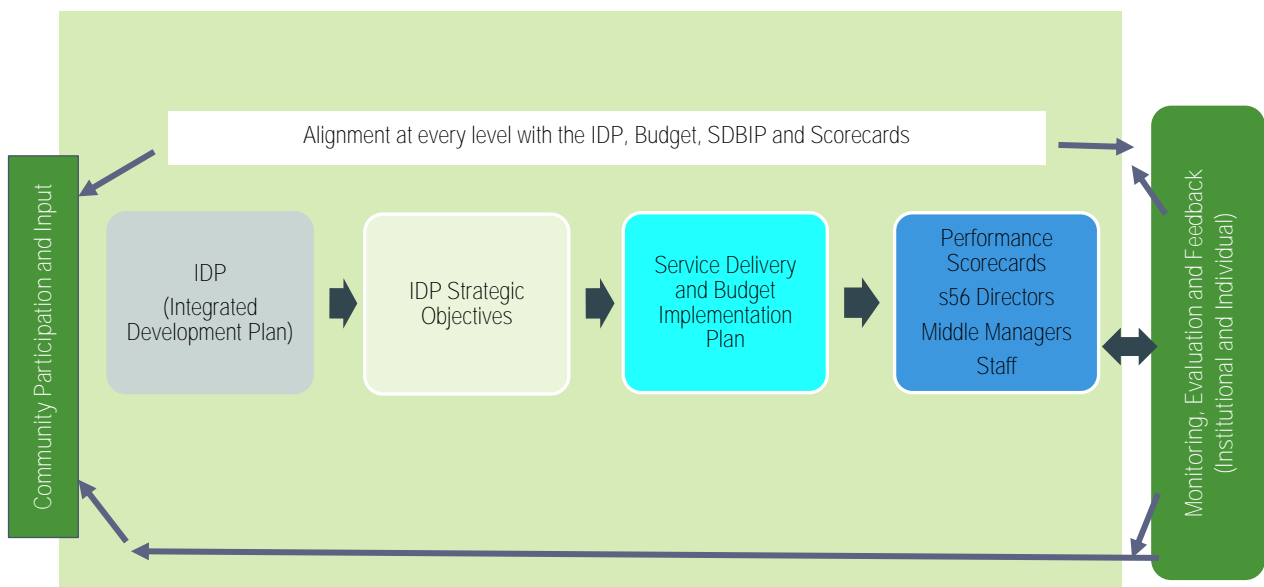
s34 of the Municipal Systems Act, (Act No 32 of 2000), together with Chapter 2 of the Local Government Municipal Planning and Performance Management Regulations (No. 796/2001) requires the development and completion of the Integrated Development Plan (IDP). This 5-year document was first compiled in 2002, then in May 2006, in 2011 (for the 2011-2016 period) and more recently in 2016 (for the 2016-2022 period). The reviewed IDP for 2018/19 was adopted by Council 30 May 2018.

The IDP is required to correspond with each new Council's elected term of office. It is the organizations strategic document that directs and influences the functioning of the organization overall – informing and influencing the strategic direction and operation of all projects and planning that occurs internally.

The Integrated Development Plan (IDP) is explained by the diagram that follows, detailing its impact and role within the organization. More specifically the following points of explanation are noted:

- The IDP is developed for a period of 5 years and is reviewed annually. The strategic targets and goals consider the available resources and are developed as realistic goals that are reworked annually from the 5-year strategic goals. Available resources are considered and impact on the development and approval of annual achievable and realistic targets – aligned to the overall strategic objectives contained within the IDP.
- A Process Plan is developed annually which informs the way the IDP will be reviewed and managed (and public participation will be maximized).
- Planned meetings are detailed and scheduled as required.
- Performance is evaluated according to the use of the Budget Evaluation Checklist.
- The Budget Executive Committee meets regularly to evaluate the previous year's budget process – learning from current and past situations.**
- It is critical that there is alignment between the IDP, Budget and the SDBIP. In this manner, the achievement of performance objectives as reflected in performance scorecards will facilitate the achievement of the IDP strategic objectives.
- In accordance with this philosophy, alignment must be carried through to the **population of the s56 Directors' scorecards and to the levels below; and**
- The assessment of the degree to which performance targets are achieved is facilitated through regular assessment and reporting structures. Reporting structures are in place to ensure that implementation, monitoring and feedback occurs ongoing – thereby ensuring that every effort is being made to meet the IDP objectives.

Figure: Development of the IDP through Public Participation and alignment with SDBIP and Budget



In keeping with the practice of planned IDP related consultations, the following meetings and achievements occurred:

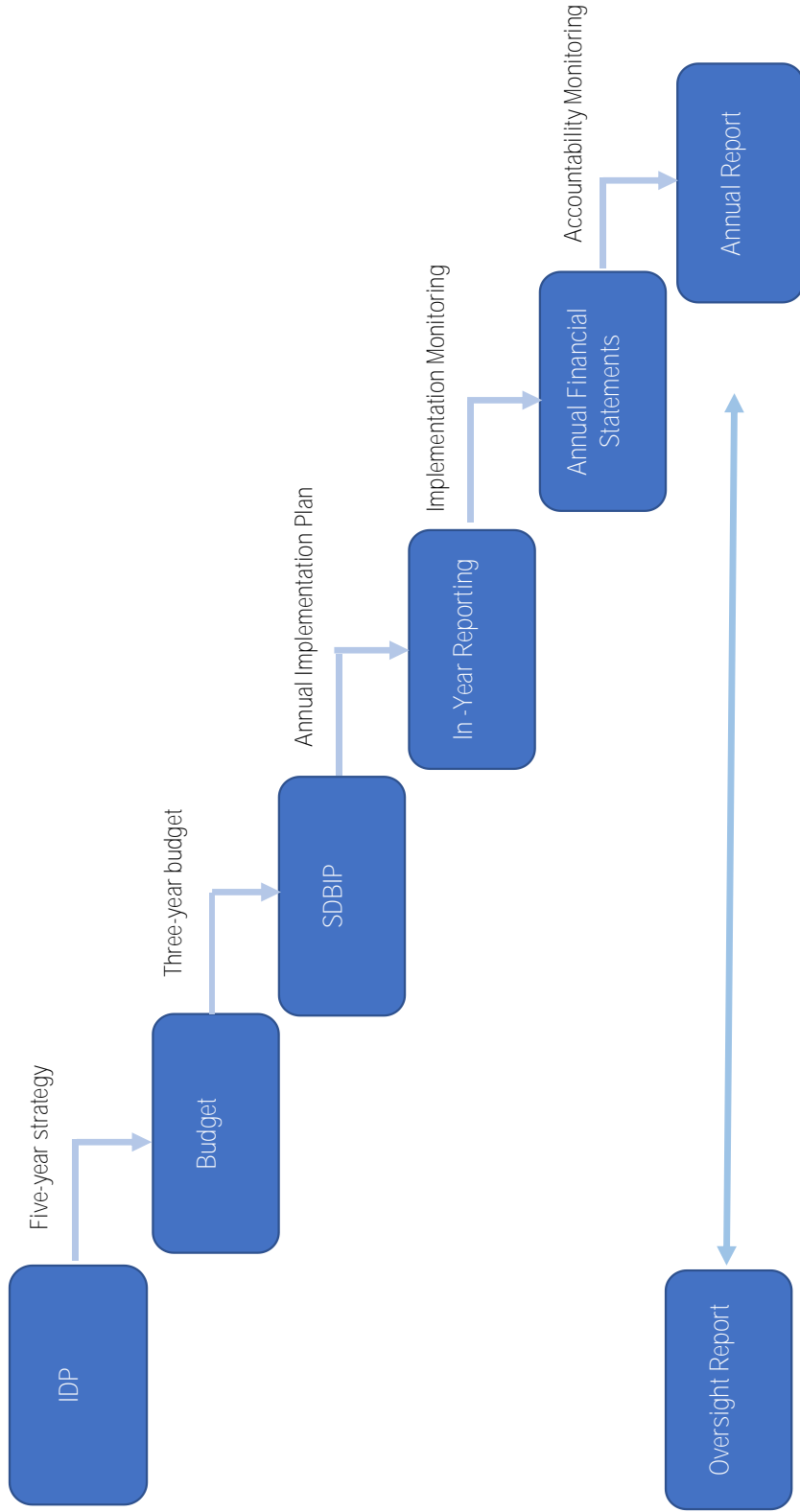
- The development of the 2021/2022 IDP Review and Budget Process Plan was developed and approved on the Council meeting that was held 29 July 2020.
- The draft IDP was adopted 31 March 2021 and the Final IDP adopted by Council on 26 May 2021.

- The required number of IDP and Budget Steering Committee meetings were held as required. These gave birth to the actual approved draft and final budget as inputted by all municipal stakeholders. The draft was then presented to management and to Exco prior to approval by Council. One meeting during Quarter 2 was not held as the strategic session was delayed. It is realized that Compliance to the Calendar of Events must be managed and monitored.
- The Draft SDBIP was compiled and approved by the Mayor within 28 days after the approval of the budget.
- The Mayoral Budget speech was held on 4 June 2021, notwithstanding the many challenges relating to COVID. Innovative alternatives were undertaken to meet the target in extenuating circumstances. During quarter 4 alternative mechanisms were undertaken to reach the community. The Mayor undertook public participation via the local radio stations and the budget speech was incorporated in said media communication. All needs and inputs (formally identified by the community) were recorded, **prioritized, and included in Council's Integrated Development Plan (which was adopted by Council). The table below provides a brief analysis of the participation and alignment that resulted in the development of the IDP and related document.**

The following two diagrams/figures illustrate accountability and reporting and oversight functions further.

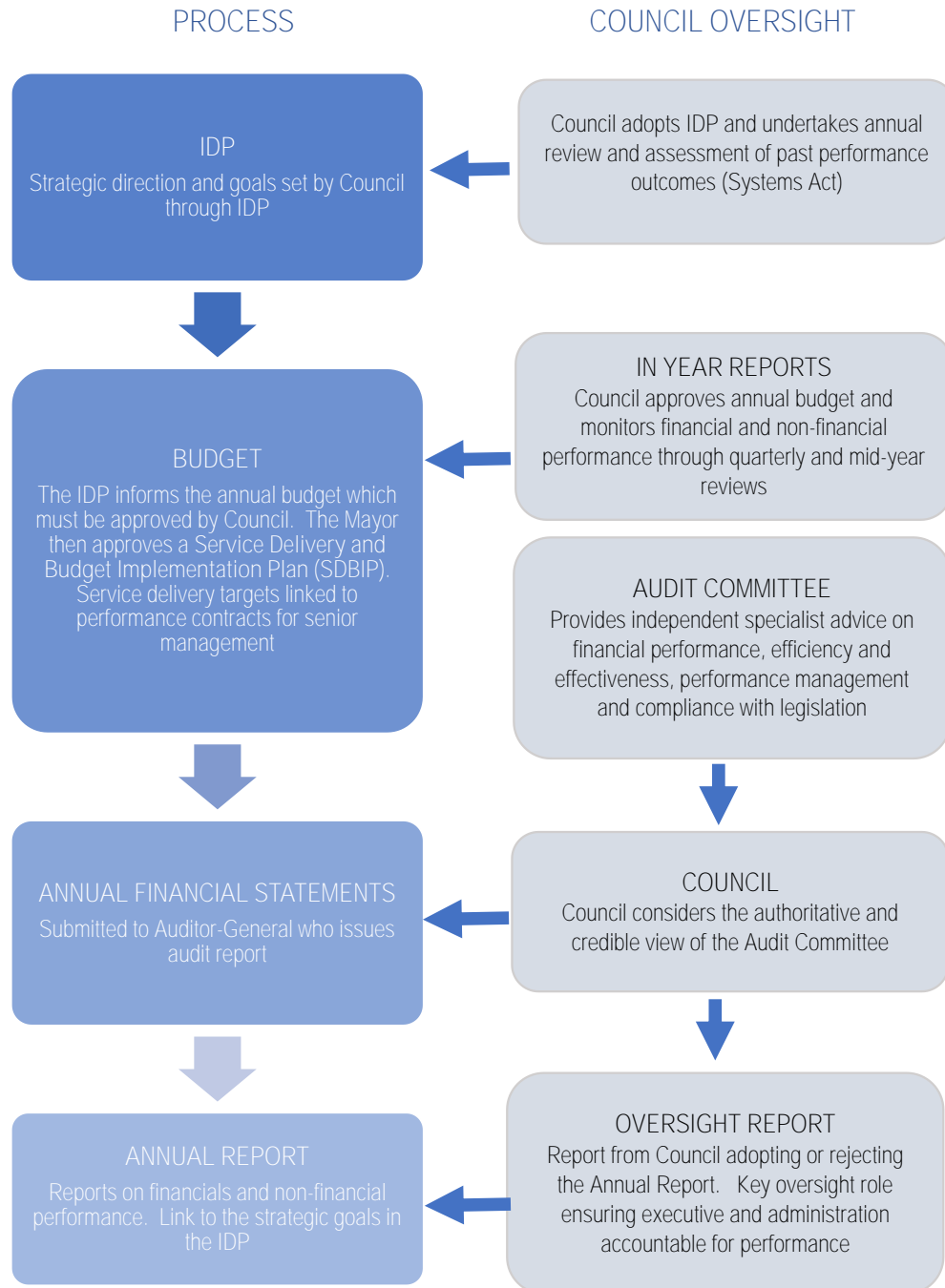
- The Accountability Cycle illustrates the manner in which financial accountability lies at each point and level; and
- The Process Diagram illustrates the manner in which Council Oversight is achieved at every level (from IDP through to the Annual Report).

MUNICIPAL ACCOUNTABILITY CYCLE

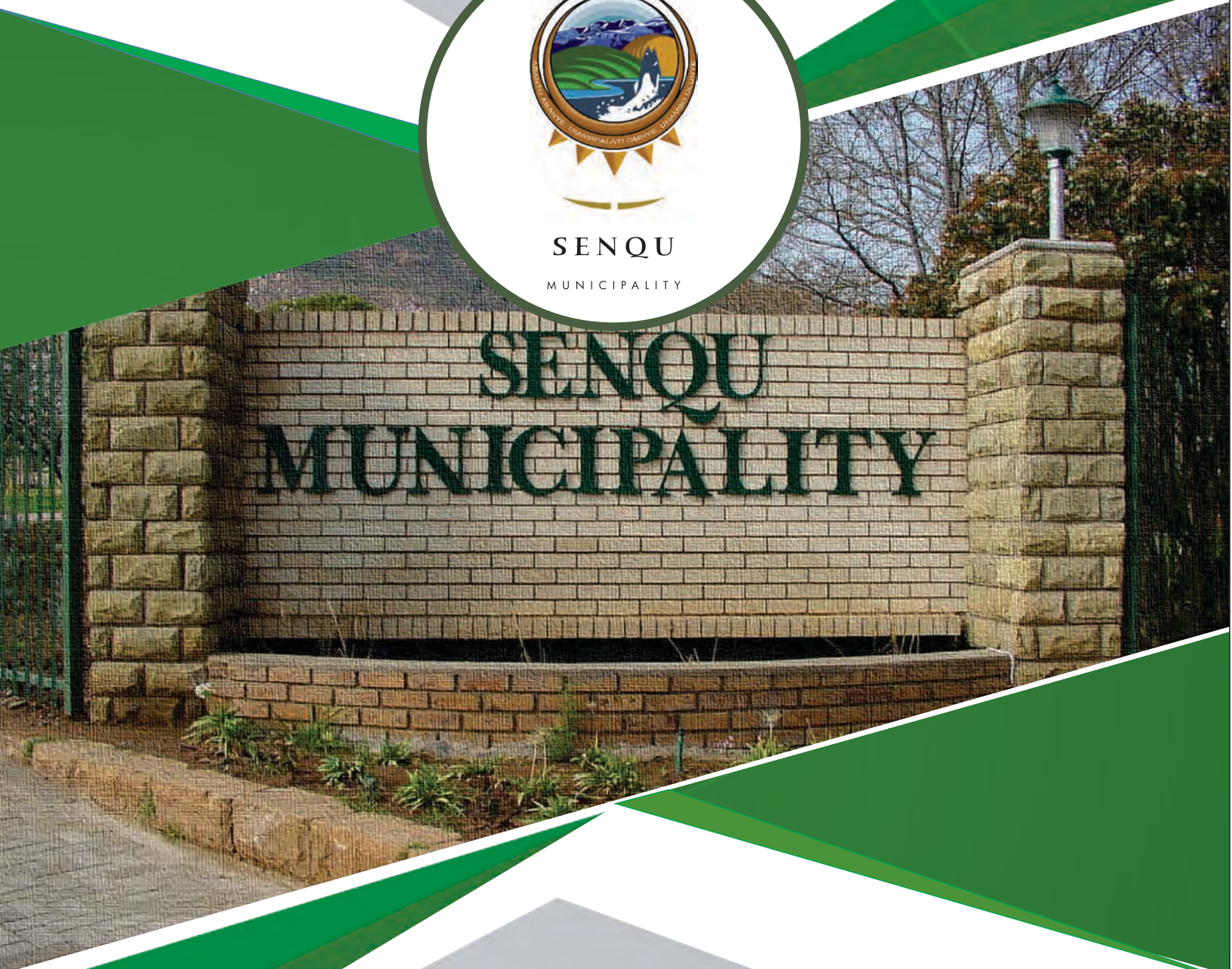


Accuracy of information depends on:

- Organisational structure aligned to basic services
- Sound municipal policies, processes and procedures
- Standard chart of accounts for municipalities



IDP PARTICIPATION AND ALIGNMENT CRITERIA* 2019/2020	YES/ NO	COMMENT
Does the municipality have impact, outcome, input, output indicators?	Yes	
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes	
Does the IDP have multi-year targets?	Yes	5-year Target with implementation of mSCOA
Are the above aligned and can they calculate into a score?	Yes	
Does the budget align directly to the KPIs in the strategic plan?	Yes	
Do the IDP KPIs align to the Section 56 Directors	Yes	Scorecards are developed from SDBIP.
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes	
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes	Municipal Performance Management Regulations s10g
Were the indicators communicated to the public?	Yes	Through Process Plan and IDP Rep & Public Participation Forums
Were the four quarter aligned reports submitted within stipulated time frames?	Yes	



**COMPONENT D
CORPORATE GOVERNANCE**

COMPONENT D: CORPORATE GOVERNANCE

2.4 OVERVIEW OF CORPORATE GOVERNANCE

Corporate Governance is required to ensure that all legislative prescriptions are adhered to and in so doing to ensure that the rights of all stakeholders are protected.

Governance and compliance issues are required to be managed in the strictest sense. The administrative arm and related/designated human resources are required to ensure that all prescriptions (legal / policy prescriptions) are adhered to as prescribed, in order to ensure that the organization functions effectively and minimizes/eradicates all identified aspects of risk.

This section will detail issues relating to: Risk Management, Fraud and Anti-Corruption, Supply Chain Management, By-laws, Website access and Public Satisfaction levels --- all in terms of compliance required and the level achieved.

2.4.1 Risk Management

Section 62(i)(c) of the Municipal Finance Management Act prescribes that formal risk management is a matter of compliance. In terms of this, it is required that all municipalities develop and adopt an effective, efficient and transparent system of risk management.

It is acknowledged that the failure to identify and manage identified risks will impact negatively on the organisation (financially and operationally). Costs and the negative impact of failing to manage risk cannot be justified, particularly if the risk had been noted and no appropriate action was taken. The lack of appropriate action would reflect as poor business practice and poor management overall. The **“fall out” in respect of this would include extreme costs to the organisation**, audit queries and possible audit qualifications.

Top 5 Risk

Top 5 Risk		
Risk Name	Current Controls	Actions to Mitigate the Risk
Poor collaboration in management projects	<ul style="list-style-type: none"> Approved procurement plan. Approved bid committee's calendar. Approved MIG projects implementation plan. Imposition of penalties to the underperforming service providers. 	<ul style="list-style-type: none"> Enforcement and monitoring of procurement plan.
Inadequate maintenance and management of Municipal assets	<ul style="list-style-type: none"> Dedicated staff for facilities management. Facilities maintenance plan. 	<ul style="list-style-type: none"> Developed a costed maintenance plan.
Non-Compliance with NEWMA	<ul style="list-style-type: none"> Upgrade of landfill sites in Lady Grey and Barkly East. EIA approval for Rossouw and Herschel. The Municipality did identify a new site for the Rhodes landfill site, there were objections on the land identified. Access control through the usage of EPWP appointees. 	<ul style="list-style-type: none"> Barkly East Landfill Site Acquire operational manual for compliant management and operation.
Inability to dispose municipal land	<ul style="list-style-type: none"> List of approved housing beneficiaries for low-income housing. Senqu Land Use Scheme Regulations. PIE Act. Building Regulations Act. 	<ul style="list-style-type: none"> Disposal of municipal land that is approved by council.
Decline in Investment interest	<ul style="list-style-type: none"> LED Strategy. LED forum. LSDf for towns. Reconstructing of R58 road. 	<ul style="list-style-type: none"> Review of LED, Tourism strategy and the overall municipal SDF that will guide the development vision for next 20 years.

The function of risk management is located within the Directorate of Development and Town Planning in the Governance and Compliance Division. This function is managed by the Manager: Governance and Compliance. Risk remains the responsibility of each Directorate and said parties on all levels are required to manage risk within the ambit of their control. A Risk Management Committee has been established and consist of Senior Management from all Directorates, Provincial Treasury as well as a seconded member from the Audit

Committee. The appointed Chief Risk Officer for this Committee is Director Development and Town Planning Service, under whom Risk Management is under.

The function of this committee is to ensure that from the management side, risk is facilitated in an effective and efficient manner.

This committee meets once a month to look at all risk, compliance, and fraud related issues for the purpose of addressing any findings that might have been made and report progress to the Audit Committee.

Oversight on Risk

The Internal Audit Committee provides the required oversight on all matters pertaining to risk (both internal and external). The top five (5) risks as reflected within the table above receive priority. Notwithstanding risk is identified on all levels and where at all possible, contingency plans are put into place to mitigate risk. The oversight role involves making a comparison between perceived and actual risk experienced. Recognized practices and processes are utilized to measure and assess the manner in which risk is minimized and the manner in which reporting, and controls are undertaken, so as to manage risk effectively.

To facilitate monitoring, oversight and management, the following structures and reporting mechanisms were utilized, while recognizing that COVID – 19 did have a significant impact overall:

- a. A Risk Management Framework and Policy have been developed and are updated regularly except for the current year –in which no policies were reviewed. In this manner, a standardized approach to risk management and commitment to such throughout the organization is achieved.
- b. The municipality has developed a Risk Profile in which risks are identified and rated – illustrating the gravity of the risk and action plans required to resolve this risk – which is then ideally monitored and reported on.
- c. Directorates/Departments are advised on mitigating measures that are required to be implemented in respect of identified risks.
- d. The Risk Action Plan for each Directorate is required to be developed, monitored, and reviewed annually.
- e. The IT Disaster Recovery Plan was reviewed, and no changes required or made.
- f. To combat fraud, to prevent any inappropriate influences regarding supply chain management processes and awards and as a matter of compliance, all staff members and Councillors signed their disclosures in the Conflict-of-Interest Register.
- g. The Declaration of Conflict-of-Interest Register was developed and tabled for both Councillors and employees; and
- h. The Fraud Awareness event was not held as planned because the municipality wanted to change the strategy and not use pamphlets to conduct awareness but rather do voice overs through the local radio stations. The onset of COVID - 19 and lockdown prevented timeframes from being met.

2.4.2 Litigation Issues

The municipality is currently involved in the following litigation issues that could result in damages/loss awarded against/ in favour of Council if claimants are / Municipality is successful. The following cases apply (unaudited information):

LITIGATION ISSUES		2021	2020
1.	A Ali. CASE NO.3962/2014. Grahamstown High Court Claim against an employee for the recovery of misappropriated funds. Judgement handed down in the Grahamstown High Court in favour of the Municipality.	R895 599.77	R895 599.77
2.	Graham Robert Herbert N.O. and Others v Senqu Municipality and Others (Case no 742/2020) – Supreme Court of Appeal TEBA brought an application in the High Court, Grahamstown to compel the SLM to transfer the land occupied by them in Sterkspruit in terms of a permission to occupy (PTO). The application was dismissed with costs by Roberson J on 19 May 2020. Leave to appeal to the SCA was granted and the matter was heard on 09 November 2021. The SCA also dismissed the application with costs on the basis that TEBA Property Trust was not disadvantaged by Native Trust and Land Act or racially discriminatory laws and thus may not apply for conversion of its Permission to Occupy into a full title.	None	None
3.	Senqu Local Municipality v Dibanani Consulting CC Case no: 1330/2018 Grahamstown High Court The Municipality approached the Grahamstown High Court to have the 2005 Dibanani contract set aside on the basis that it was unlawful and invalid. Matter was heard on 22 November 2019. The judgement was against the Municipality on the basis that the delay by the Municipality in bringing the application for the contract to be set aside was regarded to be unreasonable and incapable of being condoned. The Municipality was granted leave and the to appeal the matter and the Full Bench handed down judgment on 15 December 2020 in favour of the Municipality and set aside the	None	None

LITIGATION ISSUES	2021	2020
judgment The Full Bench found that the appointment of Dibanani in 2005 was inconsistent with and contrary to section 217 of the constitution and consequently invalid. Dibanani has applied for special leave to appeal to the Supreme Court of Appeal.		
4. Dibanani Consulting v Senqu Local Municipality Case no: 3679/2019 Grahamstown High Court Dibanani instituted a claim for the recovery for professional services on the Herschel project. The claim has been defended the variation orders upon which it relies for its claims were not granted by the Council in terms of s116 of the MFMA. Dibanani has requested the Municipality to consider a settlement proposal in which that matter is withdrawn and that each party pays its costs. The advise from the lawyers is that we should await the judgement.	R640 368.87	R640 368.87
5. Senqu Local Municipality v Burhali & Another Case number Mthatha High Court The Municipality approached the Mthatha High Court to seek an order for the eviction of illegal occupants of a municipal erf, and for the demolition of illegally erected structures on the site.	None	None
6. P Oliphant v Senqu Municipality CASE NO. J 09/21 Labour Court Mr Oliphant instituted a claim in the Labour Court for the recovery of monies alleged to be due to him and payment of refund for a bursary that was awarded to him when he was in the employ of the Municipality. We await a date on when the matter will be heard	R158 821.65	n/a

2020/2021 period:

It must be noted that Legal Services have remained an outsourced function. A data base of suitable service providers has been established to ensure that appropriate assistance for legal cases may be obtained in the correct and prescribed manner as per the Supply Chain Management policy and practices.

The database relating to contracts and lease agreements is currently managed by the Corporate Services Directorate. The management and control of disciplinary cases remains a critical function and responsibility. As such it remains imperative that appropriate measures are put in place to manage these cases and to provide the required regular statistical reporting.

i. Anti-Corruption and Fraud

Senqu Municipality has an approved Fraud Prevention Plan. **This plan outlines the concept of “fraud” and has resulted in the development of a Code of Conduct for Employees and Councillors. Procedures for reporting fraud and a policy and practice to be utilized to protect “whistle-blowers” was developed and implemented.** This plan also outlines the policies and procedures that must be adhered to/implemented to prevent any fraudulent practice/activity that may be observed within supply chain management activities and the like. To this end it is further noted that the Internal and External Audit as well as the Audit Committee are required to provide an oversight role in this regard and all are mandated to expose any evidence of fraud.

Fraud and Anti-corruption Strategy

In an effort to minimise and to prevent fraud it is noted that:

- a. The Fraud Prevention Plan is in place and is being implemented by the Compliance Officer.
- b. All new employees and Councillors are inducted regarding the Code of Conduct – thus ensuring that they are adequately prepared regarding protocols and the manner in which all parties are required to behave.
- c. In terms of the Disciplinary Policy and Procedure Code, any instance of misbehaviour /malpractice will result in appropriate action in terms of the policy.
- d. Very clear procedures for authorisation of approval/payments are in place in order to prevent corruption, fraud and theft. In this regard, very specific signing authority as per the Municipal Finance Management Act (MFMA), is specified.
- e. In any instance where it is suspected that a person has contravened any aspect relating to compliance/having committed fraud, they are immediately suspended pending the nature of the allegation and if justified criminal charges are laid.
- f. Fraud Awareness events are staged and held in an effort to educate the consumers and public in this regard. Due to COVID – 19 the planned awareness campaign did not occur timeously but will be addressed within the new year.
- g. A Declaration of Interest Register for 2020/2021 was developed for both Councillors and Employees in order to ensure that no conflict of interest occurs; and
- h. It is noted that both the Mayor and the Municipal Manager have publicly condemned acts of corruption, fraud and malpractice of any kind.

Audit Committee Comments/Recommendations (as per Appendix G and Chapter 6)

Notwithstanding the progress within this area, it is important to make reference to the Audit Committee Recommendations for the current year – thereby ensuring that all issues are accommodated. In this regard reference is made to Appendix G and Chapter 6.

ii. Supply Chain Management

Overview of Supply Chain Management

The MFMA s110-119, the SCM Regulations of 2005 and the relevant MFMA circulars set out the required processes and guidance manuals that will facilitate that the application of Supply Chain Management Policy and Procedures – facilitating the correct acquisition and provision of required goods and services.

- a. All SCM reporting submissions as legislated were met. Quarterly reports to the Municipal Manager and Mayor were made within 10 working days of each quarter, and submission of annual SCM report within 30 days of end of each financial year on implementation of SCM Policy to Council: and
- b. During 2020/2021 SCM compliance reporting was submitted to National Treasury; and
- c. Reference is made to Appendix H for detail regarding long-term contracts and Chapter 3 for statistical reporting regarding Supply Chain Management.

Note: Chapter 3 in which the analysis of performance in respect of Supply Chain Management is discussed in greater depth.

2.4.3 By-Laws

By-laws are required to be reviewed and updated annually.

Comments on By-Laws

During 2020/2021 by-laws were gazzeted and printed. A challenge remain on the enforcement of these by-laws as the municipality does not have a dedicate law enforcement unit and sometimes relies on other agency of the state like SAPS to enforce some bylaws which require certain skills and equipment.

A plan is underway to establish a law enforcement unit, however this will largely depend on the availability of financial resources.

2.4.5 Municipal Website

Comment Municipal Website Content and Access

The website was developed in order to improve communication with communities. Reports on the monitoring of the Website in terms of compliance with the MFMA and MSA were submitted quarterly to the Executive Committee and Audit Committee.

The Communications Officer is required to maintain and update the Website regularly. It must be noted that the content of the website **has greatly improved, although there is always room for improvement and growth aesthetically and overall, in terms of the “look and feel”** and functionality. This function was moved to the IT Department due to capacity issues and the fact that the individual best suited to perform this function was within this department (with required resources).

Note: The MFMA s75, requires that Municipalities monitor and report on the use of their websites by the public - detailing the number of hits per website and related data.

The new website is constantly updated but improvements are required.

The Website function overall was moved to the Finance IT Division, due to the fact that the employee tasked with this function did not have the required expertise necessary in order to provide this function optimally. In addition, this situation was exacerbated by the many difficulties experienced while attempting to develop the new website which were service provider related. Ultimately and in an effort to reduce operational and project costs overall, the IT division was requested to handle this function. In particular, it must be noted that the IT Manager developed the new website and has subsequently maintained this at no additional cost to council. As can be seen there are gaps that need to be addressed.

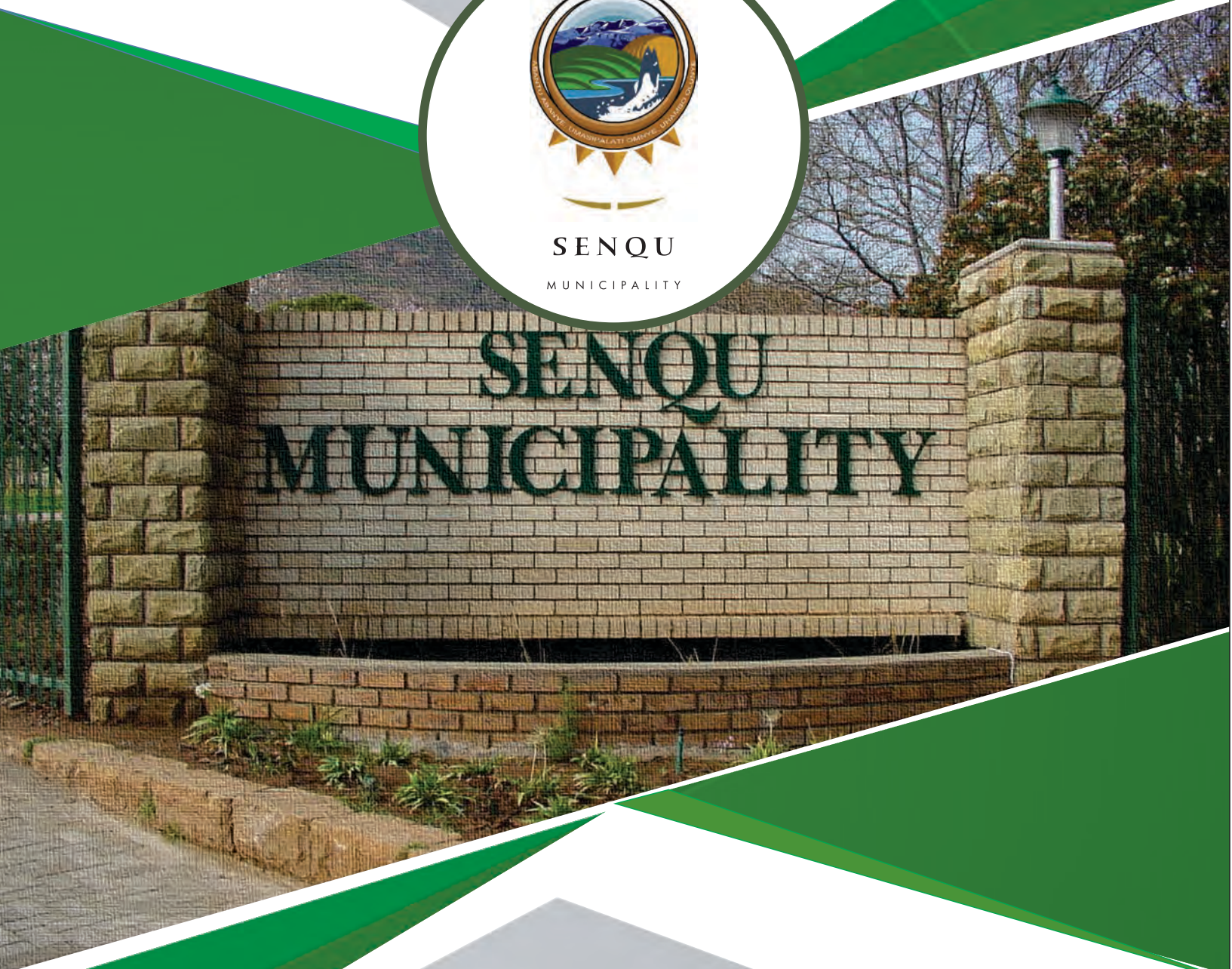
MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL	
Documents published on the Municipality's /Entity's Website	Yes /No
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
All budget-related documents:	Yes
All budget-related policies	Yes
Annual report	Yes
The annual performance agreements for the municipal manager and other senior managers are placed on the website.	Yes
The date these agreements were posted on the website is shown	Yes
All service delivery agreements	Yes
All long-term borrowing contracts	No
All supply chain management contracts above R30 000	Yes
An information statement of capital assets that have been disposed	Yes
Contracts which impose a financial obligation on the municipality beyond 3 years	No
All quarterly reports tabled in council	Yes
Public invitations for formal price quotations	Yes
Public invitations for competitive bids	Yes
The number of quarterly reports tabled to council on the implementation of the budget	Yes
Oversight reports	Yes
Monthly budget statement	Yes
Mid-year budget and performance assessment	No
The IDP is placed on the website	Yes
The SDBIP is placed on the website	Yes
Strategy (LED)	No
Delegations	No
Internal Audit charter	No
Audit Committee charter	No
Risk Management Policy	No

2.4.6 Public Satisfaction on Municipal Services

During the period under review no Customer Care survey were conducted as no funding was allocated for Customer Care Surveys.

In an effort to provide opportunities for Customers to rate municipality and/or to complain, address issues of concern the following tools / opportunities are provided:

- Complaint boxes have been installed at designated Community Halls and all Municipal offices throughout the Senqu Municipal jurisdiction (Lady Grey, Sterkspruit and Barkly East). The boxes are opened weekly and the complaints /suggestions if any are channelled through the Communication divisions to the relevant Directorates for response.
- The Customer Care section has further developed a Customer Complaints Register for all external complaints (including calls, walk-ins and anonymous complaints). Reports (inclusive of statistics) are submitted to the Standing committee monthly.
- The Complaints Hotline has been installed (number is 0861 (Senqu) 73678), this together with feedback from the many public participation structures, the Presidential Hotline, Performance and Service Delivery statistics and the like, the organization continuously look for ways to address the issues raised and to improve the level of customer satisfaction.
- The Presidential Hotline is provided to ease the resolution and reporting of complaints; and
- The public are encouraged within all public participation initiatives to use these opportunities to discuss and resolve issues. Notwithstanding these efforts, the suggestion boxes are not fully utilised as the communities prefer face-to-face interactions with staff members at the Customer Care Division.



**CHAPTER 3
SERVICE DELIVERY PERFORMANCE
(PERFORMANCE REPORT PART 1)**

CHAPTER 3 SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

INTRODUCTION

The year 2020/2021, marks final year of the current council and the past financial year came with its challenges when Covid hit South African shores in March of 2019. This continued right through the financial year under review, i.e. 2020/2021. Despite the old, recognized challenges that relate to old and ageing infrastructure and the scarcity of required resources for ensuring that service delivery targets are **adequately addressed in a coordinated fashion, 2020/2021 was a challenging year more so because it's the year of** evaluating the performance of the 2016/2021 council

These challenges are additionally impacted by the high levels of unemployment and the extremely small rate base. This in turn impacts on the revenue base and resultantly on the ability of the organization to have required and much needed financial resources with which to engage in infrastructure maintenance and development activities.

Although the municipality faced its fair share of challenges during the financial year, it managed to scoop year another Clean Audit for the seventh time in 2020/2021. In this regard this was always indicative of having established that Senqu Municipality had a sustainable and positive cash flow and experienced sound and good financial health.

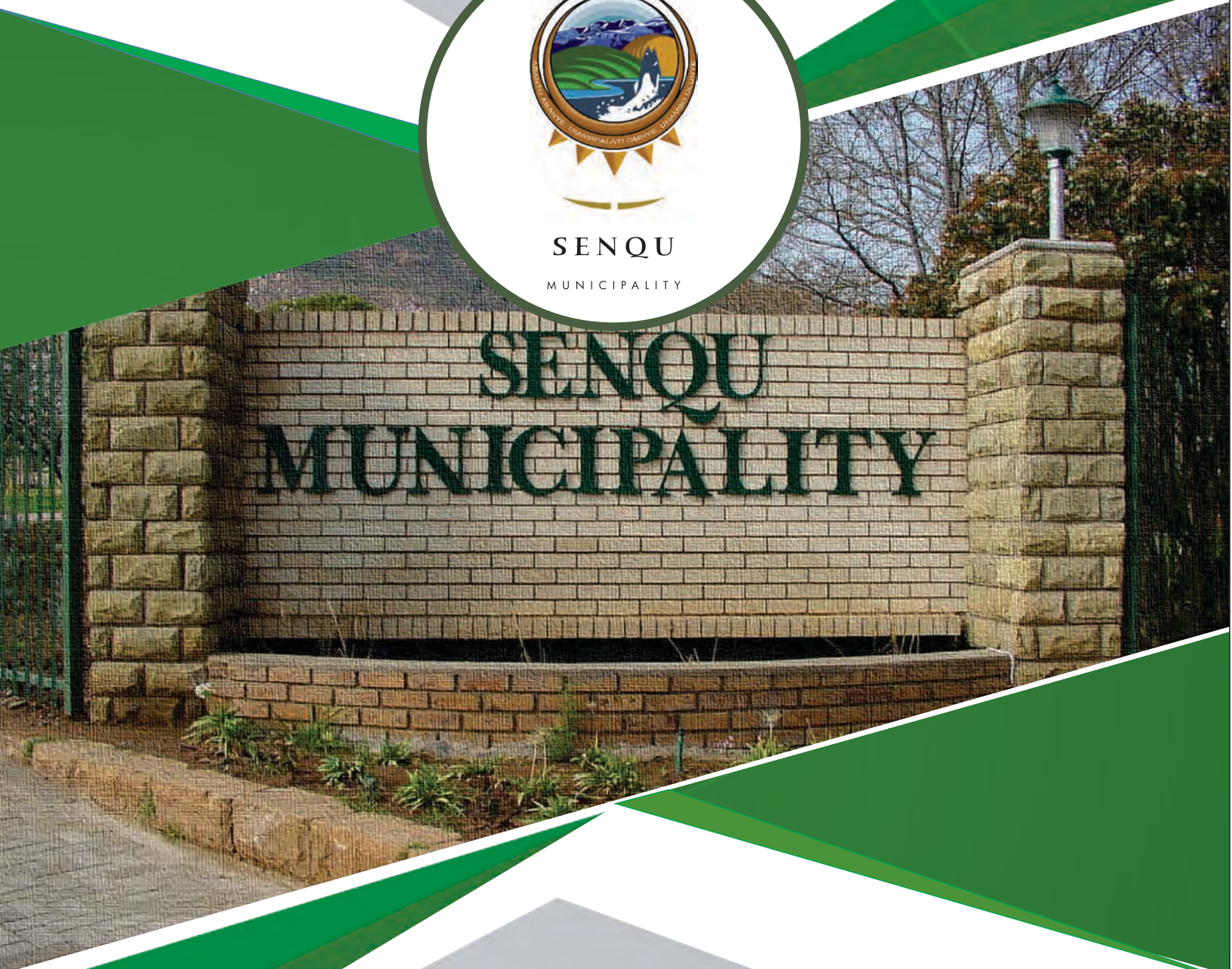
Over these years Senqu Municipality has received much recognition for not only its financial health but for the manner in which the IDP was compiled and the high levels of service delivery provided.

Reference is made to Appendix D (Functions of all municipal entities); Appendix I (Service Providers Report) and Appendix F (Service Delivery performance at Ward level) in order to provide both context and progress in terms of projects undertaken.

Service delivery functions currently performed by Senqu Municipality (noting that the water services and sanitation function are performed by Joe Gqabi District Municipality as the Water Services Authority) are reflected as follows:

- Electricity distribution – licensed areas only
- Provision of assistance to Eskom with rural electrification issues
- Street Lighting
- Roads construction and maintenance – municipal and access roads (including Stormwater Maintenance)
- Storm water and pavement construction
- PMU / Infrastructure planning and Technical Administration (including roads – PMU Construction)
- Library Services (Service Level Agreement entered into between Senqu Local Municipality and DSRAC on an agency basis. (Portion of funding received from DSRAC)
- Community Halls and facilities
- Cemeteries
- Sport and Recreational Facilities
- Parks and Public Open Spaces
- Public Safety
- Commonages
- Issuing of business licenses
- Communications
- Town Planning (Land Use Management, Housing and Building Control)
- LED (Tourism, SMME and Poverty Alleviation); and
- Building of crèches (Grant funding through MIG)

Each of these areas will be examined in terms of reporting on their performance for the period under review.



**Component A
Basic Services**

Component A: Basic Services

3.1 ELECTRICITY (*UNAUDITED FIGURES AND INFORMATION)

3.1.1 Background

The National Energy Regulator of South Africa (NERSA) has licensed Senqu Municipality to distribute electricity within the towns of Sterkspruit, Lady Grey and Barkly East. It was always assumed that Eskom is licensed to supply the rural areas. In reality it appears that this is a matter of perspective as **according to legislation, municipalities are considered to be “wall to wall” and the electricity authority overall, in terms of the Constitution.**

Despite this thinking and aspect of interpretation, the following points are to be considered in terms of electricity disputes and issues currently faced:

- The matter for the right to reticulate electricity within the new 802-unit housing project in Barkly East (Boyce Nondala) remains **“ongoing”**. An official dispute was declared with Eskom and this has been submitted to NERSA. This process is currently still under way – seven (7) years after the original application to NERSA;
- Public hearings were held in Pretoria during August 2017. The result was received in June 2018 despite Eskom having been informed by NERSA in **March 2018 that NERSA had rejected Eskom’s application and that the matter would be required to be arbitrated** by the Department of Energy. A meeting was held between all stakeholders, in East London during November 2018. This was chaired by NERSA. At this meeting, the Eskom representatives stated that due to the fact that NERSA had already decided not to incorporate the Boyce Nondala area of distribution into the Eskom license, the only other organisation would have to be the Senqu Local Municipality. NERSA made a commitment to provide a final decision in this regard in writing. To date this has not been received, despite a reminder having been sent. Eskom is still currently distributing in the area as instructed by NERSA, until the final decision is taken. The primary purpose of this was to increase the revenue base of the municipality safely and to facilitate improved service delivery while implementing its rights in terms of the Constitution.
- It is noted that while most of the Senqu communities have access to electricity, there are certain communities that are still required to be electrified (either in the form of electricity installations of infill sites, new connections or for those that have no grid connection, through solar power).
- Overall, it must **be acknowledged that the standard of electricity provision within the licensed area is “reasonable” as the municipality strives to and manages to maintain the various National Rationalisation Standards (NRS 047 &**
- **NRS 048), ERA and the NERSA licence conditions.**
- Electricity backlogs have been noted within the rural areas and it is currently calculated that 5 001 households do not yet have access to basic electrical services, The reason for the increase in the backlog is due to prioritisation of new RDP Housing projects.
- 24 % of households have access to basic level of electricity that is provided by Eskom and 45% of household have access to basic level of electricity that is provided by Senqu municipality.
The current electricity backlog within the rural area is being dealt with under the Integrated National Electrification Programme (INEP) that utilizes Eskom through DoE Funding of R 1 464 450.00. This contributed to 100 households being electrified in Eskom rural area of supply. Senqu Municipality during the 2020/2021 financial year with a rollover of R1 290 857.25 funds through the Department of Energy electrified 303 new household connections in Sterkspruit at Mountain View and Zwelisha Village in Senqu Municipality licensed area. This project required additional municipal counter-funding again in this financial year to the value of R 1 056 073.61 to complete the project.
- The strategic Electrical Upgrade Programme has been running for the past six (6) years and is expected to run for a further five (5) years – although this is clearly dependent on available resources. On completion it is expected that all networks (LV and MV) will be upgraded, safety standards will have been met, service connections will have been replaced and metering systems updated and replaced (resource dependent) to achieve a fully functional AMI system, which will bring electrical losses down to an acceptable level. The ultimate target for losses is 8%. It is the intention that this would extend the lifespan of the distribution networks for an estimated further twenty-five (25) years, or longer, depending on presenting circumstances such as development, disaster, and the like. This programme is completely dependent on the level of capital and operational funding made available within the approved budget; and
- The installation of **pre-payment split phase, AMI ready, metering is continuing with a “phased - in” approach in order to assist with backlogs and to minimize losses.**

3.1.2 Overall Challenges and Comments regarding Electricity Provision

- There are limited financial resources to accommodate required upgrades to old and ageing infrastructure.
- **There are a great number of schools, clinics and other social facilities that don't have a regular supply of electricity (if any supply at all).**
- Affordability of the service is a challenge, recognizing that Senqu has such a high rate of unemployment.
- Electricity tokens are difficult to distribute as vendors are generally far from the rural areas and the population is widely spread over a large geographical area – in many cases with great difficulties being experienced in terms of transport.
- Electricity losses occur due to theft, poor metering management, poor network conditions in some areas, incorrect accounts, lack of resources for Quality of Supply monitoring (Eskom & Own networks) and transformer earthing issues. Despite these issues, improvements have occurred overall.
- It is noted that the quality of supply needs to be improved through the installation of capacitor banks on all points of supply from Eskom to the three towns licensed for distribution to Senqu Local Municipality.
- The lack of coordination of meter reading dates between the municipality and Eskom do result in in-accurate electricity loss information.
- An insufficient budget exists, and this is required to be increased to remedy the situation.
- It is noted that Electricity backlogs exist within the rural areas (Eskom - specifically non-grid areas). These are being addressed by Eskom with assistance from the municipality, in terms of the INEP. This assistance will however end in the 2021/2022 financial year, based on the 2020/2021 INEP allocation, since there is insufficient DoE funding allocated per household.
- The target percentage for losses was previously set at 10%. COGTA has subsequently regulated an 8% national norm and the municipality will accordingly reset its final target to 8% or less, over the next 3 years. It is expected that this target will be met by June 2025 (resource dependent).
- A critical situation has been created by the practice of allowing senior staff who earn in excess of the threshold, time off in lieu of overtime rather than paying overtime rates. Due to the challenges of insufficient capacity available within the electricity division, this practice results in the electrical section being unable to function effectively and places other staff at risk as they work without supervision. This matter was referred to Top Management who obtained a legal opinion - advising against payment of overtime. This is contradiction of the LRA, ERA, electrical license of NERSA and OHS and a report was resubmitted to Top Management for further action. Management have re-submitted this for legal counsel but to date there has been no response. This still leaves the municipality at great risk in terms of compliance (NRS) and financial viability (Credit control). A critical vacancy of electrical post do exist as from November 2019. This has a create impact on repair and maintenance and this is also a factor for the increase in electrical losses. Currently there is 4 vacant posts.
- Eskom is the current recognized licensed supplier of electricity in rural areas. As such they do not allow other utilities to utilise their infrastructure. As a result, and due to the required infrastructure duplication, it therefore becomes extremely expensive to supply public lighting.
- All users of electricity token meters (STS TDI rollover pre-paid meter and vending systems software updated to STS6) must be reset by the year 2024. This is directly due to the worldwide programming having reached its maximum number of available tokens. The metering department of the financial services section is required to address this as a matter of urgency as the tokens will not be accepted after 2024. Failure to comply will prevent electricity sales and this in turn will result in corresponding consumer complaints and losses. The new prepaid meters that is bought is already programmed with the new STS Token 2).
- This situation involves a special configuration change to be made to all pre-paid meters and vending systems. This must be addressed with meter suppliers, regarding new procurement and this will be conducted by the electricity section of the Technical Services Department for new meters only; and
- It is noted that **insufficient funding exists for new street lighting and the replacement of old lights with LED's in order to reduce consumption without loss of effect.**
- Efforts to conserve power have resulted in the following considerations that will be implemented moving forward. Three energy savings opportunities were identified as having sizeable potential:
 - Lighting: Reduction of power due to the replacement of Street Light Fittings with LED Fittings. Reducing the wattage range from 57w to 40w LED and 250w to 120w LED respectively.
 - Buildings: Significant energy savings are possible if a Solar system can be installed whereby the building roof top can be used for the Solar Panels. Senqu Municipality has budgeted to install Solar Panel system in the next financial year for the Municipal Main Office block.
 - Mass Roll Out (MRO) programmes: These are to be practised in the residential sector. The municipality is encouraging its residents to adhere to the National Energy Efficiency Action Plan (NEEAP).

3.1.3 Achievements and Challenges

During the 2020/2021 financial year the following work was completed successfully:

- 360 new meters were installed increasing revenue collection.
- 89 electricity meters were replaced (due to Department of Energy priority and funds having been transferred to Senqu Municipality).
- 5 Transformers were sent for refurbishment.
- 84 Streetlights were replaced.
- 6 monthly expenditure reports were compiled and submitted regarding DoE (Department of Energy Allocations) This was for the rollover application from the previous financial year 2019-2020
- Electricity losses: 18.4%. This is an increase of 1.83% from the previous financial year.

a. Progress to date is reflected as follows (2020/2021)

#	INDICATOR NAME	TOTAL NUMBER OF HOUSEHOLD/ CUSTOMER EXPECTED TO BENEFIT	ESTIMATED BACKLOGS (ACTUAL NUMBERS)	TARGET SET FOR THE FINANCIAL YEAR UNDER REVIEW (ACTUAL NUMBERS)	NUMBERS OF HOUSEHOLDS/ CUSTOMERS REACHED DURING THE FINANCIAL YEAR	PERCENTAGE OF ACHIEVEMENT DURING THE YEAR 2020/2021
1	Percentage of households with access to electricity services	Senqu Municipality 335 in urban Eskom 100 (Rural)	Senqu Municipality 360 (urban) Eskom 5 001 (Rural)	Senqu Municipality 360 (urban) Eskom 400 including infills	Senqu Municipality 360 new connections (urban) Eskom 100 infills (Rural)	Senqu Municipality 101% (Urban) Eskom 25%
2.	Percentage of indigent households with access to basic electricity services	100% of applicants (Urban) 100% of applicants (Rural)	On application 575 (Urban) 11 643 (Rural estimated)	725 (Urban)	575 (Urban) 7 084 (Rural)	100% (Urban) 61% (Rural)

ESKOM DISTRIBUTION (RURAL AREA – DATA IS ESTIMATED DUE TO THE LACK OF INFORMATION PROVISION FROM ESKOM) :

b. Electricity Service Delivery Levels

ELECTRICITY SERVICE DELIVERY LEVELS*			
Description	Households (Eskom Area)		2020/2021 Actual No.
	2017/2018 Actual No.	2018/2019 Actual No.	
Energy: (above minimum level)			
Electricity – prepaid (min. service level)	35 685		40 592
Minimum Service Level and Above sub-total	92.22%		95.9%
Minimum Service Level and Above Percentage			89.03%
Energy: (below minimum level)			
Electricity (<min. service level)	0	0	0
Electricity-prepaid (<min. service level)	0	0	0
Other energy sources	2 741		2 223
Below Minimum Service Level sub-total	7.78%		5.26%
Below Minimum Service Level Percentage			10.97%
Total number of households	38 347	39 570	42 223
			45 593

c. ESKOM Consumers

HOUSEHOLDS – ELECTRICITY SERVICE DELIVERY LEVELS BELOW THE MINIMUM						
ESKOM AREA						
Description	2017/18		2018/19		2019/20	
	Actual No.	2017/18	Actual No.	2018/19	Actual No.	2019/20
Formal Settlements Senqu Municipality						
Total households		38 347		39 570		42 123
Households below minimum service level		2 741		5 678		2 223
Proportion of households below minimum service level		7.78%		14.3%		5.26%
Informal Settlements Eskom						
Total households				42 593		42 023
Households below minimum service level				5 001		200
Proportion of households below minimum service level				10.97%		0.48%
Household calculations rectified by subtracting municipal households from Eskom due to separate "areas of supply" The Senqu Local Municipality assisted Eskom with an additional amount of 100 connections in the rural area through INEP funding.						

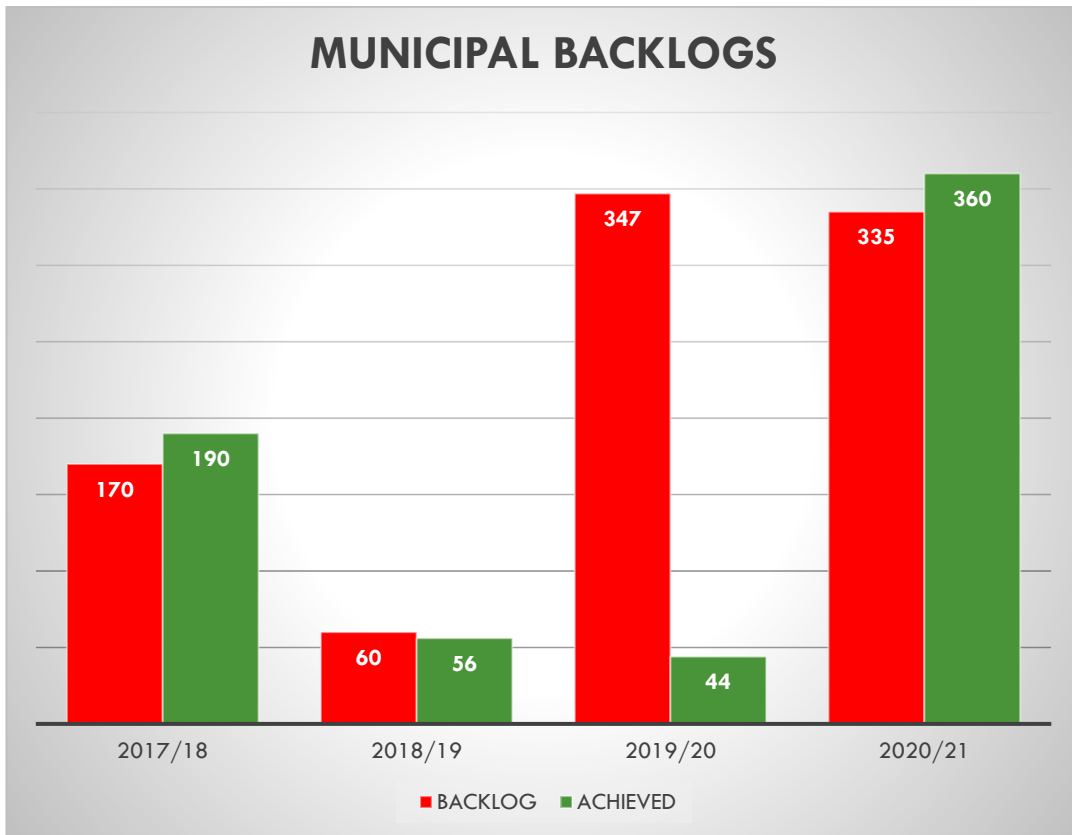
d. Electricity Service Delivery Levels

ELECTRICITY SERVICE DELIVERY LEVELS						
Description	2017/2018		2018/2019		2019/2020	
	Actual No.	2017/2018	Actual No.	2018/2019	Actual No.	2020/2021
Energy: (above minimum level)		834		560		433
Electricity (at least min. service level)		1 909		2 434		2 604
Electricity – prepaid (min. service level)		2 763		2 994		3 037
Minimum Service Level and Above sub-total		88.96%		89.88%		90.0%
Minimum Service Level and Above Percentage						
Energy: (below minimum level)		363		303		130
Electricity (<min. service level)		0		0		0
Electricity-prepaid (<min. service level)		834		560		433
						360

e. Municipal Backlogs (Area of Distribution)

YEAR	2017/2018	2018/2019	2019/2020	2020/2021
Backlog	170	60	347	335
Achieved	190	56	44	360

Municipal backlogs as reflected per table above in graph below (2017 -2021)



Municipal backlogs increased due to informal settlement connections planned for the 2020/2021 financial year.



TOTAL BACKLOGS (Eskom & Municipality)

ESKOM DISTRIBUTION – Data is estimated due to lack of information provision from Eskom)

Total Households	Original Backlog Rural (Eskom)	Target Eskom (2020/2021)	Actual Eskom (Estimated)	New Backlog (Rural)	Original Backlog (Urban)	Target (Urban)	Actual (Urban)	New Backlog (Urban)	Total Backlog (End FY)
45 593	2 223	300	100	5 001	32	32	57	60	60

Note: These targets are to be received from Eskom for the 2020/2021 financial year. The increase in Rural (Eskom) area is due to the prioritisation of new RDP Households planned for the next 5 years.

f. Households with Electricity Service Levels Below the Minimum Service Levels

g.

HOUSEHOLDS – ELECTRICITY SERVICE DELIVERY LEVELS BELOW THE MINIMUM MUNICIPAL AREA									
HOUSEHOLDS									
Description	2017/2018	2018/2019	2019/2020	2020/2021	Actual No.	Original Budget No.	Actual No.	Original Budget No.	
Formal Settlements Senqu									
Total households	2 448	2 454	3 200	2 346					2 346
Households below minimum service level	0	56	32	335					360
Proportion of households below minimum service levels	0	0	0	0					0
Informal Settlements Eskom									
Total households	2 741	2 510	2 233	5 001					
Households below minimum service level	20	0	100	300					100
Proportion of households below minimum service levels	11.4%	0%	0%	0%					0%

303 additional houses were completed in FY 2020-2021 through INEP Funding with a rollover amount of R 1 290 857.25 approve from the FY 2019-2020 and additional amount added by Senqu Municipality of R 1 056 073.61 in FY 2020-2021.

Electricity Service Policy Objectives taken from IDP

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objective	2016/2017		2017/2018		2018/19		2019/2020		*Following Year
	Outline Service Targets	Actual	Actual	*Current Year	Actual	Actual	Target	Target	2020/2021
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(ix)	(ix)	(x)
Service Objective									
Provision of minimum supply of electricity	Additional households (HHs) provided with minimum supply during the year (No elect.)	1 878 (Eskom)	859 (Eskom)	1 878 (Eskom)	1 123 (Eskom)	Eskom – 1 123 Estimated- No Eskom information	Eskom Planned: 300 Households	Eskom Planned: 300 Households	Planned Eskom 100 (infills)
Facilitate the provision to access to adequate basic services in the area of Electricity / Reduce backlogs in service delivery in the areas of Electricity	Reports developed to detail manner in which backlogs for electricity & roads will be alleviated & sustained with financial planning All Wards / Provision of Implementation plan & quarterly reports to detail manner in which backlogs will be managed/ Municipal Manager/ Manager TS	Munic - 260	Munic -280	Munic - 260	Munic for Eskom- 323	Munic – 0 (Meters not received from Eskom)	Municipality: 32 Households	Municipality: 32 Households	Municipal 360 Households
Facilitate a improved electricity infrastructure and service provision as per implementation strategy and plan	Management, monitoring & oversight to ensure improved electricity infrastructure & service provision as per implementation strategy & plan in	Reduce Electricity losses to below 18%	<ul style="list-style-type: none"> 7 952 m of new MV & LV conductor stringed, 559 m of conductor replaced. 	Reduce Electricity losses to below 18%	Reduce Electricity losses to below 16%	<ul style="list-style-type: none"> New conductor erected: MV=0 LV = 2 634 m Conductor replaced: MV=0 LV=164 m 	Reduce losses to under 16%	Reduce losses to below 17%	Reduce losses to below 17%

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP																	
Service Objective	2016/2017		2017/2018		2018/19		2019/2020		*Following Year								
	Target	Actual	*Previous Year	*Current Year	Actual	Target	Actual	Target									
(i)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(x)								
Outline Service Targets	Service Objective																
(i)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(x)								
respect of report on no of New connections (no of application) /no new meters installed/ changed serviced /repaired & no new conductors replaced /networks changed /establish a store		<ul style="list-style-type: none"> 3 x Transformers were refurbished, 293 new connections, 219 non-payment disconnections, 131 reconnections, 224 meters replaced, 214 call outs dealt with, 2 710 hours overtime worked, 159 service connection faults, 28 OH line faults, 11 UG cable faults, 175 street complaints, 27 new streetlights installed, 123 streetlights replaced, 			<ul style="list-style-type: none"> Transformers refurbished = 4 New connections = 193 Meters replaced = 319 Disconnections for non-payment = 77 Reconnections = 48 Call outs = 191 Overtime hours = 2 962 Service connection faults = 108 OH line faults = 22 UG cable = 2 Street Light complaints = 200 												
					<ul style="list-style-type: none"> New streetlights = 8 Streetlights replaced = 140 Highmast tower repairs = 19 					<ul style="list-style-type: none"> Electricity losses (Inclusive of 10% Technical losses) = 16.43% 2 994 consumers 60 New connections 				<ul style="list-style-type: none"> Electricity losses (Inclusive of 10% Technical losses) : 16.57% 3 038 consumers 44 New connections 			<ul style="list-style-type: none"> Electricity losses (Inclusive of 10% Technical losses) = 18.4% Recording throughout the

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP										
Service Objective	2016/2017		2017/2018		2018/19		2019/2020		*Following Year	
	Target	Actual	*Previous Year	*Current Year	Actual	Target	Target	Target	2020/2021	
(i)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(x)	
Service Objective										
Facilitate a improved electricity infrastructure and service provision as per implementation strategy and plan	Management, monitoring & oversight to ensure improved electricity infrastructure & service provision as per implementation strategy & plan in respect of report on	5 high mast towers refurbished, 467 street repairs, OUTAGES: Munic Unplanned- 11 Munic Planned- 13 Eskom Unplanned- 7 Eskom Planned- 3, Illegal connections- 11, 260 new consumers connected in Sterkspruit through INEP, store value dropped to	Reduce Electricity losses to below 18%	Reduce Electricity losses to below 16%	Street light repairs = 327 Outages Planned Municipal = 17 Outages unplanned Municipal = 16 Eskom planned outages = 0 Eskom outages unplanned = 6 Illegal connections = 14 Store value = R 697 312.15 Electricity losses = 13.83%	267 distribution faults repairs 19 New Street Lights 213 Street Light Fittings replaced 4 Transformers refurbished 405 KWH Meters replaced 0 m MV New Conductor installed 1 950 m LV Conductor installed	500 distribution faults 685 Street light repairs 18 New Street Lights 173 Street Light Fittings replaced 6 Transformers refurbished 127 KWH Meters replaced	500 distribution faults 685 Street light repairs 18 New Street Lights 173 Street Light Fittings replaced 6 Transformers refurbished 127 KWH Meters replaced	Financial Year. Consumers 57 New connections Recording throughout the Financial Year. Distribution faults Recording throughout the Financial Year. Street light repairs New Street Lights planned is zero Street Light Fittings replacement planned is 84 Transformers refurbished planned is 5	Financial Year. Consumers 57 New connections Recording throughout the Financial Year. Distribution faults Recording throughout the Financial Year. Street light repairs New Street Lights planned is zero Street Light Fittings replacement planned is 84 Transformers refurbished planned is 5
		7 952 m of new MV & LV conductor stringed, 559 m of conductor replaced, 3 x Transformers	Reduce Electricity losses to below 18%	Reduce Electricity losses to below 16%	New conductor erected: MV=0 LV = 2 634 m Conductor replaced: MV=0 LV=164 m Transformers refurbished = 4	Reduce losses to below 18%	Reduce losses to under 16%	Reduce losses to below 14%	Reduce losses to below 14%	

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objective	2016/2017		2017/2018		Actual (vii)	2018/19 (viii)	Target (ix)	*Following Year 2020/2021 (x)	
	Target (iii)	Actual (iv)	*Previous Year (v)	*Current Year (vi)					
(i)	(ii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	
	no of New connections (no of application) /no new meters installed/ changed serviced /repaired & no new conductors replaced /networks changed /reestablish a store	were refurbished, 293 new connections, 219 non-payment disconnections, 131 reconnections, 224 meters replaced, 214 call outs dealt with, 2 710 hours overtime worked, 159 service connection faults, 28 OH line faults, 11 UG cable faults, 175 street complaints,			New connections = 193 Meters replaced = 319 Disconnections for non-payment = 77 Reconnections = 48 Call outs = 191 Overtime hours = 2 962 Service connection faults = 108 OH line faults = 22 UG cable = 2 Street Light complaints = 200 New streetlights = 8 Streetlights replaced = 140	519 Street light repairs 19 New Street Lights 213 Street Light Fittings replaced 4 Transformers refurbished 405 KWH Meters replaced 0 m MV New Conductor installed 1 950 m LV Conductor installed 2 m conductor renewed	18 New Street Lights 173 Street Light Fittings replaced 6 Transformers refurbished 127 KWH Meters replaced 0 m MV New Conductor installed 0 m LV Conductor installed 0 m conductor renewed	450 Distribution faults 393 Street light repairs 2 New Street Lights installed 84 Street Light Fittings replaced 8 Transformers send for refurbishment 5 Transformers refurbished 89 KWH Meters replacement 360 New KWH Meters installed 0 Meters MV New Conductor installed 75 Meters LV Conductor installed 1 500 Meters MV Conductor renewed 35 Meters LV Conductor renewed	

a. Electricity Losses (Historic to Date)

2017/2018	2018/2019	2019/2020	2020/2021
14%	16 %	16,57%	18,4%

3.1.4 Table: Employee Statistics: Electrical Services

EMPLOYEES: ELECTRICITY SERVICES					
Job Level	Year 2020/2021				
TASK SYSTEM	Year 1	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3	6	6	5	1	1.0%
4-6	0	0	0	0	0
7-9	7	7	4	3	1.75%
10-12	3	3	3	0	0
13-15	1	1	1	0	0
16-18	1	1	1	0	0
19-20					
Total	18	18	14	4	2.75%

Upon completion of the following operationally planned targets it is anticipated that electricity losses will reduce to a level of 10% during the 2026 financial year:

- Completion of the AMI Meter project, inclusive of data collectors (budget dependent);
- Minor conductor upgrades.
- Installation of check sectional metering (Budget dependent);
- Installation of capacitor banks on the MV to ensure quality of supply.
- LV phase balancing (ongoing); and
- Assessment of loss calculations in order to reduce the time lapse in order to ensure efficiency and correctness.

3.1.5 Financial Performance

FINANCIAL PERFORMANCE YEAR JUNE 2021: ELECTRICITY SERVICES					
R'000					
Details	2019/2020	2020/2021			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	76 370	74 973	82 365	44 597	(37 768)
Expenditure					0
Employees	6 879	5 983	5 983	7 551	1 568
Repairs and Maintenance	3 112	3 505	3 441	3 222	(219)
Other	41 916	24 366	53 948	49 404	(4 544)
Total Operational Expenditure	51 908	58 219	63 372	60 177	(3 195)

3.1.6 Electricity Services Capital Expenditure 2020/2021

CAPITAL EXPENDITURE YEAR 2020/2021: ELECTRICITY SERVICES					
MUNICIPAL AREA					
R' 000 (Ex VAT)					
Capital Projects	2020/2021				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	2 040	4 179	2 674	634	2 674
Tools & Equip & Vehicles	40	470	393	353	
Infrastructure	2 000	3 709	2 254	254	2 674

3.1.7 Municipal INEP Allocation (2020/2021)

INEP MUNICIPAL 2020/2021				
R'000				
Allocation	Budget	Actual	Variance	Total Project Value
0	1 291	1 291	0	4 256

A further R 3.2 M has been approved by the DoE (INEP), for an additional 303 new connections within the municipal licensed area for the FY 2019/2020. This was delayed due to Eskom being unable to supply their own meters as done previously and due to SCM not making allowances for additional scope of work extension to the contractor (supply of meters). These issues effectively extended the project by an additional three (3) months, resulting in a rollover application to National Treasury for the balance of R 1 290 857. The 303 households were completed in the FY 2020/2021. Total project value was R 4 256 073.61

3.1.8 Operational Cost Electrical Services (Distribution)

OPERATIONAL EXPENDITURE: YEAR JUNE 2021: ELECTRICAL SERVICES (DISTRIBUTION)					
DETAILS	2019/2020	2020/2021			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	76 370	74 973	82 365	44 597	(37 768)
Expenditure					
Employees	6 286	5 226	5 226	7 362	2 136
Repairs and Maintenance	2 588	2 945	3 150	3 030	(120)
Other	40 532	48 549	53 765	49 122	(4 643)
Total Operational Expenditure	49 406	56 720	62 141	59 514	(2 627)

3.1.9 Operational Cost Electrical Services Street Lighting

OPERATIONAL EXPENDITURE 2020/2021: STREET LIGHTING				
Details	2020/2021			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0
Expenditure				
Employees	757	757	189	(568)
Repairs and Maintenance	560	292	192	(100)
Other	183	183	282	99
Total Operational Expenditure	1 500	1 231	663	(568)

3.1.10 Capital Expenditure Year 2020/2021: Electricity Services (Street Lighting)

CAPITAL EXPENDITURE YEAR 2020/2021: ELECTRICITY SERVICES (STREET LIGHTING)					
MUNICIPAL AREA					
R' 000 (Ex VAT)					
Capital Projects	2020/2021				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	N/A	0	0	0	0
Tools & Equip & Vehicles	N/A	0	0	0	0
Infrastructure	N/A	0	0	0	0

3.2 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Note: In terms of the mSCOA implementation, this function was initially moved from the Community Services Directorate to the Technical Services Directorate. As of 1 July 2017, this function again returned to the Community Services Directorate.

3.2.1 Waste Management

It is the intention of the solid waste management division to focus on improving the management of the environment and creating a healthy and aesthetic living environment for all.

This process is required to be managed and implemented according to the legislation most pertinent to the management of waste in South Africa. This is specifically referred to as the National Environmental Management Waste Act, (Act 59 of 2008). This Act has been promulgated in order to ensure that there is structure and compliance in respect of:

- institutional arrangement and planning matters,
- national norms and standards for regulating the management of waste by all spheres of government, and
- the licensing and control of waste management activities and all matters connected therewith.

In so doing it provides the legislative framework for the management of waste in South Africa.

Other objectives of Solid Waste Management:

- Promoting and ensuring the effective delivery of waste services.
- Achieving Integrated Waste Management reporting and planning.
- Avoiding and minimising the generation of waste.
- Reducing, re-using, recycling and recovering waste.
- Preventing pollution and ecological degradation.
- Conducting efficient and effective Waste Awareness Campaigns.
- Ensuring that people become aware of the impact of waste on their health, well-being and the environment; and
- Ensuring compliance with all prescriptions of the Act.

It is the overall intention and objective of waste management, to improve the management of the environment, to combat illegal dumping and to ensure that all refuse and waste is removed and disposed of timeously and in the appropriate manner.

3.2.2 Targets identified and implemented during 2019/2020

In an effort to achieve these objectives the following targets were identified and implemented in as far as possible:

- Construction and Completion of the Solid Waste Site in Ward 13 – Herschel
- Construction and Completion of the Solid Waste Site in Ward 5 – Rossouw
- Completion of the Lady Grey Solid Waste Site
- Application for EIA in Rhodes
- Completion of Barkly East Solid Waste Site
- Application for EIA and appointment of contractor in Sterkspruit
- Waste awareness campaigns conducted within the Community. 5 are targeted within the wards;
- Waste Awareness campaigns conducted within Schools. 6 are targeted within schools;
- Cleaning of CBD streets in all towns;
- The target of 956,92 tons of waste collection in rural areas was exceeded and 1302.01 tons of waste was collected; and
- The target of 6814,92 tons of waste collection in the towns of Barkly East, Herschell, Lady Grey, Rhodes, Rossouw and Sterkspruit was exceeded and * 7946.86 tons was collected.

- a. Construction and completion of Solid Waste sites (Herschel, Rossouw, Lady Grey, Barkly East)

The following achievements and challenges were noted:

- Solid Waste Site: Herschel
 - The site did receive the permit for operation: permit No JG/B/M/003/17
 - A site handover meeting was held on the 1st July 2021 at the Technical Services Directors Office.

- Herschel Landfill Site is a Class B
- Solid Waste Site Ward 5: Rossouw

Rossouw Solid Waste Site did receive the permit for operation: No JG/B/M/002/17

- A contractor was appointed on 21 April 2021, and site handover meeting was held in Rossouw on the 19 May 2021
- Construction of the Solid waste is in progress

- Lady Grey

This target was not achieved due to legal proceedings underway. **Due to the previous contractor's** alleged underperformance, their services were terminated. Until such time as this process is settled the project remains on hold. Additionally, it is noted that the COVID - 19 pandemic contributed to the delay of arbitration proceedings.

b. Applications for EIA's (Environmental Impact Assessments)

- Ward 10 (Sterkspruit)

New site was identified in ward 17, and community engagement (consultative meeting) was held with affected communities. Although this meeting was held but there was no agreement reached between the two parties.

Communities were taken to Cape Town, Swartland Municipality for the best practice and the operations of the landfill site, so that the community can be able to know and understand what the landfill site is and how it operates and the benefits thereof, but still the communities are not yet convinced, to approve the project to continue.

- Ward 15 (Rhodes)

There current dumping site has no buffer zone and it on top of the stream dongas. New site was identified but no progress was made after the site was identified. The current dumping site is left with 2 years for operation, funding for the closure is required as dumping site not complying with the NEMWA Act.

c. Historic and current Challenges experienced within Waste Sites

Waste sites are located in Lady Grey, Barkly East, Sterkspruit, Rhodes and Rossouw. Sites do experience related challenges, that include:

- All landfill sites are not complying with the NEM: WA act and as well as the Minimum Requirement for the Operational of Solid Waste Sites.
- There is a lack of technical personnel for the operation of the landfill sites
- There is no specialised Vehicles for the operation of landfill sites
- No Operators for the Specialised Vehicles

d. Status of Landfill Sites:

LANDFILL SITE	STATUS QUO AND CONDITIONS
Lady Grey Landfill Site	<ul style="list-style-type: none"> • The Contractor who was appointed to do upgrading of the Lady Grey landfill site moved out of the site without completing the upgrading of the site, therefore the municipality is dealing with matter. • A Tender was place for the upgrade of the landfill site for Lady Grey after the appointed Contractor could not meet the targeted upgrade and was removed from the site. • The Contractor was appointed by the municipality to upgrade the cell (lining). • The contractor has moved out of the Project without beginning the lining process); • The matter is still on dispute.
Sterkspruit Landfill Site (old Site)	<ul style="list-style-type: none"> • The Municipality is in the process of development of the closure plan for the site as per the budget allocation • The Closure License expired 30th June 2018. The municipality has applied to DEDEAT for the extension of the license in order to finalise the new planned landfill sites in Sterkspruit (HO/A/14/L043/14). The extension was granted to the municipality by DEDEAT for a three (3) year period and this will terminate in 2021. • The municipality could not continue with the new site which was earmarked for the construction of the new landfill site, due to the fact that the site was not found to be suitable for the construction of the new landfill site. In addition, the required buffer zone was insufficient. • There is no burning of waste in the cell and there is no compaction (this is illegal).

LANDFILL SITE	STATUS QUO AND CONDITIONS
	<ul style="list-style-type: none"> The site has been fenced. The service provider was appointed for the fencing of the Sterkspruit landfill site, and it was fenced off as required. An ongoing challenge exists in terms of the need for plant and equipment for proper cover and compaction. No plant and equipment for proper covering and compaction on site exists. Improvements within this site have been made and the site is currently compliant with the Occupational Health and Safety Act in respect of the health and safety of its employees (access to toilets, shelter, running water and the like – as previously identified); and The municipality was expected to have completed the rehabilitation and closure of the old Sterkspruit dumping site by the end of the 30 June 2018. It must be noted that the site could not be closed because the municipality is currently still struggling to establish a new site in Sterkspruit. It was then opted to request for the extension of the license for the second time, as the first extension was granted.
Sterkspruit (New)	<ul style="list-style-type: none"> A new site has been identified at ward 17 and the process is on community engagement. Voyizana Village The municipality has expropriated land in Tapoleng village (Ward 17) where a new disposal site was to have been developed. The application was closed by DEDEAT due to the fact that the site was not compliant and was not found to be suitable for the development of the landfill site. The buffer zone challenge contributed to this decision. Moving forward the municipality was required to restart the application for the development of the landfill site in Sterkspruit, following the DEDEAT closure of the application, due to the non-submission of the geohydrological report on the due date. As required public participation initiatives have already begun and the EIA process is required to be begin.
Hershel landfill Site	<ul style="list-style-type: none"> The site has been handed over to the Contractor for development/ construction of the landfill site. The Municipality has received the permit to construct the landfill site in Herschel. While the municipality had budgeted for the establishment of the landfill site in the 2017/2018 financial year, a delay was experienced in the completion of the EIA. The EIA has since been completed and the landfill site construction will resume in 2021/2022 as the contractor was appointed on 24 June 2021. Currently, waste is being transported to Lady Grey and Sterkspruit.
Rossouw Landfill Site	<ul style="list-style-type: none"> The site has been handed over to the Contractor for development/ construction of the landfill site. Rossouw has received the permit to construct the new landfill site, which is expected to be constructed during the 2020/2021 financial year. The site is currently unlicensed and is situated near the Wasbank River. It will be listed for closure and rehabilitation in terms of license. Waste is covered through the use of shovels and it is not well compacted as there is no proper compaction equipment. This status quo has existed for quite some time and there continues to be no plant and equipment and the use of shovels for covering waste. No permanent staff are appointed and only EPWP staff are utilized to work in this area. Legislative compliance is lacking; and Originally the EIA was expected to be completed by November 2017, and New land has been established for the development of the landfill site facility. Accordingly, the EIA has been approved and the constructor was appointed in April 2021, and the sight handover was done in May 2021.
Rhodes Landfill Site	<ul style="list-style-type: none"> New site has been identified: a consultant needs to be appointed to facilitate the EIA processes The EIA was rejected by the Rate Payers Association of Rhodes, claiming that that there were no Buffer zones, and the site is on the riverbanks. A new site is required to be identified and an application for the EIA is to be made for the new site. Original applications were closed due to an objection received from the public. A new site has been identified and the application has been launched with the department and the EIA process is expected to resume. The landfill site is not licensed. The site is operating ineffectively due to limited equipment. By June 2021, the EIA had not been done for Rhodes Solid Waste Site

NOTE:

- The Sterkspruit Waste Site has reached the end of its life cycle and the municipality is required to ensure that a new site is operational by June 2018. Under the current circumstances this is unlikely. Due to Sterkspruit unrest in May 2019 the project was delayed, and progress made is far behind required targets. This may result in sanctions against the municipality due to non-compliance.
- Medical waste for the four (4) hospitals and fourteen (14) clinics is collected by a company called Compass Waste and this was organised by the Department of Health; and

- Environmental Health Practitioners are responsible for the control of waste management at clinics, being under the supervision of a Chief Environmental Health Practitioner. Monthly reports are received on Solid Waste Sites' but are mostly negative due to insufficient resources and SCM delays.

e. Waste Collection

- In all areas it must be noted that Waste Collection is successfully achieved, despite challenges relating to insufficient plant and staff.
- Currently challenges are experienced that relate to illegal dumping within all Senqu towns. It has been suggested as a solution that consideration be given to increasing the number of available law enforcement officers.
- The weighbridges are calibrated annually.
- It is noted that staff challenges exist in the operation of weighbridges in Barkly East and Lady Grey.
- Senqu Municipality currently has three (3) licensed landfill sites. More specifically:
 - Lady Grey and Barkly East are licensed as required in order to be able to operate; and
 - Sterkspruit have a closure license/permit.
- The following new sites are required to be developed:
 - Sterkspruit
 - Herschel
 - Rhodes
 - Rossouw

Specific challenges in terms of each of these sites are reflected as follows:

- Insufficient staff.
- Technical personnel for the operation of the landfill sites
- Old and ageing vehicles.
- Inadequate plant and equipment with which to manage solid waste disposal sites in terms of legislation.
- Breakdown of vehicles (no mechanic available for maintenance).
- Non-compliance of legislation with the resulting consequences.
- The lack of recycling projects and related components; and
- Delays in terms of SWS lining projects, due to insufficient resources; and

Suffice is to note that generally, Solid Waste is not receiving the resources required, in order to meet Constitutional and legislative requirements.

The Constitution of the country places the responsibility on government to ensure that such services are progressively expanded to all, within the limits of the available resources. Municipal policy is progressively moving towards universal access to Waste Management.

Currently the municipality provides only waste collection services to the communities and private enterprises of:

- Lady Grey
- Barkly East
- Rhodes
- Sterkspruit
- Herschel
- Mokhesi and Tienbank (rural)

The municipality is no longer collecting waste in Mokhesi and Tien Bank, this is due to the fact the service that the municipality rendered is not paid for, and also the areas need to be formalised and identification of indigent communities are required and also non- indigent communities that qualify to pay for the service rendered.

With no waste collection taking place in the rural areas, illegal dumping as well as burning of waste is taking place and this represents a huge challenge for the municipality.

This problem further compounds the effect of contamination, pollution, damage to tourist assets and the environment.

Waste is collected weekly from households and twice or three times in a week from businesses within the areas of collection. Residential and most commercial waste is handled as "kerbside collection".

Metric Tonnage collected per annum.

The municipality collected a total of 10031.02 tons against the annual target of 8055.19

A total of 138 tons of variance, caused by the extension of collection to informal settlements and part of the RDP houses in Herschel. As much as we are report the variance of 138 the collection has dropped due to the COVID 19 Level 3

f. Recycling

There are only a few informal recycling programmes currently running within Senqu Municipality, extracting less than 1% of the potential recyclable product.

Issues were experienced with recycling co-ops within the municipality, who were supposed to claim all the recyclable material which ended up in the landfill site, thus minimising the air space in our landfill sites. During Covid - 19 period, Co-ops were given PPE by the Department of Environmental Affairs and, they received relief programme, that is incentives because they could not normally operates as they usually operate due to Covid 19 different Adjusted levels of Covid as declared by the Sate President. A once of payment of R 945.00 paid to the beneficiaries

During the application process the initial municipal database had 27 waste pickers. Upon contacting them, six mentioned that they are no longer working as waste pickers and three (3) were unreachable from their provided cell phones. This led to the drop in numbers from 27 to 18 waste pickers. There was an additional three which brought the number to what is currently on the database, 24 waste pickers.

g. Integrated Waste Management Plan (IWMP)

- The IWMP is implemented and approved by Council. In terms of 2017 data:

Households served (as per IWMP 2017):

- 2 835 households in Barkly East.
- 510 in Herschel.
- 2 820 in Lady Grey.
- 144 in Rhodes.
- 100 in Rossouw; and
- 639 in Sterkspruit.

h. Waste Awareness

- Public awareness and education are an important factor in sustainable waste management. Waste awareness initiatives have been implemented using internal funding.
- To achieve sustainable waste management, it is imperative that the public become aware and educated regarding waste issues.
- Environmental and waste Management Awareness were conducted in Two (2) Schools in the First quarter ward 8 and ward 15. Also, in first quarter Environmental and Waste Awareness were conducted in Communities in Ward 15 and ward 16.
- Environmental and Waste Awareness were conducted in ward 14 and ward 5 in Schools. Community Environmental and Waste awareness were conducted in ward 8 and ward 10.
- Environmental and Waste Awareness was conducted in two (2) Schools in ward 10 and ward 13. Environmental and Waste awareness was also conducted communities in ward 14.
- Schools Environmental and Waste Awareness were conducted in ward 10 and ward 16 during quarter four (4). Community Environmental and Waste Awareness were conducted in Ward 15 and ward 16.

i. Waste Management By-Laws

Waste Management By-Laws are promulgated, and fine Schedule are endorsed by the Magistrate in Sterkspruit during the month of March 2021. The challenge is the enforcement of the By-Laws

3.2.3 Financial Performance: Solid Waste Management Services

a. Financial Performance Year 2020/2021: Solid Waste Management Services

Financial Performance Year 2020/2021: Solid Waste Management Services						R'000
Details	2019/2020	2020/2021				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	42 049	41 050	47 151	13 921	(33 230)	
Expenditure						
Employees	9 529	11 483	11 483	2 279	(9 204)	
Repairs and Maintenance	558	952	982	672	(310)	
Other	12 817	8 145	14 755	12 241	(2 541)	
Total Operational Expenditure	22 904	20 581	27 221	15 192	(12 029)	

Capital Projects: Solid Waste

Financial Performance Year 2020/2021: Solid Waste Management Services Municipal Areas						R'000(Ex VAT)
Capital Projects	2020/2021					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value	
Total All	30 796	12 690	4 263	(26 533)		
Machinery and Equipment	240	690	392	152		
Solid Waste Infrastructure	30 555	12 000	3 871	(26 684)		

3.3 HOUSING

3.3.1 Introduction to Housing

The Department of Human Settlements is responsible for the function of housing in terms of providing planning services, construction of the top structures and the transfer of the properties to the beneficiaries. Since this period, the Department has been the implementer of housing projects, services, and the top structures. **This was conducted through the Department of Human Settlement's own procurement procedures and service providers.**

Notwithstanding, the municipality assists the department and this function by engaging in the following activities:

- Beneficiary identification and registration for RDP houses.
- Ensuring land availability.
- Assisting the Department of Human Settlements by assisting beneficiaries in filling out deeds of sale for the Department to transfer the properties to the beneficiaries through their appointed conveyancers.
- The municipality has developed a Housing Sector Plan (an attachment to the IDP), which was adopted in July 2021.
- To realign municipal departments with the Treasury GFS functions under mSCOA, the housing function was not considered to be a municipal function and officials were transferred / re - allocated to posts within EPWP and LED. Notwithstanding, this has proved to be a misunderstanding of the regulations and the function of housing returned to Development and Town Planning Services during 2017/18 under Town Planning.
- The Housing Sector Plan for the municipality was re-adopted to accommodate changes to the identified needs of the community. This has now been revised in totality and after taking into account more detailed studies, this provides the municipality with a more realistic backlog total. The current housing need according to the Housing Sector Plan for 2020 is 3339, the total housing need is 14 083.
- Comparison between Census 2011 and 2016 figures, indicates an increased number of households (from 67% to 75%) living in formal brick / block structures and a decrease in the number of people living in traditional dwellings (24% to 18%) and informal dwellings (5% to 3%). (Housing Sector Plan 2021).
- It must be noted that the Spatial Development Framework (SDF) has identified land in all towns for future housing developments. A land audit was conducted for Sterkspruit, and available land was identified for resale to the public for individual residential development. This exercise is in accordance with the SCM Regulation of August 2014. This land audit has been undertaken by the Housing Unit and is 90% credible.

- To provide context, the Rhodes and Rossouw projects were approved in the 2010/2011 financial year. To date only the Rossouw project has been completed. The first phase of the Rhodes Green Field Project is still awaiting EIA approval but construction in phases (an in-situ project - not requiring an EIA) is under construction. All 87 units of phase one have been completed and handed over. The layout plans for the Green Field have not yet been approved, due to issues of bulk water in Rhodes.
- It is noted that Land Invasion had caused delays to the Herschel Housing Project. More specifically, only five hundred and five (505) units of the original seven hundred (700) units have been constructed. The Council took the decision to reduce this project to five hundred and five (505) units and identify other land for a new project registration that would accommodate the shortfall. To date this has not yet been acknowledged by the department, despite correspondence and meetings. Local politicians were to meet with the Tugela Tribal authority to resolve the matter. This did not occur due to unrest in the Sterkspruit/Herschel area. To combat this, Land Invasion Signboards were erected, and layout plans developed for Lady Grey, Barkly East and Sterkspruit. These were tabled for approval in the July 2019 Council meeting. The Town Planning section is also in the process of developing a land invasion Bylaw.
- Phase 1 of the Sterkspruit 4000 units project has been completed. The Department of Human Settlements is currently in the procurement stage for phase 2 of the project.
- There is currently legal action being taken against land invasion, but legal matters are a costly and a drawn-out process. These processes have been underway for the last eight (8) years without success to date.
- A great challenge continues to be experienced regarding the fact that in many cases beneficiaries allocated to housing units become **"lost" for various reasons. This then results in the de-registration and registration of new applicants.** The transfer of even to achieve title deeds, depends on professional legal persons and in some cases this process occurs at a very slow rate.
- There are currently insufficient resources to enable the municipality to become more efficient within this area of service delivery. In this regard the municipality took a decision that they would apply for accreditation to be able to complete the entire housing process in the future. This has not been resourced to date; and
- Illegal building within the Sterkspruit rural area is a challenge with limited capacity. Traditional leaders complicate land and building matters allowing adhoc building operations – placing severe strain on service delivery.

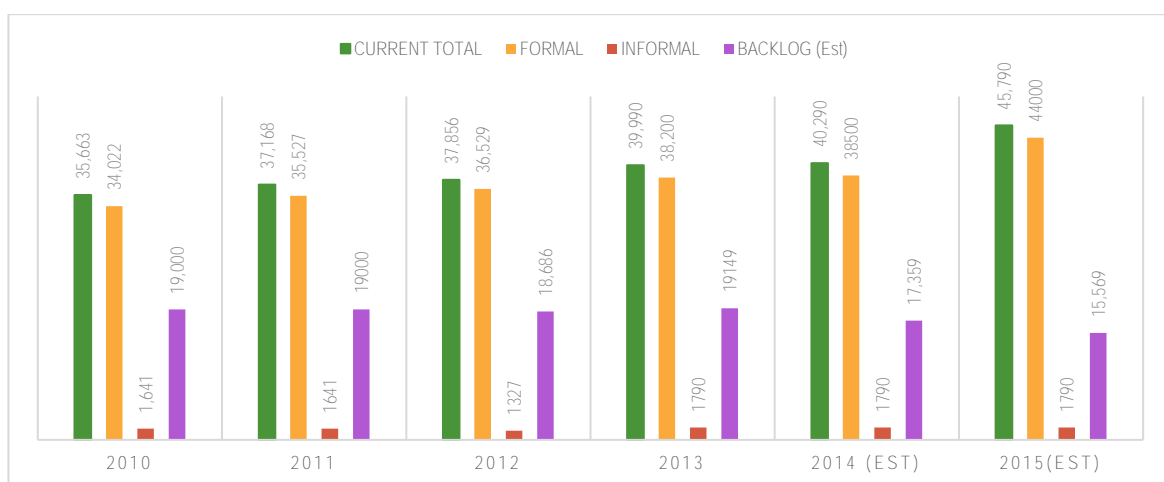
3.3.2 Access to Basic Housing

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING 2020/21		
Type of dwelling	Number of households	% of total number of households
House of brick/ concrete block	30 250	75.25
Traditional dwelling/ hut	7 036	17.5
Informal dwelling/ shack	556	1
Informal dwelling in an informal settlement or farm	799	2

Most of the population reside in formal houses on individual stands. One quarter of the population still lives in traditional (mud) houses and minority of the population within the urban areas reside in informal structures in informal settlements. The total household for formal settlements sits at a figure of 30250 and informal settlements are reflected as 8391.

3.3.3 Housing Backlogs (Historical data and contextual overview)

HOUSING BACKLOGS (dating back up to 2015 / 2016)



3.3.4 Housing Service Policy Objectives Taken from IDP

HOUSING SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators	2015/2016		2016/2017		2017/2018		2020/2021		Following Year (x)
	Target	Actual	Target	Actual	*Current Year (viii)	Target	*Current Year (ix)		
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(viii)	(ix)	(x)	(x)
Service Objectives									
Provision for housing for all households	Additional houses provided during the year (Houses required at year end) Barkly East 298 units	4000 additional houses (9 262 houses required)	4000	4000	3 500 additional houses (5 762 houses required)		1359	1100	921
Facilitate housing project(s)/ implementation.	Evidence of facilitation efforts/reports / Database updated	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports		12 x monthly reports	12 x monthly reports	12 x monthly reports
Ensure Housing Sector Plan adopted by Council	Council resolution of Housing Sector Plan	1	0	1	1		1	1	0

3.3.5 Table: Employee Statistics (Housing Services)

EMPLOYEES: HOUSING SERVICES					
Job Level TASK SYSTEM	2019/2020	2020/2021			
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3					
4-6	2	2	2	0	
7-9					
10-12	2	2	2	0	
13-15	1	1	1	0	
16-18	1	1	1	0	
19-20					
Total	6	6	6	0	

Note: No funded vacancies exist for the current year.

3.3.6 Comments on the Performance of the Housing Service Overall

- As already detailed, Senqu Municipality is no longer involved in the capital construction of housing projects but only assists in an administrative manner with regard to beneficiaries (considered as operational);
- The delivery of housing units is slow due to: poor communication and cooperation challenges experienced from the department of Human Settlements; late approval of the Housing Sector Plan (due to the Department of Human Settlement not yet having submitted); insufficient data to engage in informed planning and last but not least, the difficult and sometimes inaccessibility of sites in the rural areas in order to deliver materials and construct (due to poor road access, and intermittent water supply) which affects construction and increases project costs in general;
- The quality of workmanship is currently a concern as the municipality has no control thereof. This is reliant on the Department of Human Settlements which conducts the related quality control. The Hillside Project bears testimony to this in that: of the 998 units already built, 603 required rectification and the DHS is aware of this. This issue will be accommodated in the revised Housing Sector Plan. Clearly this question and raises extreme doubt regarding the construction quality. In this regard, it must be noted that the department is clearly aware of this situation, having been informed of this by the municipality.
- The municipality no longer has control of any housing capital projects. The operational budget variance was caused by poor performance on the part of service providers (conveyances) in transferring the title deed to the beneficiaries. The municipality has removed all non-performing conveyances and appointed new conveyances to attend to the transfer of properties. The issuing of rates clearance certificates by the Joe Gqabi District Municipality also contributes to the slow progress of the transfers of properties.
- There is an urgent need for middle and rental housing within the area and these applications have been submitted, however, the challenge remains due to the limited availability of bulk infrastructure and land in Sterkspruit.
- The issue of disaster housing is gaining importance. Persons applying for emergency houses wait for long periods of time as the Department of Human Settlements waits until it reaches a minimum number of houses required in the area before it contracts a person to build them; and
- Housing staff were trained on the HSS system and the Housing Needs Register. It is hoped that this will decrease allegations of corruption as persons cannot be removed from the list or moved up or down - it is in essence a national list.

3.4 FREE BASIC SERVICES

3.4.1 Introduction to Free Basic Services (FBS) and Indigent Support

In terms of its powers and functions, the Joe Gqabi District Municipality is the Water Services Authority and is therefore responsible for the implementation of all water and sewerage services, including Free Basic Services (FBS). Senqu Municipality, in conjunction with Eskom, is responsible for FBE (Free Basic Energy) and FBAE (Free Basic Alternative Energy). Currently there is a Service Level Agreement (SLA) in place with Eskom for FBE in the rural areas. This is based on technical data (20 A supply).

Senqu Municipality has both an Indigent and a FBE Policy in place. These cater for any household earning a combined income of no more than twice the official old age pension, which changes on an annual basis. This then entitles them to receive Free Basic Energy or Free Basic Alternative Energy. Free Basic Solid Waste Removal and a full subsidy on property rates is included for formally identified indigent households.

The Indigent Register was updated. The indigent verification was completed by utilizing the CAAT system and 1787 of the 5 757 consumers were approved to receive the free basic services.

FREE BASIC SERVICES - including Solid waste /refuse removal 2020/2021 (Comparison with previous financial year 2019/2020) *Unaudited figures

KPA & INDICATOR	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2019/2020	2020/2021
a) The percentage of households earning less than two state pension fund per month with access to free basic services	31,04 % of our serviced consumers are registered as Indigent consumers. Senqu LM service 5757 consumers of which 1787 are indigent beneficiaries Rural areas fall outside the Municipal service area and are thus not reported on during the year under review.	24% of our serviced consumers are registered as indigent consumers on. The municipality is in control of 6% percent coverage as compared to Eskom area of supply. Rural areas fall outside the Municipal service area and are thus not reported on during the year under review.
b) The percentage of households with access to basic level of solid waste removal	85,75% 6 713, households have access to refuse removal of which 5 757 receive free basic properties during the year under review. There are 956 properties where services were not collected these do appear on the collection site.	88.5% of our household have access to waste disposal during the year under review. 6713, households have access to refuse removal of which 2414 receive free basic properties during the year under review. There were 771 properties where services were not collected these do appear on the collection site

Households Receiving Free Basic Energy

REGISTERED HOUSEHOLDS (Eskom & Municipality)	Year 2016/2017	Year 2017/2018 (Estimated)	Year 2018/2019	Year 2019/2020	Year 2020/2021
Free Basic Energy	12 523	12 523	12 530	12640	12530
Free Basic Alternative Energy	625	497	497	497	497

Free Basic Services to Low Income Households											
	Number of Households										
	Total	Households earning less than R2 920 per month									
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse			
		Total	Access	%	Access	%	Access	%	Access	%	
Year - 3	47 477	12640	JGDM	-	JGDM	-	12 640	26%	1790	3.77%	
Year -2	39 438	12 523	JGDM	-	JGDM	-	12 523	32%	Not available	-	
Year -1	41 408	14 943	JGDM	-	JGDM	-	12 523	30.4%	2 420	5.83%	
Year - 0	41 453	15 113	JGDM	-	JGDM	-	12 523	30.22	2 590	6.25%	

FREE BASIC SERVICES: ELECTRICITY 2020/2021

INDICATOR NAME	TOTAL NUMBER OF HOUSEHOLD/ CUSTOMER EXPECTED TO BENEFIT	ESTIMATED BACKLOGS (ACTUAL NUMBERS)	TARGET SET FOR THE FINANCIAL YEAR UNDER REVIEW (ACTUAL NUMBERS)	NUMBERS OF HOUSEHOLDS/ CUSTOMERS REACHED DURING THE FINANCIAL YEAR	PERCENTAGE OF ACHIEVEMENT DURING THE YEAR 2020/2021
1. Percentage of households with access to electricity services	Est 97% in urban Est 68% in rural	25 (urban – land invasion) 3 301 (Rural)	0 (done on application) 2 753	28 new connections (Urban-On demand) 324 (Rural)	100% 19% (Eskom)
2. Percentage of indigent households with access to basic electricity services	100% of applicants (Urban) 100% of applicants (Rural)	On application 575 (Urban) 11 643 (Rural estimated)	725 (Urban)	575 (Urban) 7 084 (Rural)	100% (Urban) 61% (Rural)

FINANCIAL PERFORMANCE YEAR 2020/2021: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED R '000					
Services Delivered	Year 2019/2020		Year 2020/2021		Variance to Budget
	Actual	Budget	Adjustment Budget	Actual	
Water	-	-	-	-	-
Wastewater (Sanitation)	-	-	-	-	-
Electricity	6 056	8 163	10 663	8 167	(2 496)
Waste Management (Solid Waste)	3 076	4 737	6 237	3 186	(3 051)
Total	9 132	12 900	16 900	11 353	(5 547)

Note: Water and Sanitation are not Senqu functions but are the responsibility of Joe Gqabi District Municipality.

FREE BASIC SERVICE OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators	2017/2018		2018/2019		2019/ 2020		2020/2021		
	Target	Actual	Target	Actual	Target	Actual	Target	*Current Year	*Following Year
(i)	*Previous Year (iii)	(iv)	*Previous Year (v)	(vi)	*Current Year (viii)	(ix)	*Current Year (x)	(xi)	(x)
Service Objectives									
Provision of alternative energy support to low-income households that do not received free basic services	602 HHS receiving support	602 HHS receiving support	602 HHS receiving support	625 HHS receiving support	625 HHS receiving support	625 HHS receiving support	625 HHS receiving support	625 HHS receiving support	625 HHS
Facilitate the provision to access to adequate basic Electricity: Free Basic Electricity of 50 Kwh	12 000	12 523	12 523	12 523	12 523	12 523	12 530	12 600	12 600

3.4.2 Comment on Free Basic Services and Indigent Support:

- It must be noted that the Free Basic Services and Indigent Support Policies are revised annually, and Free Basic Services are paid for from the Equitable Share Grant as allocated under DORA.
- Joe Gqabi District Municipality is the Water Services Authority and deals with all aspects of water and sewerage services, while the Senqu Municipality Technical Services Department is now responsible for Solid Waste matters until 1 July 2017.
- The indigent verification was done through CAAT system 1787 of the 5 757 consumers were approved to receive the free basic services.
- In total 6713 households have access to refuse removal services of which 5 757 is free basic refuse removal services.
- 85.75% of households have access to refuse removal.
- 31,04 % of our serviced consumers are registered as Indigent consumers.
- The electricity consumption is difficult to calculate as some households require the FBE units every month while others only obtain these once every two (2) to three (3) months, and therefore consumers are calculated on households that are registered.
- There is currently only one (1) dedicated staff member for the FBS function. Notwithstanding it is the intention to employ an intern, with the possibility of long-term employment, to assist with FBS due to the magnitude of the service. The intention is to achieve a permanent FBS Unit within the next 3 years, budget dependent.
- In areas that will not be grid electrified, the municipality will be completing and submitting applications to the DoE for solar energy, after assessment of the need is complete; and
- Applications have been submitted to the DoE for Solar Water Heaters for areas where criteria are met but no response has been received to date.

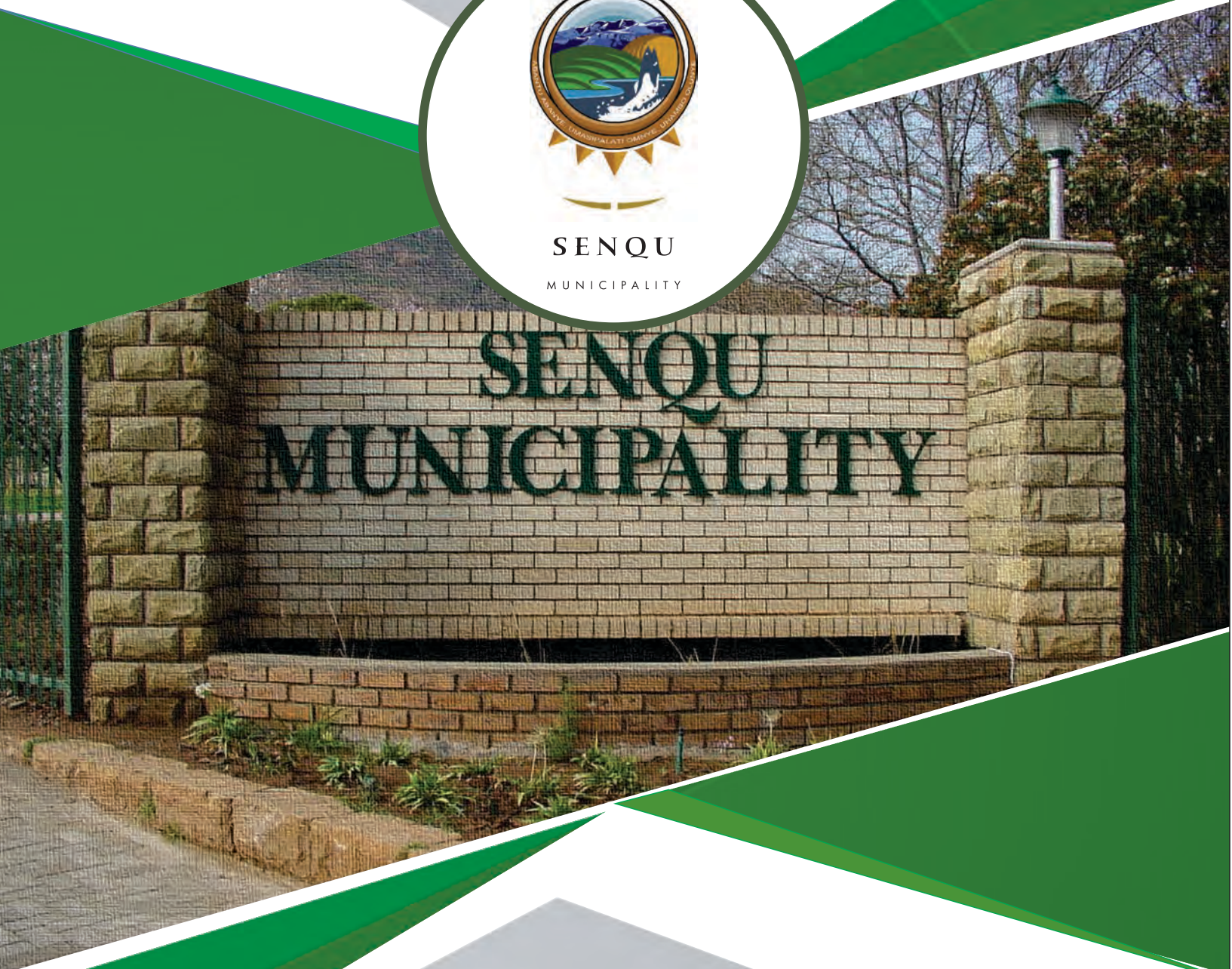
3.4.3 Challenges Experienced (FBS and FBAE)

- Unreliable vehicle
- Delivery logistics
- Insufficient staff
- Insufficient data
- Insufficient political assistance
- Insufficient operational budget; and
- SCM turnaround time.

a. Budget vs Expenditure: Free Basic Services

	Year 2018/2019	Year 2019/2020	Year 2020/2021
Budget	11 582	12 082	16 900
Expenditure	9 319	9 132	11 353

NOTE: There is to be a concerted effort made to increase FBE in the new financial year.



**COMPONENT B
ROAD TRANSPORT (ROADS,
TRANSPORT AND WASTE WATER
(STORMWATER DRAINAGE)**

COMPONENT B: ROAD TRANSPORT (ROADS, TRANSPORT AND WASTE WATER (STORMWATER DRAINAGE))

3.5 ROADS

3.5.1 Introduction to Roads

- Senqu Municipality has the largest and longest amounts of unsurfaced main roads and access roads. Within this geographical region it must be noted that following Gariep, Senqu Municipality has the second longest road length within this area.
- The Transport Plan is completed by the Joe Gqabi District Municipality with input from all local municipalities. Roads forums are championed by the Department of Roads and Public Works (DRPW) but are seldom successful due to non-attendance of stakeholders and due to the insufficient availability of staff found within municipalities.
- A Roads Maintenance Plan for 2020/2021 was approved for implementation. This involved planned maintenance for 89 680m of **Roads in Wards' 2, 3, 4, 5, 6, 8, 9, 10, 11, 15, & 17**. The analysis of progress has been summarised as follows:

Summary Q1 of 2020/21

PROJECTS & WARD	KM	Estimate km	Diff
R & M Gravel Roads-Ward 10	0,13	0,20	-0,07
R & M Gravel Roads-Ward 17	4,38	1,50	2,88
R & M Gravel Roads-Ward 9	9,65	1,50	8,15
TOTAL:	14,16	3,20	10,96
Pothole R & M Ward 14	359 Potholes	N/A	
Pothole R & M Ward 16	612 Potholes	N/A	
Pothole R & M Ward 10	667 Potholes	N/A	
Pothole R & M Ward 8	633 Potholes	N/A	
TOTAL:	2271 Potholes	N/A	

Summary Q2 of 2020/21

PROJECTS & WARD	KM	Estimate km	Diff
R & M Gravel Roads-Ward 8	7,33	0,46	6,87
R & M Gravel Roads - Ward 9	1,60	0,46	-1,14
R & M Gravel Roads-Ward 11	15,58	2,20	13,38
R & M Gravel Roads-Ward 17	3,62	0,46	-3,16
TOTAL:	28,13	3,58	15,95
Pothole R & M Ward 14	475 Potholes	N/A	
Pothole R & M Ward 16	521 Potholes	N/A	
Pothole R & M Ward 10	467 Potholes	N/A	
Pothole R & M Ward 8	397 Potholes	N/A	
TOTAL:	1860 Potholes	N/A	

Summary Q3 of 2020/21

PROJECTS & WARD	KM	Estimate km	Diff
R & M Gravel Roads-Ward 2	8,77	1,00	7,77
R & M Gravel Roads - Ward 3	3,60	1,00	-2,60
R & M Gravel Roads-Ward 6	6,89	1,00	5,89
TOTAL:	19,26	3,00	11,06
Pothole R & M Ward 14	495 Potholes	N/A	
Pothole R & M Ward 16	431 Potholes	N/A	
Pothole R & M Ward 10	335 Potholes	N/A	
Pothole R & M Ward 8	87 Potholes	N/A	
TOTAL:	1348 Potholes	N/A	

Summary Q4 of 2020/21

PROJECTS & WARD	KM	Estimate km	Diff
R & M Gravel Roads-Ward 4	2,23	0,75	1,48
R & M Gravel Roads - Ward 5	15,88	0,75	0,75
R & M Gravel Roads - Ward 15	10,02	1,50	1,50
TOTAL:	28,13	3,00	3,73
Pothole R & M Ward 16 & 15	496 Potholes	N/A	
Pothole R & M Ward 10	653 Potholes	N/A	
Pothole R & M Ward 8	583 Potholes	N/A	
Pothole R & M Ward 14	300 Potholes	N/A	
TOTAL:	2032 Potholes	N/A	

Overall, the target relating to Roads Maintenance was overachieved. This was mostly due to more blading and not total re-graveling as requested by ward councillors and communities.

- In 2020/2021 the construction of 7.298 kilometers with stormwater in Boysi Nondala was completed. This was a multi-year project which started in 2019/2020.
- A total of 6.51 kilometers was also constructed in the in Ward 2. The actual target for this project was 7.01, however the contracted only managed the 6.51, and remainder will be done in 2021/2022.
- The municipality also completed the 2-kilometre remainder in the Esilindini and Frans project which was initially a total of 5.5 kilometers.
- An analysis of our tarred roads has indicated as follows * (unaudited data):
 - the DRPW prioritised and committed to the resurfacing of the R58 FROM Aliwal North to Barkly East. This project will have good economic spill overs as most investor also investigate to the reliable and safe roads infrastructure.
 - The R 393 between Lady Grey and Sterkspruit is for the most part found to be in good condition, but there are sections that are failing. In these instances, there are an increased number of potholes that have occurred; and livestock found on the road are commonplace because of having been stolen or due to poor/lack of fencing. This represents a danger to both animals and drivers; and
- Business plans are drawn up annually and submitted to the Department of Transport during each new financial year, for any required surfacing of roads, identified as top priority by Council.
- In terms of Gravel/ Unsurfaced Roads it is fair to say that, despite maintenance by the DRPW, most of provincially maintained gravel roads have deteriorated significantly to a level where they need extensive re-gravelling and low-level bridges need repair or replacing. The DRPW is required to re-examine their strategy and to investigate ways in which a more sustainable road surface process (such as interlock paving) can be utilized. This is also required as it is noted that the quantity and quality of gravel is diminishing. Ultimately this will result in a situation where people will be unable to access goods and services or will be required to pay a high price for the transport of goods and persons, due to poor or impassable roads. This is compounded by extreme weather conditions such as flooding and snow. Several roads aside from the above have been prioritised for re-gravelling and priority upgrading by the municipality through the DRPW.

3.5.2 Roads requiring urgent attention

- The R 396 from Barkly East to Rhodes as this leads to an important tourist destination.
- **Access roads to the 7 gravel passes of Lundeansneck, Joubert's, Otto du Plessis, Carlislehoek DR 03230, Volunteers (MN 20635), Bastervoetpad, and Naudesnek (R396).** These passes incorporate three (3) of the highest passes in South Africa. In addition, the roads leading to Tiffindell Ski Resort must be attended to, noting that this is the only ski resort in South Africa.
- **DR 393 to Lundeans Neck and Sterkspruit from Barkly East.**
- Upgrade of DR 03214, DR 03221 and DR 3222.
- Access roads to hospitals and villages.
- Khiba DR 08526 Road.
- Coville DR 08510 Road.
- Mlamli DR 08606 Road.
- Herschel to Manxeba to Sterkspruit DR 08511 Road (Interlock paving/Asphalt surfacing).
- Road from Sterkspruit to Holo Hlahatsi Dam DR 08521/DR 08516 (previously Jozanashoek Dam) - Interlock paving / Asphalt surfacing.
- Herschel/Manxeba/Sterkspruit (interlock paving/asphalt surfacing; and
- Access Roads are required to be maintained by municipalities in terms of the Municipal Structures Act (although this is not financially viable for Senqu Municipality) - maintaining all roads as frequently as planned for optimal maintenance. The municipality inherited

a backlog of maintenance of existing access roads as well as many villages which don't have access roads or internal roads. Taking this into account together with the acknowledgement of the small tax base and high levels of unemployment, it is observed that the municipality is heavily reliant upon MIG grant funding for construction and rehabilitation of roads infrastructure and the Equitable Share for the repair and maintenance of roads.

- In terms of Powers and Functions, Senqu Municipality is responsible for all access and municipal roads in its area. The balance of roads falls under the powers and functions of the Department of Roads and Public Works (DRPW) now known as the Department of Transport (DoT), as of 1 April 2018.
- As in previous years, the Municipality has engaged its municipal wards to identify and prioritize the access roads that required surfacing/paving.
- Streets within towns are the responsibility of the relevant local authority. Streets within townships in all the urban settlements are mostly in a reasonable state, however it is noted that Lady Grey and surrounding areas have been affected and hit in the past by weather extremes i.e., flooding, and localized flooding and/or affected by severe drought conditions. In all instances these circumstances may lead to impassable roads and poor access across the Senqu area during times of bad weather.
- The original RDP housing constructed in Kwezi Naledi has contributed to the original flooding challenge due to incorrect building practices (failure to build above the natural ground level) and it is noted that communities block storm water flow due to illegal access constructions and dumping of waste in storm water channels.
- Senqu Municipality does not have any entities responsible for rendering road maintenance services within the municipality. Capital projects are completed through the procurement of professional service providers and contractors and funded through the MIG programme and internal funding. Capital projects are identified through the IDP process, prioritised by the IDP & Budget Steering Committee and dependent on available funding. These priorities change periodically to suit the changing needs of the community. It must be noted that the weather patterns (heavy rain/snowfall) wreak havoc on the gravel roads, and this will in turn lead to changes within the MTERF.
- As the quality and quantity of gravel is rapidly dwindling within the area, the use of gravel access roads is currently being phased out in favour of interlock paving, which is sustainable and has high job creation content. The adopted Roads Policy now incorporates the construction of sustainable roads as well as the provision of an on-going sustainable source of job creation for years to come.
- The Barkly East, Mokhesi, Zwelitsha, Ext 4, Lady Grey (inclusive of Khwezi, Steve Tshwete) asphalt surfaced roads required urgent attention in terms of revitalisation, resurfacing and possible rehabilitation, failing which there is a real risk of having to downgrade these roads to Class 5 (gravel roads). The MIG infrastructure also needs to be prioritised for maintenance.
- Currently the municipality is in possession of its own roads team that was used in the construction, rehabilitation, and maintenance projects until recently, when Council resolved that the team be used for maintenance purposes only. This has also been incorporated into the adopted Roads Policy. While this should have provided a boost to the current road infrastructure lifespan, it did not occur, due to the low-level maintenance strategy of Council. It must be emphasized that this is a short-term solution that requires a higher level of maintenance through capacitation within the roads section. It is further noted that the Senqu area is too large for the roads team to be considered efficient and the maintenance of municipal roads in urban areas is also dealt with by the roads team. Some roads require major maintenance and are required to be re-gravelled. This then slows down the maintenance program, which in turn affects performance targets. This all occurs at the cost of time, which is contradictory to the Councils current strategy of attempting to reach all wards and their communities; and
- It is noted that each constructed/rehabilitated road will only be visited once every 2 to 3 years as there are insufficient plant and operators to do this more frequently and to ensure that this occurs at the proper level. This is an extremely inefficient option and plan, as each road needs to be maintained at least once per year and following every heavy rainfall/snow. The cost of sufficient plant and staff to maintain the entire area will be high and therefore will need to be phased in but should be considered as a high municipal priority. The replacement of existing plant also needs to be considered.

Backlogs will likely increase again once existing roads find themselves severely impaired at the end of their lifetime. This will be due to the insufficient maintenance capability required to extend lifespans of the new roads. This has largely contributed to the Council policy of constructing more sustainable roads and creating jobs using interlock paving systems.

Maintenance in urban areas takes longer than in rural areas due to greater existing infrastructure, road furniture and access ramps.

The cost of plant purchases is planned as a phased in approach over various financial years by the municipality (budget dependent). There is however a real need for more plant and operators to split the team into two sections in order to establish re-gravelling team and a light maintenance team. The need for Plant Operators within the area is also a critical issue as they represent a scarce skill and tend to prefer to work in the private sector as the benefit is greater. The municipality is continuously busy with an on-going training programme that results in all operators obtaining official "Operator Certificates".

The matter of powers and functions sometimes leads to a frustrated community as the access roads of the municipality are often in better condition than the provincial roads. This can be attributed to lack of integration in the maintenance programmes. Meetings have been held with the local DRPW office, but they also have resource issues.

3.5.3 Pothole Repairs

During the current year the following pothole repairs were completed:

POTHOLE REPAIRS 2020/2021			
	Target	Actual	Variance
Barkly East	1000	2060	-1060
Lady Grey	1000	1629	-629
Sterkspruit	1000	2122	-1122
Mokhesi	1000	1700	-700

Note: Additional potholes were caused by heavy rain and further deteriorating road conditions.

It remains difficult to establish targets on pothole repairs as they may increase due to poor weather. The drought that has currently been experienced within the areas has reduced potholes as there is less moisture content, but with the heavy rain received, potholes also tend to increase almost overnight.

In Barkly East, Zwelitsha and Mokhesi the current asphalt roads are extremely bad and break up due to age, making pothole repairs almost impossible. In addition, as when they are repaired the existing road surface surrounding the repair work breaks up. These roads are in urgent need of rehabilitation or within a few years they will have to be converted back to standard gravel roads, increasing maintenance cost and time, and decreasing sustainability.

There are numerous bridges that are required to be replaced / renovated within the area, but these exist mainly on provincial roads for which the DRPW has insufficient budget.

3.5.4 Gravel Road Infrastructure

GRAVEL ROAD INFRASTRUCTURE				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar/Paving	Gravel roads graded/maintained/ re-gravelled
Year 2018/2019	593	2	4	93.57
Year 2019/2020	600	6.76	0	140.83
Year 2020/2021	606	6	7.01	89.68

NOTE: Only roads constructed by MIG and streets on the assets register were maintained as it is a condition of MIG to maintain infrastructure. There is insufficient capacity to maintain all roads within the area unless more resources are allocated in terms of plant and staff.

a. Gravel Roads (Infrastructure and Maintenance)

TARRED ROAD – INFRASTRUCTURE KILOMETRES					
	Total tarred roads	New tar roads constructed	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads-maintained Potholes Repaired
Year 2018/2019	15	0	0	0	10 119
Year 2019/2020	15	0	0	0	7 036
Year 2020/2021	0	0	0	0	7511

ACTUAL COST OF CONSTRUCTION/MAINTENANCE						
	Gravel			Tar/ Paving		
	New	Gravel	Maintained	New	Tar/Paving	Maintained
Year 2018/2019	1600	0	2127	0	5900	985
Year 2019/2020	0	535146	15053	0	0	289
Year 2020/2021	0	7 265		0	29 175	1171

ROAD SERVICE OBJECTIVES TAKEN FROM IDP										
Service Objectives / Service Indicators	Year 2018/2019		Year 2019/2020		Year 2020/2021		2020/2021			
	Target	Actual	Target	Actual	Target	Actual	Target			
	*Previous Year (iii)	(iv)	*Previous Year (v)	(vi)	*Current Year (vii)	(viii)	*Current Year (ix)	*Following Year (x)		
(i) Validation of km / report quantifying the number of kilometres/meters maintained/constructed internally	140.8 km (target) Actual 175.88 km	14.6 km Based on first draft.	140 km	31.7	140.83	89.68	12.78	12.3		
(ii) MIG Reports /consultant /contractors performance reporting. Pedestrian and Road Bridges constructed		0 - Under construction - Extension of time due to weather	2	2	0	0	0	0		
(iii) To upgrade and construct new infrastructure: Access Roads (km)	13.1	10.3	10.3 km gravel road & 5.1 km upgrade to paving.	12.07	12	6.76	13.01	6		

3.5.5 Employee Statistics (Roads Services)

Provided by Directorate of Technical Services

Please note that this information includes funded and unfunded vacant positions in terms of vacancies.

Job Level	EMPLOYEES: ROADS SERVICES					
	Year 2019/2020		Year 2020/2021		Year 2020/2021	
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)	
0-3	18	20	19	1		
4-6	3	0	0	0		
7-9	11	14	14	0		
10-12	1	1	1	0		
13-15	1	1	1	0		
16-18						
19-20						
Total	33	36	35	1		

Note: The number of employees has increased due to the adsorption of previous contract staff (job creation).

Financial Performance Year 2020/2021: Road Services

FINANCIAL PERFORMANCE YEAR 2020/2021: ROAD SERVICES					
R'000					
Details	Year 2019/ 2020	Year 2020/2021			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2 390	2 619	2 619	2 622	3
Expenditure					
Employees	5 171	5 834	5 834	5 771	(63)
Repairs and Maintenance	2 688	3 820	3 820	3 095	(725)
Other	10 107	11 217	11 217	12 312	1 095
Total Operational Expenditure	17 966	20 871	20 871	21 178	307

Details	Year 2020/2021			
	Original Budget	Adjustment Budget	Actual	Variance to original Budget
Total Capital Revenue	38 951	38 951	38 951	0
Expenditure	20 541	24 060	7 732	(16 328)

a. Table: Expenditure (Non-MIG)

Details	Year 2020/2021		
	Original Budget	Adjustment Budget	Actual Expenditure
Total Capital Revenue	-	-	-
Expenditure			
Upgrading of Municipal Office in Lady Grey Ward 14	2 200 000	3 228 164	7 997 824
Construction of Change rooms - Lady Grey	-	500 000	-
Tienbank Property Access Construction	432 066	800 000	-
Construction of Gravel Road with Stormwater control Ward 2 (7.01 km)	4 000 000	360 000	-
Transwilger Bridge	850 000	120 000	-
Construction of a pedestrian bridge between Esilindini and Frans (W12)	672 102	400 000	-
New Rest Construction - Paving	9 200 000	7 735 000	-
Construction of Speed bumps in Lady Grey	785 221	1 000 000	-
Construction of Speed bumps in Rhodes	196 305	300 000	142 585
Transwilger Bridge	912 138	912 138	-
Renovations (Barkly East Town Hall)	981 526	4 500 000	152 766
Construction of New Cemetery in Barkly East	8 200 000	7 500 000	125 018
Construction of New Cemetery in Sterkspruit	441 687	441 687	-
Senqu Cemeteries	1 440 219	1 440 219	-
Solid Waste Site - Sterkspruit	4 200 000	500 000	-
Solid Waste Site - Herschel	13 328 500	3 000 000	-
Solid Waste Site - Rossouw	10 500 000	4 000 000	-
Solid Waste Site - Rhodes	300 000	500 000	-
Upgrading of Existing Solid Waste Site in Lady Grey	2 226 972	4 000 000	-
Vehicles, Tools and Equipment	1 229 400	989 400	982 284

3.5.7 Comment on the Performance of Roads Overall

- Un-licensed borrow pits present an extreme compliance challenge in terms of legislation, usage by all and the fact that they are located mainly in tribal areas. This also results in access difficulties experienced by contractors due to the tribal authority/community interference.
- The quality and quantity of gravel available for roads construction is diminishing rapidly in the area and this results in over-haulage or crushing. This raises the costs of construction and maintenance. Accessibility to gravel requires roads to be constructed with borrow pits to procure gravel and this leads to further delays.
- The municipality is working according to a Roads Maintenance Plan and the targets set for the year were not met. This occurred as projects fell behind the scheduled timeframes /milestones and as result the annual target/s in terms of the Roads Maintenance Plan could not be achieved. Delays generally were caused by unforeseen circumstances and circumstances beyond Senqu Local Municipalities control – especially COVID – 19. Delays were also caused by litigation issues or through poorly drafted tender specification documents.

- In terms of other targets, it must be noted that in many instances the targets were able to be met. In those that were not, SCM and issues with the specification committee/adjudication committee were at times to blame for lack of appointment and/or unnecessary delays.
- The municipality is urgently required to consider the increase of plant and staff for roads maintenance to meet its Constitutional and MIG mandate and to physically implement sufficient roads maintenance.
- Meetings have been held with the DRPW to integrate maintenance on all roads in the area and to obtain mutual assistance where possible. Due to insufficient resources and political priorities, this has not been proven to be successful.
- Road signage is a legal issue and is dealt with by the traffic department as the roads section does not have the capacity to erect or replace a sign.
- A prioritised, costed roads and storm water master plan is critically required for proper budgeting and planning to take place.
- **The current 'low level maintenance' strategy was unsuccessful as almost all the roads have been found to require complete re-gravelling back to a 150mm wearing course and base repairs in places; and**
- **There is confusion within the community as to the difference between a "constructed road", an "unconstructed road" and a "track" which all have different needs and costs. This results in high expectations from the roads section which cannot meet the expectations of the community.**

3.6 TRANSPORT (MOTOR VEHICLE LICENSING)

3.6.1 Introduction to Motor Vehicle Licensing

- Currently the functions of: Learners and Drivers Licences; vehicle registrations; and vehicle licensing are provided at the designated Traffic Testing Stations in the Senqu Municipal area in Barkly East.
- The office at Sterkspruit is not yet fully operational and an investigation of the feasibility of constructing and operating a Sterkspruit Licencing Centre is underway. Appointment of professional consultant to plan, design and identify has been done. All specialised studies for the development of Sterkspruit DLTC are underway
- It is noted that this NATIS motor vehicle registration facility service is rendered by Council on an agency basis for the Department of Transport in Lady Grey, Sterkspruit and Barkly East; and
- Due to insufficient budget, Senqu Municipality has not been able to ensure that the roadworthy division in Barkly East meets the compliance criteria sufficient for registration and operation as a centre. More specifically, it lacks all the required resources to be able to function in this capacity formally. It is worth noting that this testing station / division of roadworthy system, has not been functional for the 3 past financial years *since 2017/2018. Moving forward, an analysis and review/report on the management and functionality of this test station is required. Contributing factors relate to poor and/or lack of management, budgeting, planning, lack of resources, lack of human capital and maintenance at this test division. Extensive investigations are required to be conducted. COVID – 19 has simply exacerbated the status.

3.6.1.1 Traffic Section Objectives

- Provision of facilities for the licensing of motor vehicles within existing centres.
- Maintenance and utilization of the National Traffic Information System (Natis) on behalf of the Department of Transport.
- Establishment and operation of a fully compliant Motor Vehicle Registration and Licensing facility within Sterkspruit, sanctioned by Department of Transport. This centre is intended to provide driver testing and plans are in place to develop the DLTC in Sterkspruit.
- Provision of traffic calming methods

Note: The anticipated progress to achieve this has not occurred within the current financial year as planned and will need to be addressed now in the 2020/2021 financial year; and

- Continuous updating and training of staff on the operation of the Natis System occurs.

Herein below is the summary of services offered in the Barkly East DLTC

SERVICE PROVIDED	YEAR 2019/2020	YEAR 2020/2021	Comments
TESTING OF DRIVING LICENCE	2551	2316	Seeing that this a demand driven service, the number of driving licenses issued were less by 264
TESTING OF LEARNERS LICENCE	537	546	The leaners licenses issues were less by nine(9)
TESTING OF MOTOR VEHICLE	0	0	



3.6.2 Comment on the performance of Vehicle Licensing Overall

- a. Regular reporting on the licensing and testing of vehicles was provided as required.
- c. No vehicles were tested for roadworthiness during 2020/ 2021 or the previous financial year. This dated back to 2017/2018. It must be noted that the roadworthy testing system has not been functional since the last financial year. While plans had been made to install cameras in the roadworthy facility during the 2019/2020 financial year to make it compliant for vehicle testing, the insufficient budget made this impossible. The Roadworthy division in Barkly East does not meet compliance criteria and does not have all the required resources to function. COVID - 19 has exacerbated the status.
- e. Moving forward, an analysis / review /report of the management and functionality of this test station is required and acknowledgement that there are several contributing factors that have resulted in: poor /lack of management, budgeting, and planning; and the lack resources, human capital, and maintenance at the test division. This will be investigated and reported on.

3.7 WASTEWATER (STORMWATER DRAINAGE)

3.7.1 Introduction to Storm Water Drainage

Senqu Municipality does not use entities to maintain storm water systems within the area. When required, capital construction is outsourced through the procurement policy for the services of a consultant and contractor and these projects are funded through the MIG programme. Historically, due to the implementation of mSCOA, the cleaning of storm water drainage was moved from the Technical Services Department to the Community Services Department. Despite this arrangement, maintenance construction remains within the Technical Services Department.

The on-going cleanliness of the storm water system is conducted through the job creation programme as there are no designated permanent staff appointed to the storm water function.

While “storm water” is generally regarded as a roads project, construction aspects are separated and as per mSCOA CAPEX requirements, roads and storm water are depicted separately.

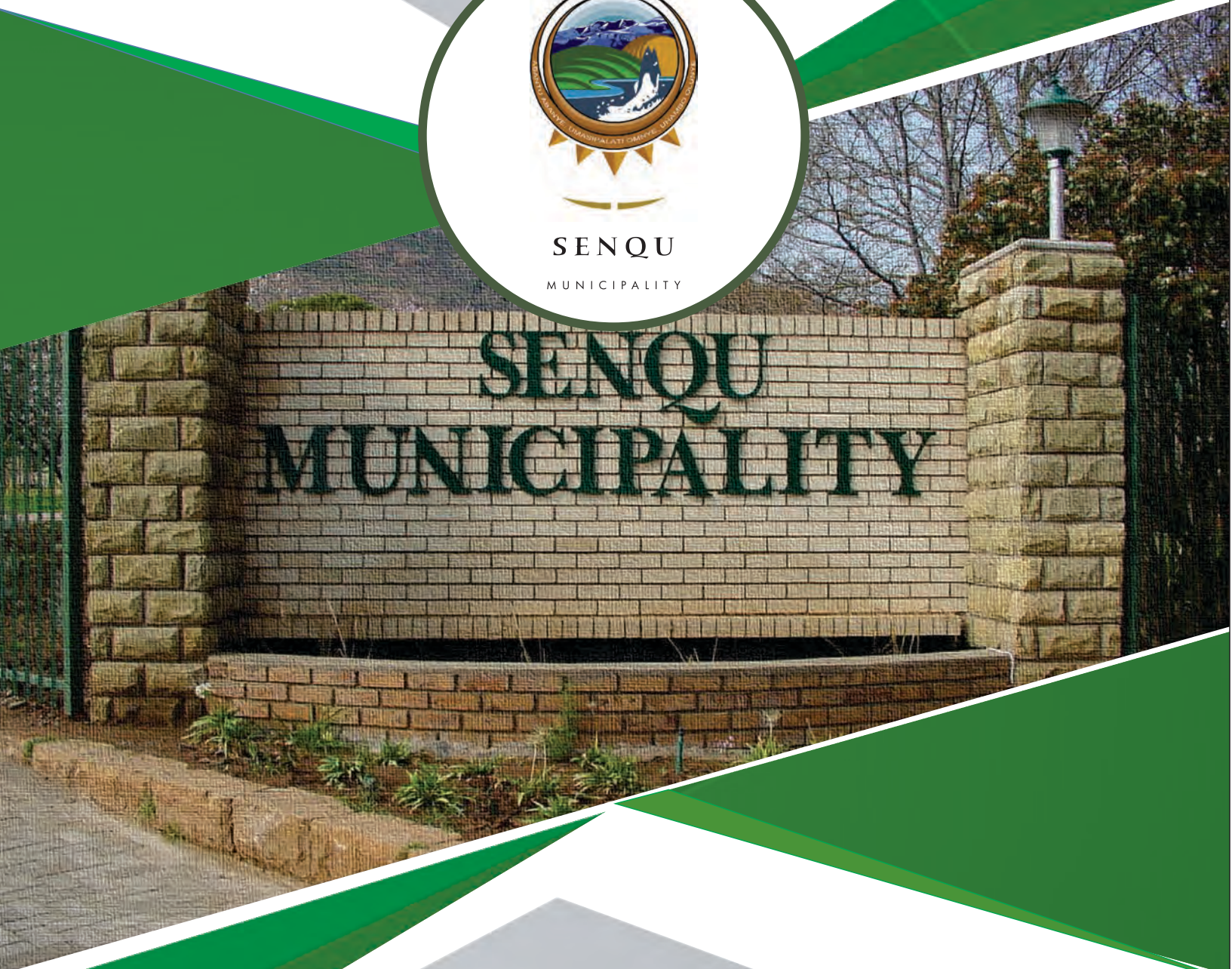
Historically it is to be noted that there are storm water control issues that are present throughout all the areas of Senqu. Indigent and rural areas are included. The rural challenges provide the greatest challenge as they have been caused by uncontrolled development. This occurs when tribal authorities allocate land at will and then demand basic services. The municipality is not in possession of the manpower and capacity to manage these issues effectively.

RDP/indigent projects experience challenges in that the roads and storm water infrastructures are poorly constructed due to budget constraints on project funding. The situation is then made worse over time and results in more critical issues occurring. It has also been noted that there are instances in which people interfere with their own constructions, compounding the issue of blockages further. By way of example, it must be noted that in Lady Grey, Barkly East and Herschel, grey water is experienced as problematic. This is by necessity, discharged into the storm water system, as there are no other options for this.

3.7.2 Overall comments on the performance of storm water drainage:

- The storm water capital programme is being dealt with on an on-going basis, as part of the roads programme and is dependent on resources, although there have been dedicated projects in the past. These capital projects are now implemented by the Department of Development and Town Planning Services.
- The job creation programme is used for cleaning existing systems on an on-going basis.
- **Storm water infrastructure physical repairs are dealt with by the road’s maintenance team and cleansing within the job creation programme, under the supervision of the Community Services Department.** The lack of capacity and attempts to reduce costs have resulted in the roads and storm water function being an operational priority (except for cleaning). There is a dedicated storm water section reflected in the organogram but there are insufficient resources for a storm water section.
- There are very serious storm water issues experienced within all the villages (86 in total) and within the Kwezi Naledi and Nkululeko townships. Rossouw experiences the greatest problems as there is insufficient roads & storm water infrastructure and the cost of creating this will be extremely high compared to its benefit. As there is no town planning (historically) it is extremely difficult to control storm water, aside from the cost.
- Sterkspruit has mostly been dealt with although a few areas still require attention. These are slowly being addressed under the **road’s construction programme of the municipality.** Realistically it will take years and an exorbitant amount of funding to address these challenges throughout the Senqu area. This on its own remains a further motivation for sustainable roads and storm water systems. In short, gravel does not work and is compounded by the lack of capacity for maintenance.

- During the current year successful construction of 1,5km of storm water control in Ward 1 (Walaza, Thozama, Bikizana & Magubudela). In other instances, a great deal of challenges relating to the stormwater function were experienced and progress was not achieved as a result. Reasons for this included: issues brought about by COVID-19; delays in the supply chain process; failure to finalize tender specifications; litigation issues with SMMES; issues requiring resolution with the Demarcation Board regarding boundaries and the like.
- It is noted that there is no dedicated Storm Water Department; and
- There is no Storm Water Master Plan.



**COMPONENT C
PLANNING AND DEVELOPMENT
(PLANNING AND LOCAL
ECONOMIC DEVELOPMENT)**

COMPONENT C: PLANNING AND DEVELOPMENT (PLANNING AND LOCAL ECONOMIC DEVELOPMENT)

3.8 PLANNING AND DEVELOPMENT

3.8.1 Introduction to Planning and Development

It must be noted that there is insufficient capacity (both human and financial) within the Housing Unit, to achieve accreditation currently. In terms of mSCOA, it is acknowledged that housing is no longer a core function. As a direct result, the municipality is no longer directly involved in housing.

It is acknowledged that the Spatial Development Framework (SDF) represents a shared responsibility between both the IDP and the Town Planning units. Despite efforts to staff this unit there have been limited dedicated resources for the SDF over the past few years. To alleviate this challenge, a service provider has been appointed to assist the municipality to review the SDF and Land Use Scheme, in terms of SPLUMA (Spatial Planning and Land Use Management Act). The SDF has been finalised and was adopted by Council on the 31st of March 2017. A SPLUMA compliant SDF was finalised and approved by Council during prior financial year. The municipality has during the year under review developed a Local Spatial Development Framework for Sterkspruit which has also been approved by Council. The municipality has also developed a land use scheme as per the requirements of SPLUMA. The LSDF for Barkly East was developed and ready by 30 June 2021. It was then sent for approval by council in July 2021, in a meeting that considered issues of the last quarter 2020/2021 financial year. The SDF for Lady Grey was previously approved by Council 30 June 2019.

The municipality has also developed a wall-to-wall land use scheme that is compliant with SPLUMA. The Land Use Scheme (LUS) was adopted by Council on the 31st of March 2017. This is a requirement in terms of the Spatial Planning and Land Use Management Act 16 of 2013. The objective of this project is to have uniform town planning regulations for the entire municipal area that will also accommodate the needs of the rural community. This project commenced during the second quarter of this financial year and has also been finalised and is awaiting Council adoption. This tool will enable development to occur in a controlled manner and will assist in enforcing the principles of the Spatial Development Framework. It must be noted that there might still be challenges as the municipality currently has only (2) two Building Control Officers for the entire municipality.

Senqu Municipality comprises a large rural environment consisting of mountainous areas, 86 villages and the towns of Barkly East, Sterkspruit and Lady Grey as well as the hamlets of Rhodes, Rossouw and Herschel. This makes prioritised planning difficult as politically and realistically, not all parties within these areas can be fully accommodated on all levels of need.

Land invasion remains a large concern for the municipality. The Building Control unit attends to land invasion matters on a weekly basis and when an emergency arises. They issue contravention notices to the invaders and give them time to comply. Regular site visits are conducted during this time and when the invaders do not comply, matters are then forwarded to the attorneys of the municipality.

During this financial year the municipality started a process of developing a land invasion strategy that will guide the municipality in dealing with land invasion and also allow for proactive planning and precautionary measures to reduce land invasion.

This unit also attends to Town Planning and the National Building Regulations contraventions to ensure that the development occurs in a harmonious manner that will promote health, safety, social cohesion, and economic development for the communities.

This section is also involved in facilitating the implementation of Housing Development in Senqu by the Provincial Department of Human Settlements. Accordingly, this section reports monthly on the number of houses already built. More specifically, 1329 houses were completed overall. In Ward 9: 509 houses were completed, and 509 houses were handed over out of the 539 units planned for the financial year. In Ward 10: 506 houses were completed and handed over, and in Ward 17: 314 houses were completed and handed over.

The challenge that the unit faces with attending to land invasion, town planning and building control is the insufficient staff, the lack of knowledge of procedures and legislation from the public and the fact that sheriffs at times do not execute the court orders to evict the illegal occupants because they are threatened by the illegal occupants, and they get no assistance from SAPS.

Senqu Municipality has further been able to develop a Land Use Management System that is compliant with SPLUMA and business processes for the division. Policies are being developed for the division that will assist in operational requirements. Currently the division has one policy for both town planning and building control.



Physical planning needs are based primarily on community needs which are prioritized by the IDP and Budget Steering Committee, taking all resources into account. The Technical Services Directorate is involved in the implementation of all infrastructure capital projects, although some are reported on by other departments (e.g., solid waste sites) depending on where the responsibility lies. These projects are managed by the Project Management Unit (PMU) of the municipality, including implementation planning, time frames, budget, and the like.

3.8.2 Building Plans 2018/2019 and 2019/2020

Category	Number of new applications received 30 June 2019	Total value of applications received 30 June 2019 Rand	Applications outstanding 30 June 2019	Number of new applications received June 2020	Total value of applications received 30 June 2020 Rand	Number of new applications received 30 June 2020
Residential new	0	940,000	None	0	R430,000	2
Residential additions	10	1 070,000	None	0	R826,000	11
Commercial	6	450,000	None	0	R0	0
Industrial	0	0	None	0	0	None

3.8.3 Town Planning Applications 2019/2020

Applications outstanding 1 July 2019	Category	Number of new applications received July 2020	Applications outstanding 30 June 2021
0	Rezoning	1	1
0	Consolidation	0	0
0	Sub-Division	1	1

3.8.4 Planning Policy Objectives Taken From IDP

PLANNING POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Year 2015/2016		2016/2017		Year 2017/2020 Target		Year 2017/2020 Target		
	*Previous Year (iii)	Actual (iv)	*Previous Year (iii)	Target (iv)	*Previous Year (iii)	2017/2018	2018/2019	2019/2020	2019/2020
Service Objectives									
Construction of access roads	9.5	33	25	10	10	12	9.5	6.76	
Construction of river crossings	2	2	0	2	2	1	2	0	
Renovation and construction of municipal property	100%	100%	100%	100%	100%	100%	100%	0	
Sierkspruit Taxi rank	80%	-	-	-	-	-	80%	0	
Construction of houses	69.25%	0%	0%	4000	3500	3500	69.25%	100%	
Reduce electricity losses	16%	15%	15.03%	15%	14%	14%	16%	17%	

3.8.5 Capital Investment Programme

The capital project investment programme is run and managed by the PMU Unit which has been re-located to the Technical Services Department as of the 1 July 2017.

3.8.6 PMU Employee Statistics

Table: Employee Statistics (Planning Services)

EMPLOYEES: PLANNING SERVICES (MIG PMU)					
Job Level	Year 2019/2020	Year 2020/2021			
TASK	Employees No	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3					
4-6					
7-9	1	1	1	0	0
10-12	4	4	4	0	0
13-15					0
16-18	1	1	1	0	0
19-20					0
Total	6	6	6	0	0

Note: No funded vacant positions for this financial year.
An annual PMU Business Plan is submitted annually to COGTA for approval of the budget for the PMU unit.
All projects form part of the Integrated Development Plan.

3.8.7 Financial Performance (MIG Project Management Unit)

FINANCIAL PERFORMANCE YEAR 2020/2021: MIG PROJECT MANAGEMENT UNIT						R'000
Details	Year 2019/ 2020	Year 2020/2021				
	Actual	Original Budget	Budget Adjustment	Variance Original Budget	Actual	
Total Operational Revenue	2 249	1 912	1 912	2 052	3 964	
Expenditure (Total MIG UNIT)	2 834	3 434	3 434	(404)	3 030	
Total Operational Expenditure	2 834	3 434	3 434	(404)	3 030	
Net Operational Expenditure	585	1 522	1 522	(1 648)	(934)	

3.8.8 Challenges and improvements influencing projects

CHALLENGES		IMPROVEMENTS
Department Water & Sanitation not assisting timeously on EIA	1	Successful meetings held with the DWS and DEDEA
Objections during public EIA participation processes delaying implementation of projects	2	Objections can be over-ruled dependent on circumstances
Community resistance / Land matters in community lands	3	Politicians aware of the resistance
Poor performance of service providers	4	Successful meetings held with Service Providers to improve performance
PMU under capacitated	5	Two Civil Technicians were appointed as of 2 nd January 2019
Non-responsive tenders requiring re-advertisement	6	CIDB and SCM are attempting to workshop contractors
Eskom infrastructure issues and poor communication	7	Issues raised
Budget estimates not always correct	8	The implementation of mSCOA is there to assist and to resolve
SCM Regulations oblige appointment of Service Provider with highest points	9	There is allowance in the regulations for SCM to investigate further service provider for appropriate appointments
Non-appointment of contractors due to funding shortages and pending confirmation leads to delays	10	The BEC & BAC meetings sit monthly
Project savings remain uncommitted and therefore contribute to uncommitted funds	11	NT will be requested that no funding be removed as all will be used in the new year with projects currently out for tender
Difficulty in start timing of multi-year projects due to budget	12	Unfortunately, this cannot be changed with exception of loans
End user departments not fully co-operating during project implementation stage	13	Ensure commitment and understanding between PMU & end user department
There is grey area on functions between SCM & PMU from tender advertisement to tender award period	14	Conducting workshops and formulation of standard operating plan.
Impact of COVID 19	15	Introducing COVID 19 OHS regulations on all future projects.

3.8.9 The current financial year - MIG Project Detail 2020/2021

PROJECT TYPE	MUNICIPAL ADJUSTMENT BUDGET (2020/2021)	ACTUAL EXPENDITURE (2020/2021)	CURRENT YEAR ROLLOVER /COMMITMENT (MUNICIPAL)	FUNDING STATUS	PROJECT STATUS
Roads					
Roads between Esilindini and Frans	2 270 000	4 040 058	-	MIG	Registered
New Rest Construction - Paving	250 000	-	-	MIG	Registered
Construction of Bus Route in Boyce Nondala Township Barkly East	9 425 958	10 473 286	-	MIG	Registered
Construction of 6 km Access Roads with Storm Water control W1	4 230 000	4 154 802	-	MIG	Registered
Community Assets					
Construction of Lady Grey Animal Pound	2 081 000	1 730 340	-	MIG	Registered
Solid Waste Sites					
Upgrade Barkly East Solid Waste Site	11 183 792	7 635 817	-	MIG	Not Registered
Upgrade Lady Grey Solid Waste Site	500 000	-	-	MIG	Not Registered
Old Sterkspruit SWS Compliance & Rehabilitation Construction	2 200 000	875 616	-	MIG	Not Registered
Other					
Upgrade Second Floor Building	10 920 000	8 853 026	-	MIG	Registered
TOTAL	43 060 750	37 762 945			

The previous financial year - MIG Project Detail 2019/2020

PROJECT TYPE	MUNICIPAL ADJUSTMENT BUDGET (2019/2020)	ACTUAL EXPENDITURE (2019/2020)	CURRENT YEAR ROLLOVER /COMMITMENT (MUNICIPAL)	FUNDING STATUS	PROJECT STATUS
Roads					
Roads between Esilindini and Frans	2 270 000	4 040 058	-	MIG	Registered
New Rest Construction - Paving	250 000	-	-	MIG	Registered
Construction of Bus Route in Boyce Nondala Township Barkly East	9 425 958	10 473 286	-	MIG	Registered
Construction of 6 km Access Roads with Storm Water control W1	4 230 000	4 154 802	-	MIG	Registered
Community Assets					
Construction of Lady Grey Animal Pound	2 081 000	1 730 340	-	MIG	Registered
Solid Waste Sites					
Upgrade Barkly East Solid Waste Site	11 183 792	7 635 817	-	MIG	Not Registered
Upgrade Lady Grey Solid Waste Site	500 000	-	-	MIG	Not Registered
Old Sterkspruit SWS Compliance & Rehabilitation Construction	2 200 000	875 616	-	MIG	Not Registered
Other					
Upgrade Second Floor Building	10 920 000	8 853 026	-	MIG	Registered
TOTAL	43 060 750	37 762 945			

The performance of MIG remains a concern for the municipality and the municipality is devising plans to improve this. As stated in the previous financial year, the PMU section has been beefed up and a new Director has been appointed since the contract of the previous Director ended. The municipality will continue to monitor this aspect until it is satisfactorily improved.

Overall, in the past five years the municipality performed well and there is a room for improvement.

3.9 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

3.9.1 Introduction to Economic Development

The strategic direction of Senqu Municipality is informed by the Integrated Development Plan (IDP (2017-2022) and within this it's 5-year Local Economic Development Strategy (LED Strategy). The strategy referenced was ultimately adopted 23 August 2018.

3.9.2 Objectives of the five (5) year LED strategy

Economic Development within Senqu Municipality is driven by the LED Strategy and its objectives as stated below:

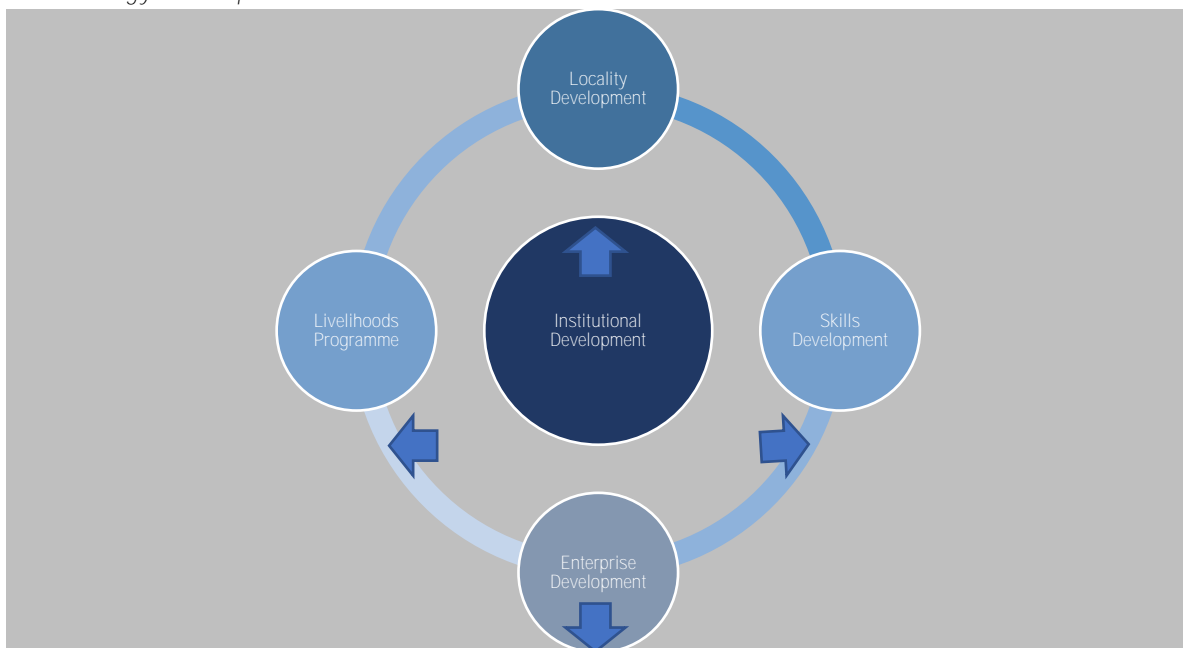
- Improving urban infrastructure to attract investments.
- Developing partnerships between the public sector and the private sector to encourage investment and skills development within this area.
- Improving youth entrepreneurship and participation within the mainstream economy.
- Building strong and sustainable LED institutions and resources.
- **Ensuring that 30 % of all infrastructure projects benefit SMME's; and**
- Alleviating unemployment by utilising labour-intensive programmes and projects such as CWP and EPWP.

Taking these targets into account, it is imperative that the LED Strategy is understood in terms of its Developmental Thrusts and areas of focus:

3.9.3 LED Strategy Development Thrusts

The Senqu LED Strategy (2013) has 5 integrated LED development thrusts and priorities (strategic focus areas) as depicted within the diagram below:

LED Strategy Development Thrusts



- a. Development Thrust 1: Locality Development
The Locality Development Programme will be focused on achieving the following outcomes:
 - Making the municipal area more attractive to investors, tourists, and individuals; and
 - Improving the physical and environmental appeal of the area.
- b. Development Thrust 2: Enterprise Development
The Enterprise Development Programme focuses on:
 - Creating a conducive environment for existing, new and start-up businesses.
 - Improve profitability, competitiveness, and sustainability of locally based enterprises; and
 - Prioritising the development of key growth and employment sectors e.g., Agriculture, Tourism, and the Green Economy.
- c. Development Thrust 3: Sustainable Livelihoods
The purpose of the sustainable livelihoods programme is to:
 - Facilitate labour intensive projects that create employment opportunities.
- d. Development Thrust 4: Skills Development
The purpose of the skills development priority is to:
 - Build the necessary skills base for economic growth and development.
 - Improve employability and active economic participation; and
 - Support key growth and employment sectors.
- e. Development Thrust 5: Institutional Development
LED institutional development in Senqu is designed to:
 - Foster sustainable partnerships with key and relevant stakeholders; and
 - Improve monitoring and evaluation of LED projects and initiatives.

3.9.4 Economic Indicators (as reflected in the IDP)

- Senqu local economy generates around one quarter (25.7%) of total District GVA. This is the second largest contribution after Elundini (39.0%).
- From 2000 to 2010, the local economy has grown at an average rate of 3.0% pa. The District and provincial economies have averaged 5.6% pa and 3.2% per annum, respectively, over the same period; and
- Total formal employment within the District sees Senqu Municipality making a relatively higher contribution of 27.9% (i.e., ranking second to Elundini (36.7%).

3.9.5 Economic Growth, Structure and Sectors

- It is noted that of the GDP of R 3.07 billion in 2016 (up from R 1.16 billion in 2006), Senqu contributed 29.42% to the Joe Gqabi District Municipality GDP.
- Annual growth is forecast at 2.13% pa from 2016 to 2021. This is higher than JGDM and SA whose annual growth is 1,61%.
- In 2016 the community services sector represented the largest sector within Senqu Municipality and accounted for 1.23 billion or 44.2 % of the total GVA. The sector that contributed the second most to the GVA is the trade sector at 19.4 %, followed by the finance sector with 12.4 %. The sector that contributed the least was the mining sector with 7.08 million or 0.25 % of the GVA (Ecsecc,2017:26).
- During 2006 the unemployment rate was 28.3% which decreased to 27.1% in 2016.
- The poverty gap rate in Senqu Local Municipality amounted to 30.0%. This represented a decrease from 2006 at 32,5 %.
- Overall, the economy is at risk because it has become over reliant on certain sectors.
- Most of the employment is to be found within community services; and
- There is a low skill level with only 69.33% of the population being functionally literate, although this has improved from the level of 58,3 % in 2006.

*Stats obtained from latest IDP figures.

3.9.6 Comparative and Competitive Advantages

Competitive:

- Large producer of wool – In 2016/17 The Senqu region produced 10,08 % of the Eastern Capes wool clip of 8,517,088 kg. This makes Senqu one of the larger producers of wool in the Eastern Cape. Its climate and topography make it well suited to expand this type of farming.
- Senqu' s mountains give it spectacular scenery combined with the highest mountain pass in South Africa at Ben Macdhui. It is also renowned for its other 8 high mountain passes which are amongst the highest in the country.
- There are many freshwater rivers and streams in Senqu which are home to a diverse range of trout. Trout fishing is a unique tourist attraction especially due to being able to fish in high mountain streams as opposed to dams. However, this is under threat due to new proposed environmental laws.
- Bottling of fresh spring water which is amongst the purest in the country is a potential niche. Senqu has pure, clear water that is already being bottled on a small scale. Potential may exist for further expansion.
- Tiffendell Ski Resort is the only ski resort in South Africa and is uniquely positioned to capture the local skiing market. Tiffendell is already a venue for the SA Junior Ski championship as well as the SA ski championships. Utilisation of the resort is hampered by poor maintenance of roads leading to the resort.
- Strategic location and proximity to Lesotho provides development opportunities near the Telle Bridge border post as well as for the revitalisation and upgrade of Sterkspruit. These provide major tourism development opportunities for both Senqu and Lesotho.
- Utilisation of the historic railway line between Aliwal North and Barkly East passing through Lady Grey for alternative means of transport such as bicycles is a unique development option.
- Development plans around the Jozana Dam, especially around agricultural irrigation are a major opportunity.
- Relatively well-maintained infrastructure such as tarred road network and electricity network.
- Stable political leadership which enables long term planning to occur
- Low levels of crime especially business break ins and robberies
- Established annual festivals such as the Stoepsit fees and Passion Play
- Major and unique adventure Races such as the Skyrun, War trail tri-challenge, Croc rock race and Rhodes Marathon
- Wildflowers. The area has a unique alpine floral kingdom

Comparative advantage

- Growing of lucerne and maize production utilising the Orange River for irrigation
- Good quality sand for brickmaking and building. The appropriate environmental concerns must be addressed to protect these precious community resources from exploitation.
- Good quality sandstone for mining. DRE need to assist communities obtain the relevant mining permits.
- Good road linkages to the N6 give easy access to markets in the Free State, Eastern Cape, and Gauteng.
- Skilled crafters produce a range of cultural and other hand made goods like leather bags etc.
- Huge tracts of underutilised land for crop production. However, measures to reduce erosion and overgrazing must be applied

a. Basic Services and Infrastructure

The local municipality performs above District average in respect of access to all basic services excluding refuse removal. The majority of Senqu households enjoy access to the RDP minimum levels of basic services in respect of housing, energy, and sanitation. **In Senqu's favour is the considerable allocation of the local government equitable share.**

b. LED Support System

The Senqu Municipality has a dedicated LED Unit located within its planning department. This Unit is responsible for coordination and facilitation of LED processes in Senqu as well being required to advise Council regarding LED matters.

Senqu Municipality is one of the key partners of the Joe Gqabi Economic Development Agency (JoGEDA) which is tasked to drive special economic development projects on behalf of the district municipality and the four local municipalities in Joe Gqabi. Regarding Senqu, the Agency has prioritised commercial property development and plastic manufacturing as its immediate flagship projects.

c. Senqu local economy generates around one quarter (25.7%) of total District GVA. This is the second largest contribution after Elundini (39.0%).



- d. From 2000 to 2010, the local economy has grown at an average rate of 3.0% per annum (pa). The District and provincial economies have averaged 5.6% pa and 3.2% pa, respectively, over the same period: and
- e. Total formal employment within the District sees Senqu Municipality making a relatively higher contribution of 27.9% (i.e. ranking second to Elundini at 36.7%).

3.9.7 Economic Growth, Structure and Sectors

- The tertiary sector contributes the greatest share of GVA (82.3%) and formal employment (68.8%) to the Senqu local economy. The Senqu economy claims a comparative advantage in the primary sector, with a location quotient (LQ) of 1.18, where both Agriculture (LQ: 1.15) and particularly Mining (LQ: 2.16) are claimed as advantages. A comparative advantage is also enjoyed in the tertiary sector, with a modest location quotient of 1.03, which is principally due to the relative strength of the Community (LQ: 1.20) and General Government (LQ: 1.23) Services.
- No comparative advantage exists in the secondary (LQ: 0.80) sector, although several manufacturing sub-sectors are claimed as advantages (i.e., the radio and instrumentation (LQ: 3.88);
- Community services and General government (Services) account for the bulk (39.8%) of local GVA and for 37.4% of all local formal employment. The dominance of services contributes to the concentration of the local economy (Tress Index: 63.48). Given that diversification is essential for a robust and resilient economy, the promotion of economic development across a range of sectors, away from the current concentration on Services, will mitigate against negative seasonal or sectoral impacts.
- Finance, like Services, is not strictly a driving sector in that no new productive value is generated, although both can play significant roles, as services, in facilitating (or limiting) an enabling environment conducive to local economic development. Beyond these dominant service-related sectors, potential local economic drivers emerge as mining and quarrying together with the Manufacturing sub-sectors of Electrical machinery and Transport equipment. The latter industries emerge as leading (GPI >100) comparative advantages (LQ >1; positive shift in share) and further claim higher than average growth rates, with the notable exception of Mining (-1.9%pa). Agriculture, while being claimed as a comparative advantage (LQ: 1.15), emerges as a lagging sector (GPI: 95.11) and reflects negative growth (-3.2%pa) as well as relative loss in share (-1.5%) of the District economy. However, agriculture's contribution to formal employment in Senqu (36.3%) and in the JGDM (36.6%) and contrasted with 19.3% provincially, represents more than one third of local formal employment. Senqu is characterised by a strong presence of subsistence agriculture, which does not contribute directly to the formal economy but does enhance local food security and survivalist economics at household level, and further presents opportunities for skills development and growth in small-scale agricultural development. Limitations to commercial agricultural development, beyond the predominance of subsistence agriculture, lie in the limited extent of arable land in Senqu – one of the most degraded areas in South Africa – although intensive production of selected fruit, with related processing and packaging opportunities, as well as marginal production of dry beans and grain sorghum, have been identified for Senqu Municipality. (JGDM 2010; UKDM 2009).
- Tourism
 - Senqu hosts Tiffendell, the only ski resort in Africa.
 - It also contains many of the highest mountain passes in South Africa; and
 - In addition, many rare plant and bird species are found in the area.
- Agriculture
 - Senqu is one of the biggest producers of greasy wool in South Africa and this production is increasing.

3.9.8 Challenges

- Local Economic Development or LED is one of the mandates of local government, which is directly derived from the Constitution, Act 108 of 1996 S 152 and is required to promote social and economic development. **Senqu Municipality's 20-year LED Strategy** was reviewed in 2017/18 although approved late.
- LED is one of the more difficult mandates of local government as it is holistic and involves all municipal departments and includes all spheres of government as well as the private sphere. The role of local government is therefore to provide an environment which is conducive to the development of the economy. It does this by ensuring that the necessary infrastructure is in place and maintained for the economy to grow and thrive.

- Due to historical factors the infrastructure which is needed to drive the economy is in a bad state of repair and the current and future budget projections do not allow for the infrastructure to reach a standard which will promote economic development. The Municipality consists of small towns which do not have any industrial output and only offer services and sell goods procured and made elsewhere. The road network is inadequate with poor linkages, poor signage and predominantly gravel. The existing main rural roads have reached the end of their lifespan and require rebuilding. However only a maintenance budget is available, and this has been likened to **“trying to stem blood flow from a main artery with a piece of paper”**. The cellular network is patchy and fast internet connections are desired by most residents.
- Whilst water and sanitation networks have improved in the past years, the service is inadequate and irregular with the result that many areas suffer from droughts. More water storage facilities must be built as well as increasing the education of water wise consumers. Agricultural facilities for stock have increased in the communal areas with many shearing sheds being built which has increased agricultural production. However, the lack of maintenance and vandalism of dipping and fencing together with poor veld management on highly erodible soils has led to overgrazed lands with huge dongas and increased loss of topsoil.
- The lack of land for development in urban areas has led to an expansion of former rural villages to the town boundaries. This can be seen in Sterkspruit and Hershel where the former town now has an urban fringe of villages under a communal land tenure system. This has an impact on service delivery as current systems do not accommodate homeowners without formal title deeds.
- Land invasions due to lack of finance for acquiring land and lack of land for sale continues to be a problem in the former RSA towns of Barkly East, Lady Grey, Rossouw and Rhodes.

3.9.9 Intergovernmental Platforms

- The LED Unit is focused on achieving LED through creating partnerships. It therefore focuses on engaging with the public and private sector to create institutions **whereby engagement can take place such as LTO's and Economic Development Forums**.

Name of Forum	Times met	Dates
Local Tourism Organization Meetings	2	1 October 2020 31 March 2021
Economic Development Forum (EDF)	4	23 September 2020 24 November 2020 18 February 2021 23 June 2021

3.9.10 Promotion of Tourism

- Tourism is a growing industry and provides a growth opportunity for the local economy. As such it is one of the important drivers of the LED Strategy. The LED Unit therefore supports the local tourism industry by providing support to Community Tourism Organisations for the hosting and development of their websites. Brochures were printed for the mountain passes.
- Reporting on the implementation of the Senqu Marketing Strategy derived from the Responsible Tourism Plan did occur as required although it is acknowledged that this remains a focal area requiring a great deal more in terms of marketing and ongoing publicity by attending related showcase events nationally.
- Notwithstanding the reporting, the implementation of the strategy remains a challenge - exacerbated by implementing cost containment measures, lack of financial resources and reliance on third parties and the extenuating circumstances of the Covid-19 lockdown regulations.
- 2 awareness campaigns were held. 1 in Qhemerha around the dinosaur fossils on the 23rd of February 2021. The organisers were sponsored t-shirts, caps, banners, and a gazebo for them to host future events. A second joint awareness with the District Municipality was held on 24 June 2021 whereby a virtual marketing of the area occurred to ECPTA.
- Stoepsit and the Passion Play was postponed due to Covid 19.
- Other events such as a hip-hop and poetry event as well as the Chillaz annual picnic were sponsored in Sterkspruit. OPM productions were sponsored with a branded gazebo for their promotion of the area.
- The Unit did try and arrange a marketing session at various malls in Johannesburg as part of the Getaway show but was unable to attend due to Covid 19 implementation plan at the municipality.

It is accepted that more efficient co - ordination, communication, planning and use of limited resources is required to ensure that tourism specific events and awareness campaigns occur in a more targeted and strategic manner – especially with the COVID pandemic in mind.

3.9.11 Support to SMME's

Support for SMME's is conducted through the hosting of information days, financial application support and training. Training was provided to 30 SMME's on ICT skills on the 22nd of October 2020 with the Mobile Libraries Trust and 22 tour guides in conjunction with ECPTA.

In addition, it must be noted that:

- It is required that 30% of the municipal infrastructure capital budget spent, be allocated to SMME's through sub-contracting in compliance with circular 77 of the MFMA.
- Economic Development Forum meetings were held – An agricultural indaba was held on the 11 June 2021. The EDF on the 23rd of June incorporates information for the youth as did an EDF on the 24th of November 2020.

LOCAL ECONOMIC DEVELOPMENT 2019 /2020

KPA & INDICATOR	MUNICIPAL ACHIEVEMENT 2018/2019	MUNICIPAL ACHIEVEMENT 2019/2020	MUNICIPAL ACHIEVEMENT 2020/2021
Report on number of jobs created through local economic development initiatives LED (CWP) including EPWP - capital projects	An Average of 205 jobs were created during 2018/2019. It becomes difficult to determine how many jobs were created during the financial year under review as this differs from month to month as participants become sick or do not work. EPWP participants are often "laid off" or their ID's are not submitted and as result the numbers change e.g., MJC provided for 162 participants to be appointed (50 in LG, 50 in Barkly and 50 LG, 6 in Rhodes and 6 in Rossouw). No project participants were appointed as the Councillors did not nominate project participants to fill these jobs since December 2018 and as result between 137 and 130 people participated each month instead of the planned 167.	An average of 162 jobs were created during 2019/2020.	An average of 194 jobs were created during 2020/2021.

3.9.12 The Expanded Public Works Programme (EPWP)

The EPWP policy was reviewed in January 2016 and went to Council for adoption. A new framework for EPWP and Interns was adopted in the 2018/2019 financial year.

The currently approved policy outlines the institutional arrangements for implementing EPWP, roles and responsibilities, the employment opportunities, training and EPWP target, conditions of employment, target groups and reporting processes. The Director of Technical Services is responsible for implementing EPWP, but co-ordination thereof will be completed by the EPWP Steering Committee.

The EPWP programme exists to:

- Create job opportunities by reviewing the manner in which municipalities implement existing projects/programmes.
- To identify and propose programmes that will contribute towards additional job creation opportunities; and
- To ensure that the proposed job creation programmes form part of the service delivery mandates of the municipality.

These principles have been incorporated into the municipality's efforts to increase employment opportunities for its residents. Projects have included: basic road maintenance, paving of streets, picking up refuse, pothole repair and stormwater channel maintenance.

To date, the Expanded Public Works Programme (EPWP), funded by the Department of Public Works, is considered to have been successfully implemented. Management and politicians review the program annually in order to ensure that sustainable work opportunities are created and that graduates from the programme acquire the necessary skills in order to increase their employment opportunities. From its inception, internal and MIG infrastructure projects have also been registered with the EPWP and have resulted in the opportunity to provide many job opportunities and to obtain benefits from the Labour Rebate Program of the EPWP. An average of 194 jobs were created during the 2020/2021 period.

a. Table: EPWP project costs and results for the 2020/2021 period as reported on the EPWPRS

LOCATION	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL	MONTHLY AVERAGE
Mass Job Creation	110	130	129	126	129	143	140	156	158	148	147	150	1689	138,833
Upgrading of Municipal Office in Lady Grey Ward 14	14	13	12	12	0	0	0	0	0	0	0	0	39	13
Construction of Change rooms - Lady Grey	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tienbank Property Access Construction	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction of Gravel Road with Stormwater control Ward 2 (7.01 km)	15	12	11	09	0	0	0	0	0	0	0	0	36	9
Transwilder Bridge	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Renovations (Barkly East Town Hall)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction of New Cemetery in Barkly East	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction of New Cemetery in Sterkspruit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Senqu Cemeteries	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Solid Waste Site - Sterkspruit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Solid Waste Site - Herschel	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Solid Waste Site - Rossouw	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Solid Waste Site - Rhodes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Upgrading of Existing Solid Waste Site in Lady Grey	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	139	155	152	147	129	143	140	156	158	148	147	150	1764	147

Note:

- There is a new electronic EPWP Reporting System currently in use. If this is not operated effectively, or if this is not managed properly, it can have very damaging consequences as the system may at times **not read ID's and may then not count individuals**. Challenges in respect of this system exist in many instances.
- It is acknowledged that there are a number of difficulties and challenges in respect of administering and managing the EPWP projects themselves. Despite continuous movements and many different types of jobs being created, record keeping should not be an issue if managed correctly. Appropriate and proper statistics are required to be kept and updated monthly.

b. Table: Detailing the actual number of people employed per quarter in designated groups for the 2020/2021:

Location	Youth				Female				Male			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mass Job Creation	222	238	272	267	258	279	318	316	111	119	136	129
Upgrading of Municipal Office in Lady Grey Ward 14	23	7	0	0	27	8	0	0	12	4	0	0
Construction of Gravel Road with Stormwater control Ward 2 (7.01 km)	15	6	0	0	17	4	0	0	21	5	0	0
TOTAL	260	251	272	267	302	291	318	316	144	128	136	129

- c. The table below details the EPWP project costs and provides results for the 2020/2021 period as reported on the Expanded Works Programme Reporting System (EPWPRS)

EPWP PROJECTS (2019/2020 Financial Year)	BUDGET	NO. OF JOBS	Male	Female	Youth
Mass Job Creation	R 7434 000	1689	537	1227	1050
Boyce Nondala Bus Route	R 1 256 891	39	16	35	30
Upgrading of Barkly East Solid Waste Site	R 1 137 463	36	26	21	21
2 nd floor renovations	R 9 828 354	1764	579	1283	1101
Esilindini – Frans gravel road	R 7434 000	1689	537	1227	1050
Electrification of W 10	R 1 256 891	39	16	35	30
TOTAL	R 1 137 463	36	26	21	21

Note:

- It must be remembered that Hershel paved roads and Tienbank paved roads are multiyear projects and so the budget is not only for the 2017/2018 financial year but extends to the current financial year i.e. 2019/2020.
- The EPWP and CWP programmes are operating effectively within the municipality. The roll out of the CWP programme continues to struggle due to delays in engaging new labourers to replace outgoing labourers as well as procuring equipment for projects timeously. The reporting of EPWP on the national EPWPRS is improving, although service providers are still failing to supply ID copies and labour reports timeously. **This can be improved by ensuring that it forms part of service provider's contracts; and**
- **Enterprise development is experiencing challenges as SMME's and co-operatives struggle to become financially viable.** The municipality continues to support these initiatives through its percentages in its Supply Chain Management Policy. This is proving difficult as tenderers continue to make administrative mistakes which render their tenders invalid; and
- An average of 161 jobs were created during 2019/2020.

3.9.13 Support Social Investment Programme

The Sustainable Developmental Community/Social Development Programme (SIP) is a project that is intended to move beyond project-based community economic development. The emphasis is on **"empowerment"** and **innovative methodologies are utilized** to systematically build community competence and capacity. Under these circumstances, Senqu is required to present its plan to create the conditions required for the second economy through community-based organisations and informal business associations. Information required includes: the number of cooperatives, small business associations and women/youth associations, develop and maintain unemployment data base.

- a. *Expanded Public Works Programme/s (EPWP)*

Annual Performance as Per Key Performance Indicators in LED 2020/2021

INDICATOR NAME	TARGET SET FOR THE YEAR	ACHIEVEMENT LEVEL DURING THE YEAR (ABSOLUTE FIGURE)	ACHIEVEMENT PERCENTAGE DURING THE YEAR
Implementing of the Senqu Marketing Strategy derived from the responsible Tourism Plan	4 Quarterly Reports on Implementation of the Marketing Strategy	1	100
Number of Economic Development fora held	4	4	100
Number of job opportunities created through the LED initiatives including capital projects	1 Annual Report	1 Annual Report	100
% of the municipal infrastructure capital projects in excess of R6 million, allocated to SMME's through sub-contracting	1 Annual Report	1 Annual Report	100

Note:

- The municipality has its own internal job creation project which uses the services of interns on a one-year contract basis and outside general staff are hired for a period of one year. This project is then registered as an EPWP project and forms part of the EPWP grant.
- All infrastructure projects are also registered as EPWP projects and the gender guidelines of the EPWP are adhered to as part of the mainstreaming programme.

- The main challenges on the job creation programme have been to ensure that there is sustainability and economic service delivery linked to lack of sufficient skills and transport. The reporting of the projects on the National system EPWP'S has improved but under reporting still occurs due to ID copies and labour reports not being submitted timeously.
- Expanded Public Works Programmes are required to be informed by the need to meet specific projects and to assist with the achievement of service delivery objectives and targets; and
- EPWP is an on-going programme to which the Council has dedicated as priority in order to achieve sustainable development of the area into the future.

b. Comment on EPWP Performance Overall

EPWP targets were exceptionally well achieved during this period. More specifically:

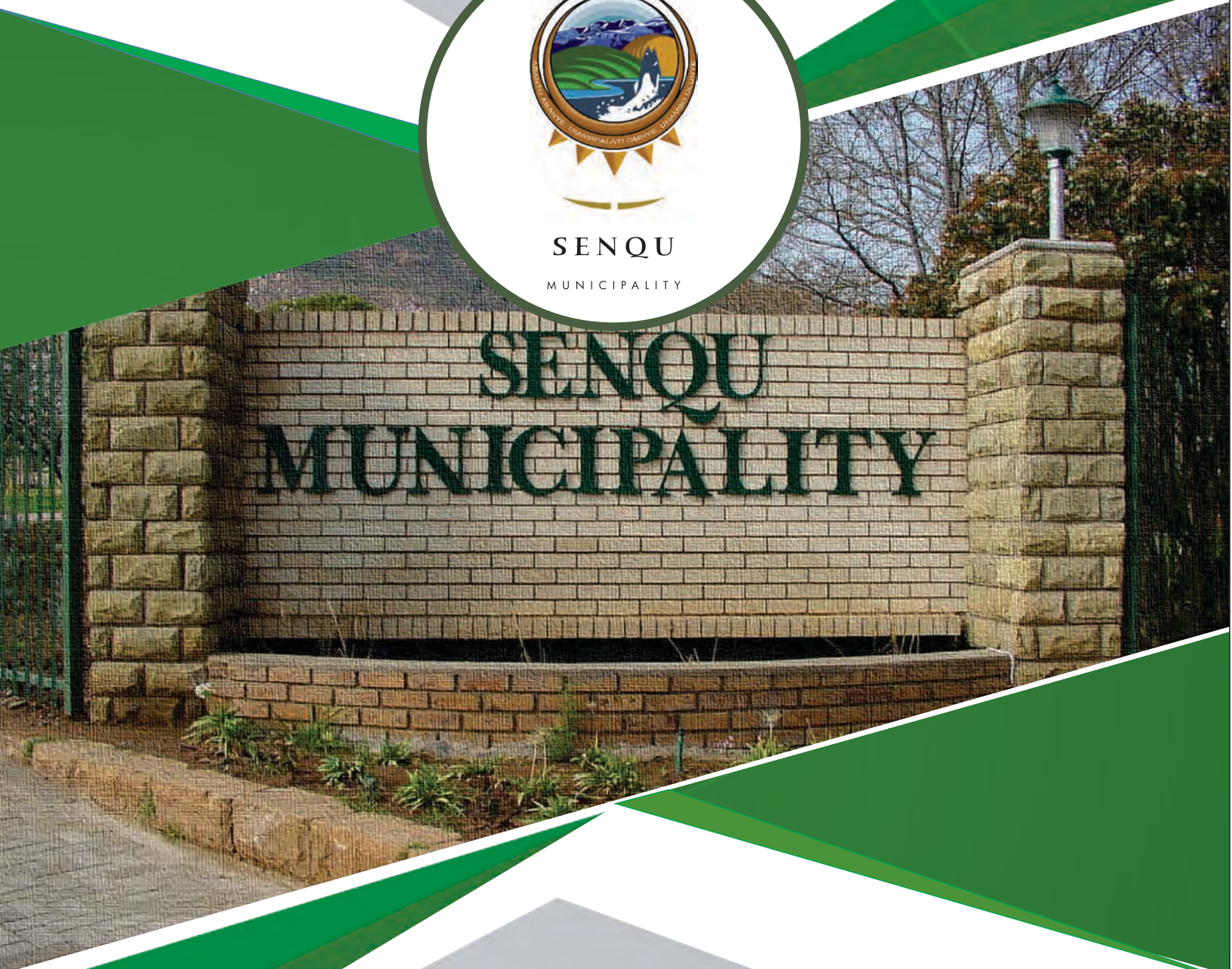
- An average of 194 people were engaged in EPWP and MIG projects.
- Despite this it is noted that job creation beneficiaries leave the programme for more permanent employment /better employment offers.

As a matter of great urgency there exists a need to investigate the main streaming of dis-abled persons and the incorporation of these into these programmes where at all possible. This is difficult as most jobs available rely on able bodied persons to fulfil the tasks.

3.9.14 Challenges regarding LED strategy implementation

Challenges within the LED function continue and may be attributed to funding constraints and limited staff capacity in order to deal with the challenges. Taking these issues into account the following remedial action is proposed:

- Local contractors have low CIDB level ratings and do not benefit from Municipal tenders. There is a critical need to look at increasing contractor training with identified partners so that it is possible to improve the number of local firms benefitting from tenders.
- The new regulations regarding the amount of local content does not take into account the difficulties experienced by local suppliers who struggle to access the required documentation to be able to procure for the Municipality.
- The level of understanding and knowledge of the LED Strategy by internal and external stakeholders and, of the role of local government in LED is extremely limited. This results in LED being seen as poverty alleviation. More effort must be extended by the LED Unit to expand the knowledge of ordinary citizens and influential stakeholders. This will result in a more co-ordinated and unified approach to the implementation of LED.
- The Local Municipalities lack of annual growth has resulted in unprecedented high unemployment rates. This places Senqu Municipality in an unenviable position in which they have a high dependence on government grants. This issue, coupled with access to basic household and community services which is below optimal levels, creates tension amongst communities who compete for relatively scarce resources. Under these circumstances it is critical that the municipality creates appropriate conditions for job creation and participation in agricultural activities by availing land for development.
- **It is noted that businesses are not growing as SMME's as they do not receive strategic support from government** institutions. Areas for great concern are centred around food, security and land reform.
- It is noted that the tourism sector is underdeveloped and needs strategic intervention to revive and contribute to the local economy meaningfully. In this regard, a responsible tourism sector plan must be developed which could provide direction to optimise the potential that exist in the area.
- Agriculture remains central to the development of the area. However, it must be managed and grown in a coordinated fashion.
- Land administration and town planning remain as areas requiring focus.



**COMPONENT D
COMMUNITY & SOCIAL
SERVICES**

COMPONENT D: COMMUNITY & SOCIAL SERVICES

The main function of this directorate is the maintenance of municipal infrastructure as well as to ensure effective service delivery. The department is responsible for rendering services within the following areas: cemeteries; crematoriums; community facilities (including sporting facilities, community halls); waste management; libraries; parks & amenities; commonage management; public safety; childcare facilities and the planning, coordination and implementation of the Community Services Departments' capital and expenditure budget.

3.10 LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, OTHER

3.10.1 Introduction to Libraries

- a. Information dissemination through libraries about a wide variety of library programmes, services, and other critical information necessary to reach the residents makes libraries a vehicle for informing and educating the residents within the municipality.
- b. The municipality made progress on several its targeted deliverables with regards to libraries despite the challenges of COVID-19 that were experienced.
- c. The library service offers a wide variety of services within the following areas: lending; referencing; study; photocopying and wi-fi facilities. Books are provided for research and lending in a vast number of areas and disciplines that include fiction and non-fiction.
- d. Services were offered and awareness campaigns were provided to library users and visits were also conducted. Various awareness campaigns and marketing in respect of library services are held on a regular basis, to facilitate greater knowledge of the value and benefit of libraries and the importance of literacy.
- e. It must be noted that libraries are a provincial competency and are run on an agency basis by Senqu Municipality. The municipality is there for dependent on an annual subsidy received from the DSRAC Government Grant to provide this function. A service level agreement that sets out the terms and conditions of this arrangement is signed between DSRAC and was signed by the Municipality for 2020/2021 although DSRAC delayed signing the SLA which in turn delayed the transferring of funds. This situation unfortunately initially impacted negatively on library services provision.
- f. Overall, it must be noted that inadequate funding remains a challenge as the grant from DSRAC does not cover all library expenditure – especially when wanting to optimize service delivery on all fronts.
- g. Senqu Municipality currently has 5 libraries and 2 modular libraries that can service the community. Areas of operation include Lady Grey, Barkly East, Sterkspruit, satellite libraries in Rhodes and Rossouw and 2 modular libraries in Herschel and Hillside Village.

3.10.2 Overall Comment on Library Service Performance

- a. Inadequate funding will continue to be experienced as a challenge as the grant from DSRAC does not cover all library expenditure.
- b. Quarterly reports on the implementation of the SLA were compiled and sent to DSRAC.
- c. Libraries were closed for the use of public during level 5 and level 3 due to COVID restrictions this prevented libraries from opening during these periods.
- d. Statistics of books loaned and returned were compiled for each library and submitted to the Standing Committee. The quarterly reporting on statistics of books loaned and returned for each library was completed except for the 2 months that the libraries were not open for public.
- e. Book clubs and the Library Committee could not function due to COVID-19 restrictions.
- f. New books were delivered to libraries by DSRAC.
- g. Library promotion events were not held due to COVID- 19 restrictions.
- h. The mini libraries for the blind continue to operate within Barkly East and Sterkspruit effectively.
- i. Manual systems continue to be used to record data and for reporting purposes.

a. Library Services Statistics

LIBRARY	NUMBER OF FACILITIES	USERS	CIRCULATION OF BOOKS
Rhodes	1	110	621
Rossouw	1	56	546
Barkly East	1	365	1023
Lady Grey	1	186	987
Sterkspruit	1	187	2367

b. Library Services Employees

EMPLOYEES: LIBRARIES					
Job Level	Year 2019/2020	Year 2020/2021			
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3					
4-6	3				
7-9	1	3	3	0	0
10-12	1	2	2	0	0
13-15					
16-18					
19-25					
Total	5	5	5	0	0

c. Financial Performance: Library Services

FINANCIAL PERFORMANCE YEAR 2020/2021: LIBRARIES R'000					
Details	Year 2019/2020	Year 2020/2021			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 501	1 501	1 501	1 505	4
Expenditure					
Employees	1 927	1 950	1 950	3 002	(1 052)
Repairs and Maintenance	0	5	5	0	5
Other	134	224	224	110	114
Total Operational Expenditure	2 061	2 177	2 179	3 112	(933)

NOTE: It is to be noted that there was no capital expenditure on Libraries

3.11 CEMETERIES

3.11.1 Introduction to Cemeteries

This unit is responsible for the management, maintenance and development of Cemeteries and Crematoria. Responsibility lies in the provision and maintenance of cemeteries in terms of functions that include grave digging, exhumations, burial related administration (reservation of graves, record keeping and the like). Burial Plots were provided as per request and pauper and indigent burials were also conducted.

3.11.2 Service Statistics for Cemeteries & Crematoriums

Closed Cemeteries:

Khwezi Naledi Cemetery, Sterkspruit Town Cemetery; and two cemeteries in Barkly East.

Operating Cemeteries:

Rhodes: two cemeteries, Rossouw Cemetery, Lady Grey: three cemeteries, Barkly East: 1 cemetery; and Rural cemeteries in Sterkspruit.

3.11.3 2020/2021 Cemetery Performance Overall

- 277 Burial Plots were provided as per request during 2020/2021. This is a demand driven target.
- The extension of existing cemeteries in Lady Grey was granted by Department of Economic Development, Environmental Affairs and Tourism.
- The development of new cemeteries in Sterkspruit, Herschel and Lady Grey is also problematic due to the tedious land issues and environmental authorization processes that must be followed.
- The appointment of a contractor to build the Barkly East new cemetery new cemetery was completed.

- 8 cemeteries were maintained during the financial year: Steve Tshwete, Khwezi Naledi, Nkululeko old cemetery, Zola, Rhodes-Zakhele, Barkly East Town, Lady Grey Town, Sterkspruit Town Cemetery.
- Rural cemeteries were maintained during the financial year.

a. Nature and Extent of Facilities Provided: Cemeteries (Urban)

LOCATION	2019/2020	2020/2021
Barkly East	3 Facilities	2 operational facilities
Lady Grey	4 Facilities and one facility is closed	3 operational facilities
Sterkspruit (Urban)	1 Facility and The facility is closed. Rural cemeteries that are operational	1 closed facility and Rural cemeteries that are operational
Rhodes	2 Facilities	2 operational facilities
Rossouw	Nil	1 Facility operational

b. Financial Performance

FINANCIAL PERFORMANCE YEAR 2020/2021: CEMETERIES AND CREMATORIUMS						R'000
Details	Year 2019/2020	Year 2020/2021				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	18	44	41	30	(11)	
Expenditure						
Employees	715	782	782	43	(739)	
Repairs and Maintenance	493	996	996	822	(174)	
Other	567	676	676	564	(112)	
Total Operational Expenditure	1 774	2 454	2 454	1 429	(1 025)	
Net Operational Expenditure	1 756	2 410	2 413	1 399	a. 014)	

c. Capital Expenditure

CAPITAL EXPENDITURE YEAR 2020/2021 CEMETERIES						R'000
Capital Projects	Year 2020/2021					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value	
Total All	10 082	9 382	1 737	8 345		
EIA's Senqu Cemeteries						
Construction of New Cemetery in Barkly East	10 082	9 382	1 737	8 345		

3.12 CHILDCARE, AGED CARE AND SOCIAL PROGRAMMES

3.12.1 Introduction to Childcare, Aged Care and Social Programmes

Special Programmes have been undertaken by the Special Programmes Unit to provide assistance to those in need/those who have been disadvantaged in some way and in this manner to ensure a better quality of life for all. To this end it must be noted that:

Local authorities have a legal mandate in terms of the Constitution (Schedule 4B) regarding their duty to provide facilities for early childhood development, but other imperatives can be gleaned from their responsibility towards promoting social and economic development. In terms of childcare, it is required that the municipality:

- Inspect the facilities utilized to ensure that they meet the minimum requirements – **in this manner ensuring the child's safety by the actions of the District Municipality.**
- Environmental Health Practitioners are required to inspect identified facilities and to report on their status and whether any interventions are necessary; and
- The Environmental Health Practitioners are required to assist with the monitoring of the quality of early childhood development, facilities, services, and programmes rendered within those facilities.
- Implementation of the SPU Implementation Plan and Projects: **projects such as World Aids Day and "16 days of activism against child and woman abuse" are required to be organised.**
- Efforts are required to be made to facilitate the upliftment of children, youth, women, people with disabilities and the like; and

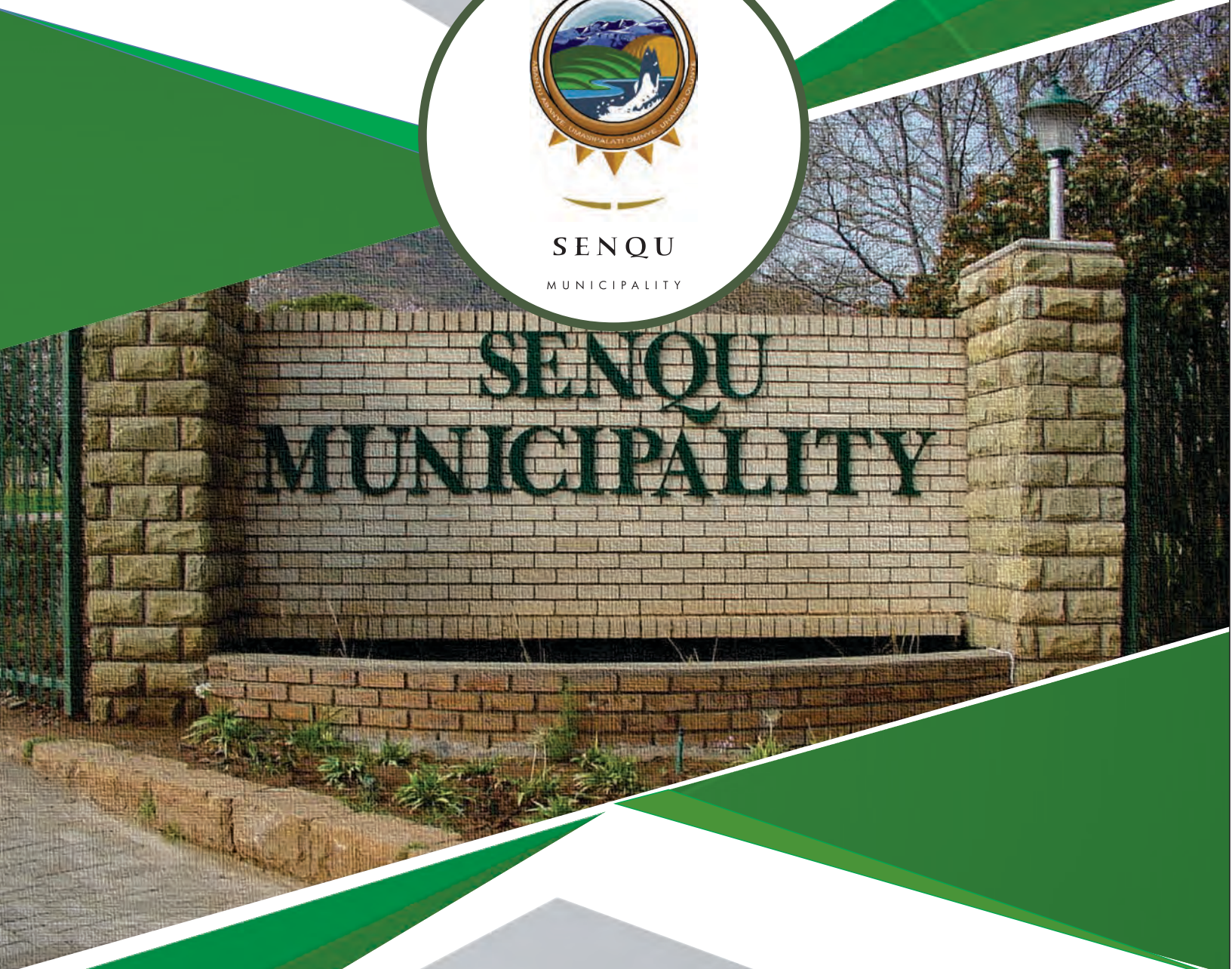
- Implementation of the HIV/Aids strategy and plan. Programmes and related interventions are required to be mainstreamed through effective planning and successful execution.

3.12.2 2020/2021

Despite the number of challenges that include the impact of COVID – 19 and the difficulties that this created in terms of social distancing and social gatherings (required for awareness campaigns and the like), numerous positive interventions have been held and are reflected in the table that follows. This table that will follow will detail the way the intervention occurred and the activity and date at which the intervention took place.

The 2020/2021 period is reflected on as follows:

Targets for planned initiatives in respect of mainstreaming and special projects were not well achieved. Many planned events could not be held as planned.



**COMPONENT E
ENVIRONMENTAL PROTECTION**

COMPONENT E: ENVIRONMENTAL PROTECTION

3.13 BIODIVERSITY AND LANDSCAPE (INCLUDING PUBLIC OPEN SPACES) AND OTHER

3.13.1 Introduction Bio-Diversity and Landscape

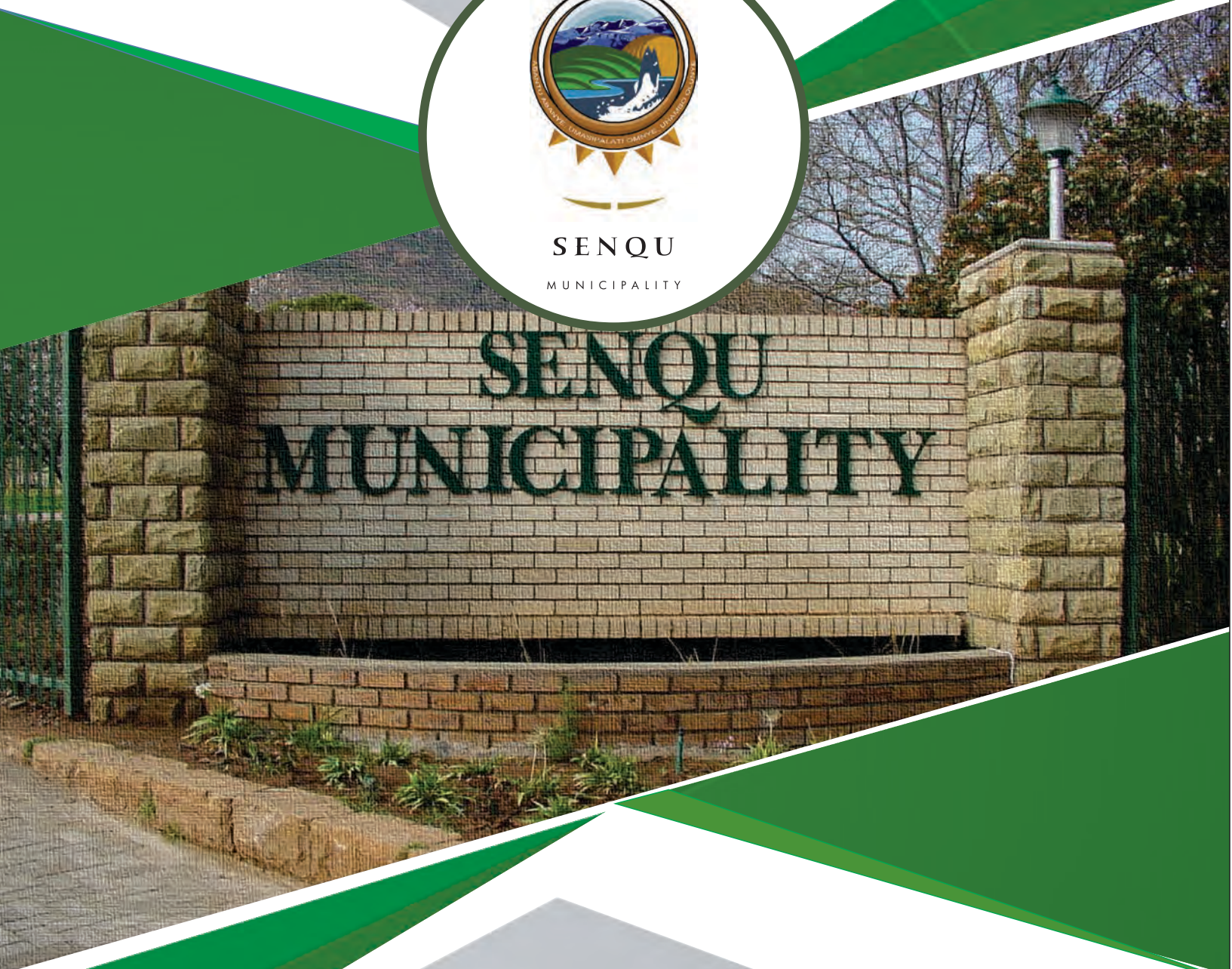
Biodiversity and Landscape is an area of service delivery involving the management, maintenance and development of parks, open spaces and the beautification of municipal areas. In order to be able to achieve this, horticultural practices undertaken include landscaping and beautifying town entrances, the maintenance of sidewalks and grass cutting.

a. Parks and Public Open Spaces

Central to this important function is to ensure that parks and public open spaces are effectively maintained, so that the environment created for the community and visitors thereof maybe appreciated, pleasant and aesthetically appealing.

This function has been well-achieved overall. More specifically it must be noted that:

- The Parks in Lady Grey and Barkly East were well maintained (2 in Lady Grey) and 1 in Barkly East, in accordance with the Maintenance and Cleaning Plan (as per budget and schedules). On-going maintenance occurs and involves grass cutting/mowing, grading/ploughing and cleaning).
- Roses were planted in the side walks in Lady Grey.
- 29 public open spaces were maintained in accordance with the plan (12 in Lady Grey; 11 in Barkly East; 1 in Sterkspruit and 5 in Rhodes).
- Monthly reports in all instances are compiled and submitted to the relevant Standing Committees.



**COMPONENT F
HEALTH**

COMPONENT F: HEALTH

3.14 HEALTH INSPECTION

3.14.1 Introduction to Licensing and Regulation Control

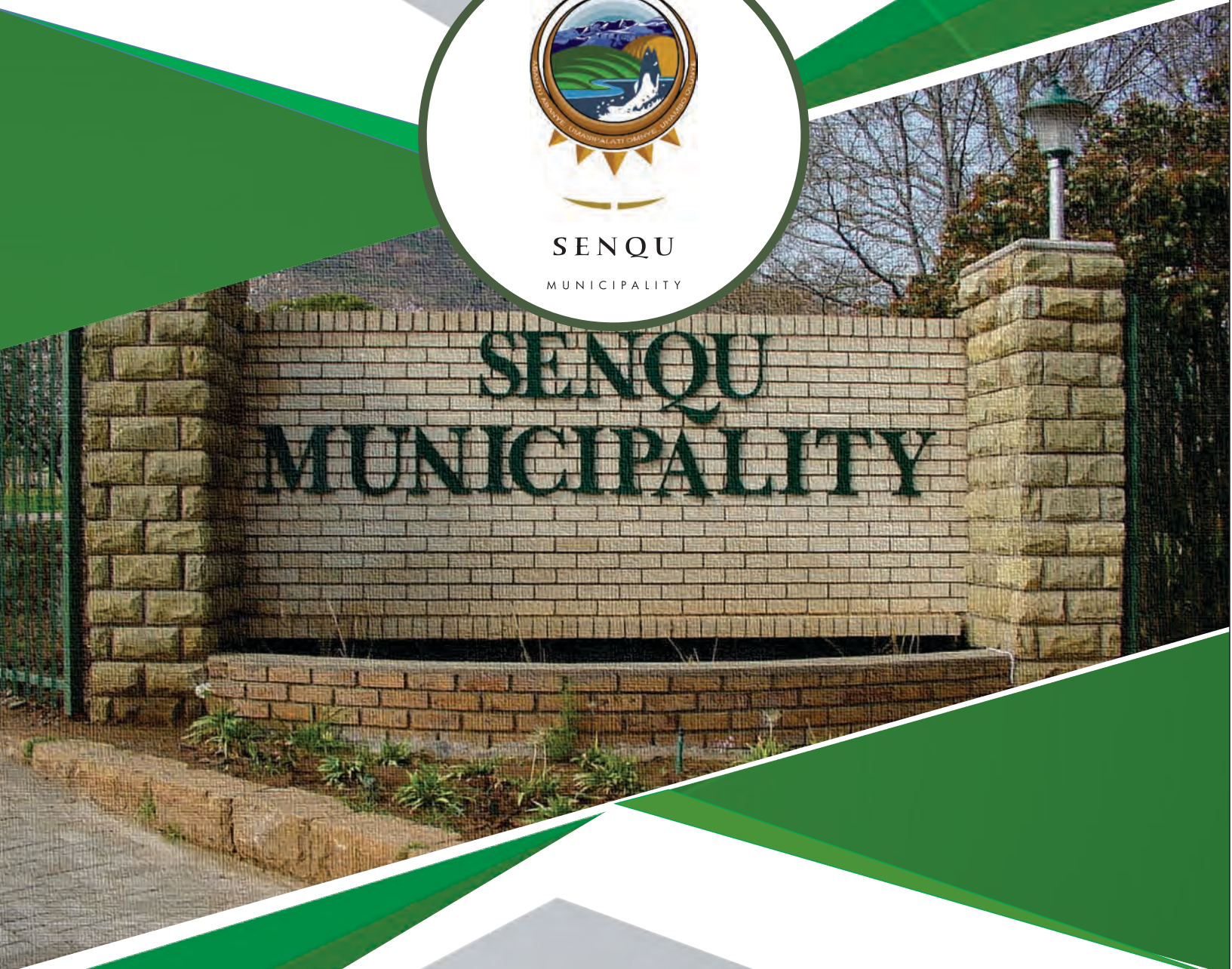
It is the intention of this function to improve the economic development within the community in respect of both formal and informal businesses. It is also the intention to regulate the trading activities of the licence holders.

3.14.2 Strategic Objectives:

- Promoting the development of strategic sites within the municipality by marketing these to the developers.
- Formulating an informal trading policy and using this to promote trading facilities as required; and
- Issuing of licenses and controlling of trading within the municipality.

3.14.3 2020/2021 Licensing and Regulation Performance Overall

- Business and Street Trading was monitored during the financial year that Business licenses were issued to complying premises.
- Control and compliance is monitored in order to ensure compliance with legislation.
- Information sharing is conducted with street traders.
- This section focused more on COVID-19 compliance checks during the financial year liquor outlets were visited to ensure compliance with the regulations
- Awareness and campaigns were held for business focusing more on disaster management regulations.
- It remains the role of the Environmental Health Practitioners to evaluate business premises in order to ensure compliance, as they may only issue licenses based on the compliance aspects having been met. All qualifying businesses were issued with licences; and
- The Licensing and Regulations Officer also dealt with several issues including, the control of advertising within the Municipality, where he ensures that permits are issued for people wishing to advertise and a prescribed fee is paid.



**COMPONENT G
SECURITY AND SAFETY**

COMPONENT G: SECURITY AND SAFETY

3.15 DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES

3.15.1 Introduction to Disaster Management, Animal Licensing and Control, Control of Public Nuisances

This function focuses on Disaster Management, Commonage Management and Pounds and Control of Public Nuisances.

a. Disaster Management

The municipality does not have its own functional Disaster Management Unit. Disaster Management is the responsibility of the Joe Gqabi District Municipality. The Director Community Services attends Disaster Management meetings in an advisory capacity and liaises with the district on issues of common interest.

b. Introduction to Commonage Management and Pounds

Commonage land is required to be exclusively used for agricultural activities as described within the Commonage Management Plan. A Commonage Management Plan highlights the issues that must be looked at and managed on a day-to-day basis. This involved the management of commonage including resting and rotation of camps; maintenance of fences and water; development of permanent pastures; water provision in camps and erosion control.

- During the 2020/2021 period, it was ensured that:

Stock registers were updated as required. The restrictions on public gatherings during the COVID – 19 period prevented the campaigns from taking place. The animal pound in Lady Grey is operational although there is still a challenge of non-availability of transport to impound animals from other areas like Sterkspruit and Barkly East.

• Challenges

- non-availability of transport to impound animals from other areas like Sterkspruit and Barkly East.
- non-availability of transport to impound animals from other areas like Sterkspruit and Barkly East.
- **Overgrazing in the commonage continues to be a challenge together with several “small farmers” who are not willing to pay the grazing fees for the use of commonages.**
- Fences are being repaired in the commonage by the Municipality. The greatest challenge relates to vandalism and fences being stolen and this creates a situation where Commonage Management Plan is not implemented.

• Impounding of Animals

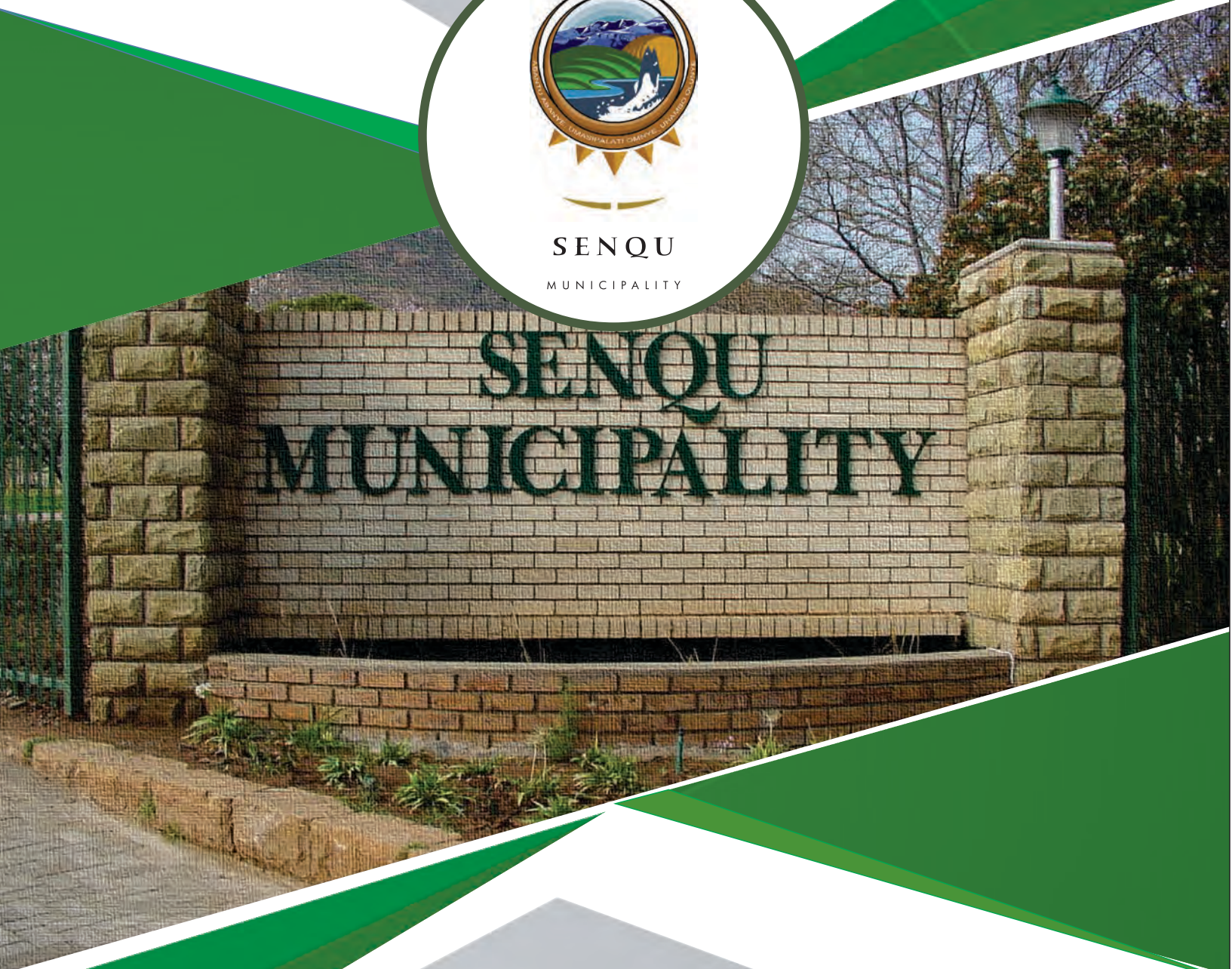
- It is to be noted that the overall objective is to ensure that stray animals are removed from the roads and streets and are impounded.
- The Lady Grey Pound was established, it is fully operational and maintained accordingly.
- Income was derived from the selling in auction of unidentified impounded animals.

Income for the pound's function is reflected as follows:

FINANCIAL PERFORMANCE YEAR 2020/2021: DISASTER MANAGEMENT, BY LAW IMPLEMENTATION (ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES) R'000					
Details	Year 2019/2020	Year 2020/2021			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	36	93	88	47	(40)
Expenditure					
Employees	345	527	527	6	(521)
Repairs Maintenance	0	16	16	0	(16)
Other	129	103	105	38	(67)
Total Operational Expenditure	474	646	651	43	(608)
Net Operational Expenditure	438	553	563	(4)	(568)

b. Capital Expenditure

CAPITAL EXPENDITURE YEAR 2020/2021 POUNDS R'000					
Capital Projects	Year 2020/2021				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All					
Pound Project Lady Grey	0	0	0	0	0



**COMPONENT H
SPORTS AND RECREATION (INCLUDES
COMMUNITY HALLS, SPORTS FIELDS,
SPORTS HALLS, STADIUMS,
SWIMMING POOLS AND CAMP SITES)**

COMPONENT H: SPORTS AND RECREATION (INCLUDES COMMUNITY HALLS, SPORTS FIELDS, SPORTS HALLS, STADIUMS, SWIMMING POOLS AND CAMP SITES)

3.16 INTRODUCTION TO SPORT AND RECREATION

Manage maintenance and development of all municipal sports facilities the promotion and development of sports and recreation. Maintenance plan of sports facilities were approved. The municipality is required to provide basic sport and recreation facilities within its area of jurisdiction. 5 Sports fields were maintained in terms of the approved maintenance plan. Vandalism of the stadiums and sports fields is a challenge, some of these were not addressed due to budgetary constraints. The nature and extent of facilities provided is reflected in the table that follows:

LOCATION	FACILITIES
Barkly East	1 x Multipurpose field in Nkululeko Township 1 x Soccer field
Lady Grey	1 x Multipurpose field in Steve Tshwete Township 2 x soccer fields 1 x Golf Course run by the Golf Club on a lease agreement
Sterkspruit	1 x multipurpose field in Patrick Shibane Playgrounds in the rural areas
Rhodes	1 x soccer field 1 x tennis court

3.16.1 2020/2021 Sport and Recreation Performance Overall:

- All sports fields in the urban areas were maintained in terms of the approved maintenance plan and reported to the standing committee.
- The maintenance programme was implemented as planned which includes general maintenance.
- Inspections took place through physical inspections, evaluations, and the completion of inspection reports
- The Care Takers for the different sports fields are responsible for the maintenance of the fields.
- It must be noted that the renovations of Khwezi Naledi Sports field fence could not be done due to budget constraints.
- Facilities were closed during covid-19 restrictions.

Challenges

- While acknowledging that vandalism of the sport fields is rife, some of the areas were addressed others could not be addressed due to financial constraints.
- There is a lack of maintenance of rural sports grounds due to the lack of funding and personnel. These grounds need to be graded.

a. Financial Performance

FINANCIAL PERFORMANCE YEAR 2020/2021: SPORT AND RECREATION						R'000
Details	Year 2019/ 2020	Year 2020/2021				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	1	9	9	2	(7)	
Expenditure						
Employees	1 128	1,420	1,420	640	(780)	
Repairs and Maintenance	357	228	323	198	(125)	
Other	523	988	998	518	(480)	
Total Operational Expenditure	2 009	2 635	2 740	1 356	(1 384)	
Net Operational Expenditure	2 008	2 626	2 731	1 354	(1 377)	

b. Capital Expenditure sport and recreation

CAPITAL EXPENDITURE YEAR 2020/2021 SPORT AND RECREATION R '000					
Capital Projects	Year 2020/2021				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	
Total All	0	0	0	0	0

3.17 INDOOR RECREATIONAL COMMUNITY FACILITY (HALLS)

3.17.1 Introduction to Indoor Community Facilities (Halls)

The organization was required to manage maintenance and develop all municipal halls. Maintenance plans for the halls were developed. Senqu municipality manages 27 community halls within the five towns of the Municipality. The municipality is responsible to manage and maintain these halls within the available budget. It is also required that Senqu Municipality manages access control, handles the reservations, and ensures the **execution of the municipality's policy on facilities. Halls are made available for public functions or private hire by our community members.** Charges vary according to the function, time, and day of the week.

3.17.2 Service Statistics for Community Halls

The table below details the use and accessibility of community halls.

LOCATION	FACILITIES
Barkly East	2 x Facilities: Nkululeko Hall Barkly East Town Hall
Lady Grey	3 x Facilities: Khwezi Naledi Hall Lady Grey Town Hall Transwilger Hall
Sterkspruit (Urban)	1 x Facility: Bhunga Hall
Sterkspruit (rural areas)	18 x Facilities: Ndofela, Storomo, Makalakaleng, Makhumsha; Hillside, Phelandaba, Mmusong, Majuba, Thaba-Lesoba, Ngquba, Tienbank, Blue Gums, Magadla, Esilindini (Kwa Ntoy), Zava, Sunduza; Voyizana. Herschel community hall was burnt down during protest
Rossouw	1 x Facility: Rossouw Hall
Rhodes	1 x Facility: Rhodes Hall

3.17.2 2020/2021 Community Halls Performance Overall:

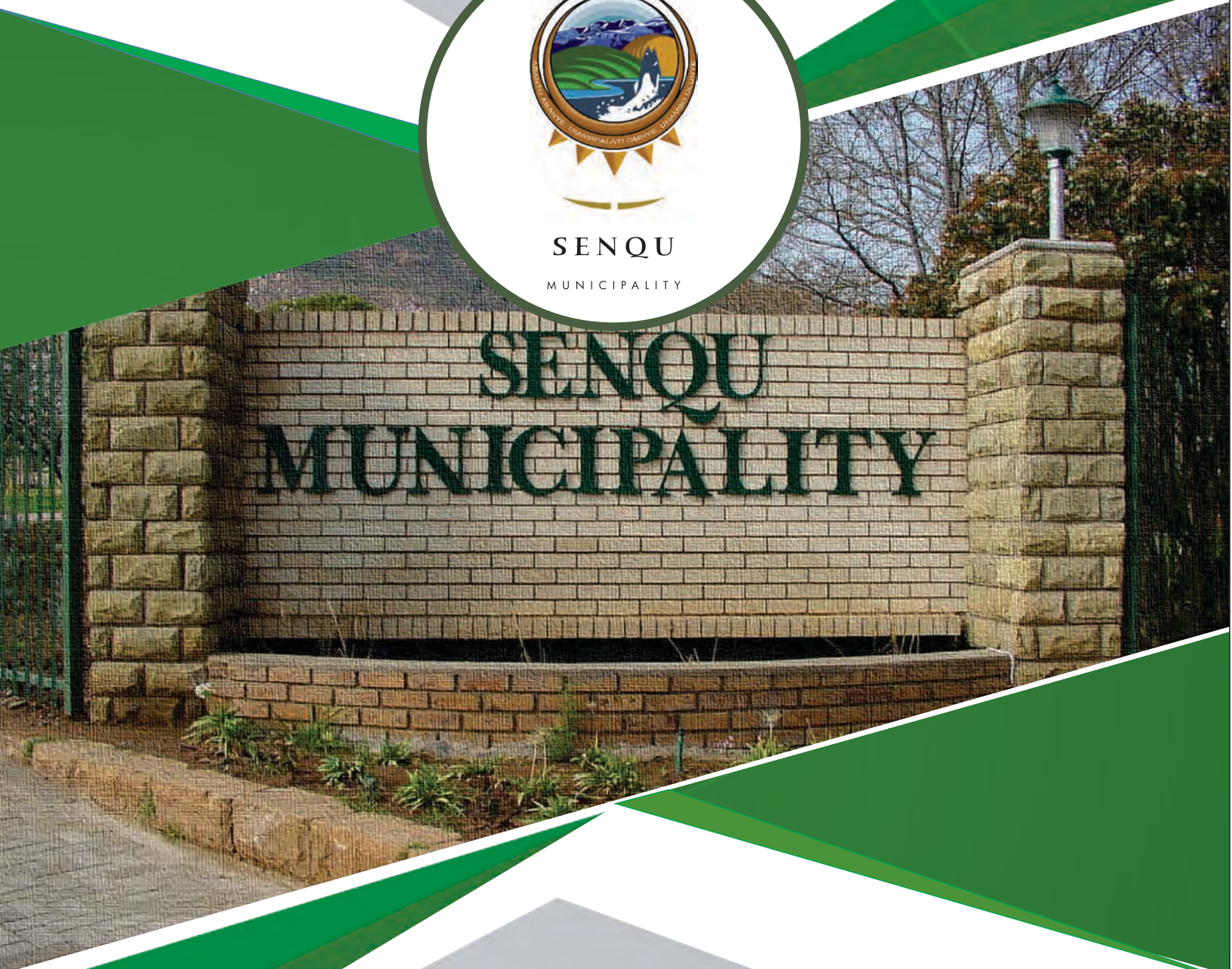
- There are 27 multipurpose centres (inclusive of rural areas) and it must be noted that there are facilities within the rural areas which require maintenance, although no revenue is generated.
- The renovation project for the Barkly East Town Hall the contract was appointed.
- Transwilger hall upgrade was also carried out during the financial year.
- Herschel Community was burnt down due to community protest. The upgrade of this hall could not be fulfilled due to budgetary constraints the hall is prioritised for the next financial year.
- Planned maintenance for the hall was carried out as planned in accordance with the approved maintenance plan.
- Cleaning occurred weekly for the halls in Towns where there is staff employed for cleaning.

a. Financial Performance community halls

FINANCIAL PERFORMANCE YEAR 2020/2021: COMMUNITY HALLS						R'000
Details	Year 2019/2020	Year 2020/2021				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	348	98	98	30	67	
Expenditure						
Employees	3 791	3 515	3 515	4 215	(700)	
Repairs Maintenance	724	1 505	1 603	1 095	507	
Other	1 887	1 766	1 846	1 605	241	
Total Operational Expenditure	6 403	6 785	6 963	6 914	48	
Net Operational Expenditure	6 055	6 687	6 865	6 884	(19)	

b. Capital Projects Community Halls

CAPITAL EXPENDITURE YEAR 2020/2021 COMMUNITY HALLS						R'000
Capital Projects	Year 2020/2021					
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value	
Renovations (Barkly East Town Hall)	982	4 500	133	849		



**COMPONENT I
MISCELLANEOUS**

COMPONENT I: MISCELLANEOUS

3.18 ICT

A great deal of progress was made within this area. More specifically it is noted that the review of the IT Disaster recovery plan and IT Strategic Plan did occur, and no changes were initiated. The ICT Disaster Recovery Plan forms part of the ICT Governance Framework. Back – ups are completed in terms of this and back up registers are provided to validate this.

ICT remains a challenge for the municipality as its infrastructure requires upgrading. There are constant downtime periods which frustrates the delivery of service by the municipality.

Although the municipality is experiencing challenges in this regard, it has improved tremendously especially since Covid 19 pandemic. The use of more sophisticated methods is slowly being introduced hopefully with time the municipality will be able to deliver services that are **technologically up to date without compromising those who can't use technology.**

3.19 Supply Chain Management

Overall, it is noted that the Supply Chain Management (SCM) process flow has improved, and the scheduling of meetings has resulted in improvements in the SCM turnaround time (Improvements are required ongoing). Historically, certain Directorates have indicated that **their progress in terms of achieving targets had been affected by “red tape” and / or slow SCM processes.**

- The Supply Chain Management (SCM) process flow has improved, and the scheduling of meetings has resulted in improvements in the SCM turnaround time (improvements are required ongoing). It is noted that certain Directorates have indicated their progress **in terms of achieving targets that were hampered by “red tape” and or slow SCM processes.**
- It is noted that improvements are required to be made in terms of the management of service providers. It appears that Directorates are not co - operating and are still not ensuring that that the required level of commitment is being given to managing service providers/contractors /consultants appointed within their directorates. These reports are being received by SCM from directorates and/ or project managers in terms of service providers and vendors. This however remains an area that requires attention. It must be remembered that this function is critical – not only for operational reasons but due to legislative prescriptions. Upon further analysis and to improve day to day functionality it is suggested that:
- Improvements are required to be made in terms of the way service providers are managed. Directorates are a contributing factor and fail to ensure that the required level of commitment is being given to managing service providers/contractors /consultants appointed within their directorates. These reports are being received by SCM from directorates and/ or project managers in terms of service providers and vendors.
- This is a critical function, and it must be understood that it represents an area of compliance.
- This area of operation, functioning and reporting is not the sole responsibility of the Supply Chain (SCM) Manager and/or Supply Chain (SCM) Unit. Staff (SCM) are required to assist in collating and reporting of data BUT the performance management function of the service providers and vendors remains the responsibility of the relevant line managers in terms of assessing performance (as part of their day to day operational and management function). Currently, this is not taking place in a formalized manner and is an area of great concern that clearly requires attention. Failure to comply may lead to an audit query and an audit qualification which may have far reaching consequences overall.
- **Moving forward it must be ensured that Directorates manage service providers /contractor's/ consultant performances, and that good quality monitoring and reporting occurs, and assessments occur in terms of the performance system incorporated into the reviewed performance management policy framework as approved in October 2018. Failing this, consequence management is required to be instituted, and the necessary compliance notices are required to be issued, and disciplinary action taken where required.**
- A system to manage and rate service providers has been incorporated within the revised Performance Management Policy / Framework Policy as approved in October 2018. Currently the Supply Chain (SCM) Manager in conjunction with relevant Directorates ensures that certain performance protocols are followed prior to processing an invoice. The performance of service providers will for some time remain an ongoing challenge.

Result of the prior financial year 2019 /2020

KPA 2019/2020	Total number of KPIs per KPA area	Exceeding Target		Meeting Target		% KPIs Meeting Target		Number of KPIs not meeting target		% KPIs Not achieved		Number of targets on Not assessed/ On Hold		% targets Not assessed/ On Hold	
		Number KPIs	Target	Number KPIs	Meeting Target	% KPIs Meeting	Target	Number of KPIs	not meeting target	% KPIs Not	achieved	Number of	targets on Not assessed/ On Hold	% targets Not	assessed/ On Hold
Service Delivery	64	3	4.69%	25	39.06%	33	51.56%	3	4.69%	3	4.69%	3	4.69%	3	4.69%
LED	4	0	0.00%	3	75.00%	1	25.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Financial Viability	31	3	18.00%	17	54.84%	11	35.48%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Municipal Transformation and Development	46	1	2.17%	31	67.39%	14	30.43%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Good Governance & Public Participation	29	3	10.34%	11	37.93%	15	51.72%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
TOTAL	174	10	5.75%	87	50.00%	74	42.53%	3	1.72%	3	1.72%	3	1.72%	3	1.72%

Result of the current financial year under review 2020 /2021

KPA 2020/2021	Total Number of KPIs Per KPA AREA	Exceeding Target		Meeting Target		% KPI S Exceeding Target		Number of KPIs Not Achieved		% KPIs Not Achieved		Number of targets on Not assessed/ On Hold		% Targets Not assessed/ On Hold	
		Number KPIs	Target	Number KPIs	Meeting Target	% KPI S	Target	Number of	KPIs Not Achieved	% KPIs Not	Achieved	Number of	targets on Not assessed/ On Hold	% Targets Not	assessed/ On Hold
Service Delivery	41	4	9.76%	27	65.85%	10	24.39%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
LED	4	0	0.00%	4	100.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Financial Viability	19	0	0.00%	16	84.21%	3	15.79%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Municipal Transformation & Development	23	1	4.35%	18	78.26%	4	17.39%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Good Governance & Public Participation	23	2	8.70%	16	69.57%	5	21.74%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
TOTAL	110	7	6.36%	81	73.64%	22	20.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%

Overall results: Number Targets 2020/2021 with reference to the prior financial year:

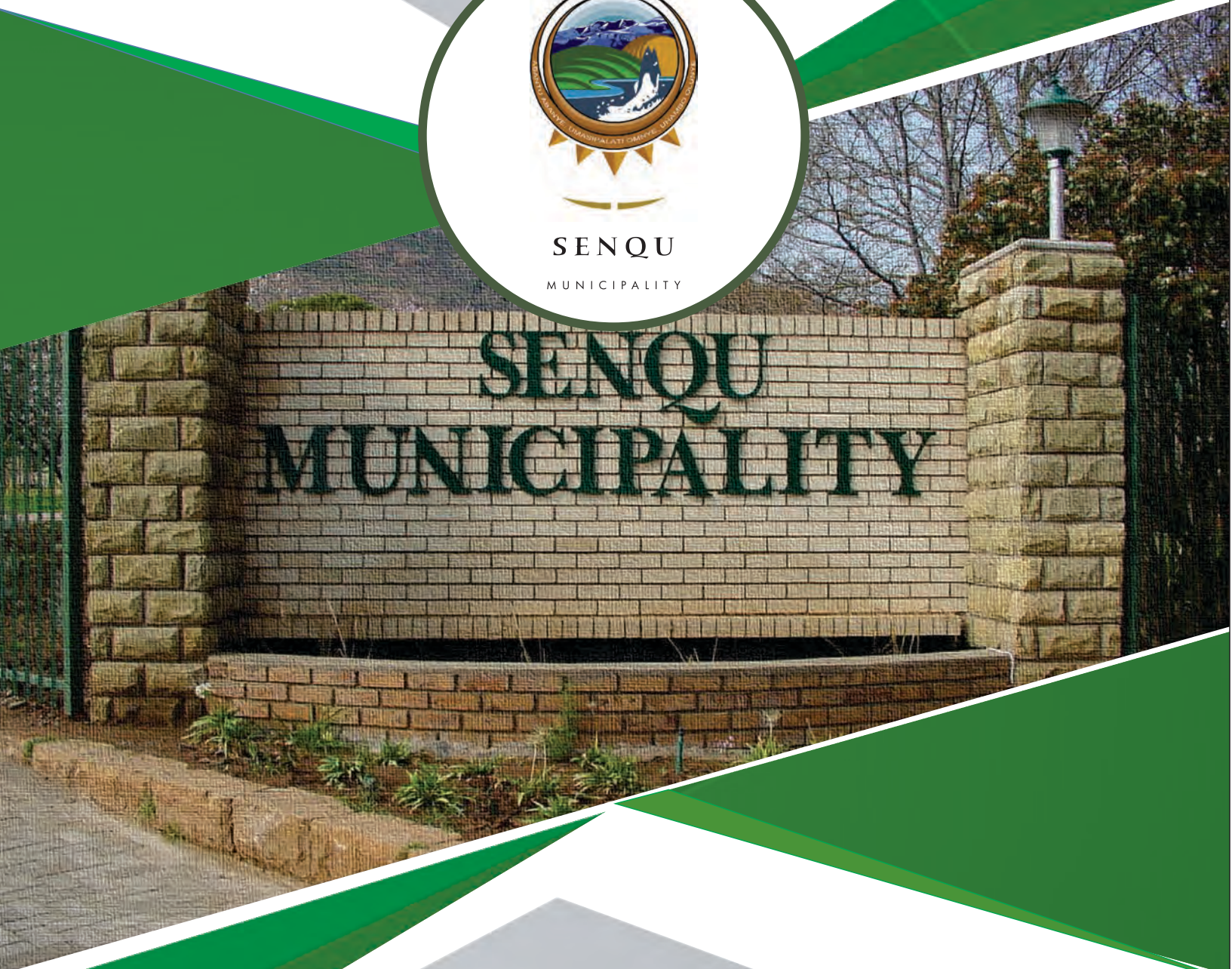
- Institutionally 2020/2021 there were 110 targets compared to 174 the previous years.
- The municipality saw a decrease of 64 targets from the previous financial year.
- The regression which happened because of the amendments done to the SDBIP to make it to be more strategic, the municipality greatly improved in its performance in all the Key Performance Areas.
- In fact, the municipality recorded an overall, result for the 2020 / 2021 financial year of 80% on targets met and exceeded combined, while the overall result for the prior financial year 2019 /2020 was 55.74%.

Targets not met

- For target not met, the municipality recorded an overall result of 20% for the 2020/2021 financial year
- Worth noting, there has been a decrease in the number of targets not met for the 2020/2021 financial year.
- A total of 22 targets were not met opposed to 76 not met in the previous financial year – overall decrease representing a figure of 71%.

Targets not assessed and or on hold

- 2019/2020 financial year - 1.72%, and
- 2019/2020 – 0%



**COMPONENT J
ORGANISATIONAL PERFORMANCE
SCORECARDS AND S46
PERFORMANCE REPORT
2020/2021**

COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARDS AND S46 PERFORMANCE REPORT 2020/2021

The s46 performance report is attached as an Annexure i.e., Appendix T – pages 1 to 64.

s46 of the Municipal Systems Act, Act 32 of 2000 informs this report directly and requires that:

- **The Annual Performance report forms part of the municipality's Annual Report as per Chapter 12 of the Municipal Finance Management Act;**
- The Annual Performance Report is required to reflect:
- The performance of the municipality and all external service providers utilised within the current financial year.
- Comparisons of all performance between the current and previous financial years (comparing targets against actual performance); and
- Detail regarding all measures taken to improve performance.

This s46 Performance Report will detail all issues as required and based on the information accessed via municipal reports, records, statistics and the like. It will be noted that this information is provided as a draft that incorporates the previous, current and future performance management targets and performance is reflected for the previous and current years (based on information provided by management).

Note:

- Information is provided in this first draft. Information has been accepted at face value and may be required to be amended during the final draft of the Annual Report.
- Challenges were experienced with reporting information. More specifically it is noted that:
- When considering the targets and reporting on milestones (these targets) there is often no alignment or correlation between the two. **Often a specific technical and quantifiable answer is required (e.g., work performed) and the reporting states "Report"**. This clearly does not define anything.
- Often reporting is inadequate and not enough information is provided. If meetings were held the dates are required and any other pertinent facts.
- It is strongly recommended that when setting IDP targets it is ensured that these are set in a realistic and achievable manner. It is hard to **adjust targets after the fact and sometimes a "continuous" or long-term target** will be more realistic.
- Discrepancies are at times noted and it is not always clear which information is correct. Information must be provided accurately. The collators of the information depend totally on documentation provided and it is the responsibility of all Directors to ensure that.
- The IDP is required to show projected reporting that spans five (5) years – in this instance reporting does not cover this period – making it extremely difficult to compile the s46 report; and
- Correct reporting on performance is beneficial for all other performance reporting and performance assessment (i.e., reporting at both the institutional and individual). In order to assist it is suggested that the content is updated regularly in order to ensure accuracy of content – ensuring too that this is available and able to be used and accommodated within all other reporting required.

DISCLAIMER

The information provided within this report is reliant on the information provided by the various Directorates. Difficulties in validating data continues to be experienced and as such, the accuracy of all information provided cannot be assured. All data shown thus far represents as yet unaudited data and will be required to be adjusted as and when the audited data is made available. The Auditor General is currently busy with the audit itself – timeframes shifted out due to COVID challenges.

Notwithstanding, the collators and coordinators have been assured that the information contained within the feedback received and included within this report is in fact the correct information and at face value we have been required to accept this as against audited documents – where comparisons have been possible.

It is the responsibility of all Directorates to provide the required information which is then required to be collated and submitted within the correct format. While it is acknowledged that certain directorates have attempted to provide this information as requested, many have not complied or submitted information incorrectly and/or extremely late.

It appears that staff within other directorates appear to believe that it is the responsibility of the collators and the co - coordinators to provide all required information. This is unacceptable as the report is that of Senqu Municipality (with each directorate taking full responsibility for information relating to their specific directorate). **Content and the accuracy thereof is not the responsibility of the collators'**



and the coordinators' – their role is simply to obtain, collate, align and restructure information provided and not to verify this in any way. In addition, it is the technical responsibility of all relevant directorate staff to provide inputs regarding performance and issues within their own directorates. They are required to take responsibility for any inputs provided as they are aware on a functional level as to what information is applicable / relevant. Under these circumstances the collators and the coordinators cannot be held accountable for the quality/accuracy/absence of information provided or the lack thereof.

The information is thus being presented with the full knowledge that certain of the detail provided might not reflect the required levels of accuracy. It is further noted that every effort has been made to align reporting to the information contained within other strategic and reporting documents. Notwithstanding, it must be noted that at times the manner in which the information is presented in these other documents may not align with the detail contained within this report, especially where additional detail is provided. Under these circumstances the collator is reliant on the information provided by the departments and is not able to validate this.

In instances where information is found to be lacking or inadequate you are hereby advised that the coordinator of this report has only been able to work with the information provided to them – and as much as they have attempted to validate this where possible they cannot be held accountable – for the reasons reflected above.

IDP PREDETERMINED TARGETS

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals				Responsible Department		
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021		2021/2022	
TRAFFIC & LAW ENFORCEMENT - BSD01	To ensure that the traffic section operates effectively and efficiently	Construction and operating a licencing centre in Sterkspruit by 30 June 2020		Investigation of the feasibility of constructing and operating a Sterkspruit licencing centre					
		5192 people tested on learners' licences	644 (BE)	644 (BE)	1288 (BE & SS)	1288	1288		
		6845 Number of Road Offense Tickets issued within Senqu Municipality to road users	1369	1369	1369	1369	1369		
		235 vehicles tested for roadworthiness in Barkly East	47	47	47	47	47		
		452 vehicles registered annually	452	452	452	452	452		
		4874 Vehicles licenced annually	4874	4874	4874	4874	4874		
ROADS, BRIDGES, STORMWATER AND TRANSPORT INFRASTRUCTURE - BSD02	To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	2573 tested on drivers licence annually	2573	2573	2573	2573	2573		
		1 annual implemented access road maintenance plan	1 annual implemented access road maintenance plan	1 annual implemented access road maintenance plan	1 annual implemented access road maintenance plan	1 annual implemented access road maintenance plan	1 annual implemented access road maintenance plan		
		Construction of roads and stormwater in annually identified wards as per the budget & Capital Investment Plan	No of km: Paved & gravel Roads No of km of stormwater	No of km: Paved & gravel Roads No of km of stormwater	No of km: Paved & gravel Roads No of km of stormwater	No of km: Paved & gravel Roads No of km of stormwater	No of km: Paved & gravel Roads No of km of stormwater	No of km: Paved & gravel Roads No of km of stormwater	
		Construction of pedestrian and vehicle bridges in annually identified wards as per the budget & Capital Investment Plan	No of bridges:	No of bridges	No of bridges	No of bridges	No of bridges	No of bridges	
		Construction of speed control humps in identified area		Construction of 3 speed control humps in Rhodes Construction of 10 speed control humps in Lady Grey					
		Establish a roads & storm water master plan		Appointment of PSP for Roads & storm water master plan		Continued appointment until completion			
ROADS, BRIDGES, STORMWATER AND TRANSPORT INFRASTRUCTURE - BSD02									

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	2021/2022	
INDOOR RECREATIONAL FACILITIES - BSD03	To ensure effective management and maintenance of indoor recreational community facilities	All wards to have 1 central indoor recreational facility and maintenance of existing facilities	1 new hall and maintenance and upgrading of existing facilities	Maintenance and upgrading of existing facilities	maintenance and upgrading of existing facilities	maintenance and upgrading of existing facilities	Continued PSP appointment for borrow pits	Community Services & Technical services
			0	1	0	3	3	
CEMETRIES AND PAUPER BURLIALS - BSD04	To ensure effective management, construction and maintenance of cemeteries and pauper burials	Construct 7 cemeteries Maintain cemeteries as per the maintenance plan Facilitate Pauper burials as and when required	Maintained cemeteries	Maintained cemeteries	Maintained cemeteries	Maintained cemeteries	Maintained cemeteries	Community Services
			No of pauper burials	No of pauper burials	No of pauper burials	No of pauper burials	No of pauper burials	
SPORTS BSD05	To construct, maintain, identify, establish and upgrade existing urban sportsfields	1 annually implemented municipal sportsfield maintenance plan Develop 1 central sportsfields by 2021/2022 Municipal sports audit on utilised sportsfields in rural areas	No of sportsfields maintained	No of sportsfields maintained	No of sportsfields maintained	No of sportsfields maintained	No of sportsfields maintained	Community Services
							Bluegums	
LIBRARIES - BSD06	To provide library services to all residents	All urban areas to have well maintained libraries with staff	Quarterly reports on individual libraries regarding usage	Quarterly reports on individual libraries regarding usage	Quarterly reports on individual libraries regarding usage	Quarterly reports on individual libraries regarding usage	Quarterly reports on individual libraries regarding usage	Community Services

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals				Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	
PARKS AND PUBLIC OPEN SPACES - BSD07	To create a healthy and sustainable environment by maintaining and developing public open spaces	To develop and maintain parks and caravan parks through an annual maintenance plan 1 implemented annual operation plan by 30 September on greening, sileet sweeping and cutting of grass	No of parks maintained No of caravan parks	No of parks maintained. No of caravan parks	No of parks maintained. No of caravan parks	No of parks maintained. No of caravan parks	Community Services
			1 implementation plan & quarterly implementation reports	1 implementation plan & quarterly implementation reports	1 implementation plan & quarterly implementation reports	1 implementation plan & quarterly implementation reports	
LICENSING AND CONTROL OF ANIMALS - BSD08	To maintain and control the municipal commonage	No municipal commonage to exceed its annual animal carrying capacity as per the adopted commonage management plan Fenced camps and constructed water points as per the commonage management plan annual implementation plan	No of animals as per the commonage management plan	No of animals as per the commonage management plan	No of animals as per the commonage management plan	No of animals as per the commonage management plan	Community Services
			1 Annual Commonage management plan adopted by 31 August. Quarterly implementation reports	1 Annual Commonage management plan adopted by 31 August. Quarterly implementation reports	1 Annual Commonage management plan adopted by 31 August. Quarterly implementation reports	1 Annual Commonage management plan adopted by 31 August. Quarterly implementation reports	
WASTE MANAGEMENT BSD 09	To maintain and effectively operate the pounds To improve the quality of life for residents by increasing the % of households receiving basic refuse collection	1 constructed, functional and compliant central municipal pound in Lady Grey Upgrading of animal collection points in Barkly East, Rhodes and Sterkspruit Increase h/hold refuse collection in all urban areas through annual operational plan			Construction of Pound in lady Grey	Quarterly Lady Grey pound reports	Community Services with Technical Services
					Upgrading of Lady Grey Pound	Upgrading of Sterkspruit animal collection point	Community Services
			Increase h/hold refuse collection in all urban areas through annual operational plan	Increase h/hold refuse collection in all urban areas through annual operational plan	Increase h/hold refuse collection in all urban areas through annual operational plan	Increase h/hold refuse collection in all urban areas through annual operational plan	Community Services

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals				Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	
FREE BASIC SERVICES BSD10	To reduce waste through awareness campaigns	Quarterly waste education and awareness campaigns in a community. (4 per year)	4 waste education and awareness campaigns	4 waste education and awareness campaigns	4 waste education and awareness campaigns	4 waste education and awareness campaigns	Community Services & Technical Services
	To effectively manage and reduce waste	2 Operational Weighbridges at landfill sites in Lady Grey & Barkly East to indicate amount and type of waste. Construction of 4 solid waste sites, upgrading of 1 site, closure of 2 sites, 2 lined sites in BE & LG in accordance with NEMWA	Quarterly reports on weighbridge operations 2 lined sites in BE & LG in accordance with NEMWA	Quarterly reports on weighbridge operations Start Construction on Herschel, Rhodes & Rossouw sites Complete Start lining of Lady Grey and Barkly East SWS.	Quarterly reports on weighbridge operations Complete construction of Herschel & Rossouw sites Start construction of new SWS for Sterkspruit Begin closure process of Sterkspruit old SWS	Quarterly reports on weighbridge operations Completion of Rhodes SWS closure Completion of Rhodes SWS closure	
ELECTRICITY AND STREET LIGHTING BSD11	That all registered indigent households receive free basic electricity and refuse removal To maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment in order to reduce losses and ensure compliance	Compilation of an indigent register and annual updating of the indigent register through the BIFBS Indigent Committee by 15 December Annually report on the % of households earning less than 2 state pensions with access to free basic electricity of 50 kw per month and refuse removal by 30 June Installation of AMI meter system, upgrading of distribution networks, maintenance on infrastructure and street lighting. Installation and replacement of 485 fittings	Data Collected & captured Annual report	Data updated Annual report	Data updated Annual report	Data updated Annual report	Finance
		Replace electrical meters and a conductor Install new fittings	Replace electrical meters and a conductor Install new fittings	Replace electrical meters and a conductor Install new fittings	Replace electrical meters and a conductor Install new fittings	Replace electrical meters and a conductor Install new fittings	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals				Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	
ELECTRICITY AND STREET LIGHTING BSD11	To reduce Senqu electricity backlogs by assisting Eskom with electrification of rural areas as identified by Council.	690 rural connections	R 5 000 000 approved by DoE for pre-engineering & construction (323 new connections in wards 2 & 3)	Pre-engineering & Construction (DoE dependent)	Pre-engineering & Construction (DoE dependent)	Pre-engineering & Construction (DoE dependent)	Technical Services
OFFICE SPACE BDS12	To provide office space and parking by building new offices and renovating existing buildings	Construction of parking bay in Lady Grey Renovation of 2 nd Floor Offices in LG	Construction completion for parking bay	Construction for LG Reports on implementation of annual maintenance plan	Completion for LG Reports on implementation of annual maintenance plan	Reports on Implementation of annual maintenance plan	Corporate Services & Technical Services
LICENSING OF BUSINESSES BSD 13	To ensure that all businesses operating in the Municipality have licences and are operating according to legislation by 2022	Annual audit of businesses in urban areas by 30 June Demarcation of informal trading areas in Sterkspruit by 30 June 2020	Annual audit of businesses in urban areas by 30 June	Annual audit of businesses in urban areas by 30 June	Annual audit of businesses in urban areas by 30 June	Annual audit of businesses in urban areas by 30 June	Community Services
PRE-SCHOOLS BSD 14	To construct pre-schools in accordance of a Municipal conducted Audit on usage and maintenance of facilities	Municipal Audit on pre-schools conducted	Undertake municipal audit				Community Services

KPA 2- LOCAL ECONOMIC DEVELOPMENT

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals				Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	
TOURISM LED 01	To promote responsible tourism, arts and heritage through continued support to local initiatives	1 Reviewed and implemented tourism plan	Reviewed tourism plan by 30 June 2018	Signage of tourism sites, marketing, support of local events and improving tourism infrastructure	Signage of tourism sites, marketing, support of local events and improving tourism infrastructure	Signage of tourism sites, marketing, support of local events and improving tourism infrastructure	D & TPS
			Reviewed LED strategy plan by 30 June 2018	No of jobs created through the LED initiatives including capital projects (250) i.e. EPWP & CWP	No of jobs created through the LED initiatives including capital projects (250) i.e. EPWP & CWP	No of jobs created through the LED initiatives including capital projects (250) i.e. EPWP & CWP	
LED 02	To promote and attract development in the local economy through implementation of the LED strategy	1 Reviewed and implemented LED strategy	Reviewed LED strategy plan by 30 June 2018	No of jobs created through the LED initiatives including capital projects (250) i.e. EPWP & CWP	No of jobs created through the LED initiatives including capital projects (250) i.e. EPWP & CWP	No of jobs created through the LED initiatives including capital projects (250) i.e. EPWP & CWP	All
				4 meetings with LED structures	4 meetings with LED structures	4 meetings with LED structures	
				Quarterly reporting on 30 % of all infrastructure projects to go to SMMES through sub-contractors & buying of products	Quarterly reporting on 30 % of all infrastructure projects to go to SMMES through sub-contractors & buying of products	Quarterly reporting on 30 % of all infrastructure projects to go to SMMES through sub-contractors & buying of products	
KPA 3 - LOCAL MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY							
SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) - MFMV01	To ensure the efficient and effective procurement of goods and services	To ensure that bid committees function in accordance with SCM legislation	Quarterly reports on bid committee functionality	Quarterly reports on bid committee functionality	Quarterly reports on bid committee functionality	Quarterly reports on bid committee functionality	Finance
			Quarterly reports on supply chain management	Quarterly reports	Quarterly reports	Quarterly reports	
			1 roadshow a year in LG, Sterkspruit & BE	Annual roadshow in LG, BE & Sterkspruit	Annual roadshow in LG, BE & Sterkspruit	Annual roadshow in LG, BE & Sterkspruit	
			Annual stock count report to CFO.	Annual stock count.	Annual stock count.	Annual stock count.	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	2021/2022	
ASSET MANAGEMENT - MFMV02	To ensure monitoring of Municipal Assets per Department through regular asset checks and reporting	Annual asset count & fleet management report. Quarterly Departmental stock counts undertaken by departmental staff and reported to Department Directors	Annual asset count & fleet management report. Quarterly Departmental asset counts undertaken by departmental staff	Annual asset count & fleet management report. Quarterly Departmental asset counts undertaken by departmental staff	Annual asset count & fleet management report. Quarterly Departmental asset counts undertaken by departmental staff	Annual asset count & fleet management report. Quarterly Departmental asset counts undertaken by departmental staff	Finance	
		Fully GRAP Compliant Asset register	Fully GRAP Compliant Asset register			Development of asset management plan		
	To ensure monitoring of Municipal Assets per Department through regular asset checks and reporting (cont.)	Annual insurance portfolio update and monthly claim reports Updated asset management plan by 30 June Annual disposal sale by May	Monthly reports of claims to CFO Updated asset management plan by 30 June	Monthly reports of claims to CFO Updated asset management plan by 30 June	Monthly reports of claims to CFO Updated asset management plan by 30 June	Monthly reports of claims to CFO Updated asset management plan by 30 June		

<p>FINANCIAL MANAGEMENT - MFMV03</p>	<p>To annually assess and report on the % of the budget spent on implementing its WSP and financial viability as expressed by the following ratios: A(debt coverage) = B (total op rev received) - C (op grants) divided by D (debt service payment due within the FY) A (outstanding service debtors to revenue) = B (total outstanding debt) divided by C(actual rev received for services) A (cost coverage) = B (all available cash at a particular time) + C (investments) divided by D (Monthly fixed opl expenditure)</p>	<p>Annual report on financial ratios and norms by Q3 for previous year</p>	<p>Annual report on financial ratios and norms by Q3 for previous year</p>	<p>Annual report on financial ratios and norms by Q3 for previous year</p>	<p>Annual report on financial ratios and norms by Q3 for previous year</p>	<p>Annual report on financial ratios and norms by Q3 for previous year</p>	<p>Annual report on financial ratios and norms by Q3 for previous year</p>	<p>Annual report on financial ratios and norms by Q3 for previous year</p>	<p>Annual report on financial ratios and norms by Q3 for previous year</p>
<p>FINANCIAL MANAGEMENT - MFMV03</p>	<p>To annually assess and report on the % of the budget spent on implementing its WSP and financial viability as expressed by the following ratios: A(debt coverage) = B (total op rev received) - C (op grants) divided by D (debt service payment due within the FY) A (outstanding service debtors to revenue) = B (total outstanding debt) divided by C(actual rev received for services) A (cost coverage) = B (all available cash at a particular time) + C (investments) divided by D (Monthly fixed opl expenditure)</p>	<p>Annual report on financial ratios and norms by Q3 for previous year</p>	<p>Annual report on financial ratios and norms by Q3 for previous year</p>	<p>Annual report on financial ratios and norms by Q3 for previous year</p>	<p>Annual report on financial ratios and norms by Q3 for previous year</p>	<p>Annual report on financial ratios and norms by Q3 for previous year</p>	<p>Annual report on financial ratios and norms by Q3 for previous year</p>	<p>Annual report on financial ratios and norms by Q3 for previous year</p>	<p>Annual report on financial ratios and norms by Q3 for previous year</p>

Finance

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	2021/2022	
FINANCIAL MANAGEMENT - MFMV03	of the Municipality's budget actually spent on capital projects identified a particular financial year in terms of the Municipality's IDP	All bills are accurate and delivered and processed monthly	Monthly processing and delivery of bills by 15th of following month	Monthly processing and delivery of bills by 15th of following month	Monthly processing and delivery of bills by 15th of following month	Monthly processing and delivery of bills by 15th of following month	Finance	
			All electricity meters in urban areas to be read 100 % by 30 of each month	All electricity meters in urban areas to be read 100 % by 30 of each month	All electricity meters in urban areas to be read 100 % by 30 of each month	All electricity meters in urban areas to be read 100 % by 30 of each month		
			Adopted strategy	Moving all residential customers to prepaid including small businesses using below 60Amp	Implementation	Implementation		
			Submission of MFMA required documents timeously	Submission of MFMA required documents timeously	Submission of MFMA required documents timeously	Submission of MFMA required documents timeously		
		Ensure financial viability by regular reports on the amount of expenditure on the capital and operational budget including conditional grants by 10th of following month on expenditure of capital and operational budget including grants	To report monthly by 10th of following month on expenditure of capital and operational budget including grants	To report monthly by 10th of following month on expenditure of capital and operational budget including grants	To report monthly by 10th of following month on expenditure of capital and operational budget including grants	To report monthly by 10th of following month on expenditure of capital and operational budget including grants		

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals				Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	
FINANCIAL MANAGEMENT	To expand and protect the municipal revenue base by implementing the valuation roll and increasing % of actual revenue collected	To expand and protect the municipal revenue base by increasing % of actual revenue collected to 95 %	Annual supplementary and develop valuation roll 95%	Develop roll 95%	Implement roll 1 July 2018/19 FY 95%	Supplementary roll	Finance
	To expand and protect the municipal revenue base by increasing % of actual revenue collected to 95 %	To expand and protect the municipal revenue base by increasing % of actual revenue collected to 95 %	95%	95%	95%	Supplementary roll	
	To decrease unauthorised, irregular, fruitless, wasteful expenditure and minor breaches through regular reporting	To decrease unauthorised, irregular, fruitless, wasteful expenditure (Council Q) and minor breaches (MM) monthly	Decrease in unauthorised, irregular, fruitless, wasteful expenditure (Council Q) and minor breaches (MM) monthly	Quarterly reports	Quarterly reports	Quarterly reports	
PAYROLL - MFMV04	To ensure good payroll management and implementation	All salaries paid timeously as per Council schedule	All salaries to be paid by the 1st of the following month	All salaries to be paid by the 1st of the following month	All salaries to be paid by the 1st of the following month	All salaries to be paid by the 1st of the following month	All salaries to be paid by the 1st of the following month
BUDGET COMPLIATION - MFMV05	To ensure compliance with the MFMA and MSA requirements regarding the adjustment budget and annual budget development and submission requirements	Draft annual budget adopted by end March annually, final annual budget adopted by end February.	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals				Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	
REPORTING - MFMV06	To develop and submit S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	Finance
IT - MFMV07	To ensure a continually secure, effective and efficient ICT service through implementation of ICT policies and plans and upgrading of ICT equipment	Reports if there is more than 3 hours of downtime on the primary domain controller, email server, financial server (EMS) and backup server	Reports	Reports	Reports	Reports	
	Upgraded security of IT & server rooms and equipment including servers in all buildings	Procurement of server & reports	Reports	Reports	Reports	Reports	
	To ensure that disaster recovery plans are fully implemented	Reports	Reports	Reports	Reports	Reports	
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT							Corporate Services
SKILLS DEVELOPMENT - MTID01	To develop and implement an effective HR strategy	To align the HR strategy with the IDP priorities	Annual alignment of HR strategy with IDP priorities	Annual alignment of HR strategy with IDP priorities	Annual alignment of HR strategy with IDP priorities	Annual alignment of HR strategy with IDP priorities	
	To develop, adopt and implement the workplace skills plan (WSDP). To submit the skills plan and annual training report as legislated	To develop, adopt and implement the workplace skills plan (WSDP). To submit the skills plan and annual training report as legislated	To submit the skills plan and annual training report as legislated	To submit the skills plan and annual training report as legislated	To submit the skills plan and annual training report as legislated	To submit the skills plan and annual training report as legislated	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	2021/2022	
EMPLOYMENT EQUITY - MTID02	To develop and implement the employment equity plan as per the set targets in accordance with the Employment Equity Act. To submit the annual report as legislated	To develop and implement the employment equity plan as per the set targets in accordance with the Employment Equity Act. To submit the annual report as legislated	Quarterly reports on EE plan implementation. Submission of annual report	Quarterly reports on EE plan implementation. Submission of annual report	Quarterly reports on EE plan implementation. Submission of annual report	Quarterly reports on EE plan implementation. Submission of annual report	Quarterly reports on EE plan implementation. Submission of annual report	Corporate Services
			Annual report on no of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	Annual report on no of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	Annual report on no of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	Annual report on no of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	Annual report on no of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	
RECRUITMENT, SELECTION AND MTID03	To ensure that the organisational structure of the Municipality is aligned to its present and future staffing needs and requirements	Annual review of organogram	Annual review of organogram	Annual review of organogram	Annual review of organogram	Annual review of organogram	Annual review of organogram	Corporate Services

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	2021/2022	
	To ensure effective management of staff and policy and procedure processes through job descriptions, leave management and clock in and systems	Effective implementation of HR policies such as leave	Quarterly reports on adherence to HR policies such as leave, recruitment etc	Quarterly reports on adherence to HR policies such as leave, recruitment etc	Quarterly reports on adherence to HR policies such as leave, recruitment etc	Quarterly reports on adherence to HR policies such as leave, recruitment etc	Quarterly reports on adherence to HR policies such as leave, recruitment etc	
EMPLOYEE WELLNESS PROGRAMME - MTID04	To ensure the physical and mental well-being of employees through the implementation of an employee wellness programme	Annual employee wellness programme by the end of Quarter 1	Annual employee wellness programme by the end of Quarter 1	Annual employee wellness programme by the end of Quarter 1	Annual employee wellness programme by the end of Quarter 1	Annual employee wellness programme by the end of Quarter 1	Annual employee wellness programme by the end of Quarter 1	Corporate Services
OCCUPATIONAL HEALTH AND SAFETY - MTID05	To ensure that all Senqu buildings and staff adhere to and implement OHS legislation	4 OHS meetings. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	4 OHS meetings. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	4 OHS meetings on adherence of staff and buildings to OHS. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	4 OHS meetings. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	4 OHS meetings. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	4 OHS meetings. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	Corporate Services
LOCAL LABOUR FORM - MTID 06	To ensure a good relationship between management and employees through regular interactions on labour issues	Functional LLF meetings quarterly	Functional LLF meetings quarterly	Functional LLF meetings quarterly	Functional LLF meetings quarterly	Functional LLF meetings quarterly	Functional LLF meetings quarterly	Corporate Services

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	2021/2022	
LEGAL SERVICES - 07	To ensure that the Municipality implements sound management controls in order to mitigate against unnecessary litigation	Annual report on the status of municipal lease agreements & litigation	Annual report on the status of municipal lease agreements & litigation	Annual report on the status of municipal lease agreements & litigation	Annual report on the status of municipal lease agreements & litigation	Annual report on the status of municipal lease agreements & litigation	Annual report on the status of municipal lease agreements & litigation	Corporate Services
POLICIES AND BY-LAWS - MTID 08	To review and implement departmental policies, procedures, procedure manuals and bylaws annually	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Corporate Services & DTPS
BUILDINGS - MTID 09	To ensure that municipal buildings and assets are maintained and secured	Development of annual maintenance plan by 30 August and quarterly implementation reports	Development of annual maintenance plan by 30 August and quarterly implementation reports	Development of annual maintenance plan by 30 August and quarterly implementation reports	Development of annual maintenance plan by 30 August and quarterly implementation reports	Development of annual maintenance plan by 30 August and quarterly implementation reports	Development of annual maintenance plan by 30 August and quarterly implementation reports	Corporate Services
RECORDS MANAGEMENT - MTID10	To ensure that Municipal information is kept secure and filed and archived according to legislation	Fully functional document system by 2022	Document system	Document system	Document system	Document system	Document system	Corporate Services

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	2021/2022	
PERFORMANCE MANAGEMENT AND REPORTING - MTID11	To ensure that a system of departmental and individual performance management system is implemented	An implemented system of departmental and individual performance management system in implemented by 2022	Implemented PMS	Implemented PMS	Implemented PMS	Implemented PMS	Implemented PMS	D & TPS
SPATIAL PLANNING - MTID12	To implement SPLUMA regulations	Implemented adopted SPLUMA schedule						D & TPS
	To ensure adherence to town planning and building control legislation	Implemented town planning and building control legislation						
	To manage urbanisation of existing urban areas	Land invasion strategy & implementation thereof						
INTEGRATED DEVELOPMENT PLANNING - MTID13	To extend town boundaries to incorporate former communal villages to increase the rate base (Vision 2030)	To extend town boundaries to incorporate former communal villages to increase the rate base (Vision 2030)						D & TPS
	To ensure development and adoption of the IDP and budget process plan and IDP's per legislated timeframes	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	
	To co-ordinate meetings of the IPPF and IDP and Budget steering committee Meetings	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	

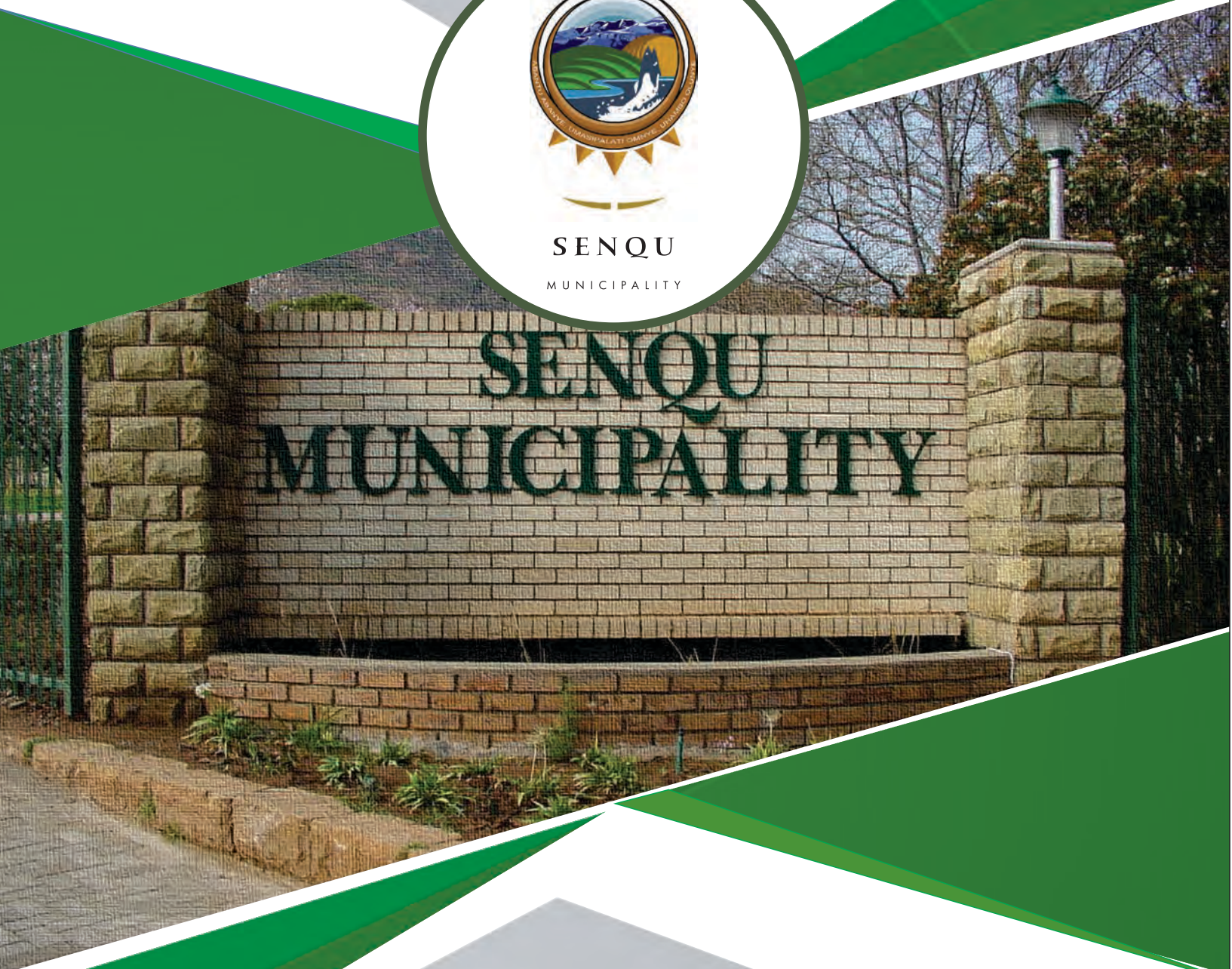
Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	2021/2022	
PMU REPORTING MTID14	To ensure capital infrastructure management and reporting	To ensure capital infrastructure management, implementation and reporting	Annual reporting on the MIG expenditure	Ongoing	Ongoing	Ongoing	Ongoing	Technical services
	To ensure equitable access to housing for communities	To review and implement the housing sector plan by 30 June 2018 Develop and implement a strategy on accreditation for the housing unit by 30 June 2020	Housing sector plan			Develop and implement a strategy on accreditation for the housing unit by 30 June 2020		D & TPS
HOUSING MTID15		To develop a strategy for bulk infrastructure for the development of integrated human settlements by 30 June 2019		Bulk infrastructure plan				D & TPS
KPA 5: PUBLIC PARTICIPATION & GOOD GOVERNANCE								
RISK & FRAUD PREVENTION GGPP01	To promote and instill good governance practices within Senqu municipality	Developed and implemented departmental risk action plans including quarterly risk reports Implemented fraud prevention policy						D & TPS
	To ensure compliance with all legislated deadlines such as MFMA & MSA, mSCOA regulations, IDP and budget dates	Developed annual compliance register						D & TPS

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	2021/2022	
OVERSIGHT - GPP03	To ensure quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report	Quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report by end of March						Office of the MM
	To ensure that Council, Exco and Top Management meetings are held regularly and that resolutions are implemented.	Quarterly sittings of Council, monthly sittings of Ex-Co, Quarterly Top Management & Quarterly Broad Management with tracked resolutions						Corporate Services
OVERSIGHT - GPP03	To ensure good governance through the monitoring of the implementation of the OPCAR and Audit action plan	Annual development and implementation of the audit action plan & dashboard Annual development and implementation of an OPCAR						Office of the MM & DTFS
	To promote interactive communication with customers around service delivery issues	4 quarterly meetings of ward committees & 4 IPPF meetings Implemented computerised customer care compliant system by 30 June 2018						Finance
CUSTOMER CARE & PUBLIC PARTICIPATION GPP04		4 quarterly meetings of ward committees & 4 IPPF meetings Implemented computerised customer care compliant system by 30 June 2018 and annual customer satisfaction surveys	4 quarterly meetings of ward committees & 4 IPPF meetings	4 quarterly meetings of ward committees & 4 IPPF meetings	4 quarterly meetings of ward committees & 4 IPPF meetings	4 quarterly meetings of ward committees & 4 IPPF meetings	4 quarterly meetings of ward committees & 4 IPPF meetings	Corporate Services
			Annual customer levels of satisfaction external service provider	Annual customer levels of satisfaction external service provider	Annual customer levels of satisfaction external service provider	Annual customer levels of satisfaction external service provider	Annual customer levels of satisfaction external service provider	Corporate Services

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals				Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	
COMMUNICATIONS & MARKETING GPP06	To ensure regular participation of the public and interaction with the public through the public participation plan. Imbizos and meetings such as IPPF etc	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Corporate Services
			Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	
MAINSTREAMING - GPP05	To promote the mainstreaming and upliftment of HIV and AIDS, women and children, youth, people with disabilities and the elderly into municipal Socio-Economic Programmes and Projects	4 awareness campaigns, monthly condom distribution, 4 LAC meetings. Reviewal of strategy	Reviewal of strategy	4 awareness campaigns, monthly condom distribution, 4 LAC meetings. Reviewal of strategy	4 awareness campaigns, monthly condom distribution, 4 LAC meetings. Reviewal of strategy	4 awareness campaigns, monthly condom distribution, 4 LAC meetings. Reviewal of strategy	Corporate Services
			4 youth meetings, 4 women meetings and 4 elderly meetings	4 youth meetings, 4 women meetings and 4 elderly meetings	4 youth meetings, 4 women meetings and 4 elderly meetings	4 youth meetings, 4 women meetings and 4 elderly meetings	
COMMUNICATIONS & MARKETING GPP05	To ensure that the communication strategy is	Annual Mayoral cup to develop sport in the Municipality and annual Youth Festival to promote community cohesion	Annual Youth festival to be held by end of September	Annual Youth festival to be held by end of September	Annual Youth festival to be held by end of September	Annual Youth festival to be held by end of September	Office of the MM
			Annual Youth festival to be held by end of September	Annual Youth festival to be held by end of September	Annual Youth festival to be held by end of September	Annual Youth festival to be held by end of September	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/2018	YEAR UNDER REVIEW 2018/2019	2019/2020	2020/2021	2021/2022	
	implemented so that the public are kept informed about municipal activities and programmes	4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	

Disclaimer: The information provided within this component is as provided / extracted from the IDP. The co-ordinators of said reports/documents are reliant on the accuracy of all information in the Municipalities documents (as reviewed /approved). In instances where information is found to be lacking or inadequate - the co – ordinators that consolidated the information can only with the information provided to them.



**CHAPTER 4
ORGANISATIONAL DEVELOPMENT
PERFORMANCE: (PERFORMANCE
REPORT PART 2)**

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE: (PERFORMANCE REPORT PART 2)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 INTRODUCTION

Performance management and ultimately performance optimization are critical factors in ensuring that the organization is able to meet its strategic and day to day operational objectives. Senqu Municipality engages in all reasonable efforts to ensure that it is able to meet both the IDP objectives and day to day operational needs. This is achieved by ensuring that it has all required resources at its disposal in order to achieve desired outcomes.

Political and administrative infrastructure support is provided in order to ensure that staff and relevant departments function optimally. To this end, the required policies, procedures, human resources, financial resources, operational resources and infrastructure are made available. In doing so all aspects of legislative compliance are adhered to and so too operational needs and alignment with policy on all levels. In terms of legislation, all issues of compliance are adhered to. These relate to Recruitment, Employment Equity, Skills and related others.

Strictest controls are undertaken so as to ensure that all aspects of staff recruitment, selection, appointment and retention are handled correctly and strictly in accordance with stated policy, procedures and legislation. It is understood and recognized that effective employee relations is critical and enhanced where possible by ensuring that: staffing is managed effectively; labour is managed by engaging in effective employment practices; staff are trained and developed according to structured needs; optimal organizational structures are developed and job descriptions for all posts are developed in accordance with the principles of correct division of work and the manner in which performance will be monitored.

4.2 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEE TOTALS					
Description	Year June 2020	Year June 2021			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No. (funded)	Vacancies%
Municipal Manager	10	10	10	0	0
Human Resource	6	7	6	1	0.34
Admin & Council Support	20	19	17	2	0.68
IGR/ Stakeholder Engagement	6	9	9	0	0
Roads & Stormwater	34	36	35	1	0.34
Fleet	1	1	1	0	0
Housing	6	6	6	0	0
PMU	6	6	6	0	0
Governance & Compliance	5	5	4	1	0.34
Local Economic Development & Planning	3	3	3	0	0
Communications	2	2	2	0	0
Community & Social service	35	35	35	0	0
Electricity	18	18	15	3	1.01
Budget & Treasury	2	3	2	1	0.34
Information Technology	3	3	3	0	0
Traffic	9	11	9	2	0.68
Supply Chain & Expenditure	13	13	12	1	0.34
Revenue	18	19	19	0	0
Waste Management	77	74	70	4	1.36
Technical: Administration	1	1	1	0	0
Department Coordinators	4	4	4	0	0
Section 56	6	6	6	0	0
Totals	285	290	275	016	5.37

EMPLOYEE VACANCIES						
Task / Job Level	June 2020		June 2021			
	Employees No	Posts (Funded)	Employees	Posts (Funded)	Vacancies Full time equivalent funded posts	Vacancies as % of total posts
0-2						
3	121	127	113	118	5	
4	12	12	10	10	0	
5	3	3	3	3	0	
6	25	24	31	31	0	
7	34	33	20	23	3	
8	7	7	6	6	0	
9	9	9	8	8	0	
10	10	10	17	19	2	
11	15	15	22	23	1	
12	13	12	13	14	1	
13	4	4	5	7	2	
14	4	4	3	3	0	
15	4	4	2	2	0	
16	6	6	4	5	1	
17	3	3	3	3	0	
18	6	6	9	10	1	
19						
20						
21						
22						
23						
Section 56	6	6	6	6	0	
TOTAL	282	285	275	291	16	

EMPLOYEE VACANCY AND TURNOVER RATE

VACANCY RATE: YEAR AS AT JUNE 2021			
Designations	*Total Approved Posts	*Vacancies (total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0
Chief Financial Officer (CFO)	1	0	0
Other s56 Managers	4	0	0
levels 16-25 (excluding Finance posts)	14	2	0.68
levels 16-25 (Finance posts only)	4	0	0
levels 13-15 (excluding Finance posts)	7	1	
levels 13-15 (Finance posts only)	5	1	0.34
levels 9-12 (excluding Finance posts)	52	3	
Levels 9-12 (Finance posts only)	12	1	
Levels 4- 8	73	3	
Levels 1-3	118	5	
Other (Finance Only)			
Total	291	16	

TURN-OVER RATE			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
July 2020 to June 2021	275	17	6.1%
July 2019 to June 2020	275	11	4%

Due to Covid and restrictions and risks in both financial years as depicted below, the municipality did not perform well.

- During 2019/2020: % of all funded posts were filled.
- During 2020/ 2021: % of all funded posts were filled

Staff Establishment Figures:

2019 / 2021				2020/2021			
Total No. of posts on organogram	Filled posts	Funded & Vacant	Unfunded & Vacant	Total No. of posts on organogram	Filled posts	Funded & Vacant	Unfunded & Vacant
287	275	12	21	298	275	16	7

The table below details the approved, filled and vacant funded posts within Senqu Municipality for 2020/2021 (current year):

Approved and Funded Posts in the entire Institution	Number of Employment Contracts and Performance Agreements	Filled Posts	Total Number of Vacant funded posts in the Entire Institution	Total Number of Vacant unfunded posts in the Entire Institution
298	6	275	16	7

The table below details the approved, filled and vacant funded posts within Senqu Municipality for 2019/2020 (previous year):

Approved and Funded Posts in the entire Institution	Number of Employment Contracts and Performance Agreements	Filled Posts	Total Number of Vacant funded posts in the Entire Institution	Total Number of Vacant unfunded posts in the Entire Institution
287	6	275	12	21

4.2.1 Organization Structure

The municipality has a total of 298 posts on its organogram. 275 posts have been filled and 16 funded positions remain vacant. There are 7 unfunded and vacant positions. An analysis of posts during the year under review provides the following detail:

Organizational Structure (2020/2021)

Department / Function	Posts Filled	Posts Funded But Vacant	Posts Unfunded	Total Number of Posts
Council and Executive	12	0	1	13
Corporate & Support Service	34	3	0	37
Budget & Treasury Service	39	2	0	41
Community & Social Service	116	6	2	124
Technical & Engineering Service	59	4	4	67
Planning and Development	15	1	0	16
Total	275	16	7	298
Percentage (against total no. of posts)				--

Staff appointments during this time: 7



Staff terminations:17

4.2.2 Levels of education and skills (2018 - 2021)

Period	Total Number of Staff	Number of Staff Without Grade 12	Number of Staff With Senior Certificate Only	Number of Staff With Tertiary/Accredited Professionals Training
2019/2020	275	137	41	97
2020 / 2021	275	137	41	97

4.2.3 Comment on Vacancies and Turnover

It must be noted that the turnover rate moved from 4.0 % to 6.1 %. The increase was as a result of increased number of natural attrition and the expiry of contracts of Senior Managers. The 17 terminations are detailed as follows: 7 resignations, 4 expiry of contracts, 5 deceased and one retirement.

4.2.4 Employment Equity Statistics

This reflects the following target groups i.e. staff employed in *the three highest levels of management* in compliance with the Municipality's approved Employment Equity Plan (2020/2021)

Occupational Levels	Male				Female				TOTAL
	A	C	I	W	A	C	I	W	
Legislators	20				14				34
Top Management	3	1			2				6
Senior Management Targets		1						1	2
Senior Management Targets Met – June 2021	7			2	4	1		2	16
Professionally Qualified and Experienced Specialists and Mid Management		1			1	1			3
Professionally Qualified and Experienced Specialists and Mid Management met – June 2021	19	1			17	3			40
Skilled Technical and Academically Qualified Workers		1				1			2
Skilled Technical and Academically Qualified Workers Target met – June 2021	17				5				22

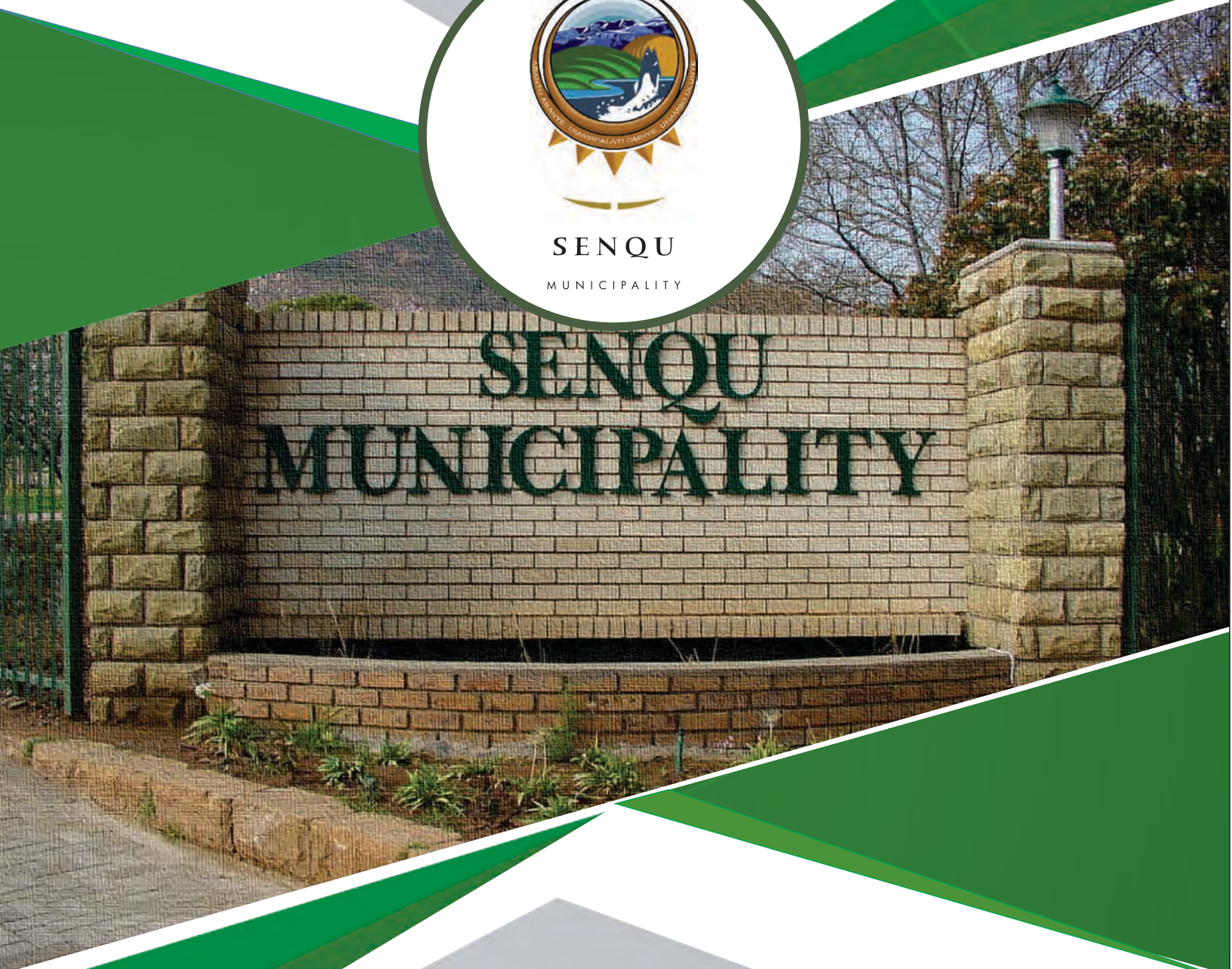
Despite notable successes, the scarcity of skills challenge remains. More specifically it is noted that:

- Compliance has been achieved in respect of the fact that the number of people from employer equity target groups employed in the 3 highest levels of the organogram are in compliance with a municipal approved Employment Equity Plan.
- Despite this it must be noted that the recruitment of staff was suspended during the last quarter of 2019/2020 due to COVID-19 restrictions which required a change of policy to allow for remote sitting. Notwithstanding, the Demand Manager was appointed and Senqu was able to complete the recruitment process for Senior Managers by 30 June 2020 as required and these were then subject to ratification by Council for final appointment.
- By the end of June 2021 all senior management positions were filled and incumbents had started in the positions.
- Despite having been able to fill vacancies, it must always be remembered that Senqu LM is a rural based municipality and salary structures are attached to the grade of the Municipality. The Task Job Evaluation System allows for flexibility and equivalent qualifications as per qualification recognition. By recognizing this, we promote and ensure inclusivity and fairness by providing a greater scope of opportunity to be part of an appropriate job pool. As a rural municipality in particular, we acknowledge that there exists a combination of experience and appropriate qualifications that would allow applicants to function in posts should they be appointed thereto. Many suitable criterion exist that will create opportunities to best fill vacancies and this is 100% in line with accepted Job Evaluation criteria - acknowledging essential and preferred requirements. It must be acknowledged that rural type municipalities struggle on a national level to attract/fill critical posts. While this is a reality and acknowledged nationally, it must always be taken into account and acknowledged when issues and difficulties arise in attempting to make appointments.
- There is an under-representation within the category of the disabled, but this issue must be understood within its particular context. **This situation is to a large extent due to factors beyond one's control.** In many instances efforts to recruit and select the right candidates are hampered by the fact that those applying for a post, may not meet the Employment Equity criteria/are not from the

designated /targeted groups within the labour market. In these instances, there is little one can do aside from marketing to these groups and attempting to recruit by using more attractive remuneration packages; and

- It is well known and accepted that the geographical location and the rural nature of the municipality often in itself presents a challenge, in terms of influencing whether candidates will apply to the organization and whether the organization and/or the geographical location will meet their specific needs or not.





**COMPONENT B
MANAGING THE MUNICIPAL
WORKFORCE**

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.3 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The management and control of the Municipal Workforce is governed and defined by the Labour Relations Act; the Basic Conditions of Employment Act; the Employment Equity Act; the Municipal Finance Management Act; the Internal Disciplinary Policy and Procedures; the Performance Management Policy and many related policies, procedures and legislation. In order to ensure that these are implemented correctly and to ensure that management and staff have the required level of commitment, stakeholders are involved in the compilation of these policies and relevant staff are well trained on these in order to ensure that they can be effectively applied.

All staff joining Senqu Municipality are taken through an appropriate induction. Accordingly, all staff, management and Councilors receive a Code of Conduct and undergo suitable induction training (on and off the job --- i.e. as a general and task induction). Under normal circumstances, policies and procedures are reviewed annually in order to ensure that they are managed and remain applicable to the current context at all times. The COVID – 19 pandemic during the current year has prevented this from occurring.

At all times it remains the intention of the organization to create a personnel administration that is administered and managed in a manner that is: fair, efficient, effective and transparent. Management in turn are required to manage and support staff appropriately and according to legislative prescripts. In this manner a supportive management and administrative structure is created, which enables successful outcomes and performance optimization at every level.

4.4 POLICIES

4.4.1 Human Resource Plans that have been developed and/or reviewed 2020/2021:

HUMAN RESOURCES POLICIES AND PLANS				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
1	Leave Policy	100	100	26 February 2021
2	Recruitment and Selection Policy	100	100	26 February 2021
3	Remuneration	100	100	26 February 2021
4	Travel and Substance Allowance	100	100	26 May 2021
5	Perks/Travelling allowance Policy	100	New	26 May 2021
6	Cellular & 3G	100	100	26 February 2021
7	Termination of Employment	100	100	26 February 2021
8	Skills Development previously known as the Bursary Policy	100	100	26 February 2021

NOTE: During this financial year COVID – 19 impacted dramatically on the operations of the municipality and this extended to the development, review and updating of Human Resources and Finance related policies.

Human Resource Plans that have been developed and/or reviewed 2018/2019:

HUMAN RESOURCES POLICIES AND PLANS				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
1	Bursary	100	100	23 August 2018
2	Occupational Health & Safety	100	100	23 August 2018
3	Recruitment, Selection & Appointments	100		23 August 2018
4	Remuneration Policy	100	100	23 August 2018
5	Termination of employment	100	100	23 August 2018

4.4.2 Organization – wide Policies and Plans that have been developed and/or reviewed 2018/2019 and 2019/2020

POLICIES (ORGANIZATION WIDE)				
Newly Developed	Revised	Consultation Top Management LLF (through circular for comment or at LLF meetings)	Dates Ratified by Council By	Policies Implemented (Yes or No)
No	Supply Chain Management	Yes	29 May 2019	Yes
No	Debt Collection and Credit Control	Yes	29 May 2019	Yes
No	Cash Management Banking and Investment Policy	Yes	29 May 2019	Yes
No	Borrowing Funding & Reserve	Yes	29 May 2019	Yes
No	Virement Policy	Yes	29 May 2019	Yes
No	IT Disaster Recovery Plan	Yes	July 2019	Yes
No	IT Strategic Plan	Yes	July 2019	Yes
No	Performance Management Policy	Yes	October 2018	Yes

4.5 INJURIES, SICKNESS AND SUSPENSIONS

The tables below reflect the statistics for both the current and the previous financial year i.e. 2020/2021 and 2019/2020 reflecting sick leave related statistics:

4.5.1 Current Financial Year Sick Leave related costs: 2020/2021

Number of Days and Costs of Sick Leave (Excluding IOD) 2019/2020						
Salary Band	Total Sick Leave Days	Proportion of sick leave without medical certificate %	Number Employees using sick leave	Total number of employees in post	Average sick leave per employee Days	Estimated cost R '000
Levels 1-3	509	0	45	111	2	46 135.76
levels 4-8	219	0	40	70	2	23 879.76
Levels 9-12	306	0	39	61	1	57 564.72
Levels 13-15	74	0	6	11	2	229 067.70
Levels 16 – 25	79	0	7	16	2	374 776.60
MM and s56	26	0	4	6	1	203 405.80

NOTE: Calculations are made against the lowest earnings on each level, multiplied by the total sick leave days and reflected as a total i.e. the total estimated cost.

4.5.2 Previous financial year Sick Leave related costs: 2019/2020

Number of Days and Costs of Sick Leave (Excluding IOD) 2019/2020						
Salary Band	Total Sick Leave Days	Proportion of sick leave without medical certificate %	Number Employees using sick leave	Total number of employees in post	Average sick leave per employee Days	Estimated cost R '000
Levels 1-3	96	0	18	111	3	R41 472
levels 4-8	83	0	21	84	2	R 58 681
Levels 9-12	143	0	26	46	2	R 178 607
Levels 13-15	84	0	10	12	2	R 138 264
Levels 16 – 25	49	0	8	18	2	R 234 171
MM and s56	31	0	5	4	2	R 109 306

4.5.3 Comment on Injury and Sick Leave

Although sick leave patterns may not appear excessive, they must be monitored closely as a matter of course and emerging patterns must be handled correctly.

All instances of Sick Leave must be applied strictly in accordance with the policy and all paperwork relating to Sick Leave must be completed prior or after the illness (depending on its nature). **As per the prescriptions of policy, a doctor's certificate is not required for a period less than 3 days unless there is a history of sick leave having been taken (i.e. sick leave that has been taken twice in a continuous 8-week period). If this is the case a doctor's certificate is required.** A certificate is also required if patterned behaviour begins to emerge and management may then justifiably request a sick leave certificate, should this become evident. For any period, greater than 2 consecutive days, a sick leave certificate is also required.

Injury on Duty (IOD's) are required to be reported and managed strictly in accordance with the Occupational Health and Safety Policy in which the procedure is clearly stated. In instances where injuries / sick leave extends for long periods or are in question, the organization reserves the right to have the injury/aspect of sick leave examined by a doctor of choice.

NOTE: If it becomes apparent that an employee is likely to be off for an extended period of time, or medically boarded, the Pension Fund is required to be notified within 6 months of this "potential disability". Failure to do so could result in non-approval of future disability claims and liability from the municipality. It is suggested that notification conservatively begin at 3 months.

Suspensions and Cases of Financial Misconduct:

Number and Period of Suspensions 2020 / 2021				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
N/A	N/A	N/A	N/A	N/A

Cases of Misconduct

Position	Nature of Alleged Misconduct and Rand Value of any loss to the municipality	Disciplinary Action taken	Date Finalized
Senior Manager	Contravention of section 171 of the MFMA	Matter referred to the disciplinary board and the board found the allegations to be frivolous	27 February 2019
Middle manager	Contravention of the SCM regulations by appointing a service provider without	Matter referred to the disciplinary board and the board recommended a full investigation	On -going
Junior official	Contravention of the SCM regulations by appointing a service provider without following the SCM processes	Contravention of the SCM regulations by appointing a service provider without following the SCM processes	On -going

4.6 PERFORMANCE REPORTING AND REWARDS

4.6.1 Performance Management Context and Guiding Principles

The Performance Management Framework, Policy and Procedure was updated, revised and aligned to the Competency Framework within the 2018/2019 period. As already detailed, this was not completed during the 2019/2020 period. It is important to note that the Competency Framework has replaced Regulation 26(8) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (Government Notice No. 805) as published in the Government Gazette No. 29089 of 1 August 2006. In terms of this, any person appointed as a senior manager is now required to possess all the specific leadership and management related competencies as set out within this framework. This clearly impacts on recruitment and as such, when appointing any such manager, the suitability for any such position must incorporate assessment of the **applicants' proven ability within all of these specified areas. Training and development should also take these competencies** into account and inform all training required to close any such competency gaps.

In order to comply with the prescriptions of the Competency Framework, these competencies have been incorporated into Senqu Municipality's current policy. As this policy is translated into operational targets and performance targets for individuals to whom the policy applies (as part of the policy "roll-out"), the specific performance targets that relate to **Leading Competencies and Core Competencies** are now included within the Employee Scorecards (to whom these apply i.e. to the s56 Directors and middle managers). This is also detailed within the Employee Performance Management System and related policy.

As per legislative prescriptions, all municipalities are legally required to develop a performance management system that will enhance the organisations levels of efficiency and effectiveness, account for the use of municipal resources and clearly indicate the achievement



of outcomes. That being said and in terms of the Systems Act it was understood and accepted that municipalities were required to develop and utilize systems that were best suited to their environment, circumstances and available resources. It is under these conditions and with this express understanding, that Senqu Municipality developed its PMS Framework and Policy (revised continuously since 2011 and most recently in June 2017 and October 2018).

The reviewed and updated Performance Management Policy was approved by Council in October 2018. This policy is now split into 2 groups. Group 1 is applicable to s56 employees and identified middle managers from Task Levels 15 and above. Group 2 is applicable to all staff not deemed to be middle management i.e. from TASK Levels 14 and below. It also accommodates the performance management of interns, service providers and the appropriate performance assessment of all parties. In order to ensure compliance with the latest legislation the policy has also been written to accommodate the new Competency Framework Regulations.

The Performance Management Framework and System must not simply be followed in order to achieve required levels of compliance (in terms of legislative prescripts). This framework and system is in effect a management tool, that is designed to assist and facilitate the manner in which performance objectives and targets are met throughout the organization. **It is in all instances an “enabler” of improved performance.** The existence of a framework and system of this nature facilitates a process whereby service delivery objectives can be successfully achieved overall, in a specific, realistic and planned manner. Current circumstances, available resources and current challenges must always be taken into account.

The Performance Management System exists in order to provide the organisation with the framework and tools necessary to ensure the development of a performance management culture throughout. As a management tool, the performance management system, enables the organization to achieve its strategic objectives which are aligned to the IDP and institutional scorecard – facilitating effective and efficient service delivery.

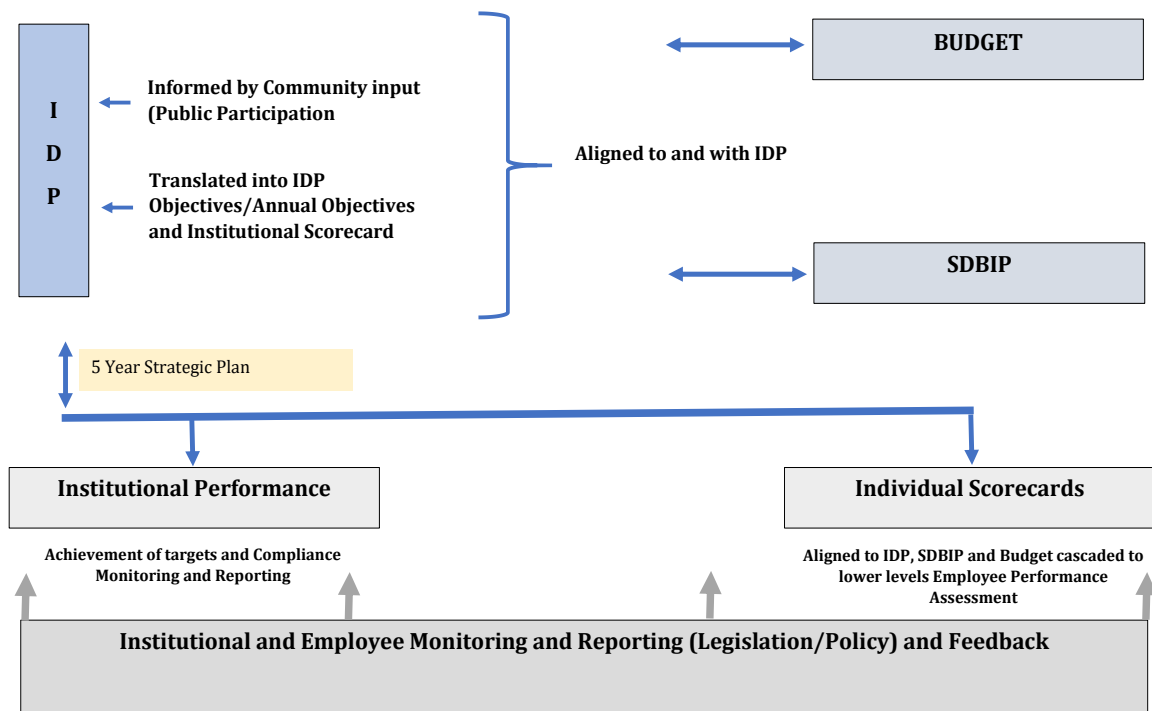
“Performance Management” is not an isolated event. It represents a “means to an end” in the efforts undertaken to achieve a state and culture of performance optimization throughout the organization. In order to achieve this, it is recognized that performance management must be regarded as an integrated approach that combines the manner in which both individual employee performance and institutional performance is managed and reported on, in accordance with the relevant legislative prescripts. It is further acknowledged that the one cannot be successfully achieved in the absence of the other.

As a committed municipality to effective management of performance, in its strategic session held in March 2021, the Municipality took a decision to move the function of Employee Performance to Corporate Service under Human Resources, while Institutional Performance will remain in the Governance and Compliance section which will also move from Development and Town Planning Services to the Office of the Municipal Manager with effect from 01 July 2021.

4.6.2 Relationship between the Performance Management System and targets and issue of alignment

The relationship between the performance management system and process and the performance targets is explained diagrammatically below:

Figure: Integration of Institutional and Employee Performance Management and alignment of objectives and targets with IDP and Budget



As per the figure above:

- The Five (5) year Integrated Development Plan (IDP) is developed with community input.
- The IDP (as a 5-year strategic plan) is translated into an Annual Plan or Institutional Scorecard.
- It is critically important that there is alignment between the IDP, the Institutional Scorecard, the Budget and the SDBIP. It is also critically important that there is alignment between the SDBIP and the Performance Scorecards of all staff.
- The SDBIP and the integrated PMS provide the vital link between the mayor, council (executive) and the administration and facilitates the process of holding management accountable for its performance. The SDBIP and the PMS are management implementation and monitoring tools which assist the mayor, the councillors, municipal manager, senior managers and the community in evaluating the performance of the council. A properly formulated SDBIP and PMS will ensure that the appropriate information is circulated, assessed and reported on internally and externally for purposes of monitoring.
- Directorate performance scorecards reflect the strategic objectives which are incorporated and aligned to the IDP, Budget and SDBIP. **Competency Framework Standards are also included within the s56 Director's scorecards and those of middle management.**
- **The SDBIP represents a "contract" between the administration, council and the community.** It expresses the goals and objectives set by the council as quantifiable outcomes that are to be achieved by the end of the financial year in question. Service delivery performance is measured in terms of the SDBIP targets and the degree to which operational plans have been achieved. As per a "cascade type approach", the Departmental SDBIP's will inform the Performance Scorecards of each manager and staff member and at every level, the operational targets and objectives will be cascaded and aligned to the strategic plan; and
- Despite the split between the PMS Policy required by levels and explained further below, the performance management concepts remain the same and all required targets (from as per the SDBIP and competency framework) are cascaded to all levels to a greater or lesser degree as dictated in terms of the prescriptions of each policy.

Current scenario and Way Forward (context provided)

- During 2017/2018 the Performance Management System was applicable only to the level of s56 Directors and middle managers. In terms of policy in its current state it was therefore only applicable to Group 1 only i.e. applicable down to TASK level 15. Moving forward and as from 2019/2020 it was the intention that the system would be cascaded down to lower levels i.e. from TASK levels 14 to TASK levels 12. In effecting this change during 2019/2020, it was recognized that a Group 2 policy be developed and aligned to the needs of the lower levels and appropriate assessment of their performance as follows:
 - As already indicated, what was once a single policy had now been split into two policies in order to accommodate both Groups of Staff to whom it would be applicable and to ensure that these policies would be able to be practically applied.
 - The first half of the policy would be applicable to Group 1 i.e., to all staff at the level of the Municipal Manager, s56 Directors' and those staff considered to be at the Middle Management level (i.e. those staff reporting directly to s56 Directors) and

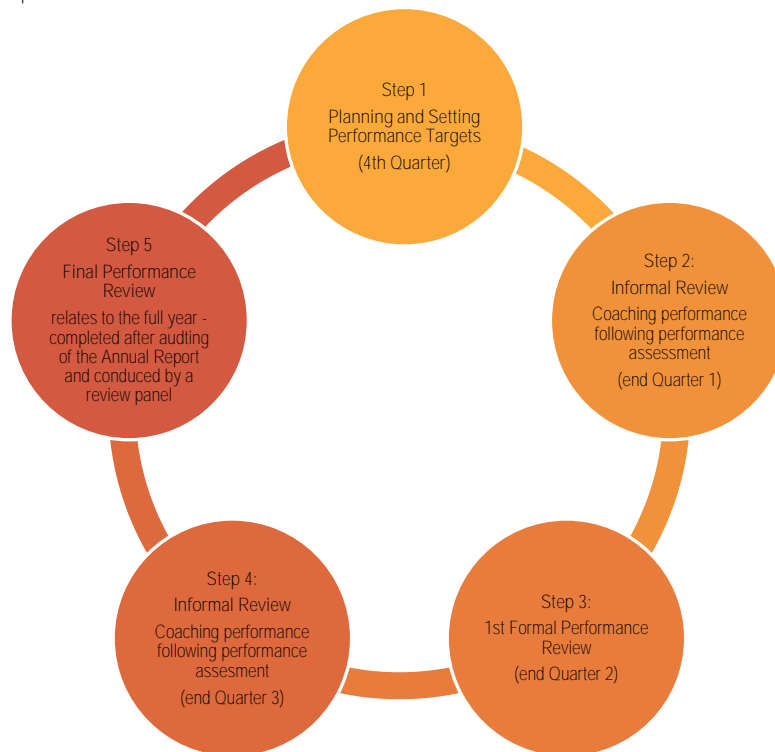
generally considered to be at a TASK Level that is not lower than a level 15. When assessing performance of directors and middle management at these levels, all assessment processes and criteria as detailed within policy are to be adhered to as prescribed.

- This policy also incorporated Institutional Performance Management and performance assessment of service providers, as these functions and responsibilities apply at these levels of management and staff;
- The policy for Group 2 would be applicable to all remaining staff (from TASK Level 14 and below). It would also include the performance management and assessment of any interns.
- Ultimately in 2020/2021 the system cascaded to staff below middle managers, but it was met with apathy challenges.
- The capacity of to carry out this exercise internally effectively also impacted negatively on the project as result, the municipality took a decision to move employee performance to Corporate Services in 2021/2022 as stated above.

NOTE: Both the Employee and Institutional Performance Management System will be detailed separately and in the case of the Employee Performance Management process –the issue of rewards also will be covered.

4.6.3 Employee Performance Management (Assessment and Management)

The Employee Performance Management System operates within a cycle which extends from 1 July – 30 June annually – divided into quarterly activities as depicted below:



a. Steps in The Performance Management Cycle (as depicted in the diagram above)

- 1st Quarter (July to September): Informal Review occurs between manager and direct report. Discussion, agreement and development of Personal Plan (scorecard); development of Personal Development Plan (PDP) and SDBIP Reporting is required to occur.
- 2nd Quarter (October to December): Formal review/assessment between manager and direct report. Assessment on PDP and SDBIP Reporting culminating in s72 formal performance assessment report.
- 3rd Quarter (January to March): Informal Review between manager and direct report. Discussion and agreement regarding achievement of performance regarding Personal Plan; Personal Development Plan (PDP) and SDBIP Reporting.
- 4th Quarter (April to June): Final formal review with panel (occurring after AG audit of s46 and approved Annual Report).

Annually, the following steps are taken:

Step 1: Fourth Quarter (Planning for the next cycle)

- Scorecards (Personal Plans) for staff are developed. These Scorecards differ for Groups 1 and Groups 2 and are prescribed as per policy. All targets are written strictly in accordance with the manner in which targets are required to be written (i.e. In accordance with the SMART principle). It is very important that every effort is made to ensure that there is alignment at every level i.e. between scorecards, the SDBIP, Budget and IDP;
- Manager/line supervisor (depending on the group) and subordinate discuss and agree on targets.
- Areas for development are identified and reflected in a Personal Development Plan (PDP) or customized action plan that is signed by both parties in order to show commitment to achievement. This reflects the training and development needs that must take place in order to ensure that the subordinate is able to meet the required targets; and
- The Municipal Manager and s56 Directors and Middle Manager's **sign annual performance agreements, applicable for this period.**

NOTE: Since Individual and Employee Performance will not longer be housed under the same department and section in 2021/2022, this might necessitated a change in policy.

Step 2: First Quarter Informal Review (Coaching and Reinforcement)

- At the end of this quarter the manager/line supervisor (depending on group) and subordinate meet to discuss actual performance against required performance. Achievements are commended, and appropriate Action Plans developed in order to address any highlighted performance issues; and
- Action Plans are monitored so that appropriate action occurs, and targets are met.

Step 3: Second Quarter Formal Review/Assessment

- Manager/line supervisor and subordinate meet to discuss the formal assessment and the rating of actual performance against expected performance for all performance indicators. (The manner of ratings follows below). Agreement is reached on ratings and commitment (action plans) to required action to ensure that required targets are achieved.
- Institutional Performance Targets, including Directorate individual targets, are formally assessed through the s72 performance report in quarter 2.

Third Quarter: Informal Review (Coaching and Reinforcement)

- At the end of this quarter the manager/line supervisor and subordinate meet to discuss actual performance against required performance.
- Achievements are commended, and appropriate Action Plans developed in order to address any highlighted performance issues; and
- Action Plans are monitored so that appropriate action occurs.

Fourth Quarter: Final Formal Review (Formal Panel Assessment)

- This assessment occurs after the auditing of the s46 / Annual Report. This is necessitated in order to be able to verify (from an external source) the achievement of targets/the extent to which targets have been achieved.
- Assessment of performance for all performance indicators is undertaken and, in this instance, assessment is undertaken by a panel, constituted according to the Framework and detailed below;
- As detailed within the Framework and Policy and amendments to the two groups as indicated in 4.2.1, differences will ultimately be observed in the final assessment (panel constitution and process).

Note:

- Two informal assessments occur twice a year - after the first and the third quarter; and
- Two formal assessments occur twice a year – relating to the second and fourth quarters. The 2nd quarter is formalized through the s72 performance report and the 4th Quarter assessment (which reflects an annual assessment) may only occur after the Auditor General has audited the s46 / Annual Report; and
- Portfolios of Evidence are kept by all applicable participants to this process - the Municipal Manager, the Directors and other identified Managers and staff, to allow them to validate claims of performance.

b. Developing Personal Plans and Scorecards for employees

When developing scorecards (Personal Plans), it is critically important to ensure that the prescriptions for each policy group are adhered to as follows:

Group 1: Municipal Manager, s56 Directors and middle managers

- **Each scorecard for the Municipal Manager, s56 Directors and Middle Manager's is compiled of** Key Performance Areas (that make up 80% of the scorecard weighting) and Leadership and Core Competencies (that make up 20% of the scorecard weighting). Each area of assessment shall be weighted and shall contribute a specific part to the total score. **The KPA's will total 100 points** and the Leadership and Core Competencies will total 100 points, despite their total weightings of 80% and 20% respectively.
- Senqu Municipality has adopted the five National Key Performance Indicators as contained within the 5-year Local Government Strategic Agenda as their Key Performance Areas (KPA's) **within the organisational performance scorecard.**
- **Accordingly, the following Key Performance Areas (KPA's) apply:**
 - Basic Service Delivery (all service delivery related activities and functions);
 - Local Economic Development (relating to all activities and functions that promote economic development and alleviate poverty);
 - Governance and Public Participation (relating to organizational and administrative governance and all aspects of public participation);
 - Municipal Transformation and Organisational Development (this relates to the manner in which the institution is capacitated to conduct its affairs with required levels of conformance); and
 - Municipal Financial Viability and Management (ensuring strict adherence to the MFMA and standard accounting and financial management practices).
 - In the case of the Municipal Manager, the s56 Directors and middle managers, the scorecards are populated with the **Key Performance Areas that are appropriate to the positions' themselves.** The amount of emphasis that a National KPA would carry within this particular Directorate /Department/Division and the position itself is key to the degree of its use. Under these circumstances, certain scorecards/performance plans will be populated with all five (5) of the national key indicators and some may only consist of three (3) or four (4) of the five National Key Performance Indicators. The weightings may vary/ differ, depending entirely on the responsibilities of the position itself.
- Performance Agreements and current scorecards/Personal Plans **are concluded annually for the Municipal Manager; s56 Directors' and middle managers'; and**
- In terms of policy there are additional differences in the manner in which performance scorecards/personal plans are structured for different levels within and between policies as follows:
 - These consist of Key Performance Areas **that are appropriate to the positions' themselves (accounting for 80% of the weighting)** and relate to the National Key Performance Indicators.
 - The Municipal Manager and s56 Directors **will have scorecards that include "Leadership and Core Competencies"** that make up 20% of the scorecard weighting).
 - By comparison, the Middle Managers from the same group, will have scorecards that have the 20% weighting made up of only three (3) Compulsory Core Management Competencies.
 - The competencies that now appear in the Competency Framework Structure are detailed in the table that follows– defined as Leading Competencies and Core Competencies:

Leadership and Core Competencies

LEADING COMPETENCIES	
Strategic Direction and Leadership “Provide and direct a vision for the institution and inspire and deploy others to deliver on the strategic mandate”.	<ul style="list-style-type: none"> • Impact and Influence • Institutional Performance and Management • Strategic Planning and Management • Organisational Awareness
People Management “Effectively manage, inspire and encourage people, respect diversity, optimise talent and build and nurture relationships in order to achieve institutional objectives”.	<ul style="list-style-type: none"> • Human Capital Planning and Development • Diversity Management • Employee Relations Management • Negotiation and Dispute Management
Programme and Project Management “Able to understand programme and project management methodology; plan, manage, monitor and evaluate specific activities in order to deliver on set objectives”.	<ul style="list-style-type: none"> • Programme and Project Planning and Implementation • Service Delivery Management • Programme and Project Monitoring and Evaluation
Financial Management “Able to compile, plan and manage budgets, control cash flow, institute financial risk management and administer procurement processes in accordance with recognised financial practices. Further to ensure that all financial transactions are managed in an ethical manner”.	<ul style="list-style-type: none"> • Budget Planning and Execution • Financial Strategy and Delivery • Financial Reporting and Monitoring
Change Leadership “Able to direct and initiate institutional transformation on all levels in order to successfully drive and implement new initiatives and delivery professional and quality services to the community”.	<ul style="list-style-type: none"> • Change Vision and Strategy • Process Design and Improvement • Change Impact Monitoring and Evaluation
Governance Leadership “Able to promote, direct and apply professionalism in managing risk and compliance requirements and apply a thorough understanding of governance practices and obligations. Further, able to direct the conceptualisation of relevant policies and enhance cooperative governance relationships”.	<ul style="list-style-type: none"> • Policy Formulation • Risk and Compliance Management • Cooperative Governance

CORE COMPETENCIES
Moral Competence
Planning and organising
Analysis and Innovation
Knowledge and Information Management
Communication
Results and Quality Focus

Group 2 - Other staff (TASK levels 14 and below)

- All remaining staff will have generic type scorecards;
 - Each Scorecard is made up of 100 points.
 - There are two (2) parts to each scorecard.
Part 1: Technical Competencies (applicable to three (3) areas of specific technical competence) and contributes to 80 points overall; and
Part 2: Standardized Behavioural and Performance Targets. This comprises the same generic targets for all staff in this group viz. Time Keeping, Absenteeism, Meeting Deadlines, Customer Focus, Health and Safety, Discipline, Administration and Communication. These contribute to a full 20 points of the scorecard);
 - Performance targets become more operationally based at each lower level and accordingly the performance targets must be written differently and more operationally at these levels. This will become effective at the time that the PMS is applicable to them and will be signed annually.
- c. Rating of Employee Performance (differences in Groups 1 and 2)

The rating of an employee's level of performance, whether in the category of s56 Director, as a middle manager or general staff member, requires that ratings occur in terms of the rating calculator reflected within the stated and currently applicable policy (Group 1 and 2 differ as indicated).



Group 1 Rating Assessments

Within the current year the Rating Calculator Assessment Tool has been aligned to the levels attached to the Competency Framework i.e., Basic (Level 1 and 2), Competent, Advanced and Superior Performance (as reflected in the table below):

Rating Calculator Assessment Tool

	TERMINOLOGY	DESCRIPTION
5	Outstanding performance "SUPERIOR"	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the employee has achieved above the fully effective results against <u>all</u> performance criteria and indicators as specified in the Performance Agreement and Performance Plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations "ADVANCED"	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective "COMPETENT"	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the employee has fully achieved effective results against all significant performance criteria and indicators as specified in the Performance Agreement and Performance Plan.
2	Performance not fully effective "BASIC LEVEL 2"	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review / assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the Performance Agreement and Performance Plan.
1	Unacceptable performance "BASIC LEVEL 1"	Performance does not meet the standard expected for the job. The review / assessment indicate that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the Performance Agreement and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

Performance is rated in accordance with this scale for each target. In addition to the level descriptors above, the following factors and descriptions must also be considered when assigning achievement levels and related ratings:

ACHIEVEMENT LEVELS	DESCRIPTION
Basic	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
Competent	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses.
Advanced	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses.
Superior	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods.

Note: To ensure consistent application of these level descriptors, attention to the wording of the descriptors must be taken into account. Allowances for extenuating circumstances and actions out of the norm/over what was required, must be taken into account. This may be used to justify a change in rating, or effectively to accommodate the target being considered to have been achieved – with a variance.

Example:

- If 4 meetings were required per quarter and 4 took place but two of these were held in the same quarter (timings out but justified) – this would be considered to have been met – with a variance (which is then explained).

In these instances, the reason for the variance and the remedial action taken must be justified accordingly. A degree of flexibility when determining the applicable rating – providing it can be warranted/justified must be allowed. These factors must be considered during the auditing process as if not applied this can be challenged.

NOTE:

- **When assessing an individual's performance external factors** may be considered as the employee is able to use initiative in order to ensure that the job gets done. **Targets may then be met "with a variance"** and extenuating circumstances will be taken into account.
- When it comes to institutional performance this does not apply and targets are either rated as **"achieved"** or **"not achieved"**.

As per the previous Regulations, assessment of actions taken must also take the following issues into account:

Duration of Task	Was the target achieved within the projected timeframe?
Level of Complexity	<ul style="list-style-type: none"> • What problem-solving techniques occurred? • What innovative action was taken? • What level of operation/complexity occurred?
Cost	<ul style="list-style-type: none"> • To what extent were costs maintained within budget? • Was the budget exceeded? • Were savings apparent?
Constraints	<ul style="list-style-type: none"> • What constraints were expected: • Did these occur? • To what extent did this affect the desired outcome? • What actions /especially proactive where taken to resolve the issue?

NOTE:

d. Assessment and Rating for Group 1 (the Municipal Manager, s56 Directors and Middle Managers)

- During the first “formal” review (December), the “Manager” will assess the subordinate’s performance by using the rating scale of 1 to 5 and the reasons for variances. Similarly, the subordinate will conduct a self- assessment. When meeting, both parties will attempt to reach agreement on the ratings. Where no agreement is reached as to the final score, the decision will be made by the next higher level of authority (as per the dispute resolution mechanism). The results of the assessment will guide the manager and subordinate to take appropriate steps to improve performance ongoing (through the development of action plans); and
- During the final review assessment (formal panel assessment for the period 1 July to 30 June), performance will also be rated according to these level descriptors although it will be rated by the relevant performance assessment panel and consolidated ratings will be translated into appropriately weighted scores by the Performance Management Facilitator. Variances are taken into account and examined/motivated appropriately.

Note:

- KPA’s are assessed by the panel, as stipulated, but leading and core competencies are assessed only by the incumbent, the relevant Director/Municipal Manager and the Performance Management Facilitator; and
- No final assessment should take place prior to the Annual Report being approved. At this point all the performance information has been audited and considered to be a true reflection of reality. Only verified evidence of claims of performance are considered to be true and can be taken into account.
- Assessments are based on the degree to which a performance indicator has been met. Failure to produce adequate evidence will result in the lowest rating being awarded i.e. a rating of the number “1”.

Group 2 Rating Assessments

Staff will be rated according to performance on a set of stipulated targets (generic and technical issues) as stipulated within the approved policy. A different rating scale as applicable and is detailed below:

Group 2 Rating Calculator

LEVEL	TERMINOLOGY	DESCRIPTION
5	Outstanding performance “SUPERIOR”	Performance exceeds targets in 80% of indicators.
4	Performance significantly above expectations “ADVANCED”	Performance is higher than the standard expected in terms of the target. Consider action over and above what is expected/use of initiative.
3	Fully effective “COMPETENT”	Performance fully meets the standard required by the targets.
2	Performance not fully effective “BASIC LEVEL 2”	Performance is below the standard.
1	Unacceptable performance “BASIC LEVEL 1”	Performance does not meet the standard expected for the job.

When assessing performance, the following issues must be taken into account:

Duration of Task	Was the target achieved within the projected timeframe?
Level of Complexity	<ul style="list-style-type: none"> • What problem-solving techniques occurred? • What innovative action was taken? • What level of operation/complexity occurred?
Cost	<ul style="list-style-type: none"> • To what extent were costs maintained within budget? • Was the budget exceeded? • Were savings apparent?
Constraints	<ul style="list-style-type: none"> • What constraints were expected? • Did these occur? • To what extent did this affect the desired outcome? • What actions /especially proactive where taken to resolve the issue?

In the first assessment review, the immediate manager and related subordinates will discuss assessments and validate all assessments made via a suitably prepared Portfolio of Evidence. A rating will be agreed. During the final assessment an assessment panel will determine the final rating and thus score. Spot checks will be conducted by the PMS Facilitator. The relevant Head of Department/Director will sign off on the final outcome.

e. Scoring of Employees Performance (Groups 1 and 2)

Note: Rating and Scoring are two distinct and different processes.
The rating is used to determine the actual score from the total possible score for each output.
In the case of Group 1, each performance scorecard is made up of 200 points. **100 points for the KPA's which are then weighted as a total of 80% and 100 points allocated to the Leading and Core Competencies (only Leading Competencies applicable for Middle managers) which are then weighted as 20%.** This is adjusted to finally reflect the 80:20 = 100% scorecard value, that is referred to later when scoring.
It is the responsibility of the PMS Facilitator to translate these ratings into the final weighted scores.

Note: Terminology Consistency

- It is noted that there are occasions where for all intents and purposes targets are met, but with a justifiable variance. No longer may the term **"partially met"** be used – it is required that the reason for the variance/deviation be explained and motivated, together with any remedial action that may have been taken to address it, i.e. **"Target met with a variance in that (Insert what had occurred) and the following remedial action was taken to remedy the situation....."**;
- The extent of the remedial / pro-active action required and taken may impact on the fact that a target will be regarded as having **been met with "a variance"**.

In the case of Group 2 panellist ratings added and consolidated to determine the final score out of 100. The panel is used to address bias!

f. Self-Scoring

The principle of self-scoring has been used throughout the performance management system and policy. Issues have been raised **historically regarding the fact that incumbents engage in "self-scoring" when assessing performance. This issue continues to be raised** and argued by the Audit Unit and Committee and is cause for concern as it is clearly impeding progress and adding unnecessarily to operational costs as workshops and meetings on this manner are required together with numerous reports to justify this action and practice. **This practice has been justified using reference to "best practice principles", legal opinion, Auditor General sanction through the Auditor General's Report (incorporating Performance Management review), practical "show and tell" illustrating that the use of self-scores has no material impact on final outcomes and the fact that this practice is recommended for "buy in" and commitment from staff, and the fact that this practice has been sanctioned by Council.**

The internal audit has in the past made an interpretation/argument against this practice and makes reference to section 28 (3) of the Regulations which states that performance feedback is required to be based on the employer's assessment of the employee's performance. They state quite categorically that no self-scoring should occur and suggest that bias will become a major issue with incumbents scoring themselves far too high – thus skewing the final rating and outcome. This has been disproved through practical

examples. At this point the motivation behind this ongoing issue is questioned and one can also assume that this might be occurring due to misinterpretation and lack of experience within this field. It is a situation that must be put to rest once and for all.

Research will show that self-scoring is used widely in both the private and public sector and is considered to be best practice in so far as individual performance assessment is concerned. **The “beauty” of a panel interview is the fact that each party’s score is taken into account/consolidated.** Scores should not differ dramatically if the ratings are understood and applied correctly – attempting to obtain high levels of objectivity based on facts (hence the Portfolio of Evidence – POE). The very fact that a self-rating/score is required to be justified by the employee based on the evidence in the POE, will mean that the rating will most likely be more accurate and conservative. **Panel members (who the background knowledge and insight into related issues don’t always have that they score on) will be able** to ask questions for insight and clarity and this will allow them to make a better-informed rating.

The overriding issue is that the Performance Management Policy has been approved (and thus the process of self-scoring) and in fact the Municipal Systems Act (MSA) allows for this. This has been incorporated within Senqu Local Municipalities performance agreements for all participating staff and in terms of current policy, this has been applied to the letter. Under these circumstances there is no formal reason why this practice should not continue as it has done in the past.

When interpreting the Regulations, the prescriptions of the MSA are clear ---- the Municipality may and has chosen a policy that suits its situation and circumstances. This is perfectly in order and a Council Resolution to accommodate and allow self-scoring was passed. In addition, the performance agreements entered into for the year in question relate to the current policy and approved process. In terms of this any changes to the policy at this point would be considered to be in breach of the said contract and performance agreement that was signed with the s56 Directors, the Municipal Manager and Managers reporting to the s56 Directors. It would also be contrary to a Council Resolution which is ignored would be considered to be an act on non-compliance – that would most certainly raise an audit query. The failure to allow self-scores at this point would be an act on non-compliance and would open the organization up to serious issues relating to misconduct and non-compliance.

It must be noted that best practice nationally and internationally finds employees self - scoring as with any transparent process. The employee would look quite bad if they simply used this exercise to give themselves the highest possible score. Scoring (completed by whichever member of the panel) is directly based on supporting evidence contained within the Portfolio of Evidence. The employee is given the opportunity to state their case based on the evidence, and the panel members may resolve queries directly with the employee. Issues requiring clarity are clarified and if there are mitigating or extenuating circumstances these can be clearly explained and justified, or not - these factors are incorporated into the regulations referred to. This process is as transparent as can be and avoids panel members basing their rating/score on a lack of understanding and/or insight about the context that presents itself. This situation would be even more dangerous and has the ability to throw the credibility of the process into question.

Each member of the rating panel is briefed on how the rating scale works and notwithstanding this it is noted that when rating, differences in ratings may occur between different panellists. Most often ratings are close but there are occasions where these differ across the entire spectrum (from 2 – 5 for example). This is not a pure science, and we strive to be as objective as is humanly possible. Rightly or wrongly, each panellist has an individual score. All parties are warned that their scores can be challenged, so as to encourage them to rate carefully. Reality shows that the panellists do rate differently amongst each other in terms of score but in most cases, scores are not too far apart.

g. Performance Bonuses

Group 1: Performance Bonuses applicable to Municipal Manager and s56 Directors

- In order for the Municipal Manager, s56 Directors and Middle Managers to qualify for a performance bonus, the ratings of all panellists are required to be consolidated and changed into averaged scores (representative of the entire panel) for all KPA related targets; and
- Leading Competency scores are evaluated according to ratings provided by the incumbent, immediate supervisor/manager/audit committee member and the performance management expert who are deemed as being most appropriate to rate these areas – measuring aspects of leadership. Total ratings and scores per incumbent are consolidated by the Performance Management Facilitator appointed for this purpose.

Figure: Assessment panel constitution for the Municipal Manager and s56 Managers

Assessment Panel of the Municipal Manager (MM)	Assessment Panel of S56 Directors accountable to the Municipal Manager (MM)
Mayor	MM
Chairperson of the audit committee or Audit Committee Member	Chairperson of the audit committee or Audit Committee Member
Mayor or Municipal Manager from another municipality	Municipal Manager from another municipality
Ward committee member nominated by Mayor	Portfolio Councillor or Exco Member as nominated by the Mayor
Exco Member as nominated by the Mayor	Governance and Compliance Manager
Governance and Compliance Manager	PMS Facilitator
PMS Facilitator	

- The Municipal Manager and s56 Directors are required to prepare and present a Portfolio of Evidence – substantiating claims of performance for each and **every Performance Indicator for KPA's, Leading Competencies and CMC's**. This, together with the audit of the Annual Report will validate /authenticate claims of performance – necessary in order to justify/verify the final consolidated score and any applicable bonus. Bonuses are awarded according to the following sliding scale – achieved by doubling the final total score out of 100 - as adjusted down in 80:20 ratio to reflect out of 100 from 200. This 80:20 adjusted figure out of 100, is then doubled to reflect a figure out of 200- so that it can apply strictly in accordance with the rating scale.

The sliding scale for bonuses applicable to s56 Managers is reflected as follows:

Score / 200	% Bonus for s56 Managers
130 (65%)	5 % of total annual remuneration package
134	6 % of total annual remuneration package
138	7 % of total annual remuneration package
142	8 % of total annual remuneration package
146	9 % of total annual remuneration package
150	10 % of total annual remuneration package
154	11 % of total annual remuneration package
158	12 % of total annual remuneration package
162	13 % of total annual remuneration package
166+ (83% +)	14 % of total annual remuneration package

As per the Performance Regulations, the Municipal Manager and s56 Directors will be able to qualify for performance bonuses according to the following ratings (reflected in the table below):

- A score of 130% to 149% is awarded a performance bonus ranging from 5 – 9%, and
- A score of 150 and above is awarded a performance bonus ranging from 10% - 14%.

Merit awards applicable to the Municipal Manager and s56 Directors (budget permitting)

- Merit awards for the **Municipal Manager and s56 Directors'** are determined by assessing performance against required targets. Once performance criteria have been established, performance targets are reviewed regularly. At the end of the financial year, actual performance is compared against the agreed performance targets to determine the magnitude of the merit award. The merit award is calculated as a percentage of the total annual remuneration package of the employee, as indicated in the table hereunder.

Score / 200	Merit Award for s56 Managers
130 to 141 (65% - 70%)	1% of total annual remuneration package
142 to 149 (71% - 74%)	2% of total annual remuneration package
150 to 161 (75% - 80%)	3% of total annual remuneration package
162 to 165 (81 – 82%)	4% of total annual remuneration package
166+ (83% +)	5% of total annual remuneration package

Performance Bonuses applicable to Middle Managers

- Middle Managers are required to prepare and present a Portfolio of Evidence – substantiating claims of performance for each and **every Performance Indicator for KPA's at 100 points and Leading Competencies at 100 points but reflected finally as an 80:20 ratio** and a final rating out of 100 points taking the weightings into consideration. Bonuses are awarded according to the following sliding

scale – achieved by doubling the score out of 100 as calculated by the PMS Facilitator, so as to reflect a total out of 200 – applicable to the rating scale.

- In order for Middle Managers to qualify for a performance bonus, the ratings of all panellists are required to be consolidated and changed by the Performance Management into averaged scores (representative of the entire panel) for the KPA's. Leading competencies are evaluated and rated by the incumbent, the immediate supervisor/manager, member of the Audit Committee and the Performance Management Facilitator.

The assessment panel for middle managers is constituted as follows:

ASSESSMENT PANEL FOR MIDDLE MANAGERS
Director (for relevant Directorate)
Manager (Relevant to Division) being reviewed (self-score and motivation /POE).
PMS Facilitator
Member of the Audit Committee

- All Middle Managers are required to prepare and present a Portfolio of Evidence – substantiating claims of performance for each and every Performance Indicator for KPA's and Leading Core Management Competencies (CMC's). This, together with the audit of the Annual Report will validate /authenticate claims of performance – necessary in order to justify/verify the final consolidated score and any applicable bonus.
- It must be noted that each KPA is individually weighted according to the level of importance and the amount of emphasis that this KPA would carry within this particular Directorate / Department/Division and position. Between positions and Directorates / Departments the weightings may vary/ differ, depending entirely on the responsibilities of the position itself. The only prescription is that , the total number allocated for the weights of the KPA's is 80%. The remainder of the scorecard adds up to 20% and made up of Core Management Competencies (CMC's). there are three (3) compulsory CMC's and one other, that are required to be evaluated in terms of the PMS policy. The consolidated scores reflecting the 100 points per each and 80:20 ratio are determined by the PMS Facilitator out of 100 total points and then doubled out of 200. Bonuses are applicable as per the following sliding scale:

The sliding scale applicable to Middle Managers' is reflected as follows:

Score / 200	% Bonus of Middle Manager's Basic Salary
130-133	10 % Middle Manager's Basic Monthly Salary
134-137	20% Middle Manager's Basic Monthly Salary
138-141	30% Middle Manager's Basic Monthly Salary
142-145	40% Middle Manager's Basic Monthly Salary
146-149	50% Middle Manager's Basic Monthly Salary
150-153	60% Middle Manager's Basic Monthly Salary
154-157	70% Middle Manager's Basic Monthly Salary
158-161	80% Middle Manager's Basic Monthly Salary
162-165	90% Middle Manager's Basic Monthly Salary
166	100% Middle Manager's Basic Monthly Salary

Merit Awards applicable to middle managers (budget permitting)

- Merit awards for middle managers may be determined by assessing performance against required targets. Once performance criteria have been established, performance targets are reviewed regularly. At the end of the financial year, actual performance is compared against the agreed performance targets to determine the magnitude of the merit increase. The merit increase (budget permitting) is calculated as a percentage of the total annual remuneration package of the employee, as indicated in the table hereunder:

Score / 200	Merit Award for Middle Managers
130 to 141 (65% - 70%)	1% of Basic Monthly Salary package
142 to 149 (71% - 74%)	2% of Basic Monthly Salary package
150 to 161 (75% - 80%)	3% of Basic Monthly Salary package
162 to 165 (81 – 82%)	4% of Basic Monthly Salary package
166+ (83% +)	5% of Basic Monthly Salary package

Merit Awards applicable to all other staff (TASK Level 14 and below)

- It is the intention to roll out the award of Performance Bonuses to all other staff providing the required criteria are met. This will be implemented by agreement over time. In accordance with this, all other staff will only be eligible to achieve a merit award providing they qualify to be assessed in this manner and providing they achieve a stipulated rating during the final review that is applicable to the assessment of annual performance and is detailed in the table that follows.
- While this is not a legislated requirement it is important to assess performance throughout the organisation and daily. Using the applicable rating scale of 1 to 5 for achievement on targets as specified in terms of a standardized scorecard, the ratings of all parties to the formal evaluation (the incumbent and the direct supervisor/manager) will be averaged and an average rating for each incumbent will be obtained which will translate to an overall rating that ranges from 1 to 5. A Merit Award Bonus will be applicable in terms of the overall rating that correlates with the scale below – budget permitting:

Group 2 Merit Award Bonus Scale

AVERAGE RATING	MERIT AWARD
5	60% of monthly basic package
4	40% of monthly basic package
3	20% of monthly basic package
2	0%
1	0%

Performance Rewards

- Although the Annual Cycle runs from 1 July – 30 June annually, the final formal assessment only occurs after the final approval of the Annual Report and the auditing of the Annual Financial Statements. After auditing these represent verified documents – all detail provided within these documents being recognized as being credible (having been assessed); and
- In terms of the PMS Policy, a deserving and qualifying employee may receive a performance bonus, providing the terms and conditions of policy are met. Following the outcomes of the ratings and consolidated scores (from the assessment panel) the final score will be considered against the sliding scale relating to performance bonuses.

h. Management of Poor Performance

- Poor performance is required to be managed on-the-job through performance /behavioural assessment and coaching. Performance/behavioural issues will be handled according to the terms /conditions of any fixed term contract of employment and/or in terms of the applicable Disciplinary and Procedure Code.

i. Final Reporting: Employee Performance

- Final reporting in terms of performance assessments of s56 Directors and others takes place through formal record and is contained with the Performance Report that is submitted to Council.

In the case of the Municipal Manager, these results are submitted to the MEC for Eastern Cape Local Government and the National Minister for Local Government.

NOTE: Final Performance Assessments are only concluded after the Annual Report has been audited and finally approved. At this point, all statistics and performance claims on which assessments will be based will have been verified. No final assessment is conducted until the annual report is finally approved i.e., after data contained within the Annual Report has been audited and verified. By doing so the credibility is maintained and data is verified. In keeping with this Performance Rewards will only be paid out after the approval of the final Annual Report for 2020/2021 by Council in March 2022 during the next financial year.

4.6.4 Institutional Performance Management

The following institutional reporting is required in terms of legislative prescriptions and provides the required information that leads to appropriate action:

Assessment Report	Timeframe	Submitted to	Required by
SDBIP's	Quarterly	Exco	MFMA, Circular 13
Budget Statements	Monthly	Mayor (in consultation with Exco)	S71 & s54 of the MFMA
Organizational Scorecard	Quarterly	Exco	PMS Framework
SDBIP Mid-year budget & Performance Assessment	Annually during January each year	Mayor (in consultation with Exco)	S71 & s54 of the MFMA
Performance Report	Annually	Council	S46 of MSA as amended. Incorporated into Annual Report
Annual Report	Annually	Council	Circular 63 and Chapter 12 of the MFMA

4.6.5 Institutional PMS Progress 2020/2021

The following performance reporting targets were appropriately met, in order to meet all aspects of compliance:

- The SDBIP (aligned to the IDP) was developed and tabled to the Mayor 14 days after the budget was approved
- It was submitted timeously to National Treasury and to Provincial Treasury.
- Quarterly SDBIP reports were developed and submitted as required.
- As required the s72, s46 and Annual Report for this period were compiled and submitted as required, and lastly
- During the Audit of the predetermined objectives the municipality received a clean audit from the Auditor General.

4.6.6 Service Provider Reporting

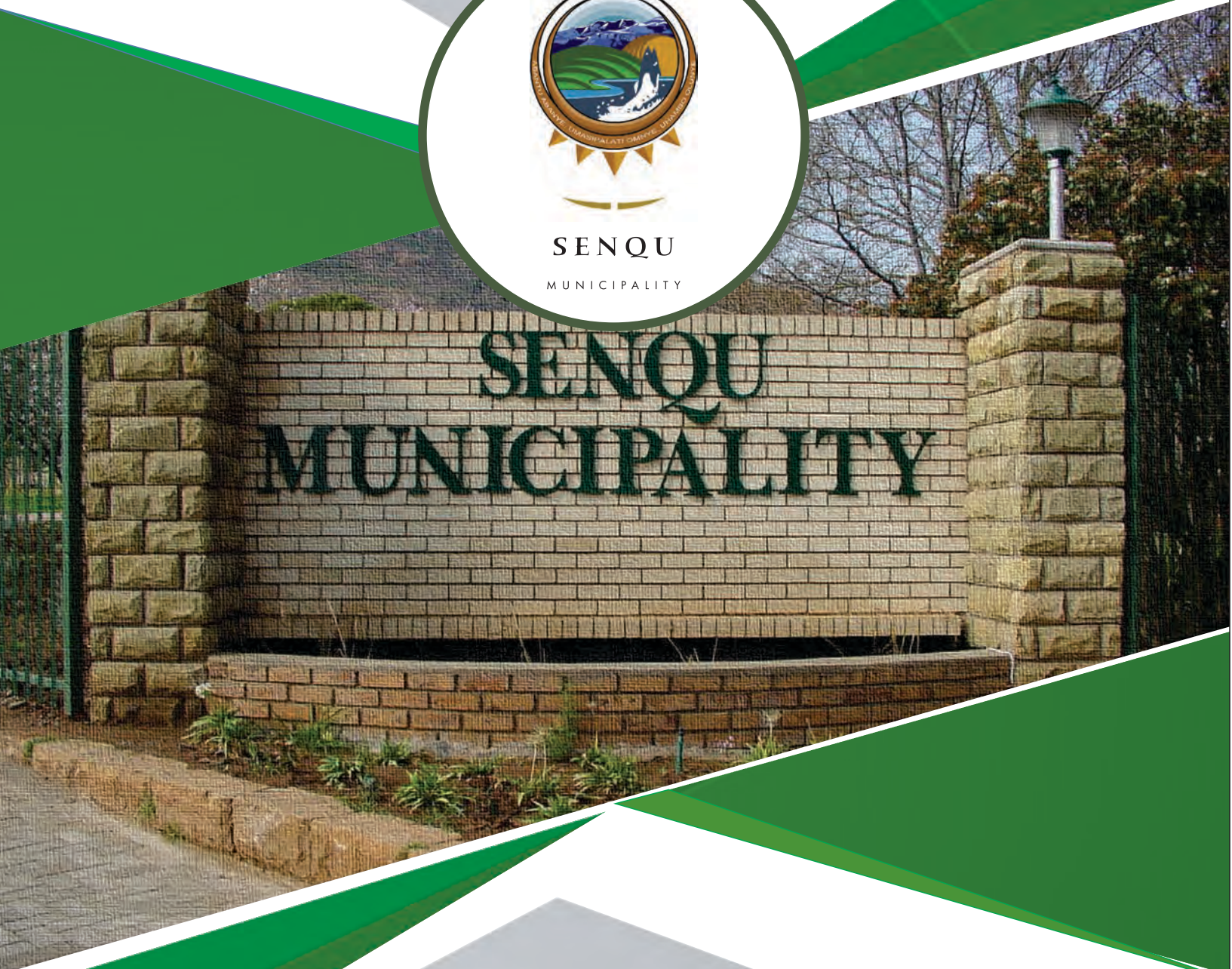
Section 76 b of the MSA states that KPI's should inform the indicators set for every municipal entity and service providers with whom the municipality has entered into a service delivery agreement. Although the Municipality has introduced a performance rating system managed by the Supply Chain Management Unit, the Municipality is also in the process of enhancing the system in order to ensure that it effectively evaluates the performance of the service providers.

The Council and management remain committed to ensuring that all SCM legislation and regulations are complied with in order to ensure that fair and transparent tender processes are followed at all times and to ensure full compliance with the applicable legislation. In support of this, the Municipal SCM Policy has been reviewed and approved by Council as part of the review of all budget related policies.

In order to comply with section 119 of the MFMA all members serving on Bid Specification, Evaluation and Adjudication Committees and all SCM staff are required to attend National Treasury approved training in order to ensure that they meet the prescribed minimum competency levels relating to SCM.

Various other control measures are also being implemented in order to ensure that SCM practices are affected in a fair, equitable and transparent manner. Supply Chain Management continues to be seen as an area of priority for top management.

The new Performance Management Policy makes provision for Service Provider/Vendor performance assessment and reporting. The manner in which this is required to occur is strictly prescribed. To date, while improvements in reporting have occurred it is clear that additional training in this regard is required. Directorates are required to recognize the importance of this reporting and that it is not just in terms of compliance but to ensure effective service delivery on every level and to prevent wasteful, fruitless and irregular expenditure.



**COMPONENT C
CAPACITATING THE MUNICIPAL
WORKFORCE**

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Introduction to Workforce Capacity Development

Senqu Municipality continues to place strong emphasis on the development of a well capacitated workforce. This incorporates all efforts to capacitate all Councillors, management and staff. As reflected within the statistics presented below, Senqu Municipality has demonstrated both in the current and preceding years the extent of its commitment to fulfilling all planned training as reflected within the Workplace Skills Plan (WSP). The WSP itself was informed to a large extent by the results of the skills audit, requirements in terms of the IDP objectives and determining the gaps and the developmental needs of Councillors, management and employees.

The WSP for-2021 - 2022 period and was together with all the supporting document submitted to LGSETA by 29 April 2021. This year's WSP was designed to close the gaps identified through the Job Evaluation process. Reports on the implementation of the WSP are compiled and submitted to the LGSETA.

Notwithstanding the successful development of the WSP and its implementation, one has to acknowledge the very real limitations in respect of financial resources. Accordingly, notwithstanding the fact that training and development takes place, it must be acknowledged that this will never be considered to be sufficient in terms of current need.

The training function is centralized, and all related expenditure is authorised by the Director of Corporate Services.

4.7 SKILLS DEVELOPMENT AND TRAINING

4.7.1 Comment on Skills Development Expenditure 2020/2021

The institutional training budget:	2 562 502.00
Actual expenditure	334 809.09
Variance:	2 227 692.91

TRAINING EXPENDITURE PER DEPARTMENT 2020/2021	
Municipal Manager's Department	
Budgeted amount	97 538
Amount spent	5000
Variance:	92 538
All the required training programmes were implemented in the Municipal Manager's office.	
Internal Auditing Section	
Budgeted amount	184 867
Amount spent	0
Variance:	184 867
Corporate Services Department	
Budgeted amount	304 021
Amount spent	0
Variance:	304 021
Legislators	
Budgeted amount	240 872
Amount spent	284 421
Variance:	-43 549
Planning and Development Department	
Budgeted amount	164 229
Amount spent	9 100
Variance:	155 129
Finance Department	
Budgeted amount	403 747
Amount spent	16 426.09
Variance:	387 320.91
Traffic Section	
Budgeted amount	256 782
Amount spent	0
Variance:	256 782

TRAINING EXPENDITURE PER DEPARTMENT 2020/2021	
Community Services Department	
Budgeted amount	644 909
Amount spent	0
Variance	644 909
Technical Services Department	
Budgeted amount	265 537
Amount spent	19 862
Variance	245 675

4.7.2 Areas of training priority (as reflected in the IDP) for 2020/2021 are reflected as follows:

- Auditing and Ethics
- Bachelor of Engineering in Civil Engineering
- Advanced Diploma in Human Resources Management
- Bachelor of Arts: Social Science
- Diploma in Public Relations
- Postgraduate Diploma: Social Science
- Diploma in Fleet Management
- National Diploma: Public Administration
- Advanced Certificate in Facilities Maintenance Management
- Advanced Diploma in Electrical Engineering
- Further Education and Training Certificate: Community Development: HIV/AIDS
- Higher Certificate: Archives and Record Management
- Bachelor of Engineering in Electrical Engineering
 - Advanced Diploma in Environmental Education
 - Postgraduate Diploma in Legal Principles Compliance
 - National Certificate: Social Housing Property Development
 - Diploma: Library and Information Science
 - Bachelor of Arts in Environmental Management
 - CPMD Programme
 - Certificate: Security Management
 - Advanced Certificate: Education: Agriculture
 - Occupational Certificate: Library Assistant
 - Higher Certificate: Marketing
 - Payroll Practice
 - Practical Cleaning Process Etiquette
 - Sign Language
 - Media Training
 - Advanced Computer Skills
 - Fire Arm Training
 - Basic Course in Geographical Information Systems
 - Case Ware Municipal Template Training
 - Supply Chain Management
 - Handyman Course
 - Leave Administration
 - Handling and Sorting of Waste
 - Performance Management
 - Chainsaw, Lawnmower, Brush cutters and Mechanical Repairs and Maintenance Course
 - Pound Management Course
 - Grade 12
 - AET
 - Leadership Development, Supervision of staff
 - ECSA Professional Membership Training
 - Advanced Landfill Site Management Course
 - Electrical Trade Test
 - Website Management
 - OHS Training
 - Minute Taking
 - Roads Repairs and Maintenance & Storm water Drainage training
 - Risk Management
 - Operators Certificates

- Cemetery Management/Operations Master Class Training
- GRAP/ Accounting Standard Update and Implementation Standards
- Stores Management and Logistics Management
- Tractor Operator Course
- Corporate Governance
- Tools and Techniques for Internal Auditors
- Advance Payroll Management
- Notes to AFS on Asset Management
- Domestic and Housekeeping Cleaning Course
- Peace Officer Training
- Operator: TLB, Tipper Truck & Excavator Upgrade License
- Contract Management
- Guidelines on Implementation of Demand Management
- Excel Dashboard Design
- Record keeping/Filing
- Advanced Expenditure Management
- Public Participation
- Revenue Collection
- Intermediate and Advance Excel training
- Customer Care
- FIPDM Training
- Intergovernmental Relations
- Advance Excel
- Microsoft Project
- EAP Training
- Safety Management
- N4 Electrical Engineering
- Facility Management
- MCSA Windows Server 2012: Installing, Configuring, Administering and Configuring Advanced Services
- CCNA Routing, Switching and Security
- Finance for Non-Financial Managers
- Practical Debt Collection and Consumer Tracing
- EPWP Short Course
- COBIT 5 (Foundation, Implementation and Assessor Plus Exams), ITIL v4 (Managing Professionals plus Exam)
- Electronic Records Management
- Land Administration, Legislation and Surveying
- Trade Test for Building
- Monitoring and Evaluation
- Forensic Auditing
- Incident Investigation in Health and Safety
- Operations and Maintenance Fundamentals
- Certificate: Reception Management
-

Overall summary of training conducted

In terms of the actual training that took place during this period it must be noted that:

- The planned training applicable to 69 training initiatives did not occur and only 49 out of the 69 planned training initiatives were implemented. This was directly attributed to the COVID – 19 situation and restrictions.
- 6 FMG interns were employed during the 2020/2021 financial year. They are to be found in the departments of: Finance, Internal Audit and DTPS.

4.7.3 Skills Matrix

SKILLS MATRIX 2020/2021														
Management Level	Gender	Number of Employee in posts as at 30 June 2020.	Learnerships			Skills Programme and other Short Courses			Other Forms of Training			Total		
			Actual End of Year June 2020	Actual End of June 2021	Year 2020/2021 Target	Actual End of Year June 2020	Actual End of June 2021	Year 2020/2021 Target	Actual End of Year June 2020	Actual End of June 2021	Year 2020/2021 Target	Actual End of Year June 2020	Actual End of June 2021	Year 2020/2021 Target
MM and s56	Female	2	-	-	-	-	-	-	-	-	-	-	-	-
	Male	4	1	-	1	1	1	-	-	-	-	1	1	1
Councilors	Female	14	-	-	-	-	-	-	-	-	-	-	-	-
	Male	20	3	3	3	-	-	-	-	-	-	3	3	3
Senior Managers	Female	10	-	-	-	-	-	-	-	-	-	-	-	-
	Male	08	-	-	-	1	1	1	-	-	-	1	1	1
Technicians	Female	07	-	-	-	1	1	1	-	-	-	1	1	1
	Male	22	-	-	-	2	2	2	-	-	-	2	2	2
Professionals	Female	18	2	2	2	-	-	-	-	-	-	2	2	2
	Male	13	-	-	-	2	2	8	-	-	-	2	2	8
Sub Total	Female	51	2	2	2	1	1	1	-	-	-	3	3	5
	Male	67	4	3	4	6	6	12	-	-	-	9	9	15
Total		118	6	5	6	7	7	13	-	-	-	12	12	20

*Registrar with professional Associate Body e.g. CA (SA)

Note: The reason behind more senior managers and professionals doing learnerships than was planned was due to the fact that top management

4.7.4 Financial Competency Development Report 2020/2021

FINANCIAL COMPETENCY DEVELOPMENT REPORT 2020/2021						
Description	A Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated total A & B	Consolidated Competency Assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated Total Number of Officials whose Performance Agreements Comply with Regulation 16 (Regulation 14(4)(f))	Consolidated Total Number of Officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting Officer	1			1	1	1
Chief Financial Officer	1			1	1	1
Senior Managers	4			4	4	3
Any other Financial Officials	14			14	12	12
SCM Officials	2			2	2	1
Heads of SCM Management Units						
SCM Senior Managers						
Total	22			22	22	18

Note: The National Treasury template focuses on the financial officials and senior managers/directors only. The information that has been populated in the template this financial year reflects reporting as per the treasury template.

4.7.4 Comment on the Financial Competency Regulations

On 15 June 2007, National Treasury published the Municipal Regulations on Minimum Competency Levels in Government (Gazette No. 29976). These Regulations went on to prescribe the higher education qualifications, work related experience and Financial and Supply Chain Management (SCM) competency areas that were required to be met by all officials of South African municipalities/municipal entities who exercise financial management responsibilities.

The Certificate Programme in Municipal Finance Development was required to be obtained by the following officials to whom the competency level prescriptions apply nationally within local authorities:

- Accounting Officers – Municipal Managers.
- **Chief Financial Officer's (CFO's).**
- Senior Managers – Executive Directors.
- Heads of Supply Chain Management (SCM) Units – Directors: SCM.
- Managers of Supply Chain Management Units – Assistant Directors: SCM.
- SCM Officials; and
- Any other financial officials

As of 2020/2021 it must be noted that all senior managers were declared competent except for one appointment contract under regulation.

Manager: PMU has not yet completed and Chief Audit Executive & Manager: Acquisitions, Contract Management and Vendor performance in the process of completing the 2020/2021 CPMD programme. In terms of Financial officials, finance officials other than the 16 required, are in the process of completing this during the 2020/2021 period (CPMD programme).

a. Staff Training conducted 2020/2021

Quarter 1 12 employees
Quarter 2 12 employees
Quarter 3 13 employees
Quarter 4 14 employee

b. Councillor training was conducted as follows:

Quarter 1: 03 Councillors
Quarter 2: 03 Councillors
Quarter 3: 03 Councillors
Quarter 4: 03 Councillors

c. Community Training Initiatives 2020/2021

- Despite training initiatives in the past, it must be noted that the targets for 2020/2021 could not be met, and this can be attributed to the restrictions on physical training due to Covid 19. Most provider were not yet ready to provide the required training offsite as result many trainings delayed or could not take place at all. In addition, it is noted that the Discretionary Grant from LGSETA had not been approved by LGSETA during 2020/2021 period. Reliance had in the past been placed on funding received from third parties (external sources). Moving forward, this target will be removed as Senqu Local Municipality does not have control over external funding (LGSETA), nor do they have sufficient budget to include training initiatives for communities; and
- During 2020/2021 six (6) training interventions were conducted for community members and this related to construction related skills.

4.7.5 Training Committee

The Training Committee met regularly (quarterly) to discuss and decide/approve training related issues. As a consultative forum this committee was comprised of the following representatives:

- Skills Development Facilitator
- Portfolio Head of Corporate Services (Chairperson)
- Director Corporate Services
- Manager: Human Resource, Labour Relations & Legal Services
- IDP Manager

- Manager: Community Services
- Manager: PMU
- HR Officer
- Electrician
- Manager: Revenue
- Manager: Roads
- Manager: Governance & Compliance
- Manager: DTPS
- Manager: Admin and Buildings
- Manager: Waste
- Manager: IGR
- SAMWU Representative (90%)
- IMATU Representation (10%)
- Personal Assistant in Community Service
- Manager: Communications and Political Affairs
- SPU Officer
- Internal Auditor
- IT Manager
- Labour Relations Officer

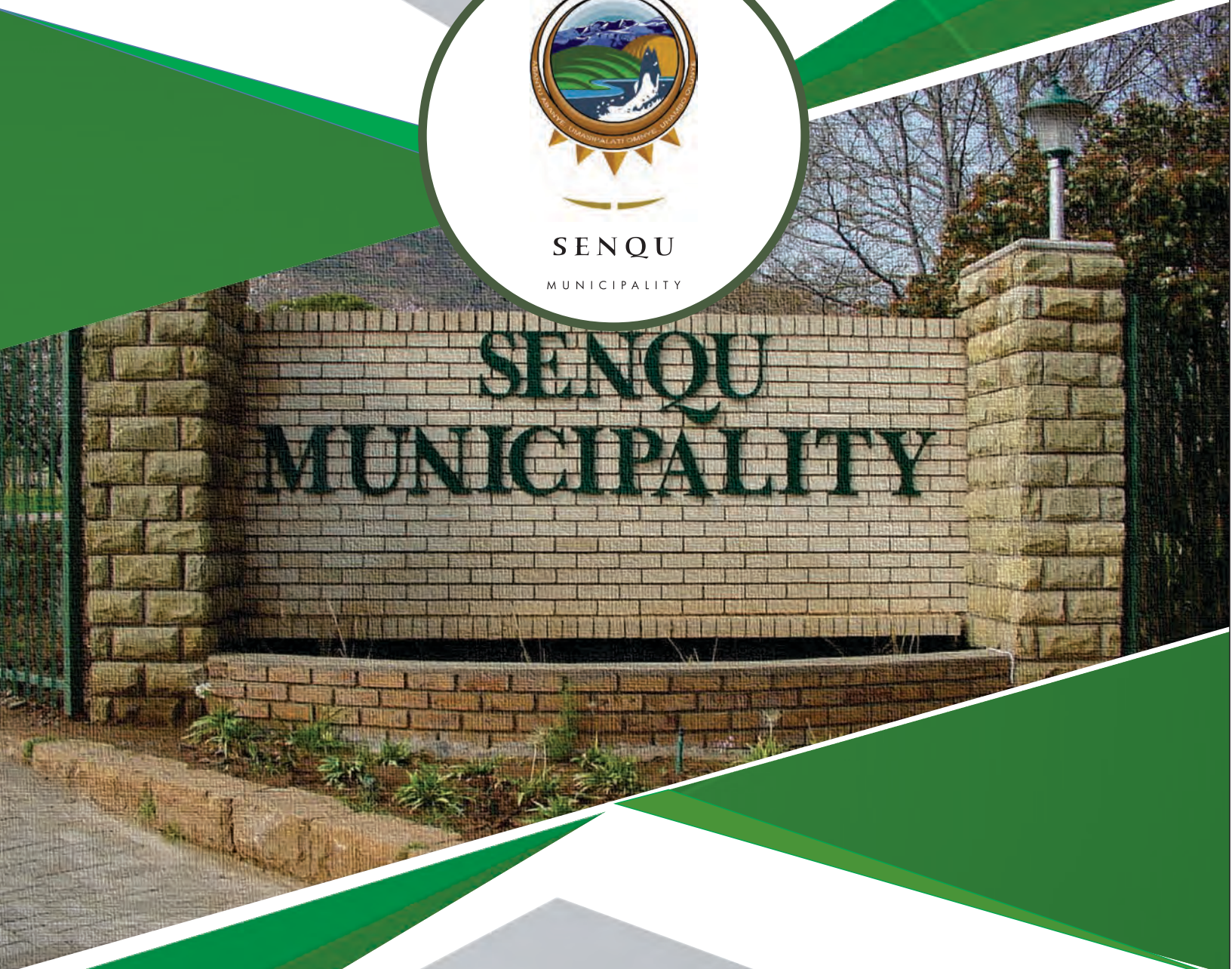
As required, the Workplace Skills Plan was compiled for the 2020/2021 financial year. This was adopted by Council (after having been signed off by Union).

As required all training that took place, were implemented in terms of the WSP.

SKILLS DEVELOPMENT EXPENDITURE (2020/2021)											
MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL		
			ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	
		NO.									
MM	Male	1	-	-	-	-	-	-	-	-	
MM'S Office managers	Male	1	-	-	-	-	-	-	-	-	
	Female	2	-	-	-	-	-	-	-	-	
MM'S Office Professionals	Male	1	-	-	-	-	-	-	-	-	
	Female	2	-	-	5000.00	-	-	-	-	5000.00	
MM'S Office Clerks	Male	0	-	-	-	-	-	-	-	-	
	Females	3	-	-	-	-	-	-	-	-	
MM's Office interns	Male	2	-	-	-	-	-	-	-	-	
	Female	1	-	-	-	-	-	-	-	-	
Legislators	Male	20	-	-	-	-	-	-	-	-	
	Female	14	-	284 421.00	-	-	-	-	-	284 421.00	
Director: Corporate services	Female	1	-	-	-	-	-	-	-	-	
	Male	0	-	-	-	-	-	-	-	-	
Corporate services Manager	Female	1	-	-	-	-	-	-	-	-	
			-	-	-	-	-	-	-	-	
Corporate services Professionals	Female	6	-	-	-	-	-	-	-	-	
	Males	3	-	-	-	-	-	-	-	-	
Corporate Services clerks	Male	2	-	-	-	-	-	-	-	-	
	Female	5	-	-	-	-	-	-	-	-	
Corporate services elementary workers/general workers	Males	2	-	-	-	-	-	-	-	-	
	Female	9	-	-	-	-	-	-	-	-	
Remaining was for unemployed	Males	0	-	-	-	-	-	-	-	-	

SKILLS DEVELOPMENT EXPENDITURE (2020/2021)											
MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL		
			ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	
		NO.									
	Female	2									
Director Technical Services	Male	1									
Technical Services technicians	Male	2									
	Female	2			19 862.00					19 862.00	
Technical Services clerks	Males	0									
	Female	2									
Technical services machine operators and drivers	Males	12									
	Female	0									
Director Development and Planning	Male	1									
IPME Managers	Males	1									
	Female	2									
IPME Professionals	Males	5									9 100.00
	Female	1									
IPME clerks	Males	0									
	Female	2									
Director Community Services	Males	0									
	Female	1									
Community Services Manager	Female	1									
	Male	1									

SKILLS DEVELOPMENT EXPENDITURE (2020/2021)											
MANAGEMENT LEVEL	GENDER		EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL	
				ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
			NO.								
Community Services Professionals	Male		5								
	Female		4								
Community Services Clerks	Male		1								
	Female		3								
Community Services Elementary Workers	Female		17								
	Male		28								
	Males		1								
Finance Managers	Male		3								
	Female		2								
Finance Professionals	Males		4								
	Females		13				16 426.09				16 426.09
Finance clerks	Males		2								
	Females		7								
Finance Trainees	Male		1								
	Female		2								



**COMPONENT D
MANAGING THE WORKFORCE
EXPENDITURE**

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Senqu Municipality is required to manage all resources in the most effective manner, and this includes the financial management thereof (i.e. workforce expenditure). In an effort to institute and maintain effective controls (thereby minimizing opportunities to overspend), strict adherence to policy and procedure is required. To this end, no appointments may be made without the appropriate approval and ensuring that the budget is allocated correctly.

Accordingly:

- Budgets are strictly controlled and over and/or under expenditure is reported on regularly (via monthly reporting);
- Staff appointments are made strictly in accordance with the relevant legislation and/or policy agreements; and
- Staffing issues rely on forward planning and ensuring that the correct appointments to the relevant post are made.

4.8 EMPLOYEE EXPENDITURE

4.8.1 Trends on total personnel expenditure (2019 - 2021)

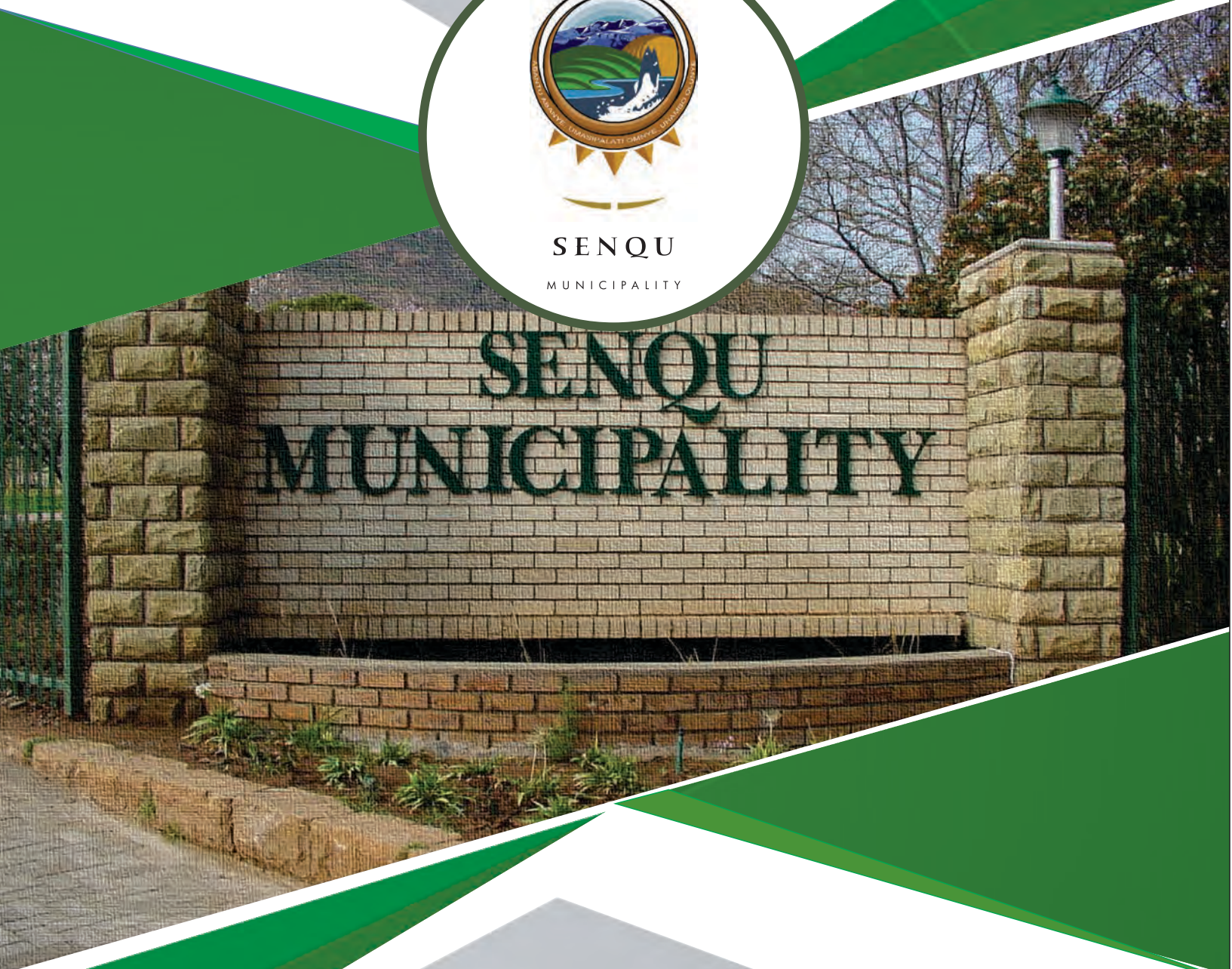
FINANCIAL YEARS	TOTAL APPROVED OPERATING BUDGET	PERSONNEL EXPENDITURE (SALARY AND SALARY RELATED)	PERCENTAGE OF EXPENDITURE
2019 - 2020	253 748 685	106 279 936	41.88%
2020 - 2021	244 806 062	99 890 943	40.08%

a. Comment on Workforce Expenditure

The 2020/2021 period was characterized by an increase in personnel expenditure when compared with the previous period (2019/2020) i.e., 41.88% to 40.08%.

4.8.2 Disclosures of Financial Interest (Refer Appendix J)

Reference is made to Appendix J which details all information as required.



**CHAPTER 5
FINANCIAL PERFORMANCE**

CHAPTER 5: FINANCIAL PERFORMANCE

5.1 INTRODUCTION TO FINANCIAL PERFORMANCE

As the global economic uncertainty and rising costs places inflationary pressure on the municipality, due care is exercised in order to ensure that effective financial management is maintained. In this regard, every effort is made to ensure that systems and procedures are in place so as to ensure that there are sound fiscal controls and an environment that promotes effective financial management and minimizes fruitless and wasteful expenditure. In addition, the municipality takes appropriate steps to ensure that operations are properly controlled – thereby maintaining efficient and effective service delivery to our consumers.

The 2020/2021 financial year has been quite successful for Senqu Municipality in so far as financial management and proven financial sustainability is concerned. To verify this statement, it must be noted that Senqu Local Municipality has been awarded a clean audit opinion for eight (8) years in succession including the 2020/21 audit opinion and Senqu Local Municipality has been ranked by Ratings Africa as the number one (1) financial performer of local authorities within the Eastern Cape.

It must be noted that Senqu Local Municipality was chosen to be the pilot site for the implementation of mSCOA – which was applied nationally during 2016 as a matter of compliance. All aspects relating to mSCOA preparation are being incorporated within Senqu Municipality and its operating systems – ensuring that the financial and support systems integrate with mSCOA requirements and performance reporting.

The OPCA project (Operations Project Clean Audit) has progressed exceptionally well and the challenge moving forward is to ensure that this achievement is maintained.

With the introduction of GRAP, information has become more readily available and this allows information to be presented correctly in most instances. That being said, difficulties are experienced in respect of information required for property, plant and equipment, inventory, external valuations of employee benefits and tip site provisions.

Regular reporting and reporting of compliant and useful information is required from each directorate and should be regarded as mandatory – which it is. This information is critical for all other reporting and should be readily available at all times.

While specific detail on all aspects of finance are provided within the schedules attached, a simple set of standard practices are required in order to ensure that required information is provided in a useful manner.

5.2 STANDARD PRACTICES TO FACILITATE ACCURATE INFORMATION PROVISION

- a. It is required that there is compliance regarding all reporting and in particular regarding the predetermined objectives - ensuring that they are written in accordance with the SMART principles.
- b. Issues identified in **terms of the Audit Action Plan are required to be addressed and appropriate “follow ups” conducted.**
- c. The Internal Audit and Audit Committee are required to work together in order to review the Strategic and Annual Performance Plans – ensuring that these are correctly addressed, and that appropriate and valuable reporting occurs.
- d. The quality of quarterly and monthly reports is to be assessed and suitable and timeous action taken to rectify issues identified (financial, pre-determined targets or otherwise). Oversight from managers and the Internal Audit/Audit Committee is required; and
- e. Zero tolerance will be implemented in respect of unauthorised, irregular, fruitless and/or wasteful expenditure and in respect of the potential qualification, due to the failure to detail and report on predetermined objectives and National Treasury views on non-priority spending.

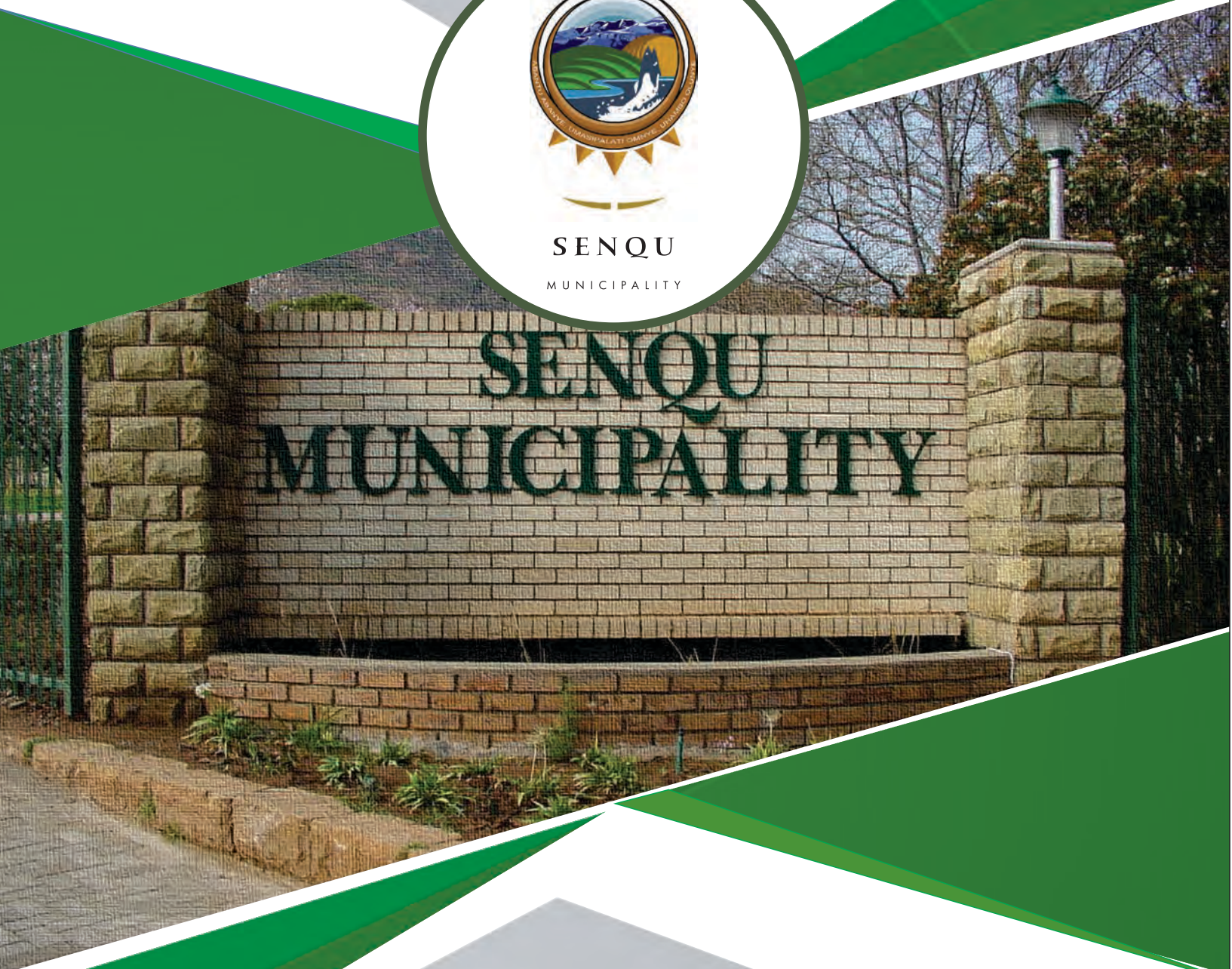
5.3 FINANCIAL INDICATORS

The following dashboard information and tables indicate the municipality's performance in terms of 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 Areas.



As an overall assessment, the following indicators are highlighted:

FINANCIAL INDICATORS	2019/2020	2020/2021
Capital charges to Operating Expenditure	1%	1%
Liquidity: times	8.5	7.4
Outstanding debtors to Annual Revenue	11.6%	7.5%
Creditors to cash	1.2%	2.2%
IDP REGULATION FINANCIAL VIABILITY FIGURES		
Debt Coverage	4.4	3
Outstanding Service Debtors	46%	31%
Cost Coverage	20 months	23 months



**COMPONENT A
STATEMENTS OF FINANCIAL
PERFORMANCE**

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.4 INTRODUCTION TO FINANCIAL STATEMENTS

Statements of Financial Performance are reflected in the tables that follow.

Note: Reference is made to Appendix K in which “Statements of Revenue Collection Performance by Vote and by Source” are included. This component provides an overview of financial performance of the municipality and focuses on its financial health.

5.4.1 Statements of Financial Performance – 2020/2021 in comparison with previous financial year 2019/2020 Actuals

SENGU LOCAL MUNICIPALITY			
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2021			
		2021	2020
		R	R
		(Actual)	(Actual)
REVENUE	Notes		
REVENUE FROM NON-EXCHANGE TRANSACTIONS		228 749 773	220 641 333
Taxation Revenue		12 830 089	12 430 040
Property Rates	20	12 830 089	12 430 040
Transfer Revenue		214 017 965	203 168 850
Transfers and Subsidies – Capital	21	14 802 952	44 850 724
Transfers and Subsidies – Operating	21	199 215 013	158 318 126
Other Revenue		1 901 720	5 042 443
Actuarial Gains	17	48 156	2 832 480
Fines, Penalties and Forfeits	22	153 047	287 163
Insurance Receipts		-	338 011
Interest Earned - Penalty Interest on Property Rates	26	820 299	949 105
Gain on Fair Value Adjustments of Investment Property	8	868 500	516 000
Gain on Disposal of Capitalised Restoration Cost (PPE)	11	11 718	119 684
REVENUE FROM EXCHANGE TRANSACTIONS		79 709 174	80 785 719
Operating Activities		79 709 174	80 785 719
Service Charges	23	56 111 940	52 835 445
Rental from Fixed Assets	24	560 363	782 558
Interest Earned - external investments	25	16 039 660	21 294 387
Interest Earned - outstanding debtors	26	3 010 992	3 142 361
Licences and Permits		1 391 719	971 983
Agency Services		1 487 542	906 255
Sales of Goods and Rendering of Services	27	255 784	245 881
Operational Revenue	28	851 174	606 850
TOTAL REVENUE		308 458 947	301 427 052
EXPENDITURE			
Employee related costs	29	99 890 943	93 582 730
Remuneration of Councillors	30	12 663 025	12 697 206
Debt Impairment	31	11 951 095	12 974 435
Depreciation and Amortisation	32	18 059 193	17 966 405
Impairment Loss	33	478 089	508 873
Actuarial Losses	17	1 880 314	5 594
Finance Charges	34	2 196 693	2 395 969
Bulk Purchases	35	39 900 367	35 072 720
Contracted services	36	21 861 168	19 207 962
Transfers and Subsidies	37	-	37 397
Operating Leases	38	83 280	74 339
Operational Cost	39	32 780 769	34 821 953
Loss on Disposal of Assets	40	3 042 125	356 088
Inventory Loss		19 001	
TOTAL EXPENDITURE		244 806 062	229 701 669
NET SURPLUS FOR THE YEAR		63 652 885	71 725 383

During the financial year 2020/2021 Senqu Municipality achieved an operating surplus of R 63 652 885. Actual results as compared with planned budget outcomes can be observed in the table that follows, with explanations provided for material variances.

5.4.2 Statements of Financial Performance: Budget Comparisons Operating Revenue

SENQU LOCAL MUNICIPALITY				
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS				
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2021				
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET				
	2021	2021	2021	
	R	R	R	
	(Actual)	(Final Budget)	(Variance)	
REVENUE BY SOURCE				
Property rates	12 830 089	9 047 778	3 782 311	42%
Service charges	56 111 940	53 591 444	2 520 496	5%
Rental of facilities and equipment	560 363	123 476	436 887	354%
Interest earned - external investments	16 039 660	18 800 000	(2 760 340)	-15%
Interest earned - outstanding debtors	3 831 291	2 546 078	1 285 213	50%
Fines	153 047	166 073	(13 026)	-8%
Licences and permits	1 391 719	1 184 250	207 469	18%
Agency services	1 487 542	995 665	491 877	49%
Transfers and Subsidies – Operating	199 215 013	196 750 200	2 464 813	1%
Other revenue	2 035 331	1 849 835	185 496	10%
TOTAL OPERATING REVENUE	293 655 995	285 054 799	8 601 196	
EXPENDITURE BY TYPE				
Employee related costs	99 890 943	100 989 286	(1 098 343)	-1%
Remuneration of councillors	12 663 025	14 468 094	(1 805 069)	-12%
Debt impairment	11 951 095	12 633 161	(682 066)	-5%
Depreciation & asset impairment	18 537 282	21 432 296	(2 895 014)	-14%
Finance charges	2 196 693	3 188 381	(991 688)	-31%
Bulk purchases	39 900 367	41 528 500	(1 628 133)	-4%
Other Material	-	18 402 014	(18 402 014)	100%
Contracted services	21 861 168	33 833 622	(11 972 454)	-35%
Transfers and Subsidies	-	48 007	(48 007)	100%
Other expenditure	34 744 363	42 494 029	(7 749 666)	-18%
Loss on disposal of PPE	3 061 126	-	3 061 126	100%
TOTAL OPERATING EXPENDITURE	244 806 062	289 017 390	(44 211 328)	

NOTE: Operating Revenue shows an increased variance of [REDACTED] compared to the estimated Operating Revenue at financial year end. This can be attributed to the higher than expected Property Rates and Service Charges revenue that was realized due to numerous factors that included: additional government properties that were verified and billed during the year, improved budgetary controls resulting in cash savings, more interest as a result of increase in debtors due to lower collection rate.

Note: The operating expenditure came in at a variance of [REDACTED]. This may be directly attributable to a Cost Containment Strategy that was implemented, which reduced expenditure across the categories of expenses as well as the under-expenditure of the budget due to lockdown regulations.

5.4.3 Expenditure Authorised in Terms of Section 32 of the MFMA

a. Unauthorised Expenditure

During the 2020-2021 financial year, no unauthorised expenditure was incurred by Senqu Local Municipality.

BUDGET COMPARISON BY VOTE - UNAUTHORISED EXPENDITURE CURRENT YEAR – OPERATING

Unauthorised expenditure – Operating	2021 (Actual) R	2021 (Final Budget) R	2021 (Unauthorised) R
Executive & Council	26 243 769	30 608 249	-
Planning & Development	18 644 373	20 489 805	-
Corporate Services	24 150 014	38 375 459	-
Budget & Treasury	32 951 559	39 498 648	-
Road Transport	28 081 506	28 192 064	-
Waste Water Management	4 168 377	4 855 498	-
Community & Social Services	11 923 259	12 378 951	-
Sport & Recreation	1 355 767	2 740 123	-
Public Safety	43 293	885 643	-
Electricity	62 057 633	63 371 817	-
Waste Management	35 186 514	47 621 133	-
Total	244 806 062	289 017 390	

BUDGET COMPARISON BY VOTE - UNAUTHORISED EXPENDITURE CURRENT YEAR (CAPITAL)

Unauthorised expenditure – Capital	2021 (Actual) R	2021 (Final Budget) R	2021 (Unauthorised) R
Executive & Council	24 339	1 415 233	-
Planning & Development	-	336 051	-
Corporate Services	1 737 740	8 723 897	-
Budget & Treasury	660 476	2 944 579	-
Road Transport	7 732 430	24 748 538	-
Community & Social Services	1 869 498	13 881 906	-
Electricity	2 647 117	4 178 712	-
Waste Management	4 262 806	14 690 036	-
Total	18 934 405	70 918 952	

Note: No Unauthorised Capital Expenditure was incurred for the year under review

b. Expenditure Authorised in Terms of Section 32 of the MFMA

Fruitless & Wasteful Expenditure

Fruitless and Wasteful expenditure for the financial year (2020/2021) amounted to R 134 906 and R 80 026 was incurred during the previous financial year. An increase was therefore noted between the previous financial year as compared with the current year.

INCIDENT	DISCIPLINARY STEPS/ CRIMINAL PROCEEDINGS	2021	2020
Penalties paid – Dept. Transport	None	50 342	5 700
Interest paid to Eskom	None	4 538	-
TOTAL		54 880	5 700

Irregular Expenditure

Irregular expenditure increased from R 21 915 776 to R 22 414 012 during the 2020/2021 financial year. The amount of R111 157 for 2019/20 and R498 236 for 2020/21 identified as Deviations from Supply Chain Regulations and Policies, relates to procurement that did not follow the supply chain prescripts, but was detected via the municipal internal control system. The amount of R9 425 958 identified as Non-compliance with the BBEEE Act relates to an award that was made to a contractor that was not in compliance with the BBEEE act, read with the Preferential Procurement Regulations.



IRREGULAR EXPENDITURE CONSISTS OUT OF THE FOLLOWING	2021	2020
Deviations from Supply Chain Regulations and Policies - Disciplinary processes have not been initiated.	498 236	111 157
Non-compliance with the BBEE Act	-	9 425 958
Total	498 236	9 537 115

5.5 GRANTS

SENQU LOCAL MUNICIPALITY APPENDIX E (UNAUDITED)						
DISCLOSURE OF TRANSFERS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2021						
	OPENING BALANCE	GRANTS RECEIVED	INTEREST ON INVESTMENTS	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	CLOSING BALANCE
	R	R	R	R	R	R
NATIONAL GOVERNMENT						
Equitable Share	-	189 021 000	-	189 021 000	-	-
Municipal Finance Management	-	1 700 000	-	1 700 000	-	-
Municipal Infrastructure Grant	-	33 522 000	-	3 964 270	13 680 467	15 877 264
NDPG (Neighbourhood Development Partnership Grant)	2 010 056	-	-	-	-	2 010 056
Integrated National Electrification Grant	1 290 857	-	-	1 668 373	1 122 485	-
EPWP (Expanded Public Works Program)	-	2 617 000	-	2 617 000	-	-
Municipal Disaster Relief Grant	244 370	-	-	244 370	-	-
Total	3 545 283	226 860 000	-	197 715 013	14 802 951	17 887 320
PROVINCIAL GOVERNMENT						
Prov. Gov - Housing (Hillside)	232 652	-	-	-	-	232 652
Herschel People's Housing Libraries	11 094 443	-	398 908	-	-	11 493 351
EPWP (Expanded Public Works Program)	-	1 500 000	-	1 500 000	-	5 200 000
Greenest Municipality	200 000	-	-	-	-	200 000
Total	11 527 096	6 700 000	398 908	1 500 000	-	17 126 004
ALL SPHERES GOVERNMENT	15 072 379	233 560 000	398 908	199 215 013	14 802 951	35 013 323

5.5.1 Comments regarding Grant Funding

- It is noted that the dispute issues experienced within the Herschel Housing Project prevented work from continuing and progressing as planned.

5.6 ASSET MANAGEMENT

5.6.1 Introduction to Asset Management

The Municipal Finance Management Act No. 56 of 2003 clearly states in Section 62[1][a] that 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 resources of the municipality are used effectively, efficiently and economically.

It is acknowledged that an Accounting Officer of a municipality is responsible for the management, safeguarding and maintenance of assets and liabilities and must for this purpose, take all reasonable steps to ensure that the municipality has and implements the following:

- Maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;
- Ensures that assets and liabilities are valued in accordance with the standards of Generally Recognised Accounting Practice; and
- Maintains a system of internal control of assets and liabilities, including an Asset and Liabilities Register.

5.1.1 Roles & Responsibilities

a. Role of the Municipal Manager

As the Accounting Officer of the municipality, **the Municipal Manager is regarded as the principal custodian of the entire municipality's fixed assets.** Accordingly, the Municipal Manager is responsible for ensuring that the Fixed Asset Management Policy is scrupulously applied and adhered to. The Municipal Manager may in terms of section 79 of the Municipal Finance Management Act, No 56 of 2003 delegate this responsibility.

b. Role of the Senior Managers

Chief Financial Officer

The Chief Financial Officer shall be the Fixed Asset Registrar of the municipality and is required to ensure that a complete, accurate and up-to-date computerized fixed asset register is maintained. No amendments, deletions, additions or transfers between departments to the Fixed Asset Register shall be made other than by the Chief Financial Officer, or by an official acting under the written instruction of the Chief Financial Officer.

The Chief Financial Officer shall:

- Ensure implementation of the Asset Management and Insurance Policy;
- Ensure the verification of all assets in possession of council annually, as at 30 June each year, within the last three months of that specific financial year;
- Keep a complete and balanced record (assets register) of all assets in possession of the council; and
- Report in writing on all asset losses to the council.

Other Senior Managers

- The responsibility for the physical control of assets rests with the relevant Head of Department to whom the responsibility was delegated in terms of section 79 of the Municipal Finance Management Act, No 56 of 2003;
- Each Head of Department shall ensure that assets entrusted to him / her are adequately maintained, properly used and insured and ensure that section 78 of the Municipal Finance Management Act, no 56 of 2003, is adhered to;
- The Chief Financial Officer must approve any transfer of assets between departments after arrangements between the relevant heads of departments are made;
- Upon the resignation / retirement of an employee, the applicable Head of Department must inform the Chief Financial Officer and Corporate Service Department in writing that the inventory and asset items entrusted to that employee, to execute his / her duties

are in good order and returned. When necessary, the applicable Head of Department must inform the Corporate Services Department of any losses and the value of such losses. The ultimate responsibility of any losses lies with the relevant Head of Department.

Although capacity within the municipality's asset management section is limited due to the size of the municipality, capacitation programmes have been identified and increased internal control over assets is observed. This clearly shows the commitment from management to ensure that capacity is improved.

Additions during the financial year for capital assets amounted to R 18 831 688 which include the following categories of assets as reflected in the following table. Note: This does not include intangible assets (not included in the table below).

5.6.3 Capital Assets 2020/2021

30 June 2021	Additions R
Land and Buildings	1 697 493
Buildings	1 697 493
Infrastructure	13 508 335
Roads	6 184 306
Storm water	1 199 426
Solid Waste	3 870 738
Electricity	2 253 865
Community Assets	2 085 356
Node Development	348 698
Cemetery	1 736 658
Other Assets	1 540 504
Motor Vehicles	770 968
Plant & Equipment	14 351
Office Equipment	10 170
Furniture & Fittings	173 087
Computer Equipment	571 928
Total	18 831 688

5.6.4 Table: Schedule A9 Asset Management Summary Sheet

	2019/2020	Current Year 2020/21			Full Year Forecast	2021/22 Medium Term Revenue & Expenditure Framework	
		Audited Outcome	Original Budget	Adjusted Budget		Budget Year 2021/2022	Budget Year +1 2022/2023
ASSET REGISTER SUMMARY - PPE (WDV)	5						
Infrastructure - Road Transport	173 989	191 175	196 694	196 694	196 694	205 041	242 813
Infrastructure - Electricity	34 041	38 244	39 833	39 833	39 833	40 776	44 776
Infrastructure - Other	30 357	72 551	53 995	53 995	53 995	77 114	88 308
Infrastructure	238 387	301 970	290 522	290 522	290 522	322 931	375 897
Community	53 100	63 972	66 791	66 791	66 791	87 394	92 982
Investment properties	46 031	45 607	45 607	45 607	45 607	45 607	45 607
Other assets	96 018	97 168	98 924	98 924	98 924	104 422	109 169
Intangibles	175	197	197	197	197	127	67
Computer Equipment	1 885	5 339	5 339	5 339	5 339	6 685	8 063
Furniture and Office Equipment	1 448	1 015	1 015	1 015	1 015	650	276
Machinery and Equipment	15 251	18 879	19 429	19 429	19 429	20 084	17 043
Transport Assets	6 015	3 805	4 255	4 255	4 255	2 527	1 318
Land	29 008	29 018	29 018	29 018	29 018	29 018	29 018
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	566 969	561 096	561 096	561 096	619 445	679 439
							718 161

5.6.5 Repairs & Maintenance (2020/2021)

Repairs and Maintenance Expenditure Year June 2021				
Repairs and Maintenance Expenditure	Original Budget	Adjustment Budget	Actual	Budget variance %
Totals	13 165	12 924	10 385	-20%

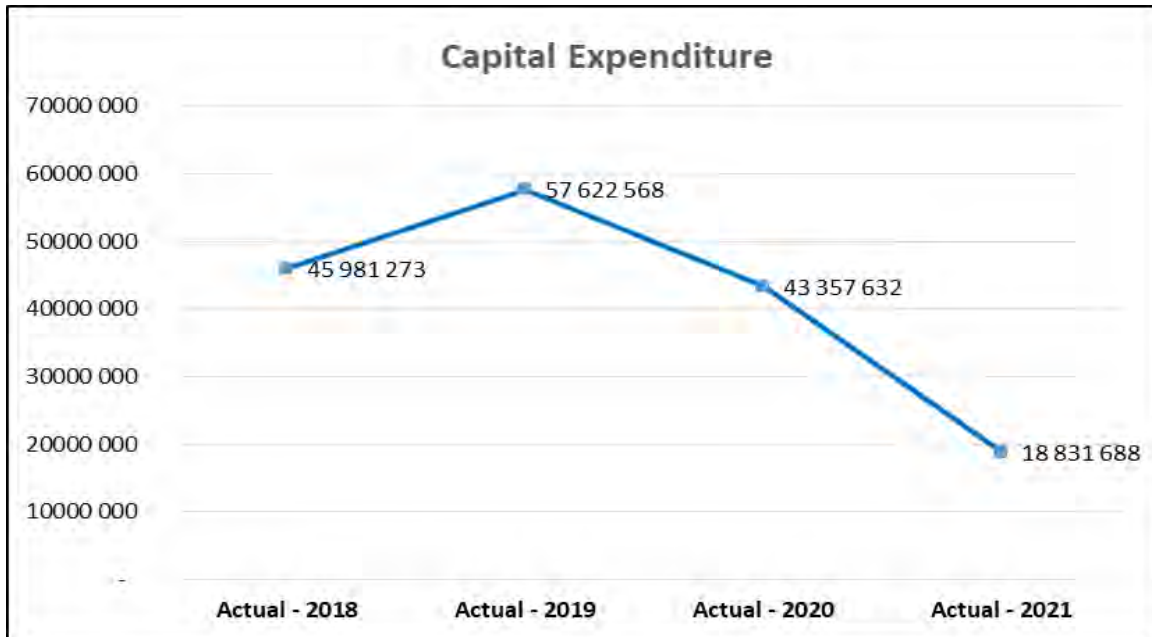
a. Comments on Repairs and Maintenance:

- During the Adjustment Budget process, the original amount for repairs and maintenance decreased from R 13 164 997 to R 12 924 197 and
- The Adjustment Budget was subsequently underspent by 20% due to planned maintenance not occurring as planned in the adjustment budget phase, with actual expenditure amounting to R10 385 416. Reference is made to the graph below for a comparison of basis for the table above.

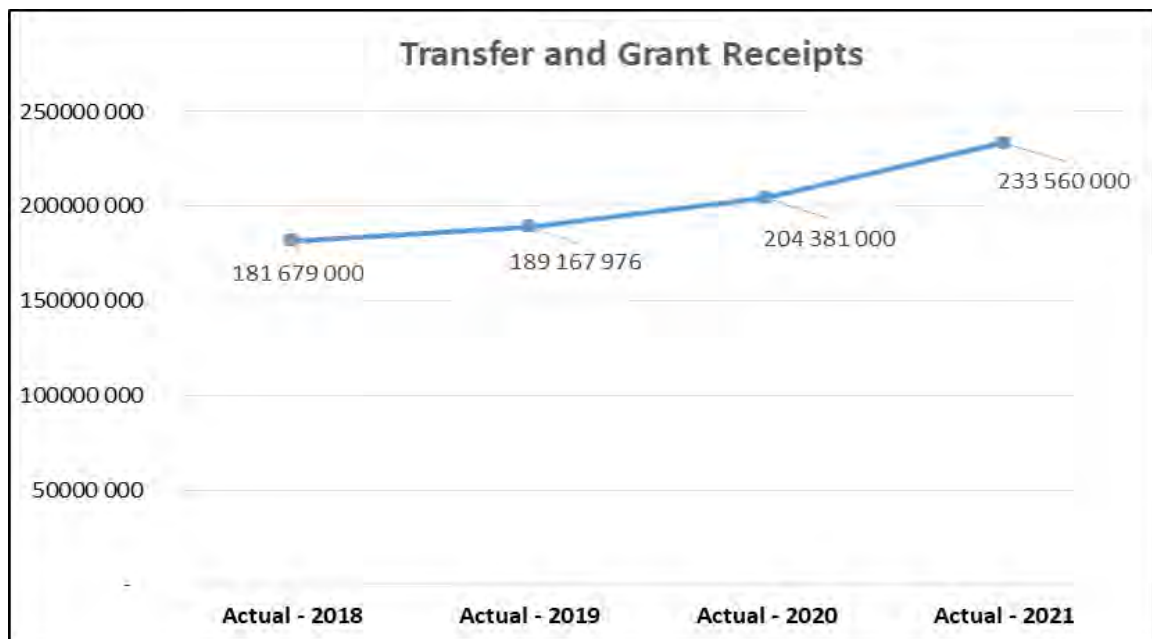
Repairs and Maintenance Comparison 2020/2021



5.7 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

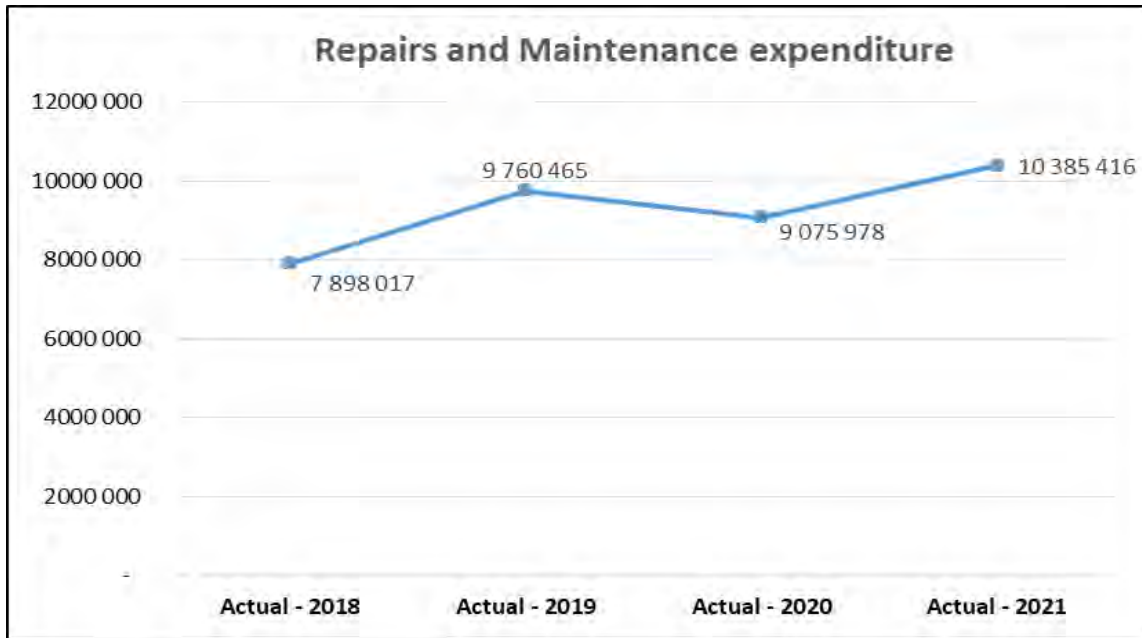


The Graph above shows the movement of Capital Expenditure from the financial year 2017-2018 to the financial year 2020-2021.

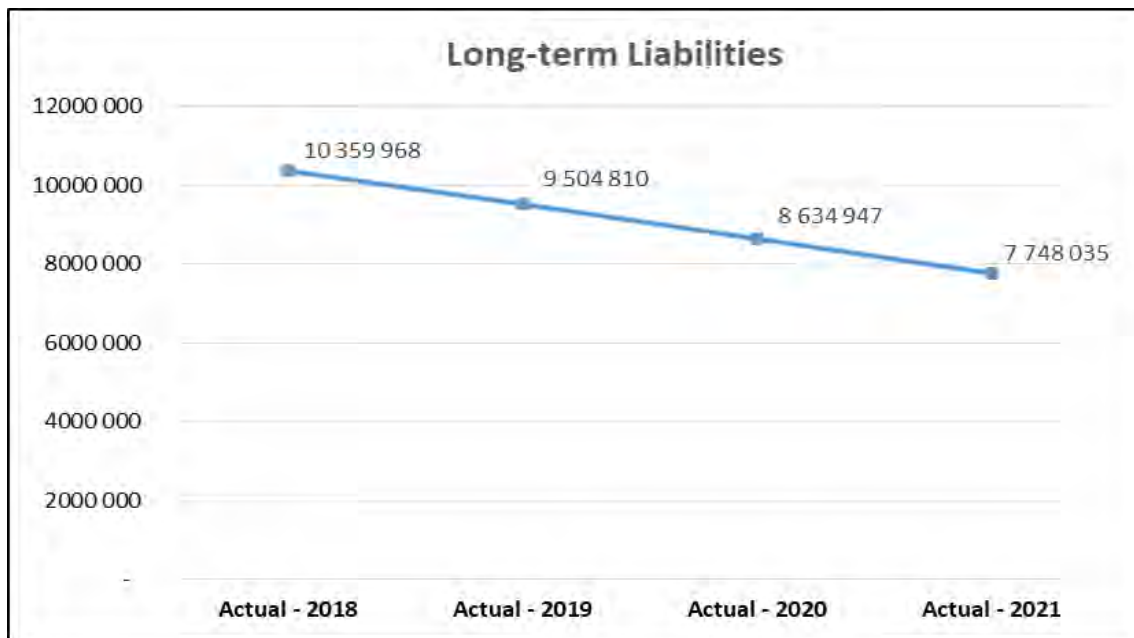


The Graph above shows the estimated increase of total grant receipts for Senqu Municipality from the financial year 2017-2018 to the financial year 2020-2021.

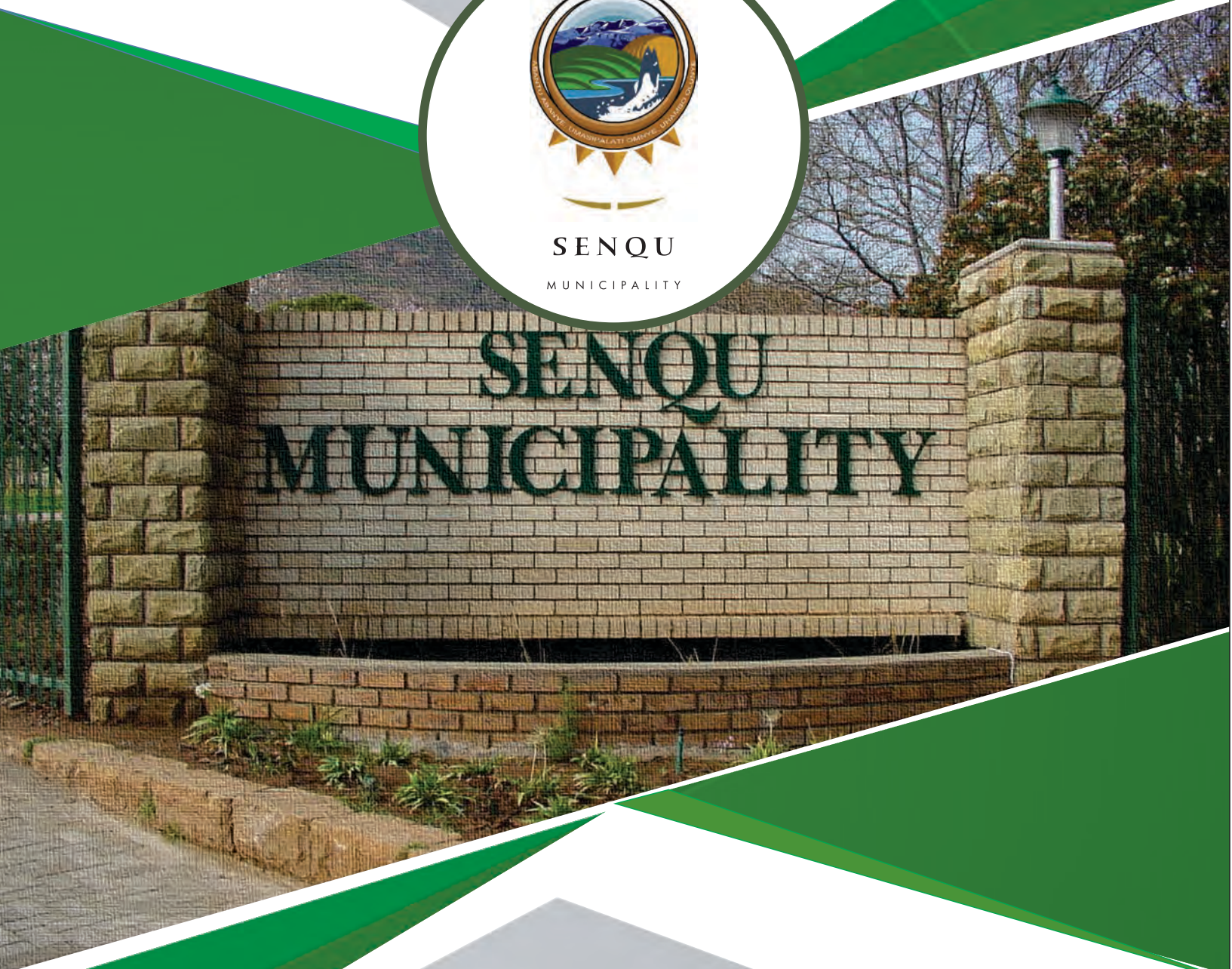
The Graph below show the movement of expenditure for repairs and maintenance from the financial year 2017-2018 to the financial year 2020-2021.



Long Term Liabilities 2020 /2021



Long term liabilities are expected to decrease within the future financial period as initial loans are redeemed and no additional loans are expected to be undertaken.



**COMPONENT B
SPENDING AGAINST CAPITAL
BUDGET**

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.8 INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

In this regard it must be noted that:

- Capital expenditure relates mainly to construction projects that will have lasting value over many years; and
- **Capital expenditure is funded from grants and the municipality's Capital Replacement Reserve.**

5.8.1 **Table : Senqu Municipality's Capital Acquisition Programme**

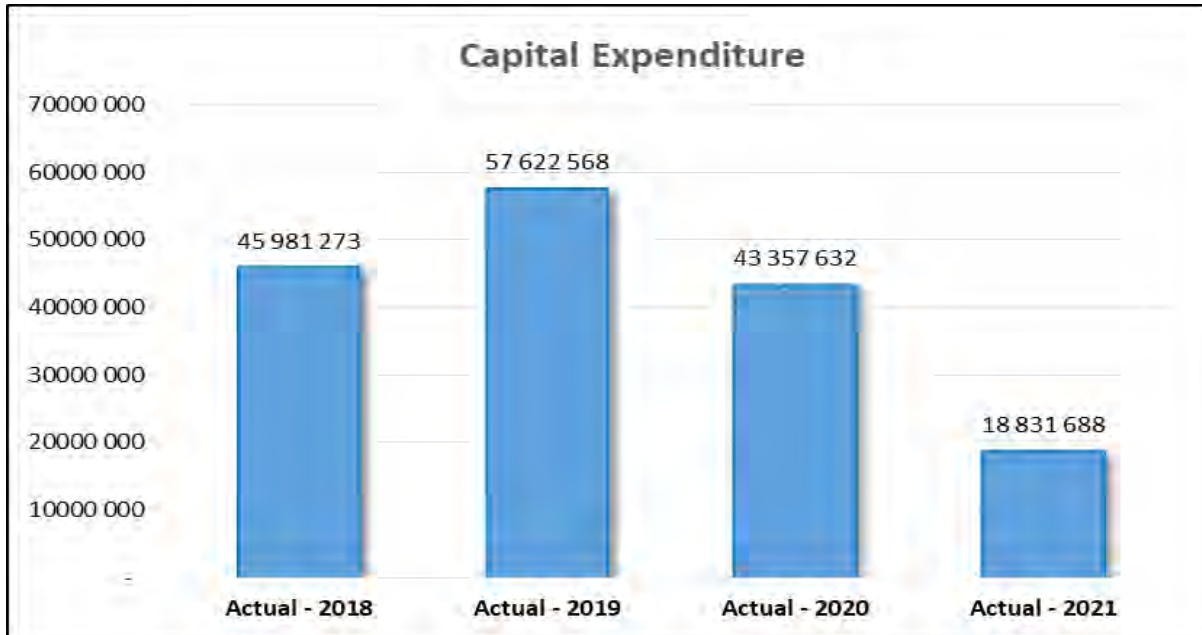
R thousand	Description	2017/18		2018/19		2019/20		2020/21		Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Actual 2020/21	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24					
	Infrastructure	33 384	46 812	29 624	13 508	40 977	40 977	40 977	44 825	66 128	36 400						
	Infrastructure - Road transport	24 190	22 450	18 732	7 384	19 581	25 100	25 100	19 367	49 453	24 200						
	Roads, Pavements & Bridges	21 080	21 735	18 732	6 184	19 581	25 100	25 100	16 149	29 969	9 200						
	Storm water	3 110	715	-	1 199	-	-	-	3 217	19 485	15 000						
	Infrastructure - Electricity	6 175	7 734	1 967	2 254	2 288	3 877	3 877	2 079	5 203	12 200						
	Generation	-	-	-	-	-	-	-	-	-	-						
	Transmission & Reiteration	3 769	5 769	1 967	2 254	2 288	3 877	3 877	2 079	5 203	12 200						
	Street Lighting	2 406	1 965	289	-	-	-	-	-	-	-						
	Infrastructure - Water	-	-	-	-	-	-	-	-	-	-						
	Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-						
	Water purification	-	-	-	-	-	-	-	-	-	-						
	Reiteration	-	-	-	-	-	-	-	-	-	-						
	Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-	-						
	Reiteration	-	-	-	-	-	-	-	-	-	-						
	Sewerage purification	-	-	-	-	-	-	-	-	-	-						
	Infrastructure - Other	3 018	16 628	8 925	3 871	30 555	12 000	12 000	23 380	11 471	-						
	Waste Management	3 018	16 628	8 925	3 871	30 555	12 000	12 000	23 380	11 471	-						
	Transportation	-	-	-	-	-	-	-	-	-	-						
	Gas	-	-	-	-	-	-	-	-	-	-						
	Other	-	-	-	-	-	-	-	-	-	-						
	Community	3 392	4 608	2 426	2 085	11 063	13 882	13 882	23 015	8 143	22 291						
	Parks & gardens	386	118	590	349	-	-	-	-	-	-						
	Sportsfields & stadia	774	223	-	-	-	-	-	8 000	-	-						
	Swimming pools	-	-	-	-	-	-	-	-	-	-						

Description	Ref 1	2017/18		2018/19		2019/20		2020/21		Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Actual 2020/21	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24					
Community halls		1 795	366	-	-	-	982	4 500	4 500	3 904	-	-	-	-		
Libraries		-	-	-	-	-	-	-	-	-	-	-	-	-		
Recreational facilities		-	-	-	-	-	-	-	-	-	-	-	-	-		
Fire, safety & emergency		-	-	-	-	-	-	-	-	-	-	-	-	-		
Security and policing		-	-	-	-	-	-	-	-	-	-	-	-	-		
Buses	7	-	-	-	-	-	-	-	-	-	-	-	-	-		
Clinics		-	-	-	-	-	-	-	-	-	-	-	-	-		
Museums & Art Galleries		-	-	-	-	-	-	-	-	-	-	-	-	-		
Cemeteries		-	183	105	1 737	10 082	9 382	9 382	11 110	8 143	22 291	-	-	-		
Social rental housing	8	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other		438	3718	1 730	-	-	-	-	-	-	-	-	-	-		
Other assets		9 173	2 608	11 307	3 238	13 215	15 971	15 971	12 430	8 133	3 042					
General vehicles		1 610	-	-	771	1 178	1 628	1 628	-	-	-	-	-	-		
Specialised vehicles	10	-	-	-	-	-	-	-	-	-	-	-	-	-		
Plant & equipment		3 492	53	27	14	5 496	6 046	6 046	3 561	40	42	-	-	-		
Computers - hardware/equipment		487	1 260	2 427	572	3 370	3 370	3 370	2 277	2 365	3 000	-	-	-		
Furniture and other office equipment		304	885	-	183	300	300	300	169	-	-	-	-	-		
Abattoirs		-	-	-	-	-	-	-	-	-	-	-	-	-		
Markets		-	-	-	-	-	-	-	-	-	-	-	-	-		
Civic Land and Buildings		-	-	-	-	-	-	-	-	-	-	-	-	-		
Other Buildings		3 279	3 703	8 853	1 697	2 872	4 628	4 628	6 423	5 728	-	-	-	-		
Other Land		-	-	-	-	-	-	-	-	-	-	-	-	-		
Surplus Assets - (Investment or Inventory)		3 028	251	-	-	-	-	-	-	-	-	-	-	-		
Other		32	49	-	103	88	88	88	-	-	-	-	-	-		
Intangibles		32	49	-	103	88	88	88	-	-	-	-	-	-		
Computers - software & programming		32	49	-	103	88	88	88	-	-	-	-	-	-		
Total Capital Expenditure	1	45 981	57 623	43 358	18 934	76 792	70 919	70 919	80 270	82 403	61 733					

5.9 CAPITAL EXPENDITURE

The following graph indicates the Capital Expenditure from the financial year 2017-2018 to the financial year 2020-2021.

Total Capital Expenditure 2020/2021



5.10 SOURCES OF FINANCE

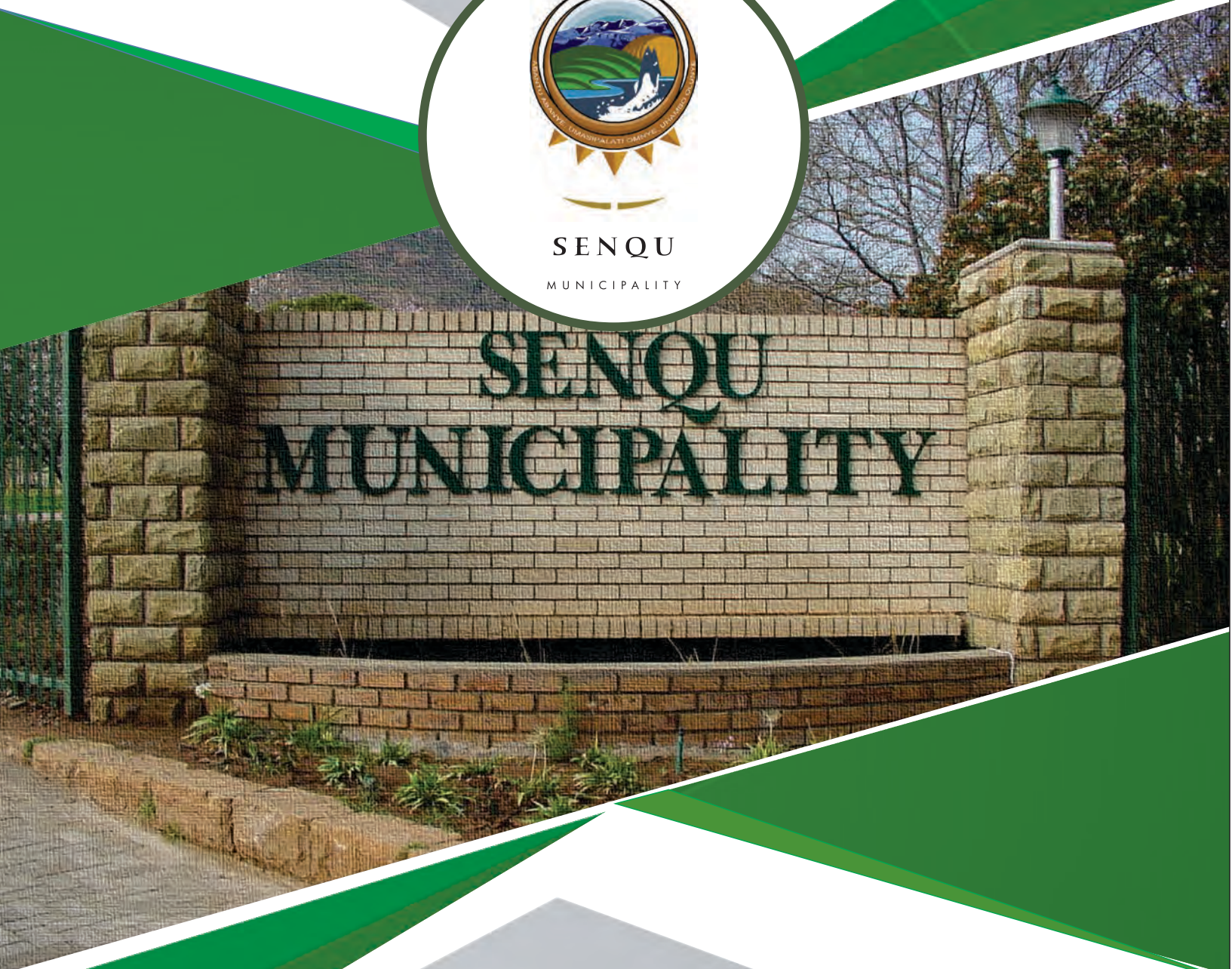
The table below shows the sources of finances to be used for Capital Acquisitions for Senqu Municipality. It must be noted that the municipality mainly uses the MIG Grant Funding and its Capital Replacement Reserves to fund capital acquisitions:

CAPITAL EXPENDITURE	ORIGINAL BUDGET 2021 R	BUDGET ADJUSTMENTS 2021 R	FINAL BUDGET 2021 R	ACTUAL OUTCOME 2021 R	BUDGET VARIANCE 2021 R	RESTATEMENT OUTCOME 2020 R
CAPITAL EXPENDITURE (FUNDING SOURCES)						
National Government	36 331 800	1 290 857	37 622 657	13 582 900	(24 039 757)	31 002 194
Provincial Government	-	-	-	-	-	-
Transfers recognised - capital	36 331 800	1 290 857	37 622 657	13 582 900	(24 039 757)	31 002 194
Internally generated funds	40 459 955	(7 163 660)	33 296 295	5 351 505	(27 944 790)	12 355 438
Total Capital Funding	76 791 755	(5 872 803)	70 918 952	18 934 405	(51 984 547)	43 357 632

5.11 CAPITAL SPENDING ON PROJECTS

The following table details the infrastructure assets and related progress through expenditure on these assets, during the financial year 2020 /2021.

INFRASTRUCTURE ASSETS 2020/2021	EXPENDITURE R
Old Age Home Offices- Phase 2	1 564 653
Herschel – Solid Landfill Site	1 317 302
Rossouw Solid Landfill Site	856 721
Rhodes Solid Landfill Site	86 263
Barkly east Solid Landfill Site	890 061
Renovation Town Hall Barkly East	132 840
Boyce Nondala paved roads	1 308 812
Roads between Esilindini & Frans	69 391
Kwezi Naledi - Node	348 698
Barkly East Cemetery	1 736 658
6 Km Access Roads Ward 2	5 769 295
Construction of Speed Humps in Rhodes	150 089
Construction of Speed Humps in Lady Grey	86 144
Old Sterkspruit SWS	119 534
Senqu Electrification of Wards	2 040 809
Installation of Meters	213 056
TOTAL	17 291 184



**COMPONENT C
CASH FLOW MANAGEMENT AND
INVESTMENTS**

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.12 INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Having displayed excellent financial management and investment practices, it must be noted that the municipality is currently experiencing an extremely favourable cash flow and finds itself in a position to meet its long- and short-term commitments in a timely manner. It must be noted that the Council of the municipality is regarded as the trustee of the public revenue that it collects, and it therefore has an **obligation to the community to ensure that the municipality's cash resources are effectively and efficiently managed.** Under these circumstances, the Council has a responsibility to invest these public revenues knowledgeably and judiciously and must be able to account fully to the community in respect of these investments. The overall responsibility of investments lies with the Municipal Manager. However, it must be noted that the day-to-day handling of investments remains the responsibility of the Chief Financial Officer or his/her delegates.

As part of the Cash Management Programme, the Chief Financial Officer prepares an annual estimate of the municipality's cash flow divided into calendar months and updates these estimates on a monthly basis. These estimates shall indicate when and for what periods and amounts surplus revenues may be invested; when and for what amounts investments will have to be liquidated and when (if applicable), either long-term or short-term debt must be incurred.

5.13 CASH FLOW

The table that follows will detail comparisons regarding Senqu Municipalities' Cash Flow for 2020/2021 financial year:

SENQU LOCAL MUNICIPALITY				
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS				
CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2021				
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET	2021	2021	2021	
	R	R	R	
	(Actual)	(Final Budget)	(Variance)	
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	10 150 049	7 099 684	3 050 365	30%
Service charges	51 383 017	42 052 570	9 330 447	18%
Other revenue	4 699 628	6 290 590	(1 590 962)	-34%
Government – operating	201 714 100	196 750 200	4 963 900	2%
Government – capital	31 845 900	37 622 657	(5 776 757)	-18%
Interest	16 039 660	18 800 000	(2 760 340)	-17%
Refund on VAT returns - VAT 201s	9 005 449	-	9 005 449	100%
Payments				
Suppliers and Employees	(213 742 417)	(243 947 778)	30 205 362	-14%
Finance charges	(594 809)	(3 188 381)	2 593 572	-436%
Transfers and Grants	-	(48 007)	48 007	-100%
NET CASH FROM OPERATING ACTIVITIES	110 500 578	61 431 535	49 069 043	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-	-	-	0%
Payments				
Capital assets	(18 934 405)	(70 918 952)	51 984 547	-275%
NET CASH USED IN INVESTING ACTIVITIES	(18 934 405)	(70 918 952)	51 984 547	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Increase in consumer deposits	101 023	86 223	14 800	15%
Payments				
Repayment of borrowing	(870 510)	(870 554)	45	0%
NET CASH USED IN FINANCING ACTIVITIES	(769 487)	(784 332)	14 844	
NET INCREASE/(DECREASE) IN CASH HELD	90 796 685	(10 271 749)	101 068 434	
Cash and Cash Equivalents at the beginning of the year	351 427 450	295 646 672	55 780 778	16%
Cash and Cash Equivalents at the end of the year	442 224 136	285 374 923	156 849 213	35%

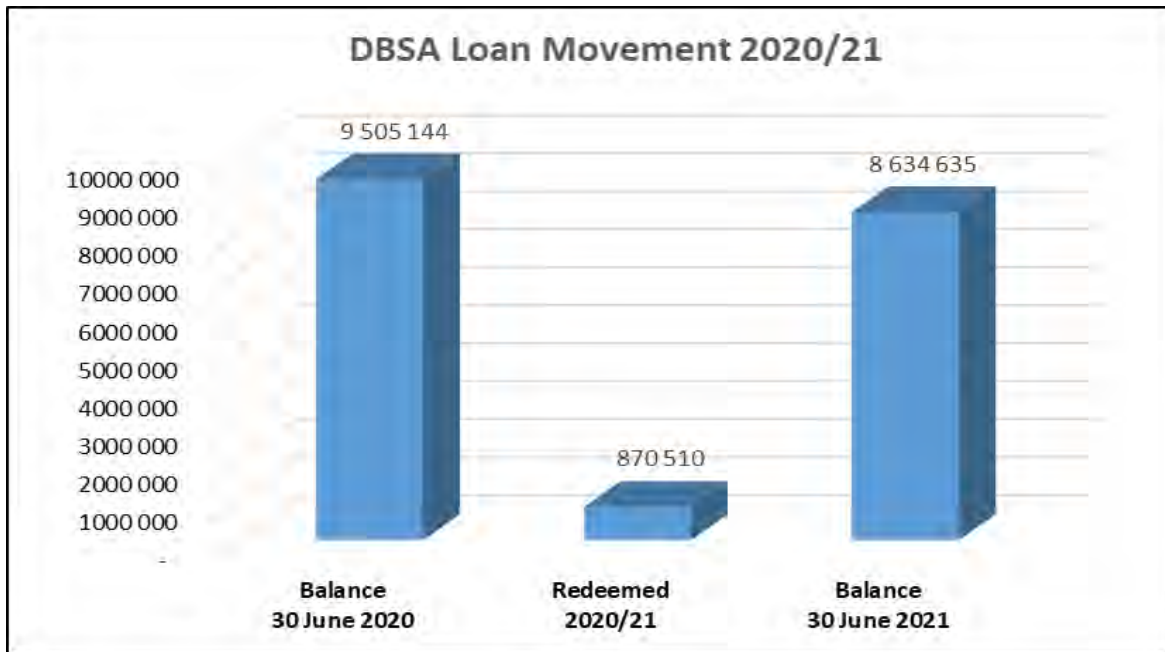
5.14 BORROWING FROM INVESTMENTS

5.14.1 Introduction to Borrowing and Investments

The Municipality currently has two (2) long term borrowing commitments and both are payable to the Development Bank of South Africa.

One loan relates to the extension of the Senqu Municipality office building and the second loan relates to the purchase of electrical infrastructure, in order to reduce electricity losses and improve service delivery.

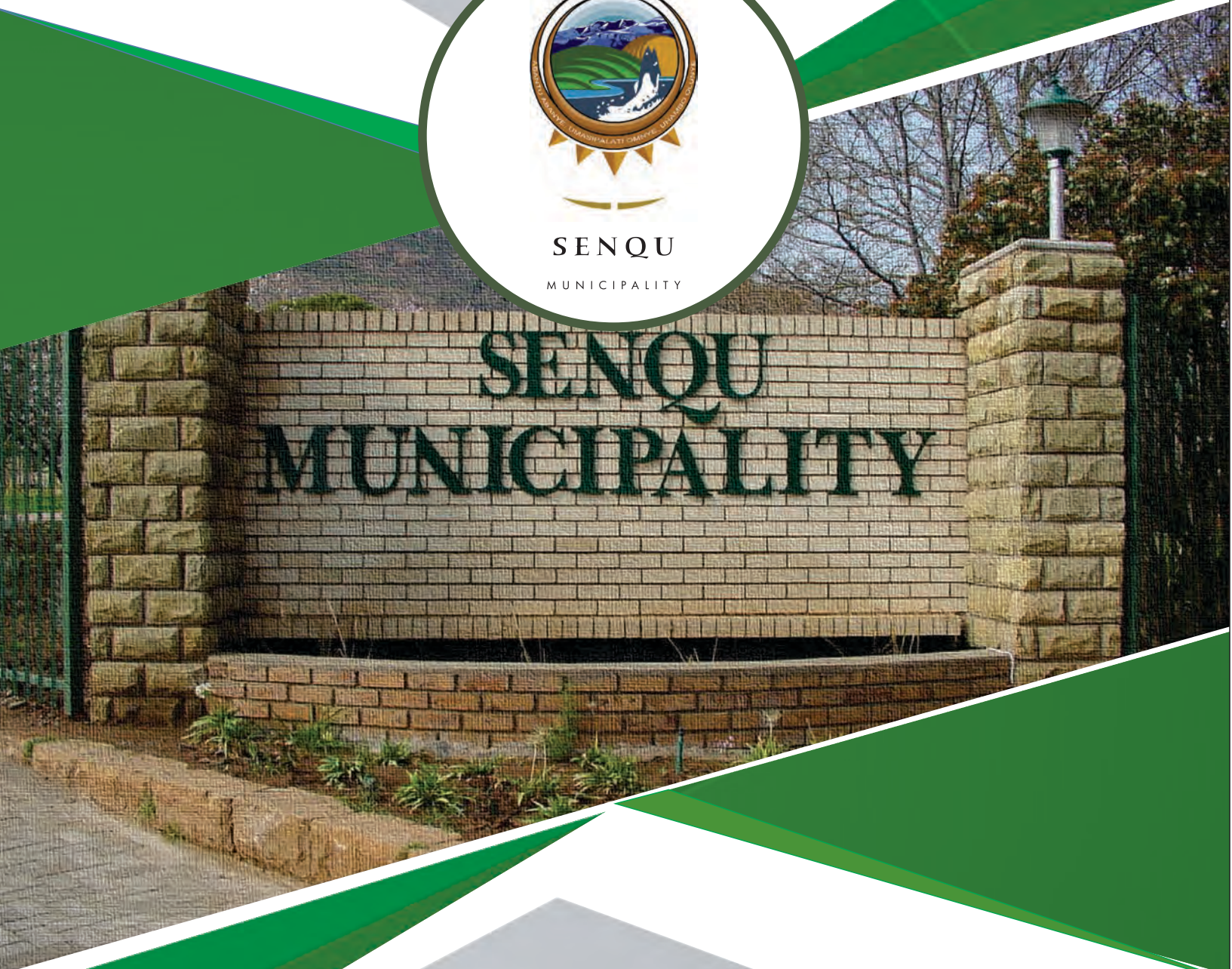
Table: DBSA LOAN MOVEMENTS 2020/2021



5.15 PUBLIC PRIVATE PARTNERSHIPS

5.15.1 Public Private Partnerships

Note: Council has not entered into any private public partnerships during this financial year.



**COMPONENT D
OTHER FINANCIAL MATTERS**

COMPONENT D: OTHER FINANCIAL MATTERS

5.16 SUPPLY CHAIN MANAGEMENT

5.16.1 Introduction to Supply Chain Management

The Council and management remain committed to ensuring that there is compliance with all SCM legislation and regulations in order to ensure that fair and transparent tender processes are followed at all times and to ensure full compliance with the applicable legislation. In support of this, the Municipal SCM Policy has been reviewed and approved by council during the previous financial year as part of the review of all budget related policies.

In order to comply with section 119 of the MFMA all members serving on Bid Specification, Evaluation and Adjudication Committees and all SCM staff are attending National Treasury approved training in order to ensure that they meet the prescribed minimum competency levels relating to supply chain management (SCM).

Various other control measures are also being implemented in order to ensure that SCM practices are effected in a fair, equitable and transparent manner. Supply Chain Management continues to be seen as an area of priority for top management.

5.17 GRAP COMPLIANCE

5.17.1 Introduction to GRAP Compliance

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. The Municipality is currently in full compliance with all provisions of GRAP.

The financial statements have been prepared using an accrual basis of accounting and are in accordance with historical cost convention, unless otherwise specified.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB). This has occurred in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Where a Standard of GRAP has been issued but is not yet effective, the Municipality may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

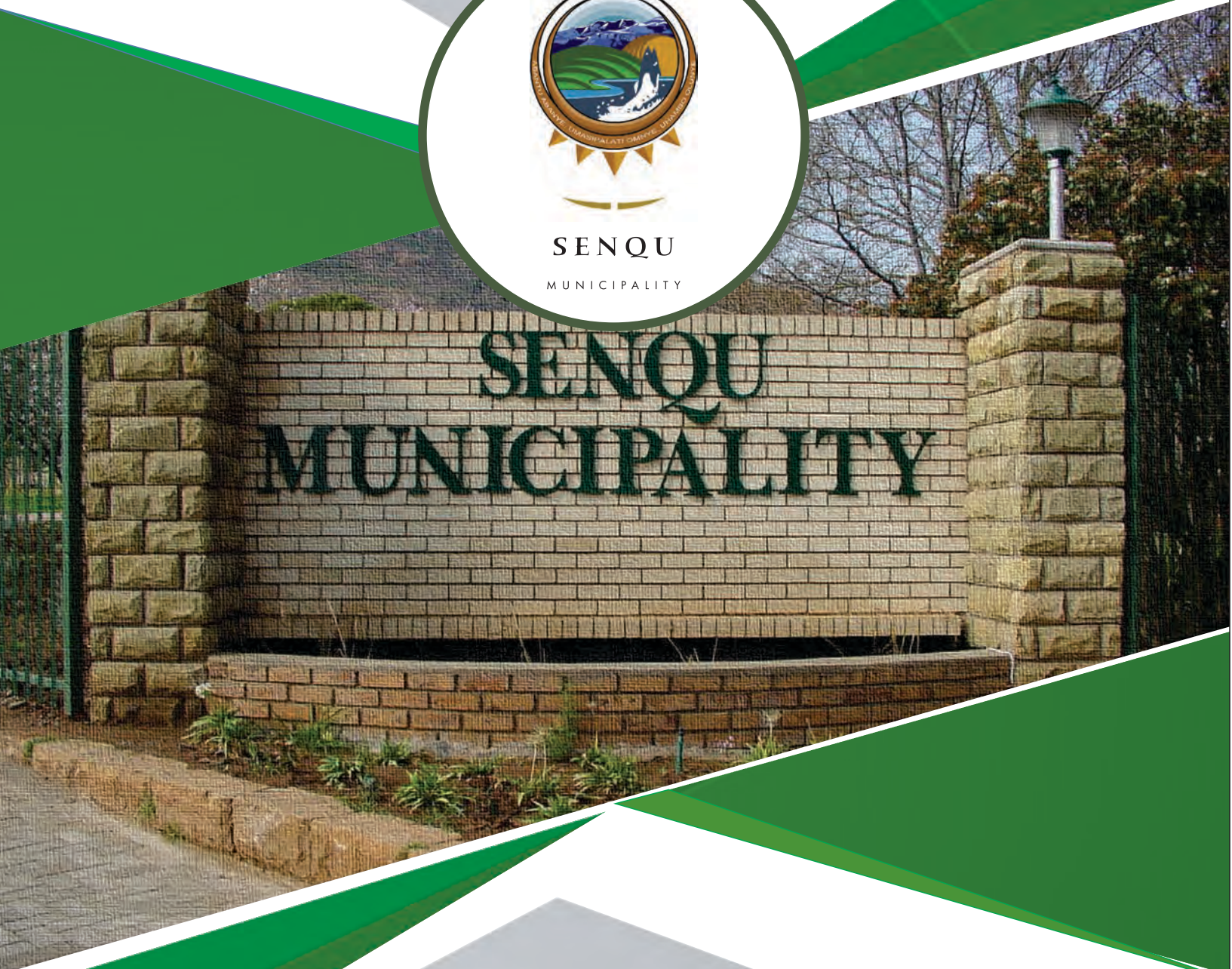
The Municipality resolved to early adopt the Improvements to Standards of GRAP (2020) which was issued during March 2020. The improvements affected the following Standards of GRAP:

STANDARD	DESCRIPTION	EFFECTIVE DATE
GRAP 5	Borrowing Costs	1 April 2021
GRAP 13	Leases	1 April 2021
GRAP 16	Investment Property	1 April 2021
GRAP 17	Property Plant and Equipment	1 April 2021
GRAP 24	Presentation of Budget Information in Financial Statements	1 April 2021
GRAP 31	Intangible Assets	1 April 2021
GRAP 32	Service Concession Arrangements: Grantor	1 April 2021
GRAP 37	Joint Arrangements	1 April 2021
GRAP 106	Transfer of Functions Between Entities Not Under Common Control	1 April 2021
Directive 7	The Application of Deemed Cost	1 April 2021

The Municipality also resolved to early adopt the following Interpretation of the Standards of GRAP which were issued but are not yet effective:

STANDARD	DESCRIPTION	EFFECTIVE DATE
IGRAP 21	The Effect of Past Decisions on Materiality	1 April 2023

The effect of the above-mentioned Improvements and Interpretations to the Standards of GRAP which were early adopted is considered insignificant. The amendments and improvements to the Standards of GRAP mainly relate to the clarification of accounting principles.



**CHAPTER 6
AUDIT COMMITTEE FINDINGS
2020/2021**

CHAPTER 6: AUDIT COMMITTEE FINDINGS 2020/2021

This chapter will detail the following audit related information:

- Report of the Auditor General to the Eastern Cape Provincial Legislature and the Council of Senqu Municipality (Reference is made to **Chapter 1 section 1.5 (Auditor General's Report) 2020/2021**)
- Component A: Audit Committee Report on Service Delivery 2019/2020
- Component B: Audit Committee Report on Service Delivery 2020/2021
- Component C: Overall audit /financial performance of the Senqu Municipality for the year ended 30 June 2021

COMPONENT A: AUDIT COMMITTEE REPORT ON SERVICE DELIVERY 2019/2020

6.1 AUDIT COMMITTEE REPORT ON SERVICE DELIVERY YEAR 2019/2020

Audit Committee on Service Delivery: June 2020 (Previous Financial Year)

COMPONENT B: AUDIT COMMITTEES REPORT ON AUDITOR GENERAL'S OPINION ON SERVICE DELIVERY 2020/2021

6.2 AUDIT COMMITTEE REPORT ON SERVICE DELIVERY YEAR 2020/2021

GLOSSARY

Accessibility Indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do” .
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within those particular areas. If not provided it may endanger the public health and safety or the environment
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs
Distribution indicators	The distribution of capacity to delivery services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key Performance Indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally
Impact	The results of achieving specific outcomes, such as reducing poverty and reducing jobs
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work” . They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Sets out municipal goals and development plans
National Key Performance Areas	<ul style="list-style-type: none"> • Service delivery & Infrastructure • Economic development • Municipal transformation and institutional development • Financial viability & management • Good governance & community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution’s strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve” .
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver” . An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance Information	Generic terms for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timelines, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMSD performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality’s delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines “vote” as

	<p>a) One of the main segments into which a budget of the municipality is divided for the appropriation of money for the different departments or functional areas of the municipality, and</p> <p>b) That which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</p>
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APPENDIX A

COUNCILLORS, COMMITTEES AND COUNCIL ATTENDANCE					
COUNCIL MEMBERS	FULL TIME/ PART TIME	COMMITTEES ALLOCATED	*WARD AND/OR PARTY REPRESENTED	% COUNCIL MEETINGS ATTENDANCE	% APOLOGIES FOR NON- ATTENDANCE
N. P Mposelwa – Mayor	Full Time	EXCO	Party Representative	77.77	22.22
I. Mosisidi	Part Time	Rules and Ethics	Ward Councillor-Ward 17	100	0
A.P. Kwinana	Part Time	MPAC	Party Representative	100	0
N. January	Part Time	Corporate Services	Party Representative	100	0
G.N. Mbonzana	Part Time	Corporate Services	Party Representative	66.66	33.33
N.R. Lose	Part Time	Financial Services	Party Representative	88.88	11.11
V.V. Stokhwe	Full Time	Speaker	Party Representative	100	0
P Jeje	Part Time	MPAC	Ward Councillor – Ward 01	100	0
J. Mposelwa	Part Time	Technical Services	Ward Councillor – Ward 02	88.88	11.11
M.A. Mshasha	Part Time	Development & Planning Services	Ward Councillor –Ward 16	88.88	11.11
S.M Ntlwatini	Part Time	Financial Services	Ward Councillor – Ward 03	88.88	11.11
Mqakelana	Part Time	Community Services	Ward councillor –Ward 04		0
K.S Mpiti-Xhelesha	Part Time	Financial Services	Ward councillor – Ward 08	77.77	22.22
J.D Somsila	Part Time	Community Services	Ward Councillor – Ward 09	88.88	11.11
M.H Rorwana	Part Time	MPAC	Ward Councillor – Ward 11	100	0
N. Nyongwana	Part Time	Development & Planning Services	Ward Councillor – Ward 12	100	0
Z.S Khoba	Part Time	Financial Services	Ward Councillor – Ward 13	100	0
T.M Dumzela	Part Time	Technical Services	Ward Councillor – Ward 14	100	0
N.C Mraji	Part Time	Community Services	Ward Councillor – Ward 06	88.88	11.11
M. N Gojo	Part Time	DTPS	Ward Councillor – Ward 07	100	0
M. Phuza	Part Time	Technical Services	Ward Councillor – Ward 15	77.77	22.22
X.G Magcai	Part Time	Technical Services	Party Representative DA	100	0
S. Mfisa	Part Time	Corporate Services	Ward Councillor – Ward 10	66.66	33.33
B. Moeletsi	Part Time		Party Representative EFF		55.55
P. M Mnisi	Part Time	Corporate Services	Party Representative SCA	88.88	11.11
M.N Mgojo	Part Time	EXCO	Party Representative SCA	100	0%
B.S Maqala	Part Time		Party Representative SCA	66.66	33.33
S.S. Ndzongana	Part Time	EXCO	Ward Councillor – Ward 05	77.77	22.22
M.C Kibe	Part Time	Technical Services & Strategic	Party Representative SCA	77.77	22.22
M.T.N Sehloho	Part Time	DTPS	Party Representative SCA	55.55	44.44
N.M Phama	Part Time	Rules and Ethics	Party Representative SCA	100	0
A.W Mkanagala	Part Time	Rules and Ethics	Party Representative SCA		16.66
M. Ndoda	Part Time		Party Representative SCA	83.33	16.66 Replaced Cllr Maqungu from Jan 2017
N.Y Monakali	Part time	Corporate Services	Party Representative DA	100	0

APPENDIX B: COMMITTEES & COMMITTEE PURPOSES

COMMITTEES (OTHER THAN MAYORAL /EXECUTIVE COMMITTEE) AND PURPOSE OF COMMITTEES	
Municipal Committees	Purpose of Committee
Audit Committee	Administrative Oversight
Municipal Public accounts committee	Oversight
Local Labour Forum	Labour related Issues
Training Committee	Training and Employment Equity Issues
Bid Committees	Bid/Specification/Tender Adjudication
Performance Management Evaluation	Assessment of Performance
Mandate Committee	To carry out and discuss all the mandatory issues of the Council
Remuneration Committee	To carry out and discuss all the remuneration issues of the Council
Strategic and Governance Committee	To carry out and discuss all the Strategic issues of the Council
Ethics Committee	To carry out and discuss all the ethical issues of the Council
Corporate and Support Services Committee	To discuss, recommend and dealing with council related business.
Community Services Committee	To discuss, recommend and dealing with council related business.
Technical Services Committee	To discuss, recommend and dealing with council related business.
Budget & Treasury Committee	To discuss, recommend and dealing with council related business.
Development and Planning Committee	To discuss, recommend and dealing with council related business.
Occupation Health and Safety Committee	To carry out and discuss all the Occupational and Health issues of the Council
Employment Equity Committee	To carry out and discuss all the Employment Equity issues of the Council

Appendix C: Third Tier Administrative Structure

THIRD TIER STRUCTURE	
Directorate	Director/Manager (state title and name)
Financial Services	Chief Financial Officer: Mr K. Fourie (Acting)
Technical Services	Director: Mr R Crozier (Acting) Director: Mr. R.S. Ruiters (New Appointment)
Development and Planning Services	Director: Ms P L Bushula (Acting) Director: Mr. S. Chaphi (New Appointment)
Community Services	Director: Mrs. U. Sobudula (Acting) Director: Mrs N. Nyezi (New Appointment)
Corporate Services	Director: Mr T E Wonga (Acting) Director: Z. Koyana (New Appointment)

APPENDIX D: FUNCTIONS OF MUNICIPALITY/ ENTITY

MUNICIPAL / ENTITY FUNCTIONS		
Municipal Functions	Function Applicable to Municipality Yes/No	Function applicable to Entity Yes/No
Constitution Schedule 4, Part B functions		
Air Pollution	No	N/A
Building Regulations	Yes	N/A
Childcare facilities	No	N/A
Electricity and gas reticulation	Yes	N/A
Firefighting services	No	N/A
Local tourism	Yes	N/A
Municipal airports	No	N/A
Municipal Planning	Yes	N/A
Municipal Health Services	No	N/A
Municipal Public Transport	No	N/A
Municipal Public Works only in respect of the needs of municipalities to administer functions specifically assigned to them under this Constitution or any other law	Yes	N/A
Pontoons, ferries, jetties, piers & harbours, excluding the regulation of international & national shipping & matters related thereto	No	N/A
Storm water management systems in built-up areas	Yes	N/A
Trading regulations	Yes	N/A
Water and sanitation services limited to potable water supply systems and domestics wastewater and sewage disposal systems	Yes	N/A
Beaches and amusement facilities	No	N/A
Billboards and the display of advertisements in public area	Yes	N/A
Cemeteries, funeral parlours and crematoria	Yes	N/A
Cleansing	Yes	N/A
Control of public nuisances	Yes	N/A
Control of undertakings that sell liquor to the public	Yes	N/A
Facilities for the accommodation, care and burial of animals	Yes	N/A
Fencing and fences	Yes	N/A
Licensing of dogs	Yes	N/A
Licensing and control of undertakings that sell food to the public	Yes	N/A
Local amenities	Yes	N/A
Local sport facilities	Yes	N/A
Markets	Yes	N/A
Municipal abattoirs	No	N/A
Municipal parks and recreation	Yes	N/A
Municipal roads	Yes	N/A
Noise pollution	No	N/A
Pounds	Yes	N/A
Public places	Yes	N/A
Refuse removal, refuse dumps and solid waste disposal	Yes	N/A
Street trading	Yes	N/A
Street lighting	Yes	N/A
Traffic & Parking	Yes	N/A

APPENDIX E: WARD REPORTING

NAME AND PURPOSE OF MEETING	PUBLIC MEETINGS					ISSUES ADDRESSED (YES/NO)	DATES AND MANNER OF FEEDBACK GIVEN TO THE COMMUNITY
	DATE OF MEETING	NUMBER OF PARTICIPATING COUNCILLORS/WARD MEMBERS	NO. OF PARTICIPATING MUNICIPAL OFFICIALS /ADMINISTRATORS	NUMBER OF COMMUNITY ATTENDING			
Mayoral Outreach (Public Consultation)	<u>Second Quarter:</u>		All Ward and PR Councillors	*6 Officials	191		Ward Committee meetings and feedback via Municipal Outreaches as indicated
	20 November 2019 (Wards 1,2,3,6 and 7 at Makakalenti Community Hall in Ward 2.	Mayor			211	Yes	
	19 November 2019 (Wards 11,13 and 14) at Lady Grey Town Hall.	Speaker			89	Yes	
	10 December 2019 (Wards 15 and 16) at Nkululeko Hall, Barkly East.				42	Yes	
	11 December 2019 (Ward 10) at Bhunga Hall, Sterkspruit.				96	Yes	
	19 November 2019 (Wards 8,9,12 and 17) at Bhunga Hall, Sterkspruit.				87	Yes	
	20 November 2019(Wards 4, 5, and 15) at the Hillside Community Hall.				54	Yes	
	21 November 2019 (part of Ward 5) at Rossouw Community Hall.						

APPENDIX E - WARD REP

PUBLIC MEETINGS						
NAME AND PURPOSE OF MEETING	DATE OF MEETING	NUMBER OF PARTICIPATING COUNCILLORS WARD MEMBERS	NO. OF PARTICIPATING MUNICIPAL OFFICIALS/ ADMINISTRATORS	NUMBER OF COMMUNITY ATTENDING	ISSUES ADDRESSED (YES/NO)	DATES AND MANNER OF FEEDBACK GIVEN TO THE COMMUNITY
IDP Representative and Public Participatory Forum Meetings	20 August 2019 20 December 2019 3 March 2020	22 participants 30 Participants 21 Participants	4 Officials 4 Officials 4 Officials	54 67 41	Yes Yes Yes	Ward Committee meetings and Public Participation Initiatives as indicated
Ward Committee meeting	8 August 2019 – 16 September 2019 4 October 2019 – 12 December 2019 (17 meetings) Quarter 3: 3-10 February 2020; Wards 1 to 10 and 17 Ward Committees. 29 May 2020	All Ward Councillors and Ward Committees in Quarters 1 to 3 (with exception of Wards 14, 15 and 16 in Quarter 3. Quarter 4 no meetings due to COVID 19.	1 Official	11	Yes	Ward Committee meetings as specified
Mayoral Budget Speech		Innovative alternatives to meet the target due to COVID – 19. Quarter 4: Mayor underbook public participation via the local radio stations and budget speech was incorporated.				

APPENDIX F: WARD INFORMATION

PROJECTS APPROVED AND IN PROGRESS R' 000			
NATIONAL PROJECT REFERENCE NO.	PROJECT NAME	EXPENDITURE 2019/2020	BALANCE AVAILABLE ON MIG APPROVAL
CS/EC/16611/18/20	Herschel Solid Waste Site – Ward 13	R 0	R 16 929 000
CS/EC/16612/18/20	Rossouw Solid Waste Site	R 0	R 11 058 000
R/EC/14336/17/19	Construction of 7.01 kms access road with control in ward 2.	R 0	R 6000 000
R/EC/11521/15/17	Construction of a paved road in New Rest – ward 8	R 0	R 4 000 000
CS/EC/15687/18/20	Closure of Sterkspruit Solid Waste Site – Ward 10	R 1 811 661.03	R 294 760
CS/EC/13325/15/18	Construction of Animal Pound in Lady Grey Ward 14	R 1 962 648.68	R 379 035
CS/EC/15688/18/21	Renovations of 2nd floor Old Age Home and all infrastructure repairs in Lady Grey municipal buildings. Ward 14	R 9 221 831.80	R 7 276 068
R/EC/14335/17/19	Construction of 6 kms access road with 1.5 storm-water control in Ward 1	R 4 570 248.87	R 252 653
R/EC/11524/15/17	Construction of Boysi Nondala Road Ward 16	R 10 839 851.40	R 1 905
R/EC/15074/17/19	Construction of Gravel roads – Esindini to Frans Ward 12s	R 4 478 078.91	R 383 943
CS/EC/14608/17/19	Upgrading of Barkly East Solid Waste Site Ward 16	R 9 231 166.65	R 501 727
CS/EC/14607/17/19	Upgrading of Lady Grey Solid Waste Site Ward 14	R 0.00	R 2 227 295
	PMU – 5%	R 1924 248	R 0.00

APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2019/2020

DATE OF THE MEETING	RECOMMENDATIONS	ADOPTED (ENTER YES) IF NOT, PROVIDE EXPLANATION
26 August 2019	The Chairperson requested that a meeting be arranged for AC and AGSA without management by the internal audit unit.	Yes
18 November 2019	The AC requested with regards to the communication channels, that there be some agreed escalation to the AC Chairperson in terms of findings which were material, and which could affect the audit report.	Yes
24 February 2020	The AC requested for the Minutes of the Risk Management Committee (RMC) to be provided to them moving forward.	Yes
18 May 2020	The AC requested that the mSCOA Implementation be provided by the CFO to the AC by Friday, 26 October 2019.	Yes

APPENDIX H: LONG-TERM CONTRACTS & PUBLIC PRIVATE PARTNERSHIPS

LONG TERM CONTRACTS (20 LARGEST CONTRACTS ENTERED INTO DURING YEAR 0)						R'000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry Date of Contract	Project Manager	Contract Value	
Mokhejane Trading Enterprise	Purchase and delivery of consumables	01 August 2019	01 August 2020		Tender rates	
Amended Recline and Projects	Tools and Equipment	26 September 2019	26 September 2022		Tender rates	
Ebusha Trading (Pty)Ltd	Purchase and delivery of cold mix cold asphalt	01 August 2019	01 August 2022		Tender rates	
Breedenet	Provision of VPN Line Rental for 3 years	01 July 2019	01 July 2022		R486 228	
Free State Transformers (Pty) Ltd	Refurbishment of transformers	30 September 2019	26 September 2022		R3 331 443	
NCC Network & Computing Consultants	Network Security	28 August 2019	28 August 2022		R407 836	
Mink-Line Consulting	HR Management Support	01 October 2019	30 September 2022		Tender rates	
Izwe Lakowethu Trading	Supply and delivery of Paraffin and Candles	01 October 2019	30 September 2022		Tender rates	
Lethululo Trading Enterprise	Purchase and delivery of black refuse bags	04 November 2019	04 November 2020		Rates based with the available budget	
Opto East Coast (Pty) Ltd	Calibration and maintenance of weighbridge LG and BE	04 November 2019	04 November 2022		Rates based with the available budget	
Masiqhame Trading	Electrification of 303 rural households' connection	05 February 2020	04 July 2020		R3 512 301	
MTN PTY LTD	Configuration, Maintenance and Support of an Integrated Telephone System	28 February 2020	28 February 2023		R1 494 657	
Best OYXL (Pty) Ltd	Purchase and delivery of cleaning materials for 3 years	21 April 2020	21 April 2023		Rates based with the available budget	
Lateral Unison Insurance Brokers	Short-term insurance	29 June 2020	29 June 2023		R1 786 486	
Munacon/Siyanda Business Solutions	Preparation of Annual Financial Statements	29 June 2020	29 June 2023		R3 806 218	
Leinko cc	Alarm System	01 October 2019	01 October 2022		R479 811	

PUBLIC PRIVATE PARTNERSHIPS ENTERED INTO DURING YEAR 0						R'000
Name of and Description of the Project	Name of the Partner(s)	Initiation Date	Expiry Date	Project Manager	Value 20.. /20..	
No PPP were entered into by council						

APPENDIX I: MUNICIPAL ENTITY / SERVICE PROVIDERS STRATEGIC PERFORMANCE MANAGEMENT AND MONITORING REPORT: CONSOLIDATED BIDS AWARDED FOR THE PERIOD 2019 /2020



MUNICIPAL ENTITY / SERVICE PROVIDERS STRATEGIC PERFORMANCE MANAGEMENT AND MONITORING REPORT: CONSOLIDATED BIDS AWARDED FOR THE PERIOD 2019 /2020

APPENDIX I MUNICIPAL ENTITY / SERVICE PROVIDERS STRATEGIC PERFORMANCE MANAGEMENT AND MONITORING REPORT: 2019 /2020

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

- External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality.
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality
- Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:
 - The performance of each service provider
 - a Comparison of the performance with targets set for and performances in the previous financial year: and
 - measures taken to improve performance.

The purpose of this section is to provide information related to the performance of external service providers.

SCM STATISTICAL AND COMPLIANCE/ADMINISTRATIVE REPORTING: 2019/2020

Total number of times that the Bid Committee met during 2019/2020		
Specifications Committee (16 Meetings)	Evaluation Committee (18 meetings)	Adjudication Committee (14 Meetings)
1	31 July 2019	1 July 2019
2	21 August 2019	1 August 2019
3	04 October 2019	22 August 2019
4	17 October 2019	04 September 2019
5	24 October 2019	09 September 2019
6	29 October 2019	08 October 2019
7	11 November 2019	12 October 2019
8	18 November 2019	23 October 2019
9	14 January 2020	21 November 2019
10	17 January 2020	02 December 2019
11	03 February 2020	10 January 2020
12	16 March 2020	17 February 2020
13	20 March 2020	16 March 2020
14	11 May 2020	20-23 March 2020
15	29 May 2020	8 May 2020
16	17 June 2020	19 June 2020
17		23-25 June 2020
18		29 June 2020
Bids Approved /awarded/Turnaround Time		
Total number of Tenders considered: 67		
Total number of Tenders approved: 28		
Average time taken from tender advertisement to award of a tender: 90 Days: 3 Months		

SCM BID COMMITTEES 2019 /2020

Various BID Committee Members 2019 /2020		
Bid Specification Committee Members	Bid Evaluation Committee Members	Bid Adjudication Committee Members
T Van Zyl (Chairperson)	A Gushmani (Chairperson)	K Fourie (Chairperson)
Z Ngcuka (SCM Practitioner)	B Tsotso (SCM Practitioner)	N Sbukwana (SCM Official)
N Languza-Mtwebana (Secretary-SCM)	N Languza-Mtwebana (Secretary-SCM)	P Bushula
B Viedge	X Mminzelwa	T Wonga
L Tobben	D Oertel	L Gologolo
M Theron	N Nkopane (For Infrastructure Projects)	R Crozier
T van Rensburg	Z Koyana	

M Ramarou	S Mbekushe	
N Nkopane	U Sobudula	
M Salmani	P Oliphant	
T Van Rensburg	M Nolan (Observer)	
M Nolan (Observer)		

Consolidated Service Providers Performance Report 2019/2020 (1 July 2019 until 30 June 2020)

LEGEND	
Total number of projects assessed	18
Fully Achieved/Targets Met – Excellent performance	17
Targets Met with a Variance – Good Achievement	0
Not yet met/not fully achieved	0
Not achieved	1
Not Assessed	Ajudication Stage

#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
1	30/2018-2019	Mnadi Civils JV C.U.A Holdings (Pty) Ltd	Renovation of Kwezi Naledi Node	R906 686.45	19 Mar 19	28 May 19	01 Aug 19	Target not met	Project not completed.	Tender Document	Extension of time due to lack of capacity by contractor	Application for extension of time	n/a
2	43/2018-2019	Mokhejane Trading Enterprise	Purchase and delivery of consumables	Vat Inclusive Rates tendered	15 April 19	31 May 19	01 Aug 19	100%	Service Provider appointed on 01 August 2019	Service Level Agreement	No Variance	n/a	n/a
3	44/2018-2019	Amended Recline and Projects	Tools and Equipment	Vat Inclusive Rates tendered	15 April 19	01 Aug 19	28 Aug 19	100%	Service Provider appointed on 28 August 2019	Service Level Agreement	No Variance	n/a	n/a
4	55/2018-2019	Ebusha Trading (Pty)Ltd	Purchase and delivery of cold mix cold asphalt	Vat Inclusive Rates tendered	14-15 May 19	1 July 19	1 Aug 19	100%	Service Provider appointed on 01 August 2019	Service Level Agreement	No Variance	n/a	n/a
5	58/2018-2019	Breedenet	Provision of VPN Line Rental for 3 years	R 486 228.00	14-15 May 19	1 July 19	01 Aug 19	100%	Service Provider appointed on 01 August 2019	Service Level Agreement	No Variance	n/a	n/a
6	61/2018-2019	Free State Transformers (Pty) Ltd	Refurbishment of transformers	R 3 331 442.82	14-15 May 19	1 Aug 19	28 Aug 19	100%	Service Provider appointed on 28 August 2019	Service Level Agreement	No Variance	n/a	n/a

#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
7	71/2018-2019	NCC Network & Computing Consultants	Network Security	R 407 836.00	14-15 May 19	1 Aug 19	28 Aug 19	100%	Service Provider appointed on 28 August 2019	Service Level Agreement	No Variance	n/a	n/a
8	12/2019-2020	Best OYXL (Pty) Ltd	Purchase and delivery of cleaning materials for 3 years	Vat Inclusive Rates tendered	17 Jan 20	20-23 Mar 20	21 April 20	100%	Service Provider appointed on	Service Level Agreement	No Variance	n/a	n/a
9	48/2019-2020	Lateral Unison Insurance Brokers	Short-term insurance	R 1 786 486.00	29 May 20	23-25 June 20	29 June 20	100%	Service Provider appointed on 29 June 2020	Level Agreement	No Variance	n/a	n/a
10	56/2018-2019	Mink-Line Consulting	HR Management Support	Vat Inclusive Rates tendered	14-15 May 19	22 Aug 19	29 Aug 19	100%	Service Provider appointed on 29 August 2019	Service Level Agreement	No Variance	n/a	n/a
11	63/2019-2020	Izwe Lakowethu Trading	Supply and delivery of Paraffin and Candles	Vat Inclusive Rates tendered	14-15 May 19	9 Sep 19	27 Sept 19	100%	Service Provider appointed on 27 September 2019	Service Level Agreement	No Variance	n/a	n/a
12	90/2019-2020	Leihlulo Trading Enterprise	Purchase and delivery of black refuse bags	Vat Inclusive Rates tendered	31 July 19	08 Oct 19	17 Oct 19	100%	Service Provider appointed on 17 October 2019	Service Level Agreement	No Variance	n/a	n/a
13	92/2019-2020	Opto East Coast (Pty) Ltd	Calibration and maintenance of weighbridge LG and BE	Vat Inclusive Rates tendered	21 Aug 19	8 Oct 19	17 Oct 19	100%	Service Provider appointed on 17 October 2019	Service Level Agreement	No Variance	n/a	n/a

#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
14	100/2019-2020	Umhlaba Consulting	Senqu Municipality Housing Sector Plan	Val Inclusive Rates tendered	21 Aug 19	23 Oct 19	04 Nov 19	100%	Service Provider appointed on 04 November 2019	Service Level Agreement	No Variance	n/a	n/a
15	101/2019-2020	Ilizwe Town and Regional Planners	BE local spatial development	R 207 000.00	21 Aug 19	23 Oct 19	04 Nov 19	100%	Service Provider appointed on 04 November 2019	Service Level Agreement	No Variance	n/a	n/a
16	126/2018-2019	Munaconi/Siyanda Business Solutions	Preparation of Annual Financial Statements	R 3 806 218.00	20 Mar 20	19 June 20	29 June 20	100%	Service Provider appointed on 29 June 2020	Service Level Agreement	No Variance	n/a	n/a
17	129/2019-2020	MTN (Pty) Ltd	Configuration, Maintenance and Support of an Integrated Telephone System	R 1 494 657.00	29 Oct 19	17 Feb 20	28 Feb 20	100%	Service Provider appointed on 25 February 2020	Service Level Agreement	No Variance	n/a	n/a
18	136/2019-2020	Masiphame Trading	Electrification of 303 rural households' connection	R 1 494 657.00	18 Nov 19	10 Jan 20	23 Jan 20	100%	Service Provider appointed on 23 January 2020	Service Level Agreement	No Variance	n/a	n/a

Management of Service Provider

The Manager: Acquisition, Contract Management and Vendor Performance manages monitors and reports on the issues related to scope of functioning within the Acquisition, Inventory, Contract Management and Vendor Performance, the reporting is further not just limited to the performance of contracts, deviations and all other related aspects are covered as deemed appropriate. These reports are tabled to the Mayor and the Council that is monitored by the Manager: Acquisition, Contract Management and Vendor Performance.

Extension of contract of Contracts

There are 10 non-infrastructure contracts that will expire within 6 months of the end of the financial year under review i.e., 30 June 2020. Delays were attributed to the Covid 19 lockdown regulations, applications for extension of time will be made.

Notice No	Name of Service Provider	Description of goods/services	Contract Value	Term of Contract	Start Date	End Date
Transversal tender	Sebata Municipal Solutions	Accounting support system	Different rates for.	3 years	01/07/ 2017	01/07/2020
69/2017	Utilities World (Pty) Ltd	Supply of prepaid vending system	R 348,840.00	3 years	01/10/2017	30/09/2020
72/2017	Amended Recline Trading and Projects	Provision of protective clothing	Different rates	3 years	01/10/2017	30/09/ 2020
73/2017	DFR Engineers	Consultant for electrification households at wards	R 1,740,423.03	3 years	15/08/2017	15/08/2020
176/2018/2019	Umhlaba Consulting	SPLUMA - Appointment of a professional team to develop a local spatial development framework for Lady Grey	R 222,000.00	6 months	17/01/2019	17/07/2019
43/2018/2019	Mokhejane Trading Enterprise	Purchase and delivery of consumables	Tender rates	1 year	01/08/2019	01/08/2020
90/2019/2020	Lethululo Trading Enterprise	Purchase and delivery of black refuse bags	Different rates	1 year	04/11/2019	04/11/2020
100/2019/2020	Umhlaba Consulting	Senqu Municipality Housing Sector Plan	R 275,896.50	6 months	20/12/ 2019	20/06/2020
101/2019/2020	Ilizwe Town and Regional Planners	BE local spatial development	R 207,000.00	6 months	04/11/ 2019	04/05/2020
136/2019/2020	Masiqhame Trading	Electrification of 303 rural households' connection	R3,512,301.45	1 year	05/02/ 2020	04/07/ 2020

Deviations up to the value of R 200 000

Regulation 36(1) of the Municipal Supply Chain Management Regulations, 2005, allows the accounting officer to disperse with the official procurement processes.

Date	Supplier	Amount	Department	Comment/Reason for deviation
05/07/2019	Leadership Academy	R 22 584.60	Corporate Services (Internal Audit Unit)	SCM Regulation 36(1)(a)(ii). The Internal Audit Unit affiliate with the Institute of Internal Auditors of South Africa (IIA(SA)) and they are required to maintain CPD hours with IIA(SA) to ensure that they are competent when performing their duties as required by their professional body. The IIA(SA) performs some of its accredited trainings through Leadership Academy.
29/08/2019	Tiso Blackstar (Times Media)	R 25 012.50	Corporate Services	SCM Regulation 36(1)(a)(v). Regulation requirement on appointment of Senior Managers: Local Government: Municipal System Act: Regulation: Appointment and conditions of employment of senior managers: Section 11(2) which states that a vacant senior manager post must be advertised at least in a newspaper circulating nationally.
30/09/2019	Tiso Blackstar (Daily Dispatch)	R 10 453.50	Corporate Services	SCM Regulation 36(1)(a)(v). The Recruitment & Selection Policy, section 6.1.3 requires that posts at middle management level to be advertised externally, published at least in a newspaper as provided for in Section 21(1) of the Municipal Systems Act. Furthermore, positions at middle management level (IT Manager) are advertised provincially to attract more suitable candidates.

Date	Supplier	Amount	Department	Comment/Reason for deviation
04/10/2019	Institute of Municipal Finance Officer (CIGFARO)	R 8 524.00	DTPS	SCM Regulation 36(1)(a)(v). The CIGFARO conference is an annual conference that is organized for the purpose of good governance within municipalities.
04/10/2019	Institute of Municipal Finance Officer (CIGFARO)	R 17 048.00	MM's Office	SCM Regulation 36(1)(a)(v). The CIGFARO conference is an annual conference that is organized for the purpose of good governance within municipalities.
17/01/2020	Arena Holdings (Daily Dispatch)	R 4 802.40	Corporate Services	SCM Regulation 36(1)(a)(v). The Recruitment & Selection Policy, section 6.1.3 requires that posts at middle management level to be advertised externally, published at least in a newspaper as provided for in Section 21(1) of the Municipal Systems Act. Furthermore, positions at middle management level (Demand Manager) are advertised provincially to attract more suitable candidates.
18/02/2020	Bleed Holiday Show	R 27 503.40	DTPS (Tourism)	SCM Regulation 36(1)(a)(v). Bleed Holiday Show (Interactive Trading 498 cc) are organizers of the caravan show, they are the only company/ service provider authorized to sell stands and supply furniture for the stands at the above-mentioned event. This is the event that the Senqu Tourism attends for self-drive within the tourism sector.
26/03/2020	LA FM	R 25 650.00	MM's Office (Communication)	SCM Regulation 36(1)(a)(v). Regulation Gazette No. 11063 (dated 25/03/2020) requirement: Paragraph 6.3.2(a) states that Municipalities and Institutions of Traditional Leadership are directed to prepare and roll out awareness campaigns on COVID-19, using available media platforms (print, radio and special media), to the public within their areas of jurisdiction. The following two radio stations cover the areas within the Senqu Local Municipality jurisdiction; therefore, it was impracticable to obtain three quotation as there are only two radio stations. 1) LA FM (Covers most of the villages in Sterkspruit and Lady Grey) 2) Ekhephini Community Radio (Covers some of the villages in Sterkspruit, i.e. Phelandaba, Rockcliff, etc; Barkly East and Rhodes.
30/04/2020	Saziso Trading CC	R 50 000.00	Corporate Services Department	SCM Regulation 36(1)(a)(i) The Municipality procured masks as per the directive of the National Department of Health which required all South Africans (which includes the municipal Employees and Councillors) to wear masks as of 01 May 2020, as one of the measures to curb the spread of COVID-19.
04/10/2019	Institute of Municipal Finance Officer (CIGFARO)	R 8 524.00	DTPS	SCM Regulation 36(1)(a)(v). The CIGFARO conference is an annual conference that is organized for the purpose of good governance within municipalities.
04/10/2019	Institute of Municipal Finance Officer (CIGFARO)	R 17 048.00	MM's Office	SCM Regulation 36(1)(a)(v). The CIGFARO conference is an annual conference that is organized for the purpose of good governance within municipalities.
17/01/2020	Arena Holdings (Daily Dispatch)	R 4 802.40	Corporate Services	SCM Regulation 36(1)(a)(v). The Recruitment & Selection Policy, section 6.1.3 requires that posts at middle management level to be advertised externally, published at least in a newspaper as provided for in Section 21(1) of the Municipal Systems Act. Furthermore, positions at middle management level (Demand Manager) are advertised provincially to attract more suitable candidates.
14/05/2020	Ekhephini Community Radio	R 25 600.00	MM's Office (Communication)	SCM Regulation 36(1)(a)(v). Government Gazette No. 43291 (dated 07/05/2020) requirement. <u>Deviation for IDP</u>

Date	Supplier	Amount	Department	Comment/Reason for deviation
18/05/2020	LA FM	R 25 650.00	MM's Office (Communication)	Paragraph 6.7.3 and 6.7.4(a)(i) states as follows: 6.7.3: All meetings of council, tribunals, and entities, must be done using media platforms, such as teleconferencing and videoconferencing. 6.7.4(a)(i) Furthermore, municipalities and municipal entities are directed to: Convene meetings of council and committees of council to consider: i) Any council-related business, including the adoption of IDP's
09/06/2020	Aliwal Sound Service t/a Media Market	R 53 475.00	Corporate Services Department	SCM Regulation 36(1)(a)(i). Municipalities in terms of the Occupational Health and Safety Act, The COVID-19 Direction on Health and Safety (Regulation 10(8) of National Disaster Regulations) are required to purchase all PPE's and make these available upon the return of employees in the workplace. The municipality has tried to procure PPE's using National Treasury Circular and has not yield any results due to scarcity of PPE's. Therefore, it was requested to procure available PPE's from the supplier listed in Circular 102.

Unauthorised, Irregular, Fruitless and Wasteful Expenditure on procurement up to the value of R 200 000

No	Date of discovery	Date Reported to Accounting Officer	Transaction details				Type of Prohibited Expenditure	Status
			Date of Payment	Payment Number	Amount	Description of Incident		General comments
1.	01/11/2019	08/11/2019	28/11/2019	15004609	R 8 524.00	It was in contravention of regulation 44 of the Municipal Supply chain management Regulations. Payment was made to a service provider who had a director that is in service of the state.	Irregular Expenditure	Name of supplier: Institute of Municipal Finance Officers (CIGFARO)
2.	01/11/2019	08/11/2019	28/11/2019	15004609	R 17 048.00	It was in contravention of regulation 44 of the Municipal Supply chain management Regulations. Payment was made to a service provider who had a director that is in service of the state.	Irregular Expenditure	Name of supplier: Institute of Municipal Finance Officers (CIGFARO)
3.	12/12/2019	08/01/2020	12/12/2019	15004704	R 38 913.78	The contract entered into by the municipality for cash collection services had come to an end, thereafter, cash collection service continued with the same service provider without taking section 33 & 116 of the MFMA into consideration.	Irregular Expenditure	Name of supplier: G4S Cash Solutions (Pty) Ltd

No	Date of discovery	Date Reported to Accounting Officer	Transaction details				Type of Prohibited Expenditure	Status
			Date of Payment	Payment Number	Amount	Description of Incident		
4.	13/02/2020	13/03/2020	13/02/2020	15005107	R 42 563.20	The contract entered into by the municipality for cash collection services had come to an end, thereafter, cash collection service continued with the same service provider without taking section 33 & 116 of the MFMA into consideration.	Irregular Expenditure	Name of supplier: G4S Cash Solutions (Pty) Ltd
5.	13/03/2020	06/04/2020	13/03/2020	15005376	R 21 281.59	The contract entered into by the municipality for cash collection services had come to an end, thereafter, cash collection service continued with the same service provider without taking section 33 & 116 of the MFMA into consideration.	Irregular Expenditure	Name of supplier: G4S Cash Solutions (Pty) Ltd
6.	16/03/2020	09/04/2020	16/03/2020	105981 Service Invoice	R 5 700.10	Penalties were charged due to late payment of the renewal license disk for the municipal vehicle	Fruitless & Wasteful Expenditure	Name of supplier: National Road Traffic (RTMC)

- The contract register is managed, monitored and reported on. The contract register is broken down into Non-Infrastructure Register (containing operational projects) and the Infrastructure Register (containing PMU/Technical projects)
- The Supply Chain Management (SCM) process flow has improved, and the scheduling of meetings has resulted in improvements in the SCM turnaround time (improvements are required ongoing). It is noted that certain Directorates have indicated their progress **in terms of achieving targets that were hampered by “red tape” and or slow SCM processes. It is noted that:**
- Improvements are required to be made in terms of the management of service providers. It appears that Directorates are not co-operating and are still not ensuring that the required level of commitment is being given to managing service providers/contractors /consultants appointed within their directorates. These reports are being received by SCM from directorates and/ or project managers in terms of service providers and vendors. This however remains an area that requires attention. It must be remembered that this function is critical – not only for operational reasons but due to legislative prescriptions.
- It is not the sole responsibility of the Supply Chain (SCM) Manager responsible for the management of service providers and or the SCM Unit to provide this reporting – SCM staff are there to assist in collation and consolidating reporting data received from Directorates. The performance management function of these service providers remains the responsibility of the relevant line managers /project managers in the various Directorates as part of their day to day operational and management function. This is an area that requires much attention. Failure to comply may lead to an audit query and an audit qualification which may have far reaching consequences overall.
- It must be ensured **moving forward that Directorates manage service providers /contractor's/ consultant performances and that good quality monitoring and reporting occurs, and assessments occur in terms of the performance system incorporated into the reviewed performance management policy framework as approved in October 2018 – failing which, consequence management will be instituted, and the necessary compliance notices will be issued, and the disciplinary action will be taken where required.**
- A system to manage and rate service providers is incorporated in the revised Performance Management Policy / Framework policy as approved in October 2018. The challenges around application and implementation do still exist in that all stakeholders within Directorates /Departments managing service providers / projects are not managing monitoring and measuring service providers as required and only once full participation is received in the application and implementation will said be system be considered to be a more accurate representation of performance. Directorates are currently managing certain performance protocols are followed prior to processing an invoice. The performance of service providers will for some time remain an ongoing challenge.
- Directorates /project managers are legislatively duty bound to manage and report on the performance of their service providers as appointed. They are required manage their appointed service providers within their directorates.
- Reporting received from directorates and or project managers (submitted to Supply Chain Management – SCM) must be at the required level as this not only a critical function – for operational reasons only but is legislatively bound.

Procedure in place to manage and rate service providers

- The post of Manager (contract management & vendor performance) housed within SCM Unit is there to specifically manage and support in all aspects of risk functionality relating to monitoring of service providers performance by coordinating all efforts and processes required to support the formulation of same into the SCM Risk Management Plan and the programme for the Supply Chain Management.
- Directors or appointed Project Managers of Service Providers are required to report monthly to the SCM unit against predetermined and specific measurable targets and outcomes. These may be different in the case of external funding. In this manner it will be ensured that all service providers deliver on services in a manner that meets all required standards.
- All Directors or appointed Project Managers must confirm the required levels of reporting with the SCM unit.
- No service provider payment can be made without the acknowledgement that the required outcomes were achieved; and
- Service provider reporting is to be consolidated and reported on quarterly and used to input into the Annual Report, s46 Report and the s72 Report.

The performance of a vendor is evaluated by each user department that received the goods/service before payment of the invoice through the vendor performance evaluation form.

On monthly basis details from the evaluation forms are recorded in a spreadsheet that is consolidated into a quarterly report, which is submitted to the standing committee in the month following the end of the quarter. Thereafter, four quarterly reports are consolidated and submitted for the annual report purposes.

A system to manage and rate service providers has now been incorporated in the revised Performance management policy / framework. Currently the SCM Manager in conjunction with relevant Directorates ensures that certain performance protocols are followed before an invoice is processed. The performance of service providers will for some time remain an ongoing challenge.

DISCLAIMER

The information provided within this report is reliant on the information provided by the various Directorates. The accuracy of all information provided cannot be assured. In instances where information is found to be lacking or inadequate you are hereby advised that the co – ordinators that consolidated this report have only been able to work with the information provided to them.

XM -CVS 31 October 2020



APPENDIX J: DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTEREST (Disclosed in the AFS) PERIOD 1 July 2019 to 30 June 2020		
Position	Name	Description of financial interest Nil or provide details
Mayor	Cllr N.P. Mposelwa	Nil
Member/s of Exco	G.N. Mboyana	Nil
	V.V. Stokhwe	Nil
	S.S. Ndzongana	Nil
	T.M. Dumzela	Nil
	P.M. Mnisi	Nil
Councillors	A.P. Kwinana	Nil
	N. January	Nil
	N.R. Lose	Nil
	P. Jeje	Nil
	J. Mposelwa	1. Renting shop since 2016 (Thubalethu General Dealer). 2. Selling groceries
	S.M. Ntlwatini	Nil
	M.V. Bonelwa	Nil
	N.C. Mraji	Nil
	M.Gojo	Nil
	K.S. Mpiti-Xhelesha	Nil
	J.D. Somsila	Nil
	S. Mfisa	1. Monthly donation of R7000.00 from Nomonde
	M.H. Rowana	Nil
Councillors	N. Nyongwana	Nil
	Z. Khoba	1. Shares at Group Two Construction
	M. Phuza	1. Shares at Ilanga Libalele Communications 50% shares. 2. Presenter at Ekhephini Community Radio Station
	M.A. Mshasha	1. Remuneration from Methodist Church
	I. Mosisidi	Nil
	X.G. Magcai	Nil
	N.Y. Monakali	1. Director at The Younger Generation / Zwelitsha Development and SAMRO
	N. Ndawule	Nil
	M.N. Mgojo	Nil
	B.S. Maqala	Nil
	K.P. Maqungu	Nil
	M.C. Kibe	Nil
	M.T.N. Sehlolo	Nil
	N.M. Phama	Nil
	N. Mpoloki	Nil
M. Ndoda	Nil	
A. W. Mkangala	Nil	
Municipal Manager	M. M. Yawa	1. Director at Joe Gqabi Development Agency. 2. Remuneration from the ICE during non-election period and election period.
Director: Technical Services	R. Crozier	1. Shareholder Basfour
Director: Community Services	L. Gologolo	1. Shares: SASOL, Vodacom & MTN 2. Other F/I: Ruutos Hair Products
Director: DTPS	P Bushula	1. Husband owns White Tree Trading and 1/3 ownership in Sechaba SA Africa
Director: Corporate Services	T. Wonga	Nil
Chief Financial Officer:	K. Fourie	Nil

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE 2020 /2021

The Table below shows the comparisons between actual and budgeted revenue for the financial year 2020/2021 and previous financial years with the Original and Adjusted Budget:

	ORIGINAL BUDGET 2021	BUDGET ADJUSTMENTS 2021	FINAL BUDGET 2021	ACTUAL OUTCOME 2021	BUDGET VARIANCE 2021	RESTATE D OUTCOME 2020
REVENUE						
Governance and administration	128 548 804	18 281 294	146 830 098	222 223 797	75 393 699	130 436 025
Executive and council	7 254 000	-	7 254 000	48 156	(7 205 844)	7 308 519
Finance and administration	121 294 804	18 218 294	139 513 098	222 175 641	82 599 543	123 127 506
Internal audit	-	-	-	-	-	-
Community and public safety	4 454 782	(171 216)	4 283 566	2 126 841	(2 156 725)	2 636 610
Community and social services	1 647 211	(3 301)	1 643 910	1 566 010	(77 900)	1 870 819
Sport and recreation	8 989	-	8 989	2 117	(6 872)	1 081
Public safety	2 798 582	(167 915)	2 630 667	558 713	(2 071 954)	764 711
Housing	-	-	-	-	-	-
Economic and environmental services	41 043 663	(10 852)	41 032 811	23 705 395	(17 327 416)	49 933 524
Planning and development	2 093 077	(10 852)	2 082 225	3 999 821	1 917 596	2 380 368
Road transport	38 950 586	-	38 950 586	19 705 574	(19 245 012)	47 553 155
Trading services	117 100 072	13 427 999	130 528 071	60 401 389	(70 126 682)	118 419 023
Energy sources	74 973 042	7 391 657	82 364 699	46 476 863	(35 887 836)	76 370 199
Waste management	42 127 030	6 036 342	48 163 372	13 924 526	(34 238 846)	42 048 824
Other	3 096	(186)	2 910	1 525	(1 385)	1 869
Total Revenue - Standard	291 150 417	31 527 039	322 677 456	308 458 947	(14 218 509)	301 427 052

APPENDIX K (I): REVENUE COLLECTION BY SOURCE 2020 /2021

A Revenue by Source Analysis with explanations regarding material variances can be seen on the table below.

	ORIGINAL BUDGET 2021 R	BUDGET ADJUSTMENTS 2021 R	FINAL BUDGET 2021 R	ACTUAL OUTCOME 2021 R	BUDGET VARIANCE 2021 R	RESTATE D OUTCOME 2020 R
REVENUE BY SOURCE						
Property rates	9 047 778	-	9 047 778	12 830 089	3 782 311	12 430 040
Service charges	53 591 444	-	53 591 444	56 111 940	2 520 496	52 835 445
Rental of facilities and equipment	123 476	-	123 476	560 363	436 887	782 558
Interest earned - external investments	18 800 000	-	18 800 000	16 039 660	(2 760 340)	21 294 387
Interest earned - outstanding debtors	2 546 078	-	2 546 078	3 831 291	1 285 213	4 091 466
Fines	176 674	(10 601)	166 073	153 047	(13 026)	287 163
Licences and permits	1 259 841	(75 591)	1 184 250	1 391 719	207 469	971 983
Agency services	1 059 218	(63 553)	995 665	1 487 542	491 877	906 255
Transfers recognised - operational	166 246 200	30 504 000	196 750 200	199 215 013	2 464 813	158 318 126
Other revenue	1 967 908	(118 073)	1 849 835	2 035 331	185 496	4 658 907
Total Revenue (excluding capital transfers and contributions)	254 818 617	30 236 182	285 054 799	293 655 995	8 601 196	256 576 326

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG 2020 /2021

CONDITIONAL GRANTS	2021	2020	2019	2018
	R	R	R	R
National : Municipal Finance Management (MFMA)	1 700 000	1 700 000	1 700 000	1 700 000
National : Expanded Public Works Program	2 617 000	2 384 000	2 796 000	1 536 000
Integrated National Electrification Grant	-	3 200 000	5 983 000	552 894
Municipal Disaster Relief Grant	-	477 000	-	-
Greenest Municipality	-	200 000	-	-
Provincial: Expanded Public Works Program	5 200 000	-	-	-
Libraries	1 500 000	1 500 000	1 500 000	1 500 000
Total Government Grants and Subsidies	11 017 000	9 461 000	11 979 000	5 288 894

Conditional Grants for the financial year are listed above and shows amounts for conditions met transferred to revenue.

APPENDIX M – M (I) AND M(II): CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME / CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME 2020/2021

Description R thousand	2017/18 Audited Outcome	2018/19 Audited Outcome	2019/20 Audited Outcome	2020/21 Actual 2020/21	Current Year 2020/21			2021/22 Medium Term Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Infrastructure	33 384	46 812	29 624	13 508	52 424	40 977	40 977	44 825	66 128	36 400
Infrastructure - Road transport	24 190	22 450	18 732	7 384	19 581	25 100	25 100	19 367	49 453	24 200
Roads, Pavements & Bridges	21 080	21 735	18 732	6 184	19 581	25 100	25 100	16 149	29 969	9 200
Storm water	3 110	715	-	1 199	-	-	-	3 217	19 485	15 000
Infrastructure - Electricity	6 175	7 734	1 967	2 254	2 288	3 877	3 877	2 079	5 203	12 200
Generation	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	3 769	5 769	1 967	2 254	2 288	3 877	3 877	2 079	5 203	12 200
Street Lighting	2 406	1 965	289	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other	3 018	16 628	8 925	3 871	30 555	12 000	12 000	23 380	11 471	-
Waste Management	3 018	16 628	8 925	3 871	30 555	12 000	12 000	23 380	11 471	-
Transportation	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Community	3 392	4 608	2 426	2 085	11 063	13 882	13 882	23 015	8 143	22 291
Parks & gardens	386	118	590	349	-	-	-	-	-	-
Sportsfields & stadia	774	223	-	-	-	-	-	8 000	-	-
Swimming pools	-	-	-	-	-	-	-	-	-	-
Community halls	1 795	366	-	-	982	4 500	4 500	3 904	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-

Description R thousand	Ref 1	2017/18	2018/19	2019/20	2020/21	Current Year 2020/21			2021/22 Medium Term Expenditure Framework			Revenue & Budget Year +2
		Audited Outcome	Audited Outcome	Audited Outcome	Actual 2020/21	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year 2023/24	
Museums & Art Galleries		-	-	-	-	-	-	-	-	-	-	-
Cemeteries		-	183	105	1 737	10 082	9 382	9 382	11 110	8 143	22 291	-
Social rental housing	8	-	3718	1 730	-	-	-	-	-	-	-	-
Other		438	2 608	11 307	3 238	13 215	15 971	15 971	12 430	8 133	3 042	-
Other assets		9 173	-	-	-	-	-	-	-	-	-	-
General vehicles		1 610	-	-	771	1 178	1 628	1 628	-	-	-	-
Specialised vehicles	10	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment		3 492	53	27	14	5 496	6 046	6 046	3 561	40	42	-
Computers - hardware/equipment		487	1 260	2 427	572	3 370	3 370	3 370	2 277	2 365	3 000	-
Furniture and other office equipment		304	885	-	183	300	300	300	169	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-	-	-
Other Buildings		3 279	3 703	8 853	1 697	2 872	4 628	4 628	6 423	5 728	-	-
Other Land		-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		3 028	251	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Intangibles		32	49	-	103	88	88	88	-	-	-	-
Computers - software & programming		32	49	-	103	88	88	88	-	-	-	-
Total Capital Expenditure	1	45 981	57 623	43 358	18 934	76 792	70 919	70 919	80 270	82 403	61 733	-

This table contains a complete Capital Programme for all Municipal Capital Acquisitions including both New and Renewal assets. Sources of funding for each asset are also shown and this funding is cash backed and provision is being made for these types of capital purchases in the municipalities Capital Replacement Reserve.

APPENDIX N: CAPITAL PROGRAMME BY PROJECT YEAR 2020/2021 AUDITED

Capital Additions for the financial year 2020/2021 reflected below. The following tables show these additions per category and per vote and are being classified as Infrastructure Assets, Loose Assets and Land & Buildings.

CAPITAL 2020/2021	R
Old Age Home Offices- Phase 2	1 564 653
Herschel – Solid Landfill Site	1 317 302
Rossouw Solid Landfill Site	856 721
Rhodes Solid Landfill Site	86 263
Barkly east Solid Landfill Site	890 061
Renovation Town Hall Barkly East	132 840
Boyce Nondala paved roads	1 308 812
Roads between Esilindini & Frans	69 391
Kwezi Naledi - Node	348 698
Barkly East Cemetery	1 736 658
6 Km Access Roads Ward 2	5 769 295
Construction of Speed Humps in Rhodes	150 089
Construction of Speed Humps in Lady Grey	86 144
Old Sterkspruit SWS	119 534
Senqu Electrification of Wards	2 040 809
Installation of Meters	213 056
Motor Vehicles	770 968
Plant & Equipment	14 351
Computer Equipment	571 928
Furniture & Office Equipment	183 256
TOTAL	18 831 688

APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 2020/2021* AUDITED

DESCRIPTION	2020/2021
R thousand	Actual 2020/2021
Infrastructure	13 508 335
Roads, Pavements & Bridges	6 184 306
Storm water	1 199 426
Electricity	2 253 865
Waste Management	3 870 738
Community	2 085 356
Parks & gardens	-
Node Development	348 698
Cemeteries	1 736 658
Other assets	2 454 194
General vehicles	770 968
Plant & equipment	14 351
Computers - hardware/equipment	571 928
Furniture and other office equipment	183 256
Other Buildings	1 697 493
Intangibles	102 717
Computers - software & programming	102 717
Total Capital Expenditure	18 934 405

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 1	
Mbobob J.S.S	Cracks on walls Water Supply Administration Block Poor Playing Fields Damaged Toilets No Hall
Bikizana J.S.S.	Toilets, Water, Sports Ground One block is a mud Structure and Access Roads
Walaza J.S.S.	Admin Block not in good condition Toilets are falling apart. No Sport Grounds, No Furniture
Ndofela J.S.S.	Mud structure Toilets, Access Roads, Fencing Water Supply, Playing Ground, Admin block
Nxasana S.P.S.	Admin block, Sanitation, Grade R class is falling apart, Sports field. Erection of Security fence Renovations of all classes, Furniture
Governors Drift	Mud structure, Admin block, Fencing Water Supply, Access Roads,
WARD 2	
Ohoboshane, Qhemerha, Telle Junction, Kwa Gcina, Storomo, ST Teresa	Access Roads, Water Supply, Sanitation, Admin Block, Furniture, Fencing, Laboratory, Library
WARD 3	
Ndingishe J.S.S.	5 Additional Classrooms, Access Roads, Water Supply, Admin Block, Library, Laboratories, School Grounds, Fencing
Tlokweg S.S.S.	Toilets for Teachers, Admin Block, Library, Laboratory.
Mahedi J.S.S.	4 Additional classrooms, Administration Block
Hohobeng J.S.S. and Mmusong	Cracked walls, roof blown away, major renovations, water supply, Toilets, Network Coverage.
Tlhakong S.P.S.	Water Supply, Sanitation, Administration Block, Sport Grounds, 3 classrooms blown away.
Ekra J.S.S	5 Additional Classrooms, Administration Block, Water Supply, Toilets, Sports field.
Musong J.S.S	Major Renovations, Water Supply, Sanitation, Administration Block, An access Road, Network Coverage.
MPoki S.P.S	Water Supply, Access Roads, No Network Coverage.
WARD 4	
Bongiwe, Buyani, Cebano, Blikana, Jonas Goduka, Hillside, Lufefe, Mkunyazo, Mthabisa, Ndongunya, Ntlangano, Mxokozeli, Penhoek, Vusisizwe.	Water, 12 Schools 8 Schools need Toilets 8 schools need access roads All 14 need sports fields 5 schools need to be upgraded in terms of electricity 11 schools need fencing
WARD 5	
Makhumsha, Mabele, Kwabo, Sivumelene, Bebeza, Nomlengana, Dangershoek.	Mud Structures Water Supply

	Toilets Fencing Sports fields Network Coverage No compliance Certificate issued to those Schools with electricity
WARD 6	
Hoita, Majuba, Malgas, Mapolo, Thembaletu, Umlamli, Zingxengele, Bongolethu, Monwabisi, Phelandaba.	Renovations of existing buildings. Playgrounds Water Supply Fencing Access Roads Libraries Laboratories Administration Block
WARD 7	
Nyathela S.S.S	Mud Structure Fencing Sanitation Shortage of Classrooms
Tsakana S.P.S.	5 Classrooms need Renovations. Sanitation Water Supply Sports fields Fencing
Thaba Lesoba	Access Roads Fencing Renovations of 5 Classes Sanitation Water Supply Sports fields
St Michaels	Mud Structures Weak Electricity Fencing, Toilets, Water Supply Sports Fields
Mbolekwa S.P.S	Mud Structures Administration Block Sanitation, Water Supply Sports Fields
Egugwini J.S.S.	Toilets and Fencing
Macacuma S.P.S.	Sports Fields Fencing and Toilets Minor Renovations Water Supply
WARD 9	
Amaqwathu JSS	Administration Block
Luvumelwano S.S.	Administration Block 10 Classrooms
Voyizana SPS	Renovations of 13 Classrooms Administration Block
Ngquba JSS	Admin Block 4 Classrooms to be added. Renovations of 5 Classrooms
Jovelani S.P.S	Addition of 3 Classrooms
Sunduza J.S.S	Addition of 3 Toilets
	Common Challenges for Ward 9 <ul style="list-style-type: none"> • Water Supply • Sanitation • Fencing • Access Roads • Sports Fields • Library, Laboratory • Upgrading of Electricity

WARD 10	
Bensonvaile JSS	Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Ekuzoleni JSS	6 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Ngongodoville SPS	3 New Classrooms Major Renovations (building in the stat of collapsing) Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Nkululeko SSS	6 New Classrooms Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Nomzamo (Sterkspruit) JSS	15 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities
Sterkspruit Community	10 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Sterkspruit SSS	25 New Classrooms (Declared that the building cannot be renovated) Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Tapoleng JSS	6 New Classrooms Minor Renovations Admin Block

	Library Laboratory Sanitation Fence Sporting Facilities Access Road
Tienbank JSS	5 New Classrooms Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
WARD 11	
Herschel Village JSS	Danger Zone School Electricity wires fallen out of ceiling Renovation Struck by disaster & nothing has happened since No fence Trees damaging school with roots
Ezintatyaneni SP	Administration Block Sanitation Fence Electricity (upgrade) Mud Structure (2) No playgrounds
Dibinkonzo JSS	Sanitation Fence Administration Block and Renovations Mud Structure Sport field
Mehlomakhulu SSS	Fence Water & Sanitation Renovations & Administration Block Sports Field Furniture for Learners
St Marys	Water & Sanitation Access Road Sport Ground School Hall
Hlanjwa SPS	Administration Block Sport Ground Sanitation Access Roads Mud Structure (2) Fence
Meyi JSS	Mud Structure Sanitation Fence Weak & Faulty Electricity – disaster
Magumbu SPS	Sanitation Fence 5 Classrooms cracked all sides. Administration Block Weak & Faulty Electricity – disaster Sport Grounds Access road
Ebenezer Nyathi SSS	Sanitation –State of collapse Fencing 2 block (community built) one strongly needs renovation. Water

	Admin Block 3 classroom 1 lab
Bamboesspruit JSS	Renovations (Whole school) Fencing Sanitation Admin Block Cracked Walls to be fixed Access Roads Sport Grounds Furniture Leaking Roof 2 Classrooms Paving Staffing Erection of a Stoep
WARD 12	
Entsimekweni JSS	Minor Renovations Flooring Fencing Access Road Sanitation
Nyaniso SPS	Flooring Fencing Water School Grounds
Manxeba JSS	3 Classrooms Water Fence School Grounds to be constructed Furniture
Mncunubeni JSS	5 Classrooms Sanitation & Water Fence Access Road Sport Ground
Jozana's Nek JSS	Water Playground Access Road Renovation of Ceiling in 4 classrooms Furniture
Jozana's Hoek	Major renovations in 8 classrooms & office Security Fence Play Grounds Access Road Sanitations
Magwiji JSS	6 Classrooms Water & Sanitation Playgrounds Fencing Access Road Furniture
Mrobongwana SPS	Water & Sanitation Playground Access Road Admin Block Furniture
Hlomendlini JSS	Water & Sanitation Fence Play ground Furniture
MZOMHLE SSS	Water & Sanitation Access Roads

	Furniture Playgrounds Administration Block
WARD 13	
Khiba JSS	6 Prefect classes 4 Mud Structures Flooring Water & Sanitation Fencing Furniture Electricity Admin Block
Skisazana JSS	Major renovations Flooring Water & Sanitation Roofing Admin Block Fencing Access Road
Lungisani SPS	Access Road Water Fencing Sport Ground
Mbonisweni SPS	Fencing Access Road
Witterbergen SPS	Sport Ground Fencing Access Road Attention to be paid to a query next to school
Diphana SPS	Mud Structure Sanitation Fence Admin Block Access Road
Witterbergen JSS	Principal's Office Fencing Sanitation Access Roads Sport Field Roofing
Zava SPS	Flooring Sanitation Prevention of soil erosion
Nkopane JSS	Fencing Major Renovations Water & Sanitation Sport Field
Nompumelelo SSS	Fencing Mud Structure Water & Sanitation Sport Ground Access Road
Mdlokovana JSS	Mud Structures Sporting Facilities Sanitation Fencing
WARD 14:	
Rossouw was promised a school 3 years ago	Farm schools need attention
WARD 15	
Mzondeki SPS	No Buildings Water & Sanitation Access Road Playgrounds Fence

Sizamulwazi SPS	Sport Grounds 5 Classrooms
Sijorha SPS	No Buildings Water & Sanitation Access Road Playgrounds Fence
Luyolo SPS	No Proper Buildings Water & Sanitation Admin Block Access Road Playgrounds
Sakakude JSS	No Buildings Water & Sanitation Access Road Electricity Ceiling Fence
Impumelelo SSS	No Buildings Water & Sanitation Access Road Playgrounds Fence Electricity
Wartrail	Water & Sanitation Playgrounds
Malikhanye SSS	Sport Grounds Furniture Minor Renovations Fencing
Rhodes PS	School is Prefab Structure Toilets
Moshoeshoe's Ford	Structure falling apart. School on Private Property
Barkly East DRC P.S	2 Classrooms Science Class Admin Block Grader R Classroom Toilets Kitchen Office Plot Ground to build school in Fairview

APPENDIX R

DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY: 2019/2020				
All Organisation or Person in receipt of Loans*/Grants* provided	Nature of Project	Conditions attached to funding	Value 2019/2020 R'000	Total Amount committed over previous and future years
Tourism Support	Grant in aid		37 397	-
GRANTS PAID			37 397	-



