ANNUAL REPORT

Bitou municipality

to be the best together

2023/24

CHAPTER 1: EXECUTIVE SUMMARY 3
COMPONENT A: MAYOR'S FOREWORD AND MUNICIPAL MANAGER'S OVERVIEW.................... 3
1.1 MAYOR'S FOREWORD 3
1.2 MUNICIPAL MANAGER'S OVERVIEW 5
1.3 MUNICIPAL FUNCTIONS, POPULATION AND ENVIROMENTAL OVERVIEW 7
1.3.4 HOUSEHOLDS.. 10
1.4 SERVICE DELIVERY OVERVIEW 14
1.5 FINANCIAL HEALTH OVERVIEW 16
CHAPTER 2: GOVERNANCE 20
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE 20
2.1 NATIONAL KEY PERFORMANCE INDICATORS -GOOD GOVERNANCE AND PUBLIC PARTICIPATION............... 20
2.2 PERFORMANCE HIGHLIGHTS – GOOD GOVERNANCE HIGHLIGHTS AND PUBLIC PARTICIPATION 20
2.3 CHALLENGES – GOOD GOVERNANCE AND PUBLIC PARTICIPATION 21
2.4 GOVERNANCE STRUCTURE 21
COMPONENT B: INTERGOVERNMENTAL RELATIONS................. 30
2.5 INTERGOVERMENTAL RELATIONS.............................. 30
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION 33
2.6 2023/24 IDP AND BUDGET PROCESS 34
2.7 WARD COMMITTEES.. 39
COMPONENT D: CORPORATE GOVERNANCE 45
2.8 RISK MANAGEMENT 45
2.9 ANTI-CORRUPTION AND FRAUD 48
2.10 AUDIT COMMITTEE (AC)... 49
2.11 PERFORMANCE AND AUDIT COMMITTEE (PAC)........... 50
2.12 INTERNAL AUDITING 50
2.13 BY-LAWS AND POLICIES... 56
2.14 COMMUNICATION 57
2.15 WEBSITE 61
2.16 SCM 63
CHAPTER 3: SERVICE DELIVERY PERFORMANCE 68
3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION 68
3.2 INTRODUCTION TO STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2023/24 72
COMPONENT A: BASIC SERVICES RENDERED 92
3.3 WATER PROVISION 92
3.4 WASTE WATER (SANITATION) RETICULATION 96
3.5 ELECTRICITY 100
3.6 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)........105
3.7 HOUSING 110
3.8 FREE BASIC SERVICES AND INDIGENT SUPPORT 113
COMPONENT B: ROAD TRANSPORT PROVISIONS 116
3.9 ROADS 116
3.10 STORMWATER...123
COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT 127
3.11 PLANNING 127
3.12 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES).............................130
3.13 TOURISM 134
COMPONENT D: COMMUNITY AND SOCIAL SERVICES 135
3.14 LIBRARIES...135
3.15 CEMETERIES 140
3.16 AERODROME...142
COMPONENT E: SECURITY AND SAFETY 145
3.17 LAW ENFORCEMENT...145
3.18 TRAFFIC SERVICES 148
3.19 FIRE SERVICES AND DISASTER MANAGEMENT...........151
COMPONENT F: SPORT AND RECREATION 154
3.21 SPORT AND RECREATION 154
COMPONENT G: CORPORATE POLICY OFFICES AND OTHER SERVICES 156
3.22 CORPORATE SERVICES 156
3.23 HUMAN RESOURCES MANAGEMENT (HR) 157
3.24 ADMINISTRATION 159
3.25 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES 160
3.26 LEGAL SERVICES 164

3.27 FINANCIAL SERVICES 165
3.28 PROCUREMENT SERVICES 168
3.29 CAPITAL EXPENDITURE 177
COMPONENT H: SERVICE DELIVERY PRIORITIES FOR 2023/24 ...178
3.31. ACHIEVING LONG TERMS FINANCIAL SUSTAINABILITY 178
3.32 ADHERE TO IMPLEMENT EFFECTIVE AND EFFICIENT GOVERNANCE PROCESSES....179
3.33 BUILD A CAPABLE, DEVELOPMENTAL, TRANSFORMED AND PRODUCTIVE WORKFORCE....180
3.34 PROVIDE EXCELLENT AND SUSTAINABLE SERVICES TO ALL RESIDENTS 181
3.36 FACILITATE GROWTH AND EXPAND ECONOMIC OPPORTUNITIES TO EMPOWER COMMUNITIES 186
CHAPTER 4: ORGANISATIONAL DEVELOPMENT PROGRAMME ...186
4.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT....186
4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE 187
4.3 MANAGING THE MUNICIPAL WORKFORCE 190
4.4 CAPACITATING THE MUNICIPAL WORKFORCE 193
4.5 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE 197
CHAPTER 5: FINANCIAL PERFORMANCE 200
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE ...200
5.1 FINANCIAL SUMMARY 200
5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION 207
5.3 GRANTS 213
5.4 ASSET MANAGEMENT 217
5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS....218
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET 221
5.6 CAPITAL EXPENDITURE BY ASSET PROGRAM 221
5.7 SOURCE OF FINANCE 223
5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS 223
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS 224
5.9 CASH FLOW 224
5.10 GROSS OUTSTANDING DEBTORS PER SERVICE 225
5.11 TOTAL DEBTORS AGE ANALYSIS....226
5.12 MUNICIPAL COST CONTAINMENT MEASURES....227
5.13 BORROWING AND INVESTMENTS 229
CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS....232
COMPONENT A: AUDIT OUTCOMES 2022/23 232
6.1 FINANCIAL PERFORMANCE: 2022/23 232
6.2 SERVICE DELIVERY PERFORMANCE: 2022/23 233
COMPONENT B: AUDIT OUTCOMES 2023/24 233
6.1 FINANCIAL PERFORMANCE: 2023/24 233
6.2 SERVICE DELIVERY PERFORMANCE: 2023/24 234
LIST OF ABBREVIATIONS 235
LIST OF TABLES 236
LIST OF GRAPHS 237

CHAPTER 1: EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD AND MUNICIPAL MANAGER'S OVERVIEW

1.1 MAYOR'S FOREWORD

As the Executive Mayor of Bitou Municipality, it is my distinct honour to present the Annual Report for the 2023/24 financial year. This year marks another chapter in our collective journey towards enhancing service delivery and fostering sustainable growth within our community. The past year has been one of significant challenge and some progress.

The challenges we faced in the previous year, particularly concerning the negative atmosphere surrounding political and administrative instability, have underscored the importance of a cohesive leadership approach. The vacancies in key management positions have placed considerable pressure on our operations, necessitating a focused effort to stabilize our administration. Despite these challenges, our staff has demonstrated resilience, working diligently to maintain service delivery and uphold the trust placed in us by our residents.

Our achievements over the past year speak to the dedication of our staff. We have made substantial strides in improving our financial health, this is not merely a reflection of sound financial practices but also a testament to commitment by our Municipal Manager and CFO in fostering a culture of excellence.

We have unfortunately regressed in the audit outcome from the Auditor General. This is very concerning as we seem to take one step forward and five steps backward. This trend is reflected in Bitou performance since 2011 where good governance is embedded and then dropped again. The investments we have made in infrastructure and service delivery, particularly in water provision, waste management, and community services, are beginning to pay dividends. We have witnessed a lot of interest on developments, which not only stimulate our local economy but also create much-needed job opportunities for our residents. However, we must remain vigilant in addressing the infrastructure challenges that accompany this growth, ensuring that we are prepared for the increasing demands on our services.

Looking forward, we are committed to filling the remaining leadership vacancies and continuing to foster a stable and effective administration. Our focus will be on enhancing community engagement, ensuring that the voices of our residents are heard and considered in our decision-making processes. We recognize that the success of our municipality hinges on collaboration and partnership with all stakeholders, including local businesses, community organizations, and residents.

In the coming year, we will prioritize initiatives that promote sustainable development, environmental stewardship, and social equity while strengthening good governance. Our goal is to create a resilient community that can adapt to the challenges posed by climate change and economic fluctuations. We will also work towards improving our technological capabilities, enabling us to deliver services more efficiently and effectively.

I would like to extend my gratitude to our dedicated staff, Councillors, and community members for their unwavering support and commitment to our municipality. Together, we can continue to build a vibrant, inclusive, and prosperous Bitou Municipality.

In closing, I invite you to review the detailed Annual Report, which provides a comprehensive overview of our achievements, challenges, and plans for the future. Let us continue to work together to create a better tomorrow for all residents of Bitou.

CLLR. J Kamkam

EXECUTIVE MAYOR

1.2 MUNICIPAL MANAGER'S OVERVIEW

In presenting the 2023/24 Annual Report, we acknowledge the significant challenges faced by Bitou Municipality this year. While we remain committed to our vision of being "the best together," we must candidly reflect on our performance, highlighting both our improvements and areas of regression.

This financial year has seen us regress from a clean audit outcome to an unqualified audit with findings, marking a notable regression from last year's achievements. This shift underscores the need for renewed focus on our governance practices and financial management.

Despite facing challenges, including unfilled management positions, we have maintained some momentum in service delivery and operational efficiency. The increase in semigration to the Western Cape, particularly to Bitou, has posed both opportunities and challenges. While it has stimulated local economic growth and attracted new investments, it has also intensified the need for adequate infrastructure and affordable housing. In response, we are actively pursuing developments that provide housing options priced between R750,000 and R1,000,000, as well as rental units to address the growing need.

However, it is important to highlight our improvement in operating surplus, which has increased to R 85 865 193 in the 2023/24, an improvement from the surplus of R 78 748 669 recorded in the previous financial year. This reflects our efforts to enhance revenue generation and effectively control costs, demonstrating that we are making strides in financial health despite the challenges we face. This positive trajectory allows us to address pressing needs, including the urgent replacement of aging municipal vehicles and infrastructure development to support our growing population.

Conversely, our commitment to accountable and ethical governance has been tested. We have encountered a regression in managing unauthorized, irregular, fruitless, and wasteful expenditure. Despite previous efforts to address these issues, the current financial year has revealed ongoing concerns that require immediate attention and action.

One of the notable challenges this year was the implementation of our performance management system. Although we aimed to cascade performance objectives to lower levels within the organization, this goal was not completed as required. The failure to fully implement this system has hindered our ability to align the objectives of all employees with the strategic goals of the municipality.

In conclusion, while we have faced setbacks, it is imperative that we learn from these experiences. Our improved operating surplus provides a foundation for stability, but we must recommit ourselves to good governance, effective financial management, and the successful implementation of the performance management systems to ensure that we meet the needs of our community and restore confidence in our municipality.

I extend my appreciation to the dedicated staff and management team for their hard work during this challenging year, and I look forward to collaborating with all stakeholders to build on our successes and address our challenges.

MBULELO MEMANI

MUNICIPAL MANAGER

1.3 MUNICIPAL FUNCTIONS, POPULATION AND ENVIROMENTAL OVERVIEW

This report addresses the performance of the Bitou Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This require that the Council of the Municipality provide regular and predictable reporting on programmes performance and the general state of affairs in its area of jurisdiction.

The 2023/24 annual report reflects on the performance of the Bitou Municipality for the period 1 July 2023 to 30 June 2024. The annual report is prepared in accordance with Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an annual report for each financial year.

1.3.1 Municipal Overview

Bitou Municipality is situated in the Western Cape Province within the jurisdictional area of Garden Route District Municipality. The municipal area, in extent **991.84 km²**, is situated in the southeastern corner of the province and the Bloukrans River is the boundary between the Western and Eastern Cape Provinces. The following map indicates the extent of the Bitou Municipality's area of jurisdiction:

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

Figure 1.: Bitou Area Map

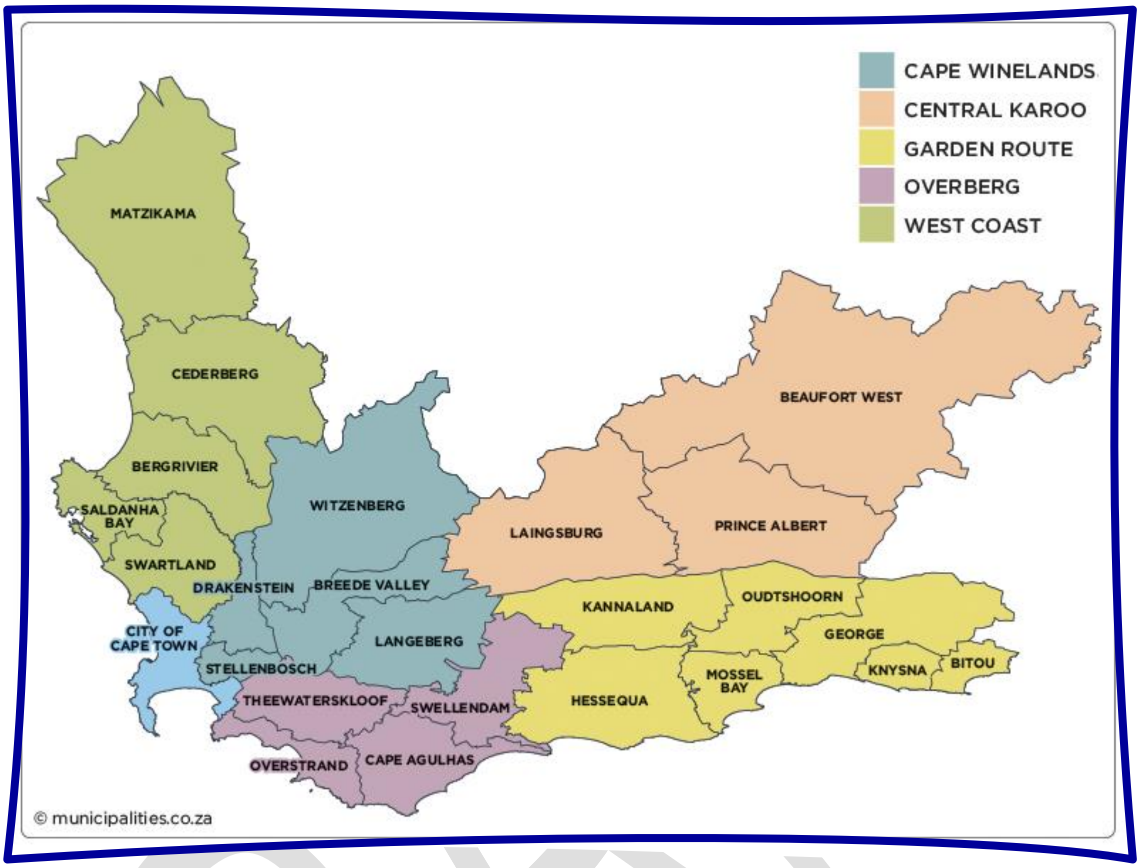


Figure 2.: Bitou Provincial Map

1.3.2 Vision and Mission

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

Development Vision:

To be the best together –

Om saam die beste te wees –

Sobalasela Sonke

Mission:

We partner with communities and stakeholders to sustainably deliver quality services that everyone in Bitou can live and prosper together.

Values:

Strategic Objectives:

1. Provide excellent and sustainable services to all residents.
2. Facilitate growth and expand economic opportunities to empower communities.
3. Achieve long term financial sustainability.
4. Build a capable, developmental, transformed and productive workforce.
5. Adhere to and implement effective and efficient governance processes.

1.3.3 Population

a) Total Population

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

Population	2011	2016	2017	2018	2019	2022	2023	2024
	49 162	59 157	49 162	60 686	65 074	65 240	65 240	65 240
Source: StatsSA								

Table 1: Total Population

The graph below illustrates that the total population growth from 2001 till 2024:

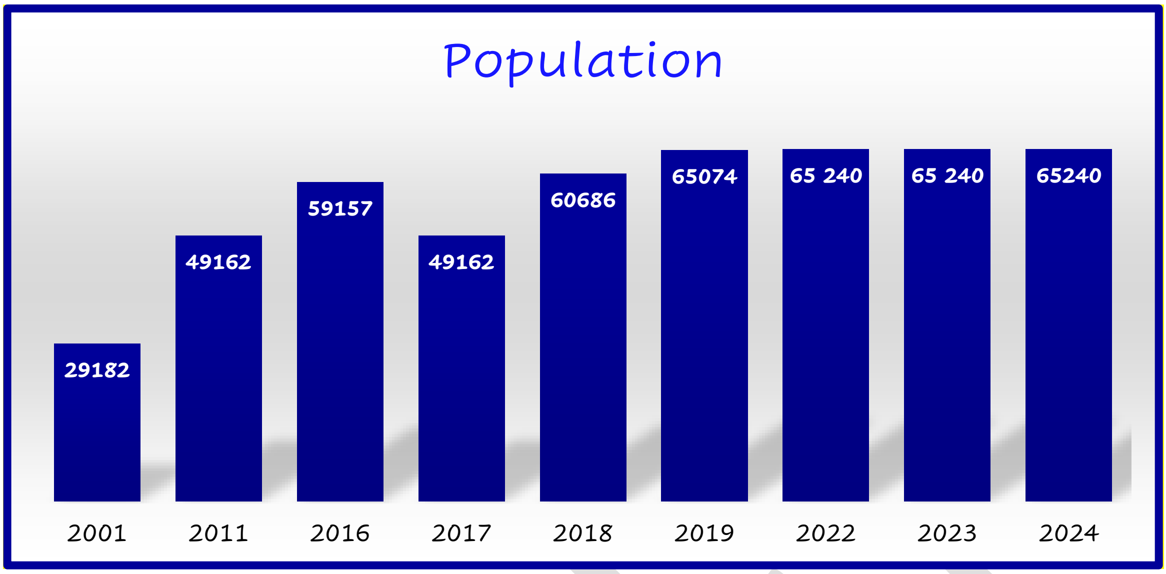


Table 2: Total Population

b) Population Profile

Population Age	2011			Population – Age	*2022			2024		
	Male	Female	Total		Male	Female	Total	Male	Female	Total
0 – 9	2 394	2 247	4 641	**0 – 4**			5 189			5 189
10 – 29	1 806	1 897	3 703	**5 – 14**			9 487			9 487
30 – 54	2 394	2 207	4 601	**15 – 34**	31 651	33 589	21 071	31 651	33 589	21 071
55 – 59	850	914	1 763	**35 – 59**			21 503			21 503
60 – 64	678	745	1 423	**60+**			7 990			7 990
Total	**24 468**	**24 694**	**49 162**	**Total**	**31 651**	**33 589**	**65 240**	**31 651**	**33 589**	**65 240**
**As per 2022 Stats SA figures*										

Table 3: Population Profile

c) Population by Race Categories

Population – Racial	2011	2018	2019	2023	2024
African	25 262	33 687	32 496	34 305	34 305
Coloured	15 344	17 669	18 616	18 801	18 801
Indian	249	0	Not Available	201	201
White	8 307	8 976	8 045	10 757	10 757
Asian	0	355	Not Available	1 176	1 176
Source: StatsSA					

Table 4: Race Categories

1.3.4 Households

The total number of estimated households within the municipal area for 2023/24:

Households	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Number of households in municipal area	26 888	28 232	*21 914	21 914	21 195	*21 848	*21 848
Number of registered indigent households in municipal area	4 381	1 891	**2 357	3 930	3 404	**4 132	5 080
***Population Estimate: Community Survey 2016** ****Actual Indigents as per Bitou Indigent Register**							

Table 5: Total Number of Households

1.4.3 Demographic Information

a) Municipal Geographical Information

Complex past, rich present

Leaving their mark on the region have been an intriguing mix of Middle Stone Age man, indigenous Khoi people, ostrich feather barons, woodcutters, farmers, gold-diggers, merchants, sailors, craftsmen, ordinary folk and even intrepid explorers such as Portugal's Bartholomew Diaz who landed at Mossel Bay in 1488, as well as a modern-day diverse mix of tycoons and artists.

Stone Age

Plettenberg Bay's Nelsons Bay and Matjes River Caves were inhabited by Middle Stone Age man for more than 100 000 years, with the Khoisan leaving a legacy of tools and ornaments. Deposits of their tools, ornaments and food debris can be viewed in these caves, which are still being excavated. One can also observe the geological changes over millions of years which affected prehistoric life. Stilbaai, at the coast, boasts shell middens which date back 3 000 years, not to mention an abundance of fish traps. The presence of Blombos Cave, where it is believed that man first thought abstractly, is a further feather in the Garden Route and Klein Karoo's history books.

Explorers

Long before Van Riebeeck landed at the Cape, Portuguese explorers of the 15th and 16th centuries called in and charted the bay, the first being Bartholomew Dias in 1487. Ninety years later Manuel da Perestrello aptly called it Bahia Formosa or the Bay Beautiful. The first white inhabitants were the 100 men stranded here for nine months when the San Gonzales sank in 1630. In 1763 the first white settlers in the Bay were stock farmers, hunters and frontiersmen from the Western Cape.

Griqua beginnings

Infamous historical figures include the leader of the Griquas, Andrew Abraham Stockenström le Fleur, who by his people, was looked upon as a new Messiah. The name of Le Fleur is intimately associated with the history of the Griqua people in this area and his grave can be seen in the village of Kranshoek on the Robberg/Airport Road.

The village of Harkerville was named for Robert Charles Harker, who, as a government resident, controlled the affairs of Plettenberg Bay for 21 years. The family graves are one of the highlights on the Plettenberg Bay town day walk.

Plettenberg Bay itself is an intriguing mix of cultures. A woodcutter's post was established in 1787 and Johann Jacob Jerling, an early inhabitant, was commissioned by the Dutch East India Co. to build a storehouse for house timber which was to be exported.

The Swede, Carl Peter Thunberg, was the first to document valuable observations on the bay and Robberg and the Governor of the Cape (11 August 1771 to 14 February 1785), Baron Joachim van Plettenberg, renamed the town Plettenberg Bay in 1779. In 1910 a Captain Sinclair set up the whaling station on Beacon Island to harvest the placid Southern Right whales but this ceased operation in 1916. The first hotel was erected by Hugh Owen Grant in 1940 and replaced in 1972 by the current well-known landmark on Beacon Island.

Today this modern town is comparable with Monaco, an exquisite emerald on shores of the azure-blue Indian Ocean; it basks between enchanting old villages. With over 300 days of sunshine a year and temperate climate, it celebrates with passion culture, spectacular nature offers, delicious cuisine, restoration of mind and body, high-adrenaline activities and land and water sports.

History's roads

But let's continue our journey in the 1800's when the growing timber trade led to Thomas Bain building Prince Alfred Pass (1868) and the 90km forest road through the Tsitsikamma to Humansdorp. Three major passes had to be constructed: Groot Rivier, Blauwkrantz and Storms River. The Great Fire of the 1868 claimed to have made Thomas Bain's task of building the coastal road considerably easier. Bain started construction of the Groot River Pass in 1880, completing the work in 1883 with present road differing little from Bain's original.

Nature's Valley

Moving along the road towards modern day Nature's Valley the first owner, Hendrik Barnardo, was employed at the convict station at Bloukrans established by Thomas Bain when building the road through the Tsitsikamma.

Barnardo claimed that the Groot Rivier farm had been granted to his grandfather by Lord Charles Somerset for whom he had acted as beater during hunts in the region. However, according to the Deeds records, a Barnardo had acquired it as an immigrant allotment. Barnardo held only the grazing rights to Nature's Valley until 1914 when the farm, roughly the extent of the present township, was granted to him. In 1918 Dr. Wilhelm Von Bonde persuaded Barnardo to allow him to build a shack on the lagoon near the mouth. This marked the beginning of development of Nature's valley. Today this quaint village is still slumbering in time's gone past and offers a tranquil retreat from modern day demands.

b) Wards

The Municipality is currently structured into the following 7 Wards:

Ward	Areas
1	Covie, Natures Valley, Kurland, Crags and Keurbooms
2	Plettenberg Bay South and Plettenberg Bay North and Bossiesgif
3	Qolweni and a portion Pine Trees
4	New Horizon and a portion of Pine Trees
5	Phase 1 and Phase 2 Kwanokuthula
6	Phase 3 and 4 Kwanokuthula
7	Kranshoek, Harkerville, Green Valley, Wittedrift and uplands

Table 6: Municipal Wards

The following table indicates the urban, peri-urban and rural areas situated within the boundaries of the municipality:

Urban areas	Peri-urban areas	Rural areas
Plettenberg Bay New Horizons Kwanokuthula Bossiesgif / Qolweni	Keurbooms Kranshoek Nature's Valley The Crags / Kurland Wittedrift / Green Valley	Uplands Covie Harkerville Fisantehoek Redford Road

Table 7: Municipal Areas

The municipal area contains a variety of landscape types containing many areas of special beauty and historical significance that can be divided into the following landscape character types:

- Mountains and mountain valleys
- Foothills
- Plateau
- Incised river valleys
- Sheltered lowland
- Lowland valleys and wetlands
- Estuaries
- Beach shorelines and dunes
- Rocky shores and headlands
- Seascape
- Indigenous forest
- Plantation

c) Key Economic Activities

Tourism is seen as the cornerstone of the Bitou economy. Construction and manufacturing should also be categorized as primary contributors to creation and economic growth. It is important to view these three sectors as potential drivers of the economy without disregarding the complex manner in which it interacts with all the other sectors not mentioned here, such as agriculture, transport and the emerging markets for eco-efficient technologies focused on water, energy and waste.

The Municipality is dependent upon the following economic activities:

Key Economic Activities	Description - LED
Tourism	Bitou is a popular tourist destination. It has also become a sought-after residential location for retired persons and foreigners. This has certainly been the main contributing factor to the growth that it has experienced over the recent past. Ironically, however, this is also the reason for constraining growth. The current flow of tourists is an important source of income for the Bitou residents. Tourism development is geared towards benefiting an ever-increasing number of Bitou's population.
Manufacturing	In Bitou, this sector employs approximately 8% of all labour. Interviews with key companies in the manufacturing sector confirmed that there was great optimism about the prospects for future growth in the Bitou economy.
Trade and Construction	The trade and construction sectors of the economy are major contributors to employment and income generation in the area. As a percentage of total employment, construction and trade generate approximately 33% of total employment although this is down from 36,9% in 1996. Approximately 15% of this is generated by construction.
Emerging Tourism Development Routes and Products	This initiative will drive the SMME development initiatives of entrepreneurs who want to partake in the potential of the tourism sector. This should be viewed as a secondary contributor and is aimed at addressing the backlogs of employment and self-employment in the local townships.

Table 8: Key Economic Activities

1.4 SERVICE DELIVERY OVERVIEW

1.4.1 Basic Services Delivery Performance Highlights

The table below specifies the highlights for the year:

Highlights	Description
Completion of Phase 1 of the Upgrade of the Kurland Water Treatment works	Phase 1 only entailed the civil portion (reinforced concrete works) as well as commissioning of two boreholes.
Pipe replacement programme	• 1105-meter section of bulk waterline from turnoff to Kranshoek towards town along the Airport Road was replaced

Highlights	Description
	• 1105m of 125mm AC pipe were replaced with 160mm diameter Upvc pipe
Installation of float shut-off valves on inlet pipes at 4 off Reservoirs to prevent reservoir from overflowing	Float valves installed at Archiewood-, Goose Valley-, Matjiesfontein- and Wittedrift reservoirs
Upgrade of the Clearwater pumpstation Plettenberg Bay waterworks	Completed, commissioning phase in progress
Quarterly E-Waste Roadshow	Collection of all Electronic waste from a central collection point
Purchasing of wheelie bins	All households from the previous disadvantage areas that didn't receive wheelie bins before, received Wheelie bins
Purchasing of 3 new Compactor trucks and 1 Hook Lift truck	The Purchasing of Compactor Trucks and a Hook lift Truck will enhance service delivery in Waste Management
Mechanical and electrical upgrade of various sewer pump stations	Mechanical and electrical upgrades were undertaken at Heideland, Wittedrift Kurland and Kwanokuthula to ensure sound operation of these pumpstations
Security measures at Wastewater Treatment Works	2130 meters of security fencing was installed at Gansevallei Wastewater Treatment Works during 2023/24
Completion of Phase 1 of the upgrade of the Kurland Water Treatment Works	Phase 1 only entailed the civil portion (reinforced concrete works) as well as commissioning of two boreholes

Table 9: Basic Services Delivery Highlights

1.4.2 Basic Services Delivery Challenges

The table below specifies the challenges for the year:

Description	Actions to address
Water scarcity, additional water resources for future development and growth	Implementation of Water Conservation and Demand Management initiatives, together with the investigation and explorations of groundwater sources
Filling Funded Vacant post- shortages of Human Resources	Fast Track the Advertising and follow Selection and Recruitment process to fill budgeted vacant positions
Breakdown of Hook-lift trucks during high season creating gross stockpiling of solid waste at the Waste Transfer Station	Thorough pre-season vehicle inspection, testing and repairs
Gross stockpiling of Bulky Waste Materials	Sufficient budget required for the removal and disposal of bulky waste materials at the regional landfill site
Ongoing vandalism of sewer infrastructure especially cable theft.	Installation of security fencing and security cameras at various sites
Sewer Blockages	Removal of foreign and larges debris purposely thrown into sewer manholes

Table 10: Basic Service Delivery Challenges

1.4.3 Number of Households with Access to Basic Services (Billed)

Description	2022/23	2023/24
Electricity service connections	14 669	15 140
Water - available within 200 m from dwelling	15 425	16 605
Sanitation - Households with at least VIP service	14 872	14 913
Waste collection - kerbside collection once a week	14 841	15 147

Table 11: Households with Minimum Level of Basic Services

1.5 FINANCIAL HEALTH OVERVIEW

1.5.1 Financial Viability Highlights

The municipality had reported an operating surplus of R 85 865 193 in the 2023/2024 financial year, an improvement from the surplus of R 78 748 669 recorded in the previous financial year.

Highlights	Description
Revenue enhancement program implemented	The revenue enhancement program is progressing well and additional revenue in excess of R4 million was found, the results from the further corrections will continue to add additional revenue streams in the next few financial years ensuring reliable billing and maximising revenue sources without further burdening current customers
Debt collection ratio improvement	The debt collection percentage has increased to over 96% for the 2023/24 financial year, this is the highest in 7

Highlights	Description
	years and indicative of the credit control strategy bearing fruit, effort is underway to ensure the continued success with this endeavour
Improved financial performance	The financial ratios show improvement from previous years, with cash and cash equivalents, the current ratio as well as liquidity ratio reflecting the best results in many years

Table 12: Financial Viability Highlights

1.5.2 Financial Viability Challenges

The table below specifies the challenges for the year:

Challenges	Action to address
Appropriately qualified staff remain difficult to attract	Various staff recruitment campaigns were engaged with the fill the vacancies in the finance department, yet positions remain vacant, a program of empowerment and training is underway to address the issue with succession planning high on the agenda, the difficulty in filling of critical vacancies in the finance department continues to hamper operational efficiencies
Instability in political environment and management continuity	The municipal council was destabilised in February 2024 which caused significant breakdown in management continuity and operational efficiencies and control. It is of essence that continuity is maintained, and momentum is gathered to enhance financial management and control processes
Appropriately qualified staff remain difficult to attract	Various staff recruitment campaigns were engaged with the fill the vacancies in the finance department, yet positions remain vacant, a program of empowerment and training is underway to address the issue with succession planning high on the agenda, the difficulty in filling of critical vacancies in the finance department continues to hamper operational efficiencies.

Table 13: Financial Viability Challenges

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

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance

Management Regulations of 2001 and Section 43 of the Municipal Systems Act (MSA). These key performance indicators are linked to the National Key Performance Area namely Municipal Financial Viability and Management.

Description	Basis of calculation	2022/23	2023/24
Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2024 (Overdraft + Current Finance Lease Obligation + Noncurrent Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	% of debt coverage as at 30 June 2024	14.92%	**17.18%**
Financial viability measured in terms of the outstanding service debtors as at 30 June 2024 ((Total outstanding service debtors/ revenue received for services) X100)	% of outstanding service debtors as at 30 June 2024	9.37%	**9.85%**
Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2024 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)) as per Circular 71	Number of months it takes to cover fix operating expenditure with available cash	1.57	**2.49**

Table 14: National KPI's for Financial Viability and Management

1.5.4 Financial Overview

Details	Original budget	Adjustment Budget	Actual
	R'000		
Income			
Grants	38 498	60 394	51 664
Taxes, Levies and tariffs	464 234	429 307	431 020
Other	435 791	478 333	476 862
Sub Total	**938 523**	**968 034**	**959 546**
Less Expenditure	900 274	906 207	874 170
Net surplus/(deficit)	**38 249**	**61 827**	**85 376**

Table 15: Financial Overview

1.5.5 Total Capital Expenditure

Detail	2022/23	2023/24
Original Budget	98 300 025	109 432 104
Adjustment Budget	101 970 926	128 792 692
Actual	84 807 152	104 311 273
% Spent	**83%**	**81%**

Table 16: Total Capital Expenditure

CHAPTER 2: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

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

2.1 NATIONAL KEY PERFORMANCE INDICATORS -GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The following table indicates the municipality's performance in terms of the National Key Performance Indicators (KPIs) required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and Section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2022/23	2023/24
The percentage of the municipal capital budget actually spent on capital projects as at 30 June 2024 {(Actual amount spent on capital projects /Total amount budgeted for capital projects) X100	83%	**81%**

Table 17: National KPIs - Good Governance and Public Participation Performance

2.2 PERFORMANCE HIGHLIGHTS – GOOD GOVERNANCE HIGHLIGHTS AND PUBLIC PARTICIPATION

The table below specifies the highlights for the year:

Highlight	Description
Unqualified with findings audit outcomes from the Auditor General	Auditor General found no material irregularities when conducting the audit of the affairs of the institution
Fraud and Corruption Reporting Mechanisms in place	The Municipality has established reporting mechanisms in order to enhance clean governance

Highlight	Description
Fully Functional Audit and Risk Committees	These Committees are crucial to Clean Governance in the Institution and having them set up, meeting regularly, and reporting on activities bodes well
Fully Functional Ward Committees and Ward Report Back meetings are held as per agreed timeframes	The Ward Committee system is important in supporting the municipality to ensure community involvement as per Chapter 6 of the MFMA
Reduction of Irregular and Unauthorized expenditure	Irregular and Unauthorized Expenditure was reduced from R15 423 898 in the 2022/23 financial year to R6 627 216 in the 2023/24 financial year

Table 18: Good Governance and Public Participation Performance Highlights

2.3 CHALLENGES – GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The table below specifies the challenges for the year:

Description	Actions to address
Political Changes and its impact on the administration	Strong Controls and strict adherence to policies, procedures, and approved plans
Vacancies on the Ward Committees	Holding block meetings to fill these in almost immediately when it emerges – Normally within 30 days when a vacancy occur
Poor attendance at some Public Meetings	• Alternative methods of community involvement will need to be implemented e.g. streaming of meetings, video recordings, and intensified social media communication • More Ward Committee based meetings will be facilitated

Table 19: Good Governance and Public Participation Challenges

2.4 GOVERNANCE STRUCTURE

2.4.1 Political Governance Structure

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

a) Council

The Bitou Municipal Council comprised of 13 councillors, including 7 ward councillors and 6 proportional representative councillors. The Municipality has an Executive Mayoral Committee system and the Executive Mayoral Committee was made up of councillors drawn from the ruling coalition parties.

Below are the table that categorise the councillors within their specific political parties and wards for the period 1 July 2023 up to the end of the year under review, 30 June 2024.

Name of Councillor	Capacity	Political Party	Ward representing or proportional (PR)	Gender
D J Swart	• Executive Mayor - till 1st February 2024 • Ordinary Councillor as from 2nd February 2024	DA	Ward 2	Male
M P Busakwe	• Deputy Executive Mayor till 01 February 2024 • Ordinary Councillor as from 2nd February 2024	AUF	PR	Female
C N J Terblanche	• Speaker till 01 February 2024 • Executive Mayor as from 02 February 2024	PDC	Ward 4	Male
J N Kamkam	• Member of Mayoral Committee till 01 February 2024 • Ordinary Councillor as from 02 February 2024	DA	Ward 1	Female
W J Nel	• Member of Mayoral Committee till 01 February 2024 • Ordinary Councillor as from 02 February 2024	DA	PR	Male
A R Olivier	• Whip of Council till 01 February 2024 • Ordinary Councillor as from 02 February 2024	DA	Ward 7	Female
S E Gcabayi	• Ordinary Councillor until 01 February 2024	ANC	PR Councillor	Male

Name of Councillor	Capacity	Political Party	Ward representing or proportional (PR)	Gender
	• Speaker as from 02 February 2024			
S A Mangxaba	• Ordinary Councillor till 01 February 2024 • Whip of Council as from 02 February 2024	ANC	Ward 5	Male
T Mhlana	• Ordinary Councillor till 1 February 2024 • Member of Mayoral Committee as of 02 February 2024	ANC	Ward 3	Male
N T Seti	• Ordinary Councillor till 1 February 2024 • Chairperson of MPAC as from 02 February 2024	ANC	Ward 6	Female
N P Kolwapi	• Ordinary Councillor till 1 February 2024 • Deputy Executive Mayor as from 2nd February 2024.	IPM	PR Councillor	Female
H Mitchell	• Ordinary Councillor till 1 February 2024 • Member of Mayoral Committee as from 02 February 2024	PA	PR Councillor	Male

Table 20: Council 01 July 2023 till 30 June 2024

Below is a table which indicates the Council meeting attendance for the 2023/24 financial year:

Month	Ordinary Council Meeting Dates	Special Council Meeting Dates	In Committee Meeting Dates	Council Meeting Attendance	Apologies for non-attendance
July 2023	31 July 2023	31 July 2023	31 July 2023	11	2
August 2023	n/a	7 August 2023	7 August 2023	10	3

Month	Ordinary Council Meeting Dates	Special Council Meeting Dates	In Committee Meeting Dates	Council Meeting Attendance	Apologies for non-attendance
	n/a	25 August 2023	25 August 2023	13	n/a
September 2023	No council meeting				
October 2023	31 October 2023	n/a	31 October 2023	12	1
December 2023	n/a	11 December 2023	11 December 2023	13	0
January 2024	25 January 2024	n/a	25 January 2024	12	1
February 2024	n/a	2 February 2024	n/a	13	0
	n/a	7 February 2024	n/a	13	0
	n/a	n/a	12 February 2024	13	0
	n/a	n/a	21 February 2024	13	0
	n/a	28 February 2024	28 February 2024	13	0
March 2024	n/a	7 March 2024	n/a	13	0
		28 March 2024	28 March 2024	13	0
April 2024	n/a	5 April 2024	n/a	13	0
	n/a	12 April 2024	12 April 2024	13	0
	30 April 2024	n/a	30 April 2024	13	0
May 2024	n/a	7 May 2024	n/a	13	0
	n/a	24 May 2024	24 May 2024	12	1
June 2024	n/a	28 June 2024	28 June 2024	13	0

Table 21: Council Meetings

b) Executive Mayoral Committee

The Executive Mayor of the Municipality, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him/her to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The names of the members of the Mayoral Committee are listed in the table below for the periods as indicated:

Executive Mayoral Committee 01 July 2023 till 01 February 2024

Name of member	Capacity
D J Swart	Executive Mayor (Chairperson)
M P Busakwe	Deputy Executive Mayor / Member of Mayoral Committee
J N Kamkam	Member of Mayoral Committee
W J Nel	Member of Mayoral Committee

Table 22: Executive Mayoral Committee 01 July 2022 till 01 February 2024

Executive Mayoral Committee 02 February 2024 till 30 June 2024

Name of member	Capacity
C N-J Terblanche	Executive Mayor (Chairperson)
N P Kolwapi	Deputy Executive Mayor / Member of Mayoral Committee
T Mhlana	Member of Mayoral Committee
H Mitchell	Member of Mayoral Committee

Table 23: Executive Mayoral Committee 02 February 2022 till 30 June 2024

The table below indicates the dates of the Mayoral Committee meetings and the number of reports submitted to Council for the 2023/24 financial year:

Meeting date	Date of Portfolio Committee Meetings	Number of reports submitted to Council
24 July 2023	No Portfolio Committee Meetings Council was in recess	16
25 August 2023	21 August 2023	4
	22 August 2023	

Meeting date	Date of Portfolio Committee Meetings	Number of reports submitted to Council
September 2023 *(meeting postponed to 4th October 2023)*	21 September 2023	0
4 October 2023 and 20 October 2023	16 October 2023 17 October 2023	26
30 November 2023	23 November 2023 24 November 2023	19
24 January 2024	16 January 2024 18 January 2024	22
21 February 2024 and 29 February 2024	13 February 2024 16 February 2024	8
20 March 2024	11 March 2024 18 March 2024	8
23 April 2024	No meeting	16
23 May 2024	No meeting	17
27 June 2024	19 June 2024 20 June 2024	10

Table 24: Executive Mayoral Committee Meetings

The table below reflects the number of reports dealt with under delegated authority by the Portfolio Committees, Mayco and Council, and provides a breakdown of reports per Directorate:

Month	Delegation	Office of MM	Finance	Corporate Services	Community Services	Engineering Services	Economic Development & Planning	Total per delegated authority
July 2023	Portfolio	0	0	0	0	0	0	0
	Mayco	0	3	0	1	0	0	4
	Council	0	8	2	3	3	4	20

Month	Delegation	Office of MM	Finance	Corporate Services	Community Services	Engineering Services	Economic Development & Planning	Total per delegated authority
August 2023	Portfolio	0	1	3	13	11	4	32
	Mayco	0	3	0	0	0	0	3
	Council	6	3	0	0	0	0	9
September 2023	Portfolio	0	1	4	0	0	0	5
	Mayco	0	0	0	0	0	0	0
	Council	0	0	0	0	0	0	0
October 2023	Portfolio	0	1	7	17	7	5	37
	Mayco	0	4	1	1	0	0	6
	Council	11	8	6	4	2	1	32
November 2023	Portfolio	2	2	6	11	4	1	26
	Mayco	0	1	0	0	0	0	1
	Council	0	0	0	0	0	0	0
December 2023	Portfolio	0	0	0	0	0	0	0
	Mayco	0	0	0	0	0	0	0
	Council	8	3	1	0	4	2	18
January 2024	Portfolio	0	2	3	8	3	3	19
	Mayco	0	2	0	0	0	0	2
	Council	7	8	8	1	10	2	36
February 2024	Portfolio	1	1	4	6	2	0	14
	Mayco	0	3	0	0	0	1	4
	Council	10	3	7	0	3	0	23
March 2024	Portfolio	0	1	5	7	4	0	17
	Mayco	0	2	0	0	0	0	2
	Council	12	2	6	5	2	2	29
April 2024	Portfolio	0	0	0	0	0	0	0
	Mayco	0	2	0	0	0	0	2

Month	Delegation	Office of MM	Finance	Corporate Services	Community Services	Engineering Services	Economic Development & Planning	Total per delegated authority
	Council	4	6	4	4	5	2	25
May 2024	Portfolio	0	0	0	0	0	0	0
	Mayco	0	2	0	0	0	0	2
	Council	8	4	6	1	3	5	27
June 2024	Portfolio	0	3	14	16	12	6	51
	Mayco	0	2	0	0	0	0	2
	Council	4	1	2	1	1	4	13
TOTAL		**73**	**82**	**89**	**99**	**76**	**42**	**461**

Table 25: Number of reports per Directorate dealt with under the delegated authority per committee.

c) Portfolio Committees

The following Section 80 Committees were established by Council per resolution C/3/22/12/21 on 15 December 2021:

(i) Finance and Corporate Services

(ii) Engineering Services and Community Services

(iii) Strategic Services and Office of the Municipal Manager

The following Councillors were appointed to the various committees, in the capacities and representing the parties as indicated:

Finance and Corporate Services Portfolio Committee

Name	Capacity	Political Party
J N Kamkam	Chairperson	Democratic Alliance
S A Mangxaba	Member	African National Congress
H Mitchell	Member	Patriotic Alliance
A R Olivier	Member	Democratic Alliance

Table 26: Finance and Corporate Portfolio Committee members (period 1 July 2023 to 1 February 2024)

Finance and Corporate Services Portfolio Committee

Name	Capacity	Political Party
H Mitchell	Chairperson	Patriotic Alliance
S A Mangxaba	Member	African National Congress
M P Busakwe	Member	Active United Front
W J Nel	Member	Democratic Alliance

Table 27: Finance and Corporate Portfolio Committee members (period 2 Februarie 2024 to 30 June 2024)

Engineering and Community Portfolio Committee

Name	Capacity	Political Party
H Mitchell	Chairperson	Patriotic Alliance
S A Mangxaba	Member	African National Congress
M P Busakwe	Member	Active United Front
W J Nel	Member	Democratic Alliance

Table 28: Engineering and Community Services Portfolio Committee members (1 July 2023 to 1 February 2024)

Engineering and Community Portfolio Committee

Name	Capacity	Political Party
T Mhlana	Chairperson	African National Congress
A R Olivier	Member	Democratic Alliance
D J Swart	Member	Democratic Alliance
S A Mangxaba	Member	African National Congress

Table 29: Engineering and Community Services Portfolio Committee members (2 February 2024 to 30 June 2024)

Strategic Services and Office of the Municipal Manager

Name	Capacity	Political Party
W J Nel	Chairperson	Democratic Alliance
N T Seti	Member	African National Congress
A R Olivier	Member	Democratic Alliance
S E Gcabayi	Member	African National Congress

Table 30: Strategic Services and Office of the Municipal Manager Portfolio Committee (1 July 2023 to 1 February 2024)

Strategic Services and Office of the Municipal Manager

Name	Capacity	Political Party
W J Nel	Chairperson	Democratic Alliance
N P Kolwapi	Chairperson	Ikhwezi Political Movement
A R Olivier	Member	Democratic Alliance

Name	Capacity	Political Party
S A Mangxaba	Member	African National Congress

Table 31: Strategic Services and Office of the Municipal Manager Portfolio Committee (2 February 2024 to 30 June 2024)

2.4.2 Administrative Governance Structure

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

Name of Official	Position	Period	Performance agreement signed (Yes/No)
Mbulelo Memani	Municipal Manager	01 July 2023 – 30 June 2024	Yes
Felix Lötter	Director Financial Services	01 December 2023 – 31 May 2024	Yes
Melony Paulsen	Director Community Services	01 July 2023 – 30 June 2024	Yes
Victor Felton	Director Engineering Services	01 July 2023 – 30 June 2024	Yes
Alan Croutz	Acting Director Corporate Services	01 July 2023 – 31 August 2023	No
Tanya Wildeman	Acting Director Corporate Services	01 September 2023 – 31 January 2024	No
	Acting Director Planning and Development	01 June 2024 – 30 June 2024	No
Andile Namntu	Acting Director Corporate Service	07 February 2024 – 08 June 2024	No
Luvuyo Loliwe	Acting Director Corporate Services	10 June 2024 – 30 June 2024	No

Table 32: Administrative Governance

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.5 INTERGOVERMENTAL RELATIONS

2.5.1 Intergovernmental Structures

To adhere to the principles of the Constitution the municipality participates in the following intergovernmental structures:

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
GRDM ICT Forum	Gavin Gresse	Dealing with all aspects relating to ICT and includes,

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
		Cybersecurity Web Site Development
Western Cape Technical Communications Forum	Andile Namntu	• Corporate Branding and Identity • Communications Policies and Strategies • Indoor and Outdoor signage • Standard Operating Procedures for Communications • Council Event Management • Establishment of Local Communications Forums • Social Media and Graphic Designing Matters • Communications Budgeting and Resources
GRDM Communications Technical Forum	Andile Namntu, Naziziphiwo Buso	• Corporate Branding and Identity • Communications Policies and Strategies • Indoor and Outdoor signage • Standard Operating Procedures for Communications • Council Event Management • Establishment of Local Communications Forums • Social Media and Graphic Designing Matters • Communications Budgeting and Resources
Western Cape Public Participation Forum	Andile Namntu, Nombulelo Sylvia Mtshamba	• General Amendments Bills • Role of Ward Committees and How to manage these effectively • Role of the Speaker • Councillors Code of Conduct in relations to Ward Report Back meetings • How to improve Public Participation • Public Participation Policy • Ward Committee Policy
GRDM IDP FORUM	Thembinkosi Henge	Deals with all matters pertaining to IDP including;

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
		• Challenges faced • How to improve community involvement • IDP and Budget Alignment
Western Cape IDP Forum	Thembinkosi Henge	Deals with all matters pertaining to IDP including; • Challenges faced • How to improve community involvement • IDP and Budget Alignment
Joint District and Municipality Interface (JDM)	Thembinkosi Henge Andile Namntu Mpakamisi Mbali	Creating a Platform for joint interface between the GRDM and B Municipalities to enforce better service delivery in rural areas such as Covie and etc
Garden Route CRO Forum -chaired by GRDM CRO	CRO's of all the district's municipalities - Carol Van Staden	Various Risk Management (RM) related processes and issues in line with WCG and NT RM objectives and guidelines, as well as transversal risks within the district
Western Cape Government Provincial CRO Forum – chaired by WCG official	CRO's of all WC municipalities -Carol Van Staden	Various Risk Management (RM) related processes and issues in line with WCG and NT RM objectives and guidelines, as well as transversal risks within the district
SALGA Working Group	All Councillors	Various matters related to local government including; • Municipal Capability and Institutional Resilience • Community Development and Security Health • Governance and Intergovernmental Relations • Economic Development and Job Creation • Development Planning and Rural Development • Electricity and Energy, and Public Works • Water and Sanitation • Councillor H Mitchell • Human Settlements and Urban Agenda • Public Transport and Roads

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
		• Environmental Management and Climate Resilience • Emergency Services and Disaster Management • Municipal Finance and Fiscal Policy • Municipal Digital Solutions
GRDM Community Safety Forum	Chief Siyasanga Vandala	Deal with all matters related to Community Safety where B Municipalities engages with the District on local crime and safety issues
Premiers Coordinating Forum	Municipal Manager Executive Mayor	Platform created by the Premier to engage with Municipal Manager and Executive Mayors across the province to engage on matters of mutual interest
Water Services Infrastructure Development and Maintenance Programmes Department of Water & Sanitation Western Cape	Marinus Meiring Edward Oosthuizen	Water Services Infrastructure Grant (WSIG) : Projects and Expenditure
Municipal Infrastructure Department of Local Government Western Cape Government	Marinus Meiring	Municipal Infrastructure Grant (MIG); Projects and Expenditure

Table 33: Intergovernmental Structures

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

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

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system; and

- monitoring and review of the performance, including the outcomes and impact of such performance; and preparation of the municipal budget.

2.6 2023/24 IDP and Budget Process

The table below provides details of the key deadlines for the 2023/24 IDP/Budget process, that was conducted within the 2022/23 financial year, as was approved by Council:

PHASE	ACTIVITIES	DURATION		RESPONSIBILTY AGENT					LEGISLATION FRAMEWORK	POE NOTES
		START	FINISH	IDP	BUDGET	PMS	MM	EM		
PREPARATION	Preparation of the IDP, Budget Time Schedule			x	x				Sections 21, 53, MFMA	Draft time schedule
	District Framework Alignment Meeting	July 23	Aug 23	x					Section 27, MSA	District Framework
	Steering Committee Meeting to Review the previous year IDP process.	July 23	Aug 23	x					Best Practice	Minutes and attendance registers
	Review participation mechanisms and processes	July 23	Aug 23	x						Process report presented to the steering committee
	Receive comments from the MEC	July 23	Aug 23	x				x	Section 32 MFMA	MEC report presented to the Steering committee
	Review past performance	Aug 22	Sep 22	x		x			Section 34, 46 MSA	PMS presentation and discussion by steering committee
	Set-up budget committees	Oct23	Oct 23	x	x					Resolution and acceptance letters
	Submission of the annual Report	March 23	March 23				x			Confirmation of receipt by the AG's office

PHASE	ACTIVITIES	DURATION		RESPONSIBILTY AGENT					LEGISLATION FRAMEWORK	POE NOTES
		START	FINISH	IDP	BUDGET	PMS	MM	EM		
	Rollover of unspent funds	Aug 23	Aug 23	x	x				MFMA Sec 28 (2) (e)	Council Resolution
	MMF and DCF Meeting	Aug 23	Aug 23							
SITUATION ANALYSIS	Extended Sterring Committee Meeting	Sep 23	Sept 23	x	x					GRDM Programme
	IDP Indaba 1	Sep 23	Sep 23	X	X					JPI requirement
	Public Participation (Ward Committee Meetings)	Sep 23	Oct 23	x						
	Analysis of socio-economic data	Set 23	Oct 23	x						Analysis Report
	JDMA Cluster Steering Committee Meetings	Aug 23	Dec 23	X				X	District Management Model	Best Practice
	Analysis of service provision									Service Gaps Report
	Analysis of municipal infrastructure services (Water, Roads, Electricity, Sewer, Wastewater treatment, Housing Demand, Financial Services (revenue and expenditure) and Institutional Capacity etc)	Sep 23	Oct 23							Departments to submit analysis reports to the IDP office for consideration

PHASE	ACTIVITIES	DURATION		RESPONSIBILTY AGENT					LEGISLATION FRAMEWORK	POE NOTES
		START	FINISH	IDP	BUDGET	PMS	MM	EM		
	Comparison study of existing Data Sets	Sep 23	Sep 23							
	Review of Municipal Sector Plans	Sep 23	Oct 23							Report of status of Sector Plans
STRATEGY	Procure strategic session facilitation services	Sep 23	Nov 23				x			Appointment certificate
	Strategic planning workshop	Nov 23	Dec 23				x			Revised strategic objectives, indicators and targets
	Strategic priorities and budget recommendations	Nov 23	Dec 23		x					Strategic outcomes and reports
	Get feedback on progress on current priority catalytic projects	Nov 23	Dec 23							
	MMF and DCF Meeting	Nov 23	Nov 23				X			GRDM Programme
	District IDP Managers Forum	Nov 23	Nov 23							GRDM Programme
	IDP, Budget and PMS Representative Forum	Nov 23	Nov 23	X					Municipal Performance Regulation Sec 15	GRDM Programme
	Provincial IDP Managers Forum	Dec 23	Dec 23	X						Provincial Forum
PROJECTS	Design project template	Oct 23	Oct 23							Template
	Distribute community priorities to departments	Nov 23	Nov 23	x						Template
	Appointment of departmental	Nov 23	Dec 23		x					List with names

PHASE	ACTIVITIES	DURATION		RESPONSIBILTY AGENT					LEGISLATION FRAMEWORK	POE NOTES
		START	FINISH	IDP	BUDGET	PMS	MM	EM		
	mSCOA champions									
	Identification of Priority Projects	Jan 24	Feb 24	x	X				Sec 127 MFMA	Draft capex and opex budgets
	MMF and DCF Meeting	Feb 24	Feb 24				x		Section 127 MFMA	GRDM Programme
	Loading of projects to mSCOA portal	Jan 24	Jan 24	X	x					mSCOA report
INTEGRATION	Time Engagement	Feb 24	Feb 24							JPI Report and Attendance Register
	IDP Indaba 2	Mar 24	Mar 24	x						JPI Report and Attendance Register
	Receive summaries of Sector Plans from departments	Jan 24	April 24	x					Best Practice	Sector Plans Section in the IDP
	Integrate the District JPI, PGDP and NDP	Jan 24	Feb 24							
	Add CAPEX and OPEX MTREF Budgets to the IDP	Dec 23	Dec 23	x	X				Best Practice	Budget Section in the IDP
	District IDP Managers Forum	Feb 24	Feb 24							GRDM Programme
APPROVALS	Preliminary Meeting to discuss IDP and Budget Time Schedule	Jul 23	Aug 23	X	X		X			
	Portfolio Committee to discuss IDP/Budget Time Schedule	Aug 23	Aug 23	X	X					
	MAYCO to recommends IDP/Budget time schedule to Council	Aug 23	Aug 23	x	x			X		Resolution and Minutes
	Council Approves the IDP/ Budget Time Schedule	Aug 23	Aug 23	x	x			X	Section 34 MSA, Section 21, 22 & 24 MFMA	Council Resolution and Minutes

PHASE	ACTIVITIES	DURATION		RESPONSIBILTY AGENT					LEGISLATION FRAMEWORK	POE NOTES
		START	FINISH	IDP	BUDGET	PMS	MM	EM		
	Time Schedule is advertised	Sep 23	Sep 23	x	X				MFMA Guidance	News Paper Advert
	Approval of the Adjustment Budget	Feb 23	Feb 23		x					Resolution and Minutes
	Council Approves Draft Annual Report	Jan 24	Jan 24				x		Section 121 MFMA	Council Resolution
	Council adopts amendments to the revised IDP and Draft Budget	Mar 24	Mar 24	x	x				Section 34	Council Resolution
	SIME Engagements	May 24	May 24	x	x		X		Sec 23 MFMA	IDP and Budget assessment report
	Notice is placed in the local newspaper for 21 days	April 24	April 24	x	x				Municipal Performance Regulations Sec 4(ii)	Newspaper advert
	IDP and Budget Road show	April 24	April 24	x	X				Chapter 4 MSA	Minutes and attendance register
	Extended IDP Steering Committee Meeting	April 24	May 24	x					Sec 23 MFMA, Chapter 4 MSA	Third Quarter MS Report, IDP Presentation, attendance and minutes of meeting
	Preparing responses to respond to written submissions	April 24	April 24	X	X				Section 23 MFMA	
	IDP, Budget and PMS Representative Forum	April 24	May 24	x	x	X			Municipal Performance Regulation, Sec 15	GRDM Programme
	Amending IDP and Budget to incorporate provincial assessments	May 24	May 24	x	x					Revised Documents

PHASE	ACTIVITIES	DURATION		RESPONSIBILTY AGENT					LEGISLATION FRAMEWORK	POE NOTES
		START	FINISH	IDP	BUDGET	PMS	MM	EM		
	Council approves IDP and Budget	May 24	May 24	x	X					
	Send copies IDP an Budget to the MEC for Local Government	June 24	June 24	X	X				Sec 32, MSA, Section 24 MFMA	Confirmation of receipt
	Approval of SDBIP	June 24	June 24			x				Signed Copy of SDBIP
	MMF and DCF Meeting	June 24	June 24				X			GRDM Programme
	District IDP Managers Forum	June 24	June 24	X						GRDM Programme
	Provincial IDP Managers Forum	June 24	June 24	X						Provincial Programme
IMPLEMENTATION	Rollout of SDBIP (2023/2024)	July 24	July 24			x			Section 69	Performance Agreements
	Submission of SDBIP to the MEC for Local Government	July 24	July 24			x			Section 69 MFMA	Council Resolution
	Submit annual Performance Agreements to Mayor	June 24	July 24			x	x		Section 69, MFMA	Signed Performance Contracts
	Tabling of the Mid-year Report	Jan 24	Jan 24			x	x		Sections 36, 72 MFMA	Mid –year report, council resolution and council minutes
	Submission of annual report to AG	Jan 24	Jan 24			x	x		Section 72 MFMA	Confirmation on Receipt
	Preparation of Oversight Report	Jan 24	Jan 24			x				Council Resolution
	Council adopts oversight report	March 24	March 24			x	x			Council Resolution

Table 34: 2023/24 IDP and Budget Process

2.7 Ward Committees

Since November 2021, the Bitou Ward Committee system has been very effective. Good cooperation between all parties involved – The Office of the Speaker, Ward Councillors, the Administration, and elected Ward Committee members have worked well together this far. Bitou Municipality have been lauded for the fact that it has been able to have a low vacancy rate due to the resignation from the different Ward Committees. It has also been praised for the swift action taken by all parties involved to fill vacancies when it occurs. Currently, all Ward Committees are operating at full capacity in terms of the Ward Committee members.

2.7.1 Frequency of meetings of ward committees:

The frequency of Ward Committee Meetings is sitting once every two months. The Ward Committee Meeting Agenda is set up in consultation with the Ward Councillor, Ward Committee members, and the administration. There has been a very good level of attendance from Directors and Managers when they are requested to attend these meetings, and it assist with ensuring that the Ward Committees are involved in the activities and affairs of the institution. This assist in keeping the public involved because the discussion from these committees gets fed into the Ward Report Back meeting.

Ward Committee activities for the year also included various capacity building programs that were organized in consultation with the Western Cape Department of Local Government. This includes the Citizen Education Program that covered topics such as;

- The role of a Ward Councillor
- Role, powers and responsibilities of the Ward Committee and
- Relationship between the Ward Committee and the public

Coupled to this there seems to be a growing understanding from members of the public about the role of Ward Committees and this can only be good for the future.

2.7.2 Funding of out-of-pocket expenses for ward committee members:

Ward Committee members are still being provided with an out-of-pocket expense amounting to R500 to cover transport and telephone expenditure, conditional that they attend the standing ward committee meetings that are held quarterly. This amount to R35 000 per month, funding for entire municipality on the 2023/24 Annual Budget. Throughout the province there is a call to review this amount given the increasing cost of living.

Ward 1: Kurland, The Crags, Covie, Natures Valley, Keurbooms and Wittedrift.

Name of representative	Capacity representing	Dates of meetings held during the year
J Dantu	Western Cape People's Foundation	12 July 2023 05 September 2023 07 November 2023 24 January 2024 05 March 2024
J Rodney	Kurland Educare	
R Nichol	Neighbourhood Watch	
S Kolisi	Community Safety	
A Smoki	Sport and Recreation	
P Barnado	Covie Community	
S Jacobs	Business Sector	
D Sam	Faith Based	

Name of representative	Capacity representing	Dates of meetings held during the year
A Treunig	Faith Based	
D Blow	Green Valley Forum	

Table 35: Ward 1 Committee Meetings

Ward 2: Central Town, Plettenberg Bay South and Plettenberg Bay North

Name of representative	Capacity representing	Dates of meetings held during the year
C Vlok	Plett Rate Payers	18 JULY 2023 13 September 2023 15 November 2023 01 February 2024 02 April 2024 10 June 2024
D Rennie	Security Cluster	
R Olivier	Plett Rate Payers	
C Muller	Communications	
R Bruce	Business Sector	
W Davis	Business Sector	
A Speight	Business Sector	
S Turner	Business Sector	
Van Royen Christiaan	Plettenberg Bay Environmental	
V Visser	Education	

Table 36: Ward 2 Committee Meetings

Ward 3: Bossiesgif, Qolweni

Name of representative	Capacity representing	Dates of meetings held during the year
N Zinndlovu	Block G	20 July 2023 20 September 2023 22 November 2023 01 February 2024 02 April 2024 04 June 2024
N Nolokhwe	Block I	
N Willie	Block D	
K Nduna	Block A	
Z Qoloma	Block B	
M Ngcebessha	Block C	
L Shiyani	Block E	
N Maseti Ngqoleka	Block F	
B Klaas	Block H	
P Gqogqa	Block J	

Table 37: Ward 3 Committee Meetings

Ward 4: New Horizons split voting district Kwanokuthula

Name of representative	Capacity representing	Dates of meetings held during the year
K Debruin	Faith Based	26 July 2023
P Lukas	Block E	

Name of representative	Capacity representing	Dates of meetings held during the year
S Kleynhans	Santa Forum	28 September 2023 28 November 2023 13 February 2024 24 April 2024 20 June 2024
C Plaatjies	Block C	
A Arnold	Block D	
B Manoni	Block B	
F Kleynhans	Sport	
W Maclean	Community Safety	
U Barnard	Block A	
P Sonjani	Business Sector	

Table 38: Ward 4 Committee Meetings

Ward 5: Kwanokuthula

Name of representative	Capacity representing	Dates of meetings held during the year
N Mhlana	Community Safety	02 August 2023 10 October 2023 05 December 2023 28 February 2024 09 April 2024 04 June 2024
C Satula	Block D	
A Ngcobondwana	Block B	
B Ntukantu	Youth and Sport	
W Gumenge	Block E	
V Vice	Block A	
M Nyengane	Faith Based	
D Matsolo	Business Sector	
A Monakali	Business	
A Komei	Block E	

Table 39: Ward 5 Committee Meetings

Ward 6: Kwanokuthula

Name of representative	Capacity representing	Dates of meetings held during the year
K Madokwe	Youth and Sport	15 August 2023 12 October 2023 07 December 2023 21 February 2024 11 April 2024 13 June 2024
S Xego	Block A	
M Langbooi	Block B	
W Mpemnyama	Block C	
S Nase	Block D	
M Bangi	Block E	
L Klaas	Business Sector	
Z Moyikwa	Education	
P Ncithi	Women Forum	
T Desi	Community Safety	

Table 40: Ward 6 Committee Meetings

Ward 7: Kranshoek, Split voting districts Kwanokuthula and Harkerville

Name of representative	Capacity representing	Dates of meetings held during the year
C Manuel	Agriculture	23 August 2023 17 October 2023 11 December 2023 22 February 2024 16 April 2024 18 June 2024
R Christoffels	Youth and Sport	
M Jantjies	Community Safety	
D Luiters	Block D	
T Snell	Block C	
A Kuyster	Block E	
S Wildeman	Block A	
T Jones	Block E	
R Quaracha	Education	
W Abrouw	Agriculture	

Table 41: Ward 7 Committee Meetings

2.7.3 Functionality of Ward Committee

The purpose of a ward committee is:

Ward Committees plays a critical role in strengthening public participation and building a trust relationship between the municipality and the public. Amongst the objectives of the Ward Committee are;

- To enhance communication between the public and the municipality
- Bringing to the attention of the municipality, through the Ward Councillor, critical service delivery matters for it to be addressed.
- Enhancing public participation and community involvement

The municipality can also gain a lot of benefit by ensuring that Ward Committee members are empowered to play a supporting role to the Ward Councillor. Ward Committees are also essential role players when it comes to the municipality's IDP programmes and can be an outlet to ensure that communities are more educated about the entire IDP process.

The table below provides information on the establishment of ward committees and their functionality:

Ward Number	Committee established (Yes / No)	Number meetings held during the year	Committee functioning (Yes / No)	Actions to address
WARD 1	YES	4	YES	Ward Report Back meeting to address the community about council decisions and IDP/Budget processes

Ward Number	Committee established (Yes / No)	Number meetings held during the year	Committee functioning (Yes / No)	Actions to address
WARD 2	YES	4	YES	Ward Report Back meeting to address the community about council decisions and IDP/Budget processes
WARD 3	YES	3	YES	Ward Report Back meeting to address the community about council decisions and IDP/Budget processes
WARD 4	YES	4	YES	Ward Report Back meeting to address the community about council decisions and IDP/Budget processes
WARD 5	YES	4	YES	Ward Report Back meeting to address the community about council decisions and IDP/Budget processes
WARD 6	YES	4	YES	Ward Report Back meeting to address the community about council decisions and IDP/Budget processes
WARD 7	YES	4	YES	Ward Report Back meeting to address the community about council decisions and IDP/Budget processes

Table 42: Functioning of Ward Committees

2.7.4 Representative Forums

a) Labour Forum

The table below specifies the members of the Labour Forum for the 2023/24 financial year:

Name of representative	Capacity
Alan Croutz	Acting Director: Corporate Services – Chairperson (01 July 2023 – 31 August 2023)
Tanya Wildeman	Acting Director: Corporate Services – Chairperson (01 September – 31 January 2024)
Andile Namntu	Acting Director: Corporate Services – Chairperson

Name of representative	Capacity
	(07 February 2024 – 08 June 2024)
Felix Lötter	Director Financial Services – Employee Representative (10 June 2024 – 31 May 2024)
Melony Paulsen	Director Community Services – Employee Representative
Victor Felton	Director Engineering Services – Employee Representative
Annelise Olivier	Councillor – Employee Representative
Sam Manqxaba	Councillor – Employee Representative
Nokuthula Sethi	Councillor – Employee Representative
Linus Freeks	IMATU Representative
Clifton Cortje	IMATU Representative
Adine Manuel	IMATU Representative
Sithenkosi Bobani	IMATU Representative
Nomxolisi Mgoduka	IMATU Representative
Dina Esou	SAMWU Representative
Andile Nkatsha	SAMWU Representative
Lawrence Mlanjeni	SAMWU Representative

Table 43: Labour Forum

COMPONENT D: CORPORATE GOVERNANCE

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

2.8 RISK MANAGEMENT

2.8.1 Legislative Mandate

Section 62(1)(c)(i) of the Local Government Municipal Finance Management Act, Act 56 of 2003 requires that the Accounting Officer ensures that the Municipality has and maintain an effective, efficient and transparent systems of risk management. National Treasury Regulation, in terms of risk management implementation, tasks the accounting officer to ensure that a risk assessment is conducted regularly to identify emerging risk of the institution. Also, to utilize a risk management strategy, inclusive of a fraud prevention plan, to direct internal audit effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks. The extension of general responsibilities, in terms of the MFMA Section 78, to all senior managers and other officials of the municipalities implies that responsibility for risk management vests throughout all levels of management and is not limited to only the Accounting Officer and Internal Audit.

2.8.2 Top Strategic Risk Themes for the Municipality

The table below indicates the top ten risks of the Municipality for 2023/24:

Ranking	Risk
1	Climate change vulnerability
2	Unsafe & insecure environment
3	Fraud & corruption in relation to all procurement processes
4	Ineffective internal and external communication with municipal key stakeholders
5	Inadequate and aging municipal infrastructure to meet current and expected demand for services
6	Business continuity
7	Loss of conditional grant funding
8	Water scarcity
9	Too low revenue collection rate to ensure long term financial viability and sustainability
10	Crises and disasters unintentionally, intentionally and naturally caused that disrupt and have consequences on societal functions

Table 44: Top Ten Risks

2.8.3 Highlights: Risk Management

The table below indicates the highlights for the year.

Highlights	Description
Staff development strategy aimed at improving local government employees' education to address the identified skills gap in leadership and management capabilities	The design and roll-out of the UWC NQF level 7 qualification in Public Administration to 42 employees
Fraud and Corruption Prevention Strategy underpinned by Council-approved policies, which are consistently applied by the Executive Management Team	Various tamper-proof *"REPORT FRAUD"* mechanisms with built-in anonymity for internal and external whistleblowers, created, implemented and maintained by internal capacity and resources
Risk Section's Annual Implementation Plan 2023/24	The achievement of the risk management implementation plan goals by 30 June 2024

Table 45: Highlights: Risk Management

2.8.4 Challenges: Risk Management

Challenges	Corrective Actions
Frequent senior management changes in various departments	Strategic leadership to fill vacant posts with suitably qualified personnel aimed at risk mitigation, improved service delivery levels and financial stability
Political instability due to local government coalitions	Open and transparent communication to guide and direct officials towards achievement of consistent service delivery goals
Fragmented Business Continuity Management (BCM) plans	Ongoing process for review of the Business Impact Analysis for compilation of one overarching BCM plan

Table 46: Challenges: Risk Management

2.8.5 Functions of the Risk Management Unit

Below table indicates the functions of the Risk Management Unit that were performed during 2023/24:

Functions	Date
Enterprise Risk Management Framework documents reviewed by the Risk Management Committee and recommended to Council for approval	11 April 2024
Risk Management Implementation Plan developed for the FY 2024/25, submitted to and approved by the Risk Management Committee (RMC)	26 June 2024
Municipal Risk Profile facilitated and reviewed for the FY 2023/24 via RMC workshops and individual engagements with each section manager, all risk detail and ratings updated on Barnowl after careful consideration and discussion of real risks and viable action plans, clarified for all directorates to assist with Combined Assurance via the Annual Risk Based Audit Plan	30 March 2024
Quarterly reports of risk management activities prepared and submitted to the Risk Management Committee	Quarterly at RMC Meetings
Strategic risks & action plans compilation and monitoring / Operational risk action plan monitoring / Managerial risk management support / Fraud risk register monitoring and updating / Business Continuity Plan development / Combined Assurance Policy development / Western Cape Government mGAP assessments	Ongoing

Table 47: Risk Management Functions

2.9 ANTI-CORRUPTION AND FRAUD

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

2.9.1 Developed Strategies

Name of strategy	Developed (Yes/No)	Date Adopted/Reviewed
SCM Orders Register for procurements below R30 000. It serves as a control toward all quotations received in lieu of procurements below R30 000. Such quotations are registered in a register on the closing date. The register must be reviewed by the Manager: SCM on monthly basis	Yes	01 Sept 2023 and reviewed on 29 Sept 2023
SCM Meetings Regular meetings are held with Managers pertaining the implementation of the SCM Policy During such meetings, issues relating to transparency, fairness and value for money during the procurement of goods and services are also highlighted	Yes	01 July 2023 (Attempting to have monthly or bi-monthly meetings in this regard)
Strategic Procurement ✓The importance of compiling and procuring goods and services through a Demand Management Plan of the municipality, ✓The effective utilization of the Inventory Unit of the municipality, ✓The importance of bulk buying as a cost reduction strategy for the municipality,	Yes	01 July 2023 (Attempting to have a buy-in of all user-departments. However, some user-departments have gradually started adopting the good practices initiated)

Table 48: Strategies

2.10 AUDIT COMMITTEE (AC)

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

- internal financial control;
- risk management;
- performance management; and
- effective governance.

The AC have the following main functions as prescribed in Section 166(2) (a-e) of the MFMA and the Local Government Municipal and Performance Management Regulation:

2.10.1 Functions of the Audit Committee

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.
- Respond to the Council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted to it by the internal audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- The compilation of reports to Council, at least twice during a financial year.
- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- To review the annual report of the Municipality.
- Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.

2.10.2 Members of the Audit Committee

Name of representative	Capacity	Meeting dates
Mrs. R Shaw	Chairperson	06 November 2023

Name of representative	Capacity	Meeting dates
Mr. K Zono	Ordinary Member	12 February 2024 06 May 2024 05 August 2024 29 August 2024 (Special)
Mr. M Hennesey	Ordinary Member	
Mr M Brewis	Ordinary Member	

Table 49: Members of the AC

2.11 PERFORMANCE AND AUDIT COMMITTEE (PAC)

2.11.1 Functions of the Performance Audit Committee

In terms of Section 14(4) (a) of the Performance Management Regulations, the PAC has the responsibility to:

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

2.11.2 Members of the Performance Audit Committee

Name of representative	Capacity	Meeting dates
Mrs. R Shaw	Chairperson	• 06 November 2023 (2023/24 PMS Q1) • 12 February 2024 (2023/24 PMS Q2) • 06 May 2024 (2023/24 PMS Q3) • 05 August 2024 • 29 August 2024 (Special Audit Committee Meeting to review the 2023/24 Draft Performance Report and 2023/24 PMS Q4)
Mr. K Zono	Ordinary member	
Mr. M Hennessy	Ordinary member	
Mr M Brewis	Ordinary member	

Table 50: Members of the Performance Audit Committee

2.12 INTERNAL AUDITING

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

The Internal Audit Unit of a municipality must:

(a) prepare a risk-based audit plan and an internal audit program for each financial year; and

(b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:

(i) internal audit;

(ii) internal controls;
(iii) accounting procedures and practices;
(iv) risk and risk management;
(iv) performance management;
(v) loss control; and
(vi) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation

(c) perform other duties as may be assigned to it by the accounting officer.

The Municipality has an In-house Internal Audit function consisting of six (6) permanent officials, one (1) vacancy (Assistant internal Auditor) and three (3) interns.

2.12.1 Highlights: Internal Audit

The table below indicates the highlights for the year.

Highlights	Description
Compliance Monitoring	Monitoring and ensuring adherence to all relevant laws, regulations, and internal policies are integral components of each review
Risk Assessment	The Internal Audit team assessed potential risks that could affect the municipality's operations. This process involved identifying vulnerabilities, recommending strategies to mitigate them, and then making the same recommendations to the Chief Risk Officer
Process Improvement	Evaluating and recommending improvements to internal processes and controls to enhance the municipality's efficiency and reduce risk
Independence and Objectivity	The Internal Audit Charter enables the Internal Audit Section to operate independently and objectively, ensuring freedom from undue influence or bias in order to provide unbiased assessments

Table 51: Highlights: Internal Audit

2.12.2 Challenges: Internal Audit

The table below indicates the challenges for the year.

Challenge	Corrective Actions
Resource Constraints	A limited budget and inadequate staffing have hindered the Internal Audit Section's ability to thoroughly review all municipal operations and ensure compliance with regulations
Scope and Coverage	Navigating the comprehensive spectrum of the municipality's operations can be challenging,

Challenge	Corrective Actions
	potentially resulting in overlooked areas or inadequate coverage
Staff Turnover	The substantial staff turnover observed within the Internal Audit Section over the past three years has resulted in a depletion of institutional knowledge and experience. This has consequently posed challenges in upholding a consistent level of audit quality
Resistance to Change	Municipal employees and departments may exhibit resistance to audit recommendations or hesitancy in adopting suggested improvements, which can create difficulties in achieving substantial and effective change

Table 52: Challenges: Internal Audit

2.12.3 Annual Audit Plan

The table below provides detail on audits completed:

Audit Engagement	Departmental Process	Detail	Reported to Audit Committee
Phase 1			
Assessing the Results of the Annual Risk Assessment			
Phase 2			
Developing a Risk-Based Internal Audit Plan			
Phase 3			
Implementing the Risk-based Internal Audit Plan. During the 2023/24 financial year, the following Internal Audit Reports were issued:			
Financial Services (Regulatory and Compliance)	Annual Stock Count for the financial year ending 30 June 2023	Our duties involve participating in the annual formal stock count at the end of the fiscal year. Subsequently, we will produce a comprehensive stock count report. This report will detail all discrepancies identified during the stock count, providing a clear overview of any variations in stock quantities or values when compared to the recorded figures.	November 2023
Office of the Municipal Manager (Regulatory and Compliance)	2022/23 Performance Management Systems Quarter 4 and Annual Performance Report evaluation	The statutory obligation encompasses providing reasonable assurance regarding the validity, accuracy, and completeness of information contained within the performance	August 2023

Audit Engagement	Departmental Process	Detail	Reported to Audit Committee
	2023/24 Performance Management Systems Quarter 1	management system. This ensures that management can effectively address any deficiencies that may arise and guarantees that the performance management data accurately represents the municipality's actual performance. This obligation is rooted in the following legal provisions: • Municipal Systems Act (MSA), 2000, Section 41(1). • Local Government: Municipal Planning and Performance Management Regulations, 2001, Section 14(1)(c). • 3. Public Audit Act, Section 20(2).	November 2023
	2023/24 Performance Management Systems Quarter 2		February 2024
	2023/24 Performance Management Systems Quarter 3		May 2024
Office of the Municipal Manager (Regulatory and Compliance)	2022/23 Risk Management Quarter 4	Our responsibility is to provide independent assurance services pertaining to the controls established to mitigate risk, the effectiveness of the risk management system, and the overall governance framework. This involves evaluating the adequacy and functionality of risk controls to identify, assess, and manage risks within the municipality. This mandate is grounded in the following legislative and regulatory provisions: • Municipal Finance Management Act (MFMA), 2003, Section 62(1) • Municipal Finance Management Act (MFMA), 2003, Section 165(2)(b)(iv).	August 2023
	2023/24 Risk Management Quarter 1		November 2023
	2023/24 Risk Management Quarter 2		February 2024
	2022/23 Risk Management Quarter 2		May 2023

Audit Engagement	Departmental Process	Detail	Reported to Audit Committee
		• Western Cape Provincial Treasury PGWC Risk Management Framework, which serves as a reference for our risk assessment and assurance activities in alignment with provincial guidelines.	
Engineering Services (Regulatory and Compliance)	Proclaimed Roads for the 2023/24 Financial Year	Our responsibility is to provide reasonable assurance concerning the effectiveness of controls governing the grants allocated to Bitou Municipality by the National Treasury through the Division of Revenue Act Bill. Additionally, we will assess the expenditure of these funds in alignment with the designated purpose and any applicable conditions stipulated for their utilization. This assurance process ensures transparency and accountability in the management of public funds and grant allocations.	May 2024
Engineering Services (Operational – Risk Based)	Fleet Management	Through this comprehensive review, our primary objective is to offer the Council, Management, and the Audit and Performance Audit Committee reasonable assurance concerning the adequacy and effectiveness of the risk management, internal control, and governance systems in relation to Fleet Management. This includes adherence to relevant legislation, policies, and procedures.	May 2024
Corporate Services (Operational – Risk Based)	2021/2022 Occupational Health & Safety (Follow up Review)	The objective of this internal audit follow-up is to obtain reasonable assurance that the internal control weaknesses previously identified and the agreed-upon actions to address	November 2023

Audit Engagement	Departmental Process	Detail	Reported to Audit Committee
		such weaknesses have been implemented.	
Financial Services (Operational – Risk Based)	Surprise Cash Counts	Assess the accuracy and integrity of the municipality's cash handling and accounting processes. This audit is typically unannounced and is designed to provide an independent evaluation of cash management practices.	August 2024
Financial Services (Regulatory and Compliance)	Division of Revenue Act review for 2023/24	The Municipal Finance Management Act (MFMA) mandates internal audit to assess controls over grants allocated to Bitou Municipality via the Division of Revenue Act (DoRA) of 2017. The objectives include evaluating the effectiveness of controls related to roll-over funding applications, the receipt and reconciliation of allocated grants, ensuring completeness of grant receipt, adherence to reporting requirements, and monitoring the expenditure of grants in accordance with specified conditions. The audit focuses on compliance with DoRA sections pertaining to equitable share and conditional allocations, accurate reporting, expenditure in line with designated purposes, and management of unspent conditional allocations.	August 2024
Financial Services (Regulatory and Compliance)	Operation Clean Audit Report (OPCAR) review	The evaluation of the recorded implementation of corrective action plans by Management to address the findings raised by the Auditor General (SA) is a critical process that involves reviewing, assessing, monitoring, verifying, and reporting on the effectiveness of actions taken to address audit findings. It is a vital	August 2024

Audit Engagement	Departmental Process	Detail	Reported to Audit Committee
		component of good governance and accountability.	
Office of the Municipal Manager	Ad-hoc audit Reviews	5 ad-hoc audit reviews have been granted approval by the Audit and Performance Audit Committee (APAC) and have been officially incorporated into the revised Internal Audit Plan.	

Table 53: Internal Audit Coverage Plan

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

Function	Date/Number
Submit the Risk Based Audit Plan (RBAP) for the 2024/25 financial year to the Audit Committee by 30 June 2024	The Risk Based Audit Plan (RBAP) for the 2024/2025 Financial year was submitted to and approved by the Audit Committee on 27 June 2024
Advise the accounting officer and report to the Audit Committee in terms of section 165 (2) (b) of the MFMA (Including the execution of the Risk based Internal Audit Plan)	Refer to Quarterly Audit Committee dates for Reporting

Table 54: Internal Audit Functions

2.13 BY-LAWS AND POLICIES

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

Below is a list of all the policies that were developed and/or reviewed during the year:

Policies developed/ revised	Council resolution	Date adopted
Policies reviewed and implemented		
Performance Management Policy Framework (amendment)	C/3/111/07/23	31-Jul-23
Placement Policy	C/3/146/12/23	11-Dec-23
House Shop Policy	C/6/131/04/24	30-Apr-24
Small-Scale Embedded Generation Policy (amendment)	C/5/134/04/24	30-Apr-24
Letting of Municipal Residential Accommodation Policy	C/4/180/04/24	30-Apr-24
Accounts Payable	C/2/210/05/24	24-May-24
Budget Implementation and Monitoring Policy	C/2/210/05/24	24-May-24

Policies developed/ revised	Council resolution	Date adopted
Policies reviewed and implemented		
Cost Containment Policy	C/2/210/05/24	24-May-24
Petty Cash Policy	C/2/210/05/24	24-May-24
Subsistence and Travel Allowance Policy	C/2/210/05/24	24-May-24
Borrowing Policy and guidelines	C/2/210/05/24	24-May-24
Tariff Policy	C/2/210/05/24	24-May-24
Supply Chain Management Policy	C/2/210/05/24	24-May-24
Property Rates Policy	C/2/210/05/24	24-May-24
Liquidity, Funding and Reserves Policy	C/2/210/05/24	24-May-24
Investment & Cash Management Policy	C/2/210/05/24	24-May-24
Customer Care, Credit Control, Debt Collection, Indigent and Tampering Policy	C/2/210/05/24	24-May-24
Writing-Off of Irrecoverable Debt Policy	C/2/210/05/24	24-May-24
Preferential Procurement Policy	C/2/210/05/24	24-May-24
Infrastructure Procurement & Delivery Policy	C/2/210/05/24	24-May-24
Asset Management Policy	C/2/210/05/24	24-May-24
By-Laws		
Electricity Supply By-law (amendment) In-Principle Approved	C/5/133/04/24	30-Apr-24

Table 55: Policies

2.14 COMMUNICATION

Bitou Municipality constantly strives to achieve maximum participation by the community and community groups in its affairs as prescribed by Chapter Seven of the Constitution and all other pieces of legislation that stems from it. The institution has a fully-fledged Corporate Communications, IGR, and Public Participation Section that has the responsibility to facilitate meaningful community engagements. This can be done through the following;

- Website
- Face to face engagements
- Social Media
- Traditional Communication – flyers, posters, pamphlets etc.

Constant communications with the communities create trust between the

Community and the municipality. Having this harmonious relationship reduces conflict and negativity which often leads to unnecessary service delivery interruptions.

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

Communication activities	Yes/No
Communication Strategy	Yes
Functional complaint management systems	Yes

Table 56: Communication Activities

2.14.1 Communication and Customer Care Unit

	Yes/No	Number of people in the Unit	Job titles
Communication Unit	Yes	27	Manager Corporate Communications, Intergovernmental Relations and Public Participation (1)
			Senior Officer: Social Media Content and Corporate Communications (1)
			Senior Officer Intergovernmental Relations (1)
			Communications Officer (1)
			Public Participation Coordinator (1)
			Principle Clerk: Customer Relations (1)
			Public Participation Administrator 1
			Call Centre Operators (5)
			Coordinator: Community Development Workers (1)
			Community Development Workers (7)
			Community Liaison Officers (7)

Table 57: Communication and Customer Care Unit

2.14.3 Additional Communication Channels Utilised

Channel	Yes/No
Facebook	Yes
Twitter	Yes
Telegram	Yes
SMS system	Yes
Instagram	Yes
Linked In	Yes
Loud hailing	Yes
YouTube	Yes
Citizen App	Yes

Table 58: Additional Communication Channels Utilised

2.14.4 External Communication Forums

Forum	Yes / No	Frequency	Communication issues were discussed at the forum?
Provincial Commtech Forum Meeting	Yes	Quarterly	• Policies and Strategy • Media Network • Crisis Communication Protest Scenario, Natural Disasters and Fires • Social Media Guidelines • Media monitoring • National Language Policy (PANSALB) • Calendar Events • Interface with Tourism Bureaus and Departments • Role of Communications in Human Settlements and Infrastructure Development • New Trends in Social Media • Cabinet Outreach Programs hosted by the Premier • Branding and Co-branding models
District Commtech	Yes	Quarterly	• Cabinet Outreach Programs • Support to Service Delivery Departments • Communication of key Events • Citizen Applications and Customer Service Focus • Reporting mechanisms • SSEG Rollout
GCIS sharing the government	Yes	Quarterly	Review of Policies and Strategies have been emphasized and this includes National Communication Strategy Framework (Plan of Action)

Communication Policy			• Intergovernmental Communications Plans • Social Media Content and Planning • Effective Use of Virtual Platforms–Teams, Zoom and etc.

Table 59: External Communication Forums

2.14.5 Communication Platforms Utilised

The table below depicts the current communications platforms utilised.

Platforms	Utilisation of Platform (Yes/No)	Purpose of usage?	Target Audience	Frequency of use or updates?	Comments or details about this platform
External newsletter	Yes	Information and to provide feedback	Community	Quarterly	2 x External Newsletter were issued in the financial year
Internal Newsletter	Yes	Information and to provide feedback	Community	Quarterly	2 x External Newsletter were issued in the financial year An Additional monthly newsletter is being distributed with the accounts and it proves to be effective.
Radio	Yes	Information	Community	As the need arises	Effective when required, however limited due to budget constraints4
Website	Yes	Information, to provide feedback and to interact	Community	Daily	Effective – the upgrading of the old website has been completed and the migration of content is currently being concluded.
Bulk SMS	Yes	Information	N/A	As the need arises	Effective
Local newspaper	Yes	Information, motivation and feedback	Community	Weekly	Effective
Press release	Yes	Information	Community	As the need arises	Effective

Posters	Yes	Information and motivation	Community, Staff	As the need arises	Effective
Loud Hailing	Yes	Information about event / meeting	Community	As the need arises	Costly in terms of overtime and availability of staff
Brochures	Yes	Information	Community, Staff	As the need arises	Effective
Pamphlets	Yes	Information	Community, Staff	As the need arises	Effective

Table 60: Communication Platforms Utilised

2.15 WEBSITE

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of S75 of the MFMA and S21A and B of the Municipal Systems Act ("MSA") as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the municipality's communication strategy.

The municipality is in the process of upgrading the website and have been approved for assistance by the Western Cape Department of Economic Development and the process is ongoing. This will make it easier for the public to interact with the municipality on vital matters and it will also have more online action applications to ensure that public can maximise engagements with the municipality via the website.

The Municipality has recently completed its Communications Strategy and the Website is a key tool to public participation. A customer satisfaction survey is posted on the website and this enable the public to rate our service delivery efforts. Therefore, it makes it imperative for the municipality to be as engaging as possible and be open to new trends in the communications sphere. Hence we put emphasis on identifying opportunities to upgrade and improve our website to always be on the cutting edge of technological advancement.

The table below gives an indication about the information and documents that are published on our website:

Description of information and/or document	Yes/No and/or Date Published
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	

Description of information and/or document	Yes/No and/or Date Published
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
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Draft Budget 2023/24	Yes
Adjusted Budget 2023/24	Yes
Asset Management Policy	Yes
Customer Care, Credit Control & Debt Collection Policy	Yes
Indigent Policy	Yes
Funds and Reserves Policy	Yes
Investment & Cash Management Policy	Yes
Rates Policy	Yes
Supply Chain Management Policy	Yes
Tariff Policy	Yes
Virement Policy	Yes
Petty Cash Policy	Yes
Travel and Subsistence Policy	Yes
Long Term Financial Policy	Yes - 2015
Grants-In-Aid Policy	Yes
Borrowing Policy	Yes
SDBIP 2023/24	Yes
Integrated Development Plan and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA	
Reviewed IDP for 2023/24	Yes
IDP Process Plan for 2023/24	Yes
Supply Chain Management (Sections 14(2), 33, 37 &75(1)(e) &(f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	Yes
Long Term borrowing contracts	Yes
SCM contracts above R100 000	Yes
Contracts which impose a financial obligation on the municipality beyond 3 years	Yes
Section 37 of the MFMA (Unsolicited Bids/Contracts)	Yes
Public-Private Partnership agreement	NA
Service delivery agreements	NA
Public invitations for formal price quotations	Yes
Reports (Sections 52(d), 71, 72 &75(1)(c) and 129(3) of the Municipal Finance Management Act)	
Annual Report of 2022/23	Yes

Description of information and/or document	Yes/No and/or Date Published
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
Monthly Budget Statement	Yes
Local Economic Development (Section 26(c) of the MSA)	
Local Economic Development Strategy	No
Performance Management (Section 75(1)(d) of the MFMA)	
Performance agreements for employees appointed as per S57 of MSA	Yes
Assurance Functions (Sections 62(1), 165 & 166 of the MFMA)	
Internal Audit Charter	Yes
Audit Committee Charter	Yes
Risk Management Policy	Yes

Table 61: Website Checklist

2.16 SCM

The Bitou Municipality Council has adopted the SCM Policy Incorporating Preferential Procurement (SCM Policy) which are reviewed annually. The policy is implemented by a functional SCM Unit (SCMU) under the direct supervision of the Chief Financial Officer.

The Municipal Manager has also implemented a delegation system for procurement-related actions, which includes the establishment of bid committees and the appointment of members. The delegations also allow for appropriate segregation of duties and councillors are not involved in any of the procurement and tender processes.

2.16.1 Highlights: SCM

The table below specifies the highlights for the year:

Highlights	Description
Contract Management	The municipality has achieved 100% performance on Contract Management. This relates to the timeous signing of contracts after awards, the monitoring of contractors and service providers, and document management relating to contracts
Demand Management Plan	The municipality had managed to achieve 100% performance on Grant Funding related tenders. However, more attention is required on Capital Expenditure related procurements
Irregular Expenditure	The municipality has recorded R121 612 during the 2023/24 Procurement Year. The expenditure has been

Highlights	Description
	referred to Municipal Public Accounts Committee (MPAC) for further investigation
Litigations with Suppliers	The Municipality hasn't recorded any litigations with suppliers in the 2023/24 Procurement Year

Table 62: Highlights: Supply Chain Management

2.16.2 Challenges: SCM

The table below specifies the challenges for the year:

Description	Actions to address
Compilation of Tender Specifications	Some user-departments still encounter challenges in compiling or drafting sound tender specifications. It was established that such a challenge affects most of the municipalities in the country, where the National Treasury has convened training to address the challenge on hand. The municipality has also convened a Bitou Specification Forum consisting of officials in the capacity of engineers, quantity surveyors, IT technicians, financial managers, accountants, risk officers, legal, occupational health and safety, superintendents, etc.
Declaration of Interest	Not all employees within the municipality have declared their personal interest to businesses conducted or associated. This is placing a huge fraud risk toward the procurement processes of the municipality. The SCM Unit is in possession of interests declared by the officials involved in the Bid Committees, as well as those from Councillors. However, the Supply Chain Management Regulation No. 44 provides guidance to this effect
Human Resource Management	The post of Head: Acquisition, Bids and Contract Management has been vacant for almost a year. Whereas the post of Head: Acquisition, Demand and Logistics Management has been vacant since April 2024. Both posts are vacant due to resignations by the then-resident Practitioners

Table 63: Challenges: Supply Chain Management

2.16.3 Competitive Bids in Excess of R200 000

a) Bid Committee Meetings

The competitive bidding process and bid committee structures are functioning effectively. Members of the bid committees are required to complete the attendance register and declare to undertake the following:

- That all information, documentation and decisions regarding any matter before the committee is confidential and undertakes not to make known anything in this regard;
- To treat all service providers and potential service providers equitably and will not purposefully favour or prejudice anybody; and
- To make known details of any private or business interest he or she or any close family member, partner or associate may have in any proposed procurement or disposal of, or in any award or contract that they will immediately withdraw from participating in any matter whatsoever.

The bid committees have been conducted regularly through the year with attendance closely monitored in compliance with Council's SCM Policy. The following table details the number of bid committee meetings held for the 2023/24 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
49	34	30

Table 64: Bid Committee Meetings

A Bid Specification Committee must be composed of one or more officials of the municipality, preferably the manager responsible for the function involved should at least be represented, and may, when appropriate, include external specialist advisors.

The attendance percentage of members of the Bid Specification Committee are as follows:

Committee	Percentage of meetings attended	Percentage attendance for quorum
Bid Specification Committee	100%	100%

Table 65: Attendance of Bid Specification Committee

A Bid Evaluation Committee must as far as possible be composed of-

(a) officials from departments requiring the goods or services; and

(b) at least one supply chain management practitioner of the municipality.

The attendance percentage of members of the Bid Evaluation Committee are as follows:

Committee	Percentage of meetings attended	Percentage attendance for quorum
Bid Evaluation Committee	100%	100%

Table 66: Attendance of Members of Bid Evaluation Committee

The attendance percentage of members of the Bid Adjudication Committee are as follows:

Committee	Percentage of meetings attended	Percentage attendance for quorum
Bid Adjudication Committee	100%	100%

Table 67: Attendance of Members of Bid Adjudication Committee

2.16.4 B-BBEE Compliance Performance Information

Section 121(3)(k) of the MFMA indicates that the annual report of a municipality should include any other information as may be prescribed. The Broad Based Black Economic Empowerment (B-BBEE) Act (Act 53 of 2003; as amended by Act 46 of 2013) read in conjunction with the B-BEE Regulations of 2016 states in Section 13G(1) that all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their Annual Financial Statements and Annual Reports. In accordance with the explanatory notice (Notice 1 of 2018) issued by the B-BBEE Commission the following tables provide details on the municipality's compliance with regard to broad-based black economic empowerment:

a). Management Control

Category	Number	Race Classification	Gender	Disability
Senior Management	4	African – 1 Coloured– 1 White - 2	AM CF WM	0

Table 68: Management Control

b). Skills Development

Category	Number	Race Classification	Gender	Disability	Total Amount Spend
Black employees	162	African – 102 Coloured - 59	AF – 56 AM – 46 CF – 30 CM –30	0	R 6 043 910
White employees	7	White -7	WM – 4 WF-3	0	R 194 000.00
Black people on internships, apprenticeship, learnership	148	African – 94 Colored - 54	AF – 53 AM – 41 CF – 25 CM - 29	0	R 5 672 800
Unemployed black people on any programme under the learning programme matrix	33	Coloured – African -	AF – 19 AM – 9 CF – 4 CM - 1	0	R 1 799 000
Black people absorbed at end of internships, apprenticeship, learnership	3	Coloured – 0 African – 2	CF – 0 AF – 2 AM - 1	0	R 255 000

Table 69: Skills Development

c) Enterprise and Supplier Development

Note: Enterprise and supplier development statistics is not available for the year under review. The figures must be verified by an accredited verification agent. The Municipality intend to appoint a verification agent through procurement processes on a three-year term to ensure compliance in future.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

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

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

3.1.1 Legislative Requirements

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

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

The Municipal Systems Act (MSA), (Act 32 of 2000) requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

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

3.1.2 Organisation Performance

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

This report highlights the strategic performance in terms of the Municipality's Top Layer SDBIP, performance on the National Key Performance Indicators prescribed in terms of Section 43 of the MSA and an overall summary of performance on municipal services.

3.1.3 The Performance System followed for 2023/24

a) The IDP and the budget

The reviewed IDP and the budget for 2023/24 was submitted to council for approval on 29 May 2023. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

b) The SDBIP

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.
The Top Layer SDBIP was approved by the Executive Mayor on 15 July 2023.
The following were considered in the development of the amended Top Layer SDBIP:

- Areas to be addressed and root causes of the Auditor-General management letter, as well as the risks identified during the 2022/23 audit
- Alignment with the IDP, National KPA's, Municipal KPA's and IDP objectives
- Alignment with the adjustments budget
- Oversight Committee Report on the Annual Report of 2022/23
- The risks identified by the Risk Management unit during the municipal risk assessment

c) Actual performance

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

- The actual result in terms of the target set
- A performance comment
- Actions to improve the performance against the target set, if the target was not achieved

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

3.1.4 Performance Management

Performance management is prescribed by the MSA and the Municipal Planning and Performance Management Regulations, (796 of August 2001), Section 7(1) of the aforementioned regulation states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players." This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The Municipality adopted a Performance Management Framework that was approved by Council in 2022. On 30 June 2022 the document was reviewed and brought in line with legislation and adopted by Council.

a) Organisational *performance*

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

- The Top Layer SDBIP was approved by the Executive Mayor on 15 July 2023.
- The web-based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets every month for the previous month's performance.
- A mid-year budget and performance (Section 72) report was compiled within the legislative timeframes, tabled to Council and approved and submitted to Provincial Treasury.
- Roll-out of performance agreements for other levels of management will be cascaded down in stages over the next financial years.
- Internal Audit conducted an audit on the Top Layer SDBIP for all quarters and reported to the Performance Audit Committee on a quarterly basis.
- The Audit Committee also acts as the Performance Audit Committee and is fully functional.

b) Individual performance management

Senior Management

The MSA prescribes that the municipality must enter into performance-based agreements with all S57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (Regulation 805, August 2006). The performance agreements for the Municipal Manager and applicable directors for the 2023/24 financial year were signed on the following dates:

- Municipal Manager : 19 June 2023
- Director Engineering Services : 15 June 2023
- Director Community Services : 15 June 2023
- Director Financial Services : 31 January 2024

The following agreements were not concluded due to positions being vacant for the year under review:

- Director Corporate Services
- Director Economic Development and Planning

The formal evaluations for the 2023/24 financial year will only take place after the submission of the Performance Report to the Auditor-General in the 2024/25 financial year.

Managers and other staff

The Municipal Staff Regulations (Regulation 890) and Guidelines (Regulation 891) promulgated on 20 September 2021 Chapter 4, Performance Management and Development System Section 32 (1) states that the Performance Management and Development System (PMDS) applies to all staff members of a municipality with the exclusion of certain staff members as stated by the subsections (a) – (d). However, due to the various issued raised by municipalities across the country, the Department of Co-operative Governance and Traditional Affairs (CoGTA), issued Circular 12 on 17 June 2024 which provided municipalities with an extension for implementation of Chapter 2 and 4 of these Regulations, until 1 July 2023.

The Municipality has developed the following process in order to ensure implementation:

Awareness

During the awareness session, personnel were provided with an overview of the Regulation, specifically focusing on Chapter 4, which addresses Individual Performance and the requirements for a compliant performance agreement. Following this, one-on-one sessions were held with key personnel to guide the drafting of key performance indicators (KPIs) in accordance with the Regulations. This process involved developing KPIs and targets aligned with job key performance areas (KPAs), establishing performance standards, and identifying potential portfolios of evidence.

The relevant job descriptions (JDs) were used to extract 5-7 KPAs, with staff members working collaboratively with their managers to identify appropriate KPIs, targets, performance standards, and sources of evidence to effectively measure KPA performance. Additionally, users received system training to assist in drafting their performance agreements, as part of the implementation process for the 2023/24 financial year.

Training

The system training sessions were conducted in two phases. The first phase, held from 10 to 14 July 2023, focused on "How to create/compile a Performance Agreement." The second phase, which took place from 14 to 18 August 2023, concentrated on updating indicators, capturing actual performance, and monitoring performance, ensuring users were equipped with the necessary skills for effective performance management.

Mid-year Evaluations

Mid-year Evaluations Training took place from 8 to 12 January 2024, focusing on "How to conduct a self and manager assessment." In accordance with Regulation 890, an amendment period followed the mid-year review process, allowing for adjustments to performance agreements. The Final Annual Reviews, set to begin on 1 July 2024, will be based on these revised and approved plans.

Way forward

During the year under review the Municipality experienced several challenges with the implementation of Individual Performance to all levels of staff. The challenges ranged from capacity constraints, change management process, lack of communication, budget constraints and participation and willingness of employees. Throughout the financial year the Municipality has placed an emphasis on upskilling employees in creating a culture of performance management by providing awareness sessions and giving internal assistance through the HR Department to those officials in need.

From 20 till 28 May IPMDS awareness sessions were held with all departments as refresher training for the finalisation of agreements for the 2024/25 financial year.

The Municipality is committed to further consultation processes with staff and to ensure assistance is provided to departments where required in order to have full implementation of IPMDS during 2025/26.

3.2 INTRODUCTION TO STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2023/24

3.2.1 Strategic SDBIP (Top Layer)

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section provides an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer SDBIP is the Municipality's strategic plan and shows the strategic alignment between the different documents (IDP, budget and performance agreements).

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to the IDP (strategic) objectives.

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

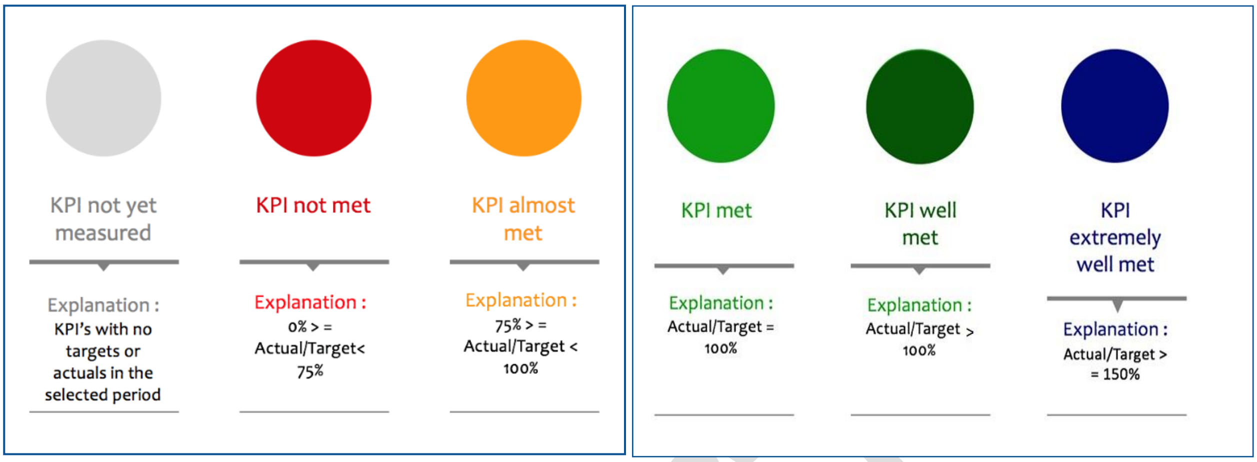
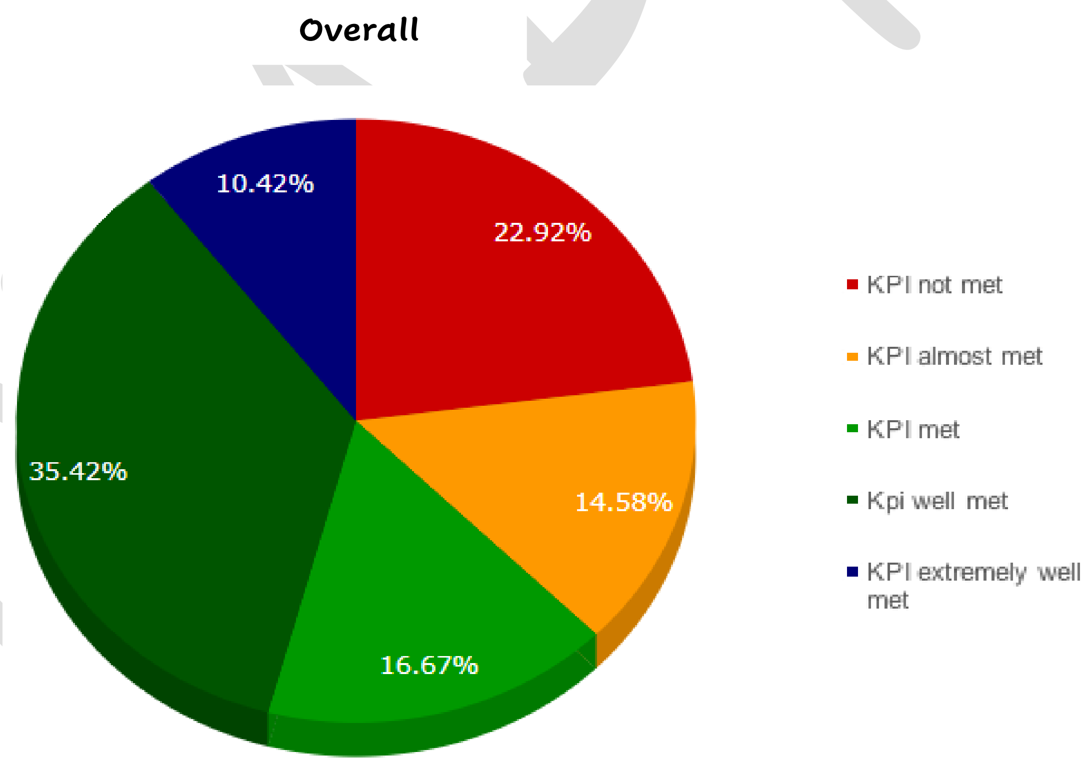
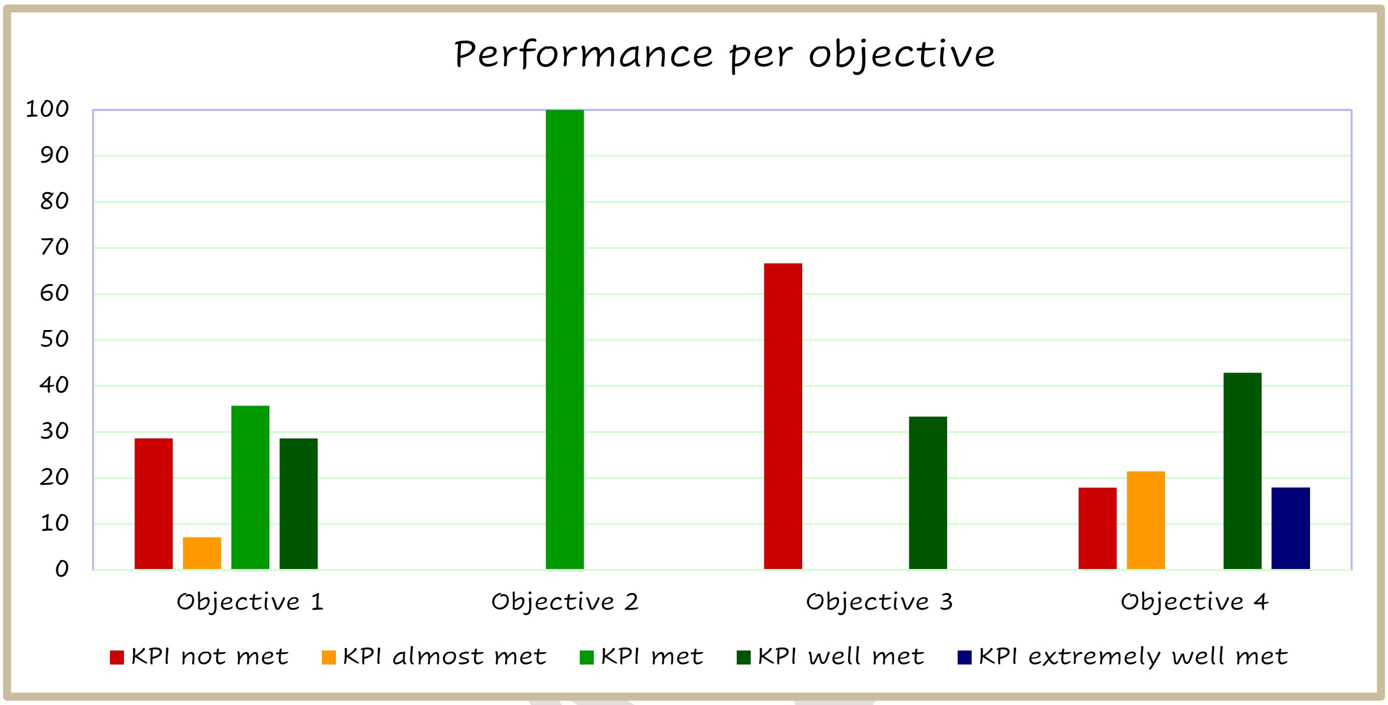


Figure 3.: SDBIP Measurement Categories

3.2.2 Overall performance

The graph below displays the overall performance per Strategic Objective for 2023/24:





Graph 1.: *Overall Performance per Strategic Objective 2023/24*

Measurement Category	Objective 1 Building a capable well-resourced and viable institution that can deliver on the developmental mandate of the Municipality	Objective 2 Create a conducive and mutually beneficial communication environment that is responsive to the development priorities of the municipality and community	Objective 3 Facilitate growth, jobs and expand tourism to empower the residents of Bitou	Objective 4 Provide Excellent Service Delivery to the residents of Bitou Municipality including informal settlements and the poor	Total
KPI Not Met	4	0	2	5	**11**
KPI Almost Met	1	0	0	6	**7**
KPI Met	5	3	0	0	**7**
KPI Well Met	4	0	1	12	**17**
KPI Extremely Well Met	0	0	0	5	**5**
Total	**14**	**3**	**3**	**28**	**48**

Figure 4.: Overall Performance Per Strategic Objective for 2023/24

3.2.4 Actual strategic performance and corrective measures that will be implemented

i) Build a capable, well-resourced and viable institution that can deliver on the developmental mandate of the municipality

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2023/24						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL1	Submit the Risk Based Audit Plan (RBAP) for the 2024/25 financial year to the Audit Committee by 30 June 2024	Risk Based Audit Plan compiled and submitted to the Audit Committee	All	1	0	0	0	1	1	**1**	G
TL2	Complete 90% of audits as scheduled in the RBAP applicable for 2023/24 by 30 June 2024 (Actual audits completed divided by the audits scheduled for the year) x100	% of audits completed	All	99%	0%	25%	45%	90%	90%	**99%**	G2
TL3	Complete the annual risk assessment for 2024/25 and submit to the CAE by 31 March 2024	Risk assessment completed and submitted to the CAE	All	1	0	0	1	0	1	**1**	G
TL5	Conduct the Mid-year Performance Evaluations of the section 57's employees by 28 February 2024	Number of evaluations completed	All	1	0	0	1	0	1	**1**	G
TL6	Conduct the Final Performance Evaluation of the	Number of evaluations completed	All	1	0	1	0	0	1	**1**	G

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2023/24						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	section 57's employees for the 2022/23 by 30 December 2024										
TL8	Review the Organisational Structure by 30 May 2024	Organisational Structure reviewed by 30 May 2024	All	1	0	0	0	1	1	**1**	G
TL18	Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan by 30 June 2024 {(Number of people from employment equity target groups	% of people employed	All	84%	0%	0%	0%	70%	70%	**82%**	G2
TL19	Spend 0.20% of operational budget on training by 30 June 2024 {(Actual total training expenditure divided by total operational budget)x100}	% budget spent	All	0.20%	0%	0%	0%	0.20%	0.20%	**0.27%**	G2
TL20	Review the "System of Operational Delegations" and	System of operational delegations	All	1	0	0	0	1	1	**0**	R

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2023/24						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	submit to Council by 30 June 2024	submitted to Council									
Corrective Measure				The matter will be prioritised for completion in the 2024/25 financial year							
TL21	Spend 95% of the allocated capital budget for ICT by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	All	90%	0%	40%	60%	95%	95%	**92%**	O
Corrective Measure				The underspending represents a savings on the projected cost and therefore no remedial action is proposed. Provision is made annually for the replacement of IT equipment and enhancement of IT services through resource allocation							
TL22	Spend 95% of the allocated capital budget for the back-up power and solar project by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	All	0%	0%	40%	60%	95%	95%	**99%**	G2
TL23	Review the HR Strategy and Plan and submit to Council by 30 May 2024	HR Strategy and Plan reviewed and submitted to Council by 30 May 2024	All	0	0	0	0	1	1	**0**	R
Corrective Measure				HR Strategy will be reviewed and workshopped before or by no later than 30 June 2025							
TL24	Develop and submit a Talent Management	Talent Management Framework	All	0	0	0	0	1	1	**0**	R

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2023/24						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	Framework to Council by 31 March 2024	developed submitted to Council by 31 March 2024									
Corrective Measure			The Policy is still in draft format and not yet finalised The Human Resources Management Department is in the process to develop various policies which include the Talent Management Framework Policy, it is anticipated that the policies will be finalized between August and September 2024								
TL43	Review and submit the Disaster Management Plan to Council by 31 May 2024	Disaster Management Plan reviewed and submitted to Council	All	1	0	0	0	1	1	0	R
Corrective Measure			Disaster Management Plan was sent to the Provincial Disaster Centre as well as District Disaster Management for comments on the 23 of May 2024 and feedback was received on 6 June 2024. The disaster Management Plan will be submitted to council for review in the new financial year								

Table 70: Top Layer SDBIP - Build a capable, well-resourced and viable institution that can deliver on the developmental mandate of the municipality

ii) Create a conducive and mutually beneficial communication environment that is responsive to the development priorities of the municipality and community

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2023/24						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL4	Review and submit the 5th generation IDP for the 2024/25 financial year to Council by 31 May 2024	Draft IDP compiled and submitted to Council	All	1	0	0	0	1	1	**1**	G
TL47	Submit the reviewed Spatial Development Framework (SDF) to Council by 31 May 2024	Spatial Development Framework (SDF) submitted to Council	All	1	0	0	0	1	1	**1**	G

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2023/24						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL51	Review and submit the Housing pipeline to Council by 31 May 2024	Housing pipeline reviewed and submitted to Council	All	1	0	0	0	1	1	**1**	G

Table 71: Top Layer SDBIP – Create a conducive and mutually beneficial communication environment that is responsive to the development priorities of the municipality and community

iii) Facilitate growth, jobs and expand tourism to empower the residents of Bitou

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2023/24						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL48	Review the LED Chapter (2024/25) and submit to Council for consideration by 31 May 2024	Reviewed LED Chapter submitted to Council	All	1	0	0	0	1	1	**0**	R
Corrective Measure			Funding will be provided on the 2024/25 budget for the execution of the task								
TL49	Review the LED Chapter Implementation Plan (2024/25) and submit to Council for consideration by 30 June 2024	Reviewed LED Chapter Implementation Plan submitted to Council	All	1	0	0	0	1	1	**0**	R
Corrective Measure			Funding will be provided on the 2024/25 budget for the execution of the task								
TL50	Create 225 job opportunities in terms of the EPWP by 30 September 2024	Number of job opportunities created	All	492	56	56	56	57	225	**264**	G2

Table 72: Top Layer SDBIP – Facilitate growth, jobs and expand tourism to empower the residents of Bitou

iv) **Provide Excellent Service Delivery to the residents of Bitou Municipality including informal settlements and the poor**

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2023/24						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL7	Spend 95% of the municipal capital budget on capital projects by 30 June 2024 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100}	% budget spent	All	83%	10%	40%	60%	95%	95%	**81%**	O
Corrective Measure			Tenders have already been awarded for the infrastructure projects and spending is continuing in the 2024/25 financial year. The WWTW civil works are complete and the mechanical and electrical work will commence forthwith to ensure completion in 2024/25. Funding will be rolled over in the first rollover budget								
TL9	Provide subsidies for free basic services to indigent households as at 30 June 2024	Number of indigent households receiving subsidies for free basic services as per Financial System	All	4 132	0	0	0	4 200	4 200	**5 080**	G2
TL10	Number of residential properties with piped water which can be/or are connected to the municipal water infrastructure network and billed for the service as at 30 June 2024	Number of residential properties billed for piped water	All	16 615	0	0	0	16 615	16 615	**16 605**	O
Corrective Measure			The rollout of the Human Settlements program, coupled with the increase in development in the municipality's area of jurisdiction will in all probability increase the number of connections and therefore the units of services rendered to consumers. If found to be unachievable, the target will be reconsidered upon the mid-year performance assessment for adjustment								
TL11	Number of residential	Number of residential	All	14 750	0	0	0	14 750	14 750	**15 120**	G2

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2023/24						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	properties with electricity which can be/or are connected to the municipal electrical infrastructure network(credit and prepaid electrical metering and excluding Eskom areas) and billed for the service as at 30 June 2024	properties billed credit meter and prepaid meters connected to the network									
TL12	Number of residential properties with sanitation services to which can be/or are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2024	Number of residential properties which are billed for sewerage	All	14 872	0	0	0	14 872	14 872	**14 913**	G2
TL13	Number of residential properties for which refuse can be removed/ or is removed from, once per week and billed for the service as at 30 June 2024	Number of residential properties which are billed for refuse removal	All	14 841	0	0	0	14 841	14 841	**15 147**	G2
TL14	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2024 (Short Term	% of debt to revenue	All	14.92%	0%	0%	0%	20%	20%	**17.18%**	B

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2023/24						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100										
TL15	Financial viability measured in terms of the outstanding service debtors as at 30 June 2024 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors	All	9.37%	0%	0%	0%	11.80%	11.80%	**9.85%**	B
TL16	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2024 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)) as per Circular 71	Number of months it takes to cover fix operating expenditure with available cash	All	1.57	0	0	0	1.2	1.2	**2.49**	B
TL17	Achieve a debtor payment percentage of 90% by 30 June 2024 (Gross Debtors	% debtor payment achieved	All	84%	0%	0%	0%	90%	90%	**96.73%**	G2

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2023/24						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100										
TL25	Limit unaccounted for water to less than 30% by 30 June 2024 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100}	% water losses	All	35.85%	0%	0%	0%	35%	35%	**37.88%**	R
Corrective Measure			The municipality will intensify water conservation and demand management efforts. The water services section in collaboration with finance department as well as the revenue enhancement section will visit all service points to ensure accuracy of meter devices to reduce unaccounted losses								
TL26	Limit unaccounted for electricity to less than 12% as at 30 June 2024 {(Number of units purchased - Number of units Sold (incl free basic electricity) / Number of units purchased) X100}	% unaccounted electricity	All	9.29%	0%	0%	0%	12%	12%	**6.24%**	B
TL27	Spend 95% of the approved capital budget for Waste Water services by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}(excluding Fleet)	% budget spent	All	90%	10%	40%	60%	95%	95%	**77%**	O

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2023/24						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
Corrective Measure				Unspent grant funding resorting under Humans Settlements. Ebenezer (Phase 3, Portion 1): New Sewer - R 1,1170m Qolweni/ Bossiesgif Phase 4B: Upgrading of Sewer - R 2,450m (June 2024) Human settlements tenders have been awarded and the execution of the projects will be completed in the 2024/25 financial year							
TL28	Spend 95% of the approved capital budget for Electrical & Mechanical services by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}(excluding Fleet)	% budget spent	All	99%	10%	40%	60%	95%	95%	**84%**	O
Corrective Measure				The execution of the electrification of informal settlements program is dependent on the execution of the Human Settlements program and the project will therefore be completed in the next financial year as the human settlement rollout progresses. Asset replacements are budgeted annually as the need arise and in accordance with the asset maintenance, refurbishment and replacement strategy							
TL29	Spend 95% of the approved capital budget for Water services by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100} (excluding Fleet)	% budget spent	All	68%	10%	40%	60%	95%	95%	**85%**	O
Corrective Measure				Tenders are in process of being awarded for the completion of the infrastructure projects and spending is continuing in the 2024/25 financial year. The WWTW civil works are complete and the mechanical and electrical work will commence forthwith to ensure completion in 2024/25. Funding will be rolled over in the first rollover budget							
TL30	Spend 95% of the approved capital budget for Roads & Storm Water services by 30 June 2024 {(Total actual capital expenditure /Total	% budget spent	All	90%	10%	40%	60%	95%	95%	**67%**	R

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2023/24						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	capital amount budgeted)x100}(excluding Fleet)										
Corrective Measure			The outstanding matters will be dealt with in the next financial year in respect of the storm water upgrades, the spending on human settlements related projects are underway and will be expedited in 2024/25. The balance of funding will be rolled over								
TL31	Spend 100% of MIG Funding allocation by 30 June 2024 {(Total actual MIG expenditure /Total MIG amount budgeted)x100}	% budget spent	All	60%	10%	40%	60%	100%	100%	**101%**	G2
TL32	Spend 95% of the allocated capital budget for Fleet Management by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	0%	10%	40%	60%	95%	95%	**92%**	O
Corrective Measure			Future budgetary allocations will be made under the relevant departments to ensure appropriate accountability and performance on capital programs								
TL33	Conduct 700 potential electricity theft investigations annually by 30 June 2024	Number of inspections conducted	All	839	175	175	175	175	700	**1 806**	B
TL34	Spend 95% of the budget allocated for the upgrade of the Kurland WTW (from 0.6ml to1.2ml) by 30 June 2024{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	74%	10%	40%	60%	95%	95%	**53%**	R
Corrective Measure			The mechanical and electrical components of the project will be executed in the 2024/25 financial year once after the approval of the rollover of the funding								

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2023/24						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL35	Spend 95% of the budget allocated for the Plett WTW New Clear Water Pumpstation by 30 June 2024{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	52%	10%	40%	60%	95%	95%	**100%**	G2
TL36	Spend 95% of the budget allocated for the electrification of informal settlements (Bossiesgif; Qolweni and Kurland) by 30 June 2024{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	75%	10%	40%	60%	95%	95%	**70%**	R
Corrective Measure			The execution of the electrification of informal settlements program is dependent on the execution of the Human Settlements program and the project will therefore be completed in the next financial year as the human settlement rollout progresses								
TL37	Spend 95% of the allocated capital budget for the Keurbooms upgrade of electrical network by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	New Performance Indicator. No comparative audit result available	10%	40%	60%	95%	95%	**99%**	G2
TL38	Spend 95% of the allocated capital budget for the Brakkloof new 20MVA 66/11KV TRF by 30 June 2024 {(Total actual capital expenditure /Total	% budget spent	All	New Performance Indicator. No comparative audit result available	10%	40%	60%	95%	95%	**0%**	R

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2023/24						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	capital amount budgeted)x100}										
Corrective Measure			The project was moved to the outer year as the wayleave from SANRAL was not yet granted therefore, the project is included in the 2024/25 capital program where it will be executed								
TL39	Spend 95% of the allocated capital budget for the electrification of 204 households for Ebenezer Phase A by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	New Performance Indicator. No comparative audit result available	10%	40%	60%	95%	95%	**100%**	G2
TL41	Spend 95% of the allocated capital budget for the security fencing of the waste water plant by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	New Performance Indicator. No comparative audit result available	10%	40%	60%	95%	95%	**97%**	G2
TL42	Spend 95% of the allocated capital budget for the upgrade of all gravel roads in Kranshoek with surfacing by 30 June 2024 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	New Performance Indicator. No comparative audit result available	20%	40%	60%	95%	95%	**111%**	G2
TL46	Spend 95% of the allocated capital budget for the upgrade of Kranshoek Sportfield floodlights by 30 June 2024{(Total	% of budget spent	All	New Performance Indicator. No comparative audit result available	0%	0%	60%	95%	95%	**100%**	G2

Ref	KPI	Unit of Measurement	Ward	Previous Year Performance	Overall Performance for 2023/24						
					Target					Actual	
					Q1	Q2	Q3	Q4	Annual		
	actual capital expenditure /Total capital amount budgeted)x100}										

Table 73: Top Layer SDBIP – Manage expenditure prudently, grow revenue base and build long term financial sustainability so as to invest in social and economic development

3.2.5 Adjustment SDBIP 2023/24

Section 26 (1) and (2)(c) of the Municipal Budget and Reporting Regulations and in terms of the MFMA Section 54 (1) (c) the Municipality may amend/adjust the SDBIP together with the Adjustment Budget by 28 February. On 28 February 2024 Council approved the amended SDBIP (Resolution C/1/200/02/24).

The following amendments/adjustments were made:

Top Layer Number	Reason for amendment/adjustment
TL 2; 5; 7; 14 – 20; 26 – 31; 33 – 36 and 50	The baseline was adjusted to the audit actual performance of the 2022/23 financial year
TL 9 – TL 13	These targets were changed to the be in line with the actual performance of the 2022/23 financial year as this subsequently becomes the baseline for the current financial year
TL25	The baseline was adjusted to the audit actual performance of the 2022/23 financial year. The target was subsequently also adjusted to be more realistic and in line with the previous year's actual performance and taking into consideration the current status of the municipal infrastructure
TL 37 – 39 and TL 42	KPI ownership was moved from the PMU department to the Electrical department
TL 41	KPI ownership was moved from the PMU department to the Water and Sanitation department

Table 74: TL SDBIP 2023/24 indicators amended

The following KPI's were removed or added:

Top Layer Number	Reason for amendment/adjustment
TL 40; 45	This KPI was removed from the SDBIP due to no budget being allocated for this project
TL 44	The KPI is removed as the project is not implementation ready. The Municipality is awaiting the finalisation of the EIA

Table 75: TL SDBIP 2023/24 indicators removed

3.2.6 Service Providers Strategic Performance

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

- means a person or institution or any combination of persons and institutions which provide service to or for the benefit of the local community

- 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

During the year under review the Municipality did not appoint any service providers who provided municipal services to or for the benefit of the local community on behalf of the Municipality and therefore this report contains no such details. All other contract appointments are regularly monitored to ensure that the requirements of the contract are complied with.

3.2.7 Municipal Functions

a) Analysis of Functions

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	**Yes**
Building regulations	**Yes**
Childcare facilities	**No**
Electricity and gas reticulation	**Yes – Electricity only**
Firefighting services	**Yes**
Local tourism	**Yes**
Municipal airports	**Yes**
Municipal planning	**Yes**
Municipal health services	**No**
Municipal public transport	**No**
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	**Yes**
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	**Yes**

Municipal Function	Municipal Function Yes / No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	No
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	No
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes

Municipal Function	Municipal Function Yes / No
Street lighting	**Yes**
Traffic and parking	**Yes**
Airport	**Yes**

Table 76: Functional Areas

COMPONENT A: BASIC SERVICES RENDERED

3.3 Water Provision

3.3.1 Introduction to Water Provision

Bitou Municipality operates 3 water schemes (Plettenberg Bay, Kurland and Natures Valley), providing potable water to residents. Main sources of raw water supply include the Keurbooms River and Piesang River (Roodefontein Dam) for Plettenberg Bay. Kurland is supplied with run-off water abstracted from a weir constructed on the Wit River and from four production boreholes. Raw water for Natures Valley is abstracted from the Groot River.

All residents have access to at least a basic water supply service. The top priorities are to develop sufficient sources, adequate treatment capacity, as well as bulk and reticulation system capacity to address the housing backlog and to provide for growth and development in the foreseeable future, as well as to maintain and refurbish and replace aging existing infrastructure to ensure a sustainable water supply service.

Water is a fundamental and indispensable natural resource. It is fundamental to life, the environment, food production, hygiene, and power generation. Poverty reduction and improved water management are inextricably linked. Section 4B of the Constitution lists water and sanitation services limited to portable water supply systems and domestic wastewater and sewerage disposal systems as a local government function.

Bitou Municipality is the official Water Services Authority (WSA) for the entire Municipal Management Area and act as the Water Services Provider (WSP) for the whole area.

Quality both for raw incoming and final water is tested daily for operational requirements as well as for SANS 241 compliance monitoring. Water quality tests are uploaded monthly onto the Department of Water and Sanitations' *Integrated Regulatory Information System" (IRIS).*

The upgrading and maintenance of the Bulk water systems remain a high priority, and all efforts are made to cater for the growth in population and to ensure planning for future infrastructure requirements.

3.3.2 Highlights: Water Provision

The table below specifies the highlights for the year:

Highlights	Description
Phase 1 of the upgrade of the Kurland Water Treatment Works (WTW) completed	Phase 1 entailed the civil portion (reinforced concrete works) as well as commissioning of two boreholes and was successfully completed
Pipe replacement programme	• 1 105m section of bulk waterline from the turnoff to Kranshoek towards town along the Airport Road was replaced • 1 105m of 125mm AC pipe were replaced with 160mm diameter UPVC pipe
Float shut-off valves installed at reservoirs	The installation of float shut-off valves on inlet pipes at 4 (Archiewood, Goose Valley, Matjiesfontein and Wittedrift) reservoirs to prevent reservoir from overflowing
Upgrade of the Clearwater pumpstation Plettenberg Bay WTW	The upgrade has been completed and the commissioning phase is currently in progress

Table 77: Water Provisions Highlights

3.3.3 Challenges: Water Provision

The table below specifies the challenges for the year:

Description	Action to address
Water scarcity, additional water resources for future development and growth is required	Implementation of Water Conservation and Demand Management initiatives, together with the investigation and explorations of groundwater sources
Filling funded vacant post- shortages of Human Resources staff to assist	Fast track the advertising of positions and follow the Recruitment and Selection process to fill budgeted vacant positions within the legislative timeframe

Table 78: Water Provisions Highlights

3.3.4 Water Provision Service Delivery Levels

Below is a table that specifies the total use of water by sector:

Total Use of Water by Sector (cubic meters)				
Year	Agriculture	Forestry	Industrial	Domestic
2022/23	0	0	12 664	4 051 862
2023/24	0	0	14 571	4 443 481

Table 79: Total Use of Water by Sector

The following table specifies the different water service delivery levels per households for the financial years 2022/23 and 2023/24:

Description	2022/23	2023/24
	Actual	Actual
Household		
Water: **(above minimum level)**		
Piped water inside dwelling	21 196	21 341
Piped water inside yard (but not in dwelling)	*2 075	*2 075
Using public tap (within 200m from dwelling)	678	680
Other water supply (within 200m)	0	0
Minimum Service Level and Above Sub-total	**23 949**	**24 096**
Minimum Service Level and Above Percentage	**100**	**100**
Water: **(below minimum level)**		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling	0	0
No water supply	0	0
Below Minimum Service Level Sub-total	0	0
Below Minimum Service Level Percentage	0	0
Total number of households (formal and informal)	**23 534**	**24 096**
2075 households have connections to their houses – these are unauthorised connections made from communal tap stands* **Note: *The Community Services Directorate conducted full enumeration of informal settlements in the latter part of 2019/20, this is the most correct/updated figure. No further updates are available*		

Table 80: Water Provision Service Delivery Levels

Access to Water			
Financial year	Number of households with access to water points*	Number of households with access to piped water	Number of households receiving 6 Kℓ free#
2022/23	**2 844	21 196	4 131
2023/24	**2 844	21 196	5 080
Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute. 6 000 litres of potable water supplied per formal connection per month			
*** The Community Services Directorate conducted full enumeration of informal settlements in the latter part of 2021/22, this is the most correct/updated figure.*			

Table 81: Access to Water

3.3.5 Employees: Water Provision

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	4	2	2	50%
4 - 6	48	54	42	12	22%
7 - 9	8	22	8	14	64%
10 - 12	13	15	9	6	40%
13 - 15	2	3	2	1	33%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	**74**	**99**	**64**	**35**	35%

Table 82: Employees: Water Provision

3.3.6 Capital: Water Provision

The following table indicates the capital expenditure for this division:

Capital Projects/	2023/24			
	R'000			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Bossiesgif: New Water (PH4A)	0	1 083	0	1 083
Ebenezer (Phase 3, portion 1): New Sewer	0	4 000	3 462	538
Green Valley: New/ Upgrade Bulk Water	1 400	1 400	1 400	0
Kurland: New Water	900	0	0	0
Kurland: Upgrade WTW	5 200	7 367	3 900	3 468
Plett WTW: New Pump Station	13 731	19 192	19 184	8
Pump Station Equipment	2 000	2 300	2 011	289
Qolweni/Bossiesgif Phase 4B: Upgrading of water	1 750	1 750	787	963
Replacement of AC pipes	2 000	2 000	1 987	13
Tools and equipment	169	419	383	36
Water Demand Management	200	200	176	24
Total	**27 350**	**39 711**	**33 290**	**6 422**

Table 83: Capital Expenditure 2023/24: Water Provision

3.4 Waste Water (Sanitation) Reticulation

3.4.1 Introduction to Water and Waste Water (Sanitation) Reticulation

Bitou Municipality operate and maintain 2 wastewater schemes serving the entire municipal area, mainly Goose Valley – and Kurland Wastewater Treatment Works (WWTW).

Effluent generated within the Greater Plettenberg Bay area, including Kranshoek/ Kwanokuthula/New Horizon/Keurbooms and Wittedrift are treated at the Goose Valley WWTW. The undulating topography, combined with low-lying areas along the coast, effluent is conveyed by means of a network of sewer pumpstations and gravity lines.

The Kurland WWTW treats effluent from the Kurland Village/ Crags as well as Natures Valley. Natures Valley makes use of septic- and conservancy tanks which are emptied by means of suction tanker and transported by road to the Kurland WWTW.

Daily operational and compliance monitoring of raw and treated effluent is done, and results are uploaded on the Department of Water and Sanitation Integrated Regulatory Information System (IRIS) and results are electronically available.

- The main challenges remained the following:
- Extending the waterborne sewer networks in the different towns.
- Upgrading treatment capacity when growth projections indicate the requirement; and
- Eliminating delay the request for tanker truck service.
- Efficiently maintaining and operating existing infrastructure.

The Upgrade of the Kurland wastewater treatment works is scheduled to commence during the 2024/25 financial year, funded through the Municipal Infrastructure Grant (MIG)

3.4.2 Highlights: Waste Water (Sanitation) Reticulation

The table below specifies the highlights for the year:

Highlights	Description
Mechanical and electrical upgrade of various sewer pump stations	Mechanical and electrical upgrades were undertaken and completed at the Heideland, Wittedrift Kurland and Kwanokuthula pump stations to ensure sound operations
Security measures at Goose Valley Waste Water Treatment Works (WWTW)	2 130 meters of security fencing was installed at Goose Valley Waste Water Treatment Works during 2023/24

Table 84: Waste Water (Sanitation) Reticulation Highlights

3.4.3 Challenges: Waste Water (Sanitation) Reticulation

The table below specifies the challenges for the year:

Description	Action to address
Ongoing vandalism of sewer infrastructure especially cable theft.	Installation of security fencing and security cameras at various sites are currently being investigated to ensure availability of conducive budget

Description	Action to address
Sewer blockages	The Municipality is committed to the ongoing removal of foreign and large debris, purposely thrown into sewer manholes, and regular maintenance checks

Table 85: Waste Water (Sanitation) Reticulation Challenges

3.4.4 Waste Water (Sanitation) Reticulation Service delivery levels

Below is a table that specifies the different sanitation service delivery levels per household for the financial years 2022/23 and 2023/24:

Description	2022/23	2023/24
	Actual	Actual
Household		
Sanitation/sewerage: (above minimum level)		
Flush toilet (connected to sewerage)	21057	21 202
Flush toilet (with septic tank/conservancy tank)	2228	2 235
Chemical toilet	73	73
Pit toilet (ventilated)	35	35
Other toilet provisions (above minimum service level)	0	0
Minimum Service Level and Above Sub-total	**23 393**	**23 545**
Minimum Service Level and Above Percentage	**100**	**100**
Sanitation/sewerage: (below minimum level)		
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	0	0
Below Minimum Service Level Sub-total	**0**	**0**
Below Minimum Service Level Percentage	**0**	**0**
Total number of households	**22 781**	**23 545**

Table 86: Waste Water (Sanitation) Service Delivery Levels

3.4.5 Employees: Waste Water (Sanitation) Reticulation

The following table indicates the staff composition for this division:

Job Level	2023/24	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	4	2	2	50%
4 - 6	48	54	42	12	22%
7 - 9	8	22	8	14	64%
10 - 12	13	15	9	6	40%
13 - 15	2	3	2	1	33%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	**74**	**99**	**64**	**35**	35%

Table 87: Employees Waste Water (Sanitation) Reticulation

3.4.6 Capital: Waste Water (Sanitation) Reticulation

The following table indicates the capital expenditure for this division:

Capital Projects/	2023/24			
	R'000			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Bossiesgif: New Water (PH4A)	0	1 149	392	758
Ebenezer (Phase 3, portion 1): New Sewer	0	5 600	3 713	1 887
Heideland Sewage Pump Station (SPS)	2 500	1 110	1 101	9
Kurland (1500): New Sewer	600	0	0	0
Kurland old SPS (Kurland PS2)	1 800	1 340	1 340	0

Capital Projects/	2023/24			
	R'000			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Kurland Waste Treatment Works	435	0	0	0
Kwano: Upgrading of sewer infrastructure	435	0	0	0
Kwanokuthula-Boxer shopping centre	1 677	171	0	171
Pump station equipment	2 500	4 319	4 392	(73)
Qolweni/ Bossiesgif Phase 4B: Upgrading of sewer	2 450	2 450	0	2 450
Security fencing - Waste Water Plants	3 500	5 224	5 065	159
Upgrade Sewer Reticulation	2 000	1 450	1 450	0
Wittedrif Main SPS	0	400	359	41
Total	**17 896**	**23 214**	**17 811**	**5 402**

Table 88: Capital Expenditure 2023/24: Waste Water (Sanitation) Provision

3.5 Electricity

Picture 1: Main road lights

3.5.1 Introduction to Electricity

Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

For this purpose, municipalities must develop masterplans and maintenance schedules for their area of jurisdiction.

Bitou Municipality currently purchase all its bulk energy from Eskom but have decided to investigate the appointment of an Independent Power Producers (IPP) to ensure energy security in light of the risks of load shedding.

Bitou Municipality is also one of the Municipalities that purchase power from residential and commercial customers through its Small-Scale Embedded Generation (SSEG) policy. The SSEG tariff had attract a lot of interest in the Bitou area of supply and therefor the application process was made easier by introducing an on-line application facility.

Two of the exciting projects for the Department was the start of the electrification of the Ebenezer Housing Development and the ongoing electrification of "informal areas". Two projects that will commence in the new financial year is the new supply to Keurbooms area and the start of the Brakkloof second transformer project. Both these projects are envisaged to be completed over multiple years.

3.5.2 Highlights: Electricity

The table below specifies the highlights for the year:

Highlights	Description
Ebenezer development	The electrification of 80 of the planned 204 erven were successfully completed
High Mast light for Green Valley	A High Mast light was installed at Green Valley
Bossiesgif informal settlement electrification	200 electrical connections successfully completed
Keurbooms upgrade	Materials for this project was precured and wayleave was approved by SANRAL
SSEG applications streamlined	Applications for SSEG can now be completed via an online portal

Table 89: Electricity Highlights

3.5.3 Challenges: Electricity

The table below specifies the challenges for the year:

Description	Actions to address
Critical staff shortage (Staff do not want to be in acting positions/ scarcity of suitable, qualified people)	Interviews were conducted recently and awaiting the report for finalisation. Municipality should investigate the possibility of streamlining and fast tracking the recruitment and selection process as stipulated by the Staff Regulations

Table 90: Electricity Challenges

3.5.4 Electricity Service Delivery Levels

The table below indicates the electricity notified maximum demand. The reduction in NMD in certain areas can be ascribed to the persistent load shedding experienced through the course of the financial year, coupled with the rooftop solar installations as a measure to mitigate load shedding and counter the high electricity price increases.

Major towns	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD)	Maximum Demand Peak (NMD)
Plettenberg Bay	15 500kVA	-3.2%	14 469.75kVA
Wittedrift	400kVA	2.3%	463.40kVA
Keurboomstrand	1 700kVA	-0,7%	2 740.98kVA
Natures Valley	1 000kVA	37.6%	978.18kVA
Brakkloof	9 500kVA	-0.3%	12 970.36kVA

Table 91: Electricity Notified Maximum Demand

The table below indicates the different service delivery levels for electricity within the Municipality:

Description	2022/23	2023/24
	Actual	Actual
Household		
Energy: (above minimum level)		
Minimum Service Level and Above Sub-total	13 019	15 120
Minimum Service Level and Above Percentage	100	100
Energy: (below minimum level)		

Description	2022/23	2023/24
	Actual	Actual
Household		
Electricity (< minimum service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	0
Below Minimum Service Level Sub-total	0	0
Below Minimum Service Level Percentage	0	0
Total number of households	13 019	15 120

Table 92: Electricity Service Delivery Levels

3.5.5 Employees Electricity

The table below specifies the service delivery levels for the year:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	8	3	5	63%
4 - 6	8	14	8	6	43%
7 - 9	3	4	2	2	50%
10 - 12	7	13	9	4	31%
13 - 15	1	5	2	3	60%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	**23**	**45**	**25**	**20**	44%

Table 93: Employees: Electricity

3.5.6 Capital: Electricity

The following table indicates the capital expenditure for this division:

Capital Projects/	2023/24			
	R'000			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Brakkloof New 20mva 66/11kv trf	3 661	0	0	0
Electrification of 204 household for Ebenezer Phase A	3 282	3 282	3 282	0
Electrification of informal settlement	3 000	5 922	4 157	1 764
Furniture and equipment	0	120	119	1
Goose Valley: Upgrade main supply	650	650	606	44
Keurbooms: Upgrade network	5 989	5 989	5 922	67
Machinery and equipment	204	204	201	3
New high mast lights	660	660	541	119
New streetlights	0	483	268	215
Plett: asset replacement	2 360	2 294	1 160	1 134
Plett: new generators	50	0	0	0
Plett: Upgrade O/H to U/G network (lv)	1 150	1 150	1 017	133
Replace faulty MV meter unit	795	438	438	0

Capital Projects/	2023/24			
	R'000			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Replace mv radial supply	890	1 626	1 602	23
Scada systems	650	428	99	329
Security key sites	400	77	79	(2)
Total	**23 741**	**23 351**	**19 492**	**3 829**

Table 94: Capital Expenditure 2023/24: Electricity Services

3.6 Waste Management (Refuse Collections, Waste Disposal, Street Cleaning and Recycling)

3.6.1 Introduction to Waste Management

The collection of household refuse or the lack thereof is one of the most powerful visual benchmarks on which the Municipality's service can be assessed. Bitou Municipality uses a split bag system for separation at source. Households put a black bag at kerb side on the day of domestic refuse collection and a yellow bag of recyclable material the day after normal collections.

The standard service level for formal residences is a once-a-week kerb side waste collection service. Most residential properties have been provided with 240 litre/140 litre wheelie bins which is a measure of containerizing of waste and a prevention of blown litter.

Street sweeping is an important cleaning service to ensure public road safety. It also prevents the town's storm water system from becoming blocked or clogged with waste. Sweeping is done with the use of manual labour which is usually combined with litter picking.

Areas such as New Horizons, Kwanokuthula, Qolweni, Bossiesgif, Pinetrees, Harkerville, Green Valley, Wittedrift, Kranshoek and Kurland Village are being serviced by community-based contractors.

The Municipality had only one landfill site, namely the Plettenberg Bay landfill site. This landfill site closed on the 15th of December 2018 for rehabilitation. The rehabilitation of the Plettenberg Bay landfill site was completed on the 31st of May 2022. Bitou Municipality have two waste disposal facilities. The following are the operational waste disposal facilities for Bitou Municipality that is operational.

1. Waste transfer station – Portion 40 Hillview Farm, Kwanokuthula

2. Goose Valley waste drop-off facility

The status of the Plettenberg Bay Landfill Site is summarised below:

Plettenberg Bay Landfill Site Status	
Position of site	The site is located south of the urban centre of Plettenberg Bay (Site is permanently closed. The rehabilitation of the site was completed of the 31st of May 2022)
Permit	16/2/7/K600/D3/Z1/P375
Year issued	2000
Classification of site: GSB+	GSB+
Type of operation (end – tip, trench, cell)	Cell
Estimated size of site	Approximately 12.5 ha
Estimated remaining life of site	The Plettenberg Bay Landfill Site is permanently closed The rehabilitation of the site was completed of the 31st of May 2022)
Separation of fresh and contaminated water	Yes
Groundwater monitoring	Yes
Volumes per day, week or month	The Plettenberg Bay Landfill Site is permanently closed The rehabilitation of the site was completed of the 31st of May 2022
Is cover material available?	The Plettenberg Bay Landfill Site is permanently closed The rehabilitation of the site was completed of the 31st of May 2022
Is the drainage sufficient?	New cut-off drainage has been constructed +/- 250m as part of the rehabilitation of the site
Is there access control?	The Plettenberg Bay Landfill Site is permanently closed The rehabilitation of the site was completed of the 31st of May 2022
Is the site fenced?	Yes
Does the site have a sufficient buffer zone?	Site closed
Type of equipment utilised on site	Site closed

Plettenberg Bay Landfill Site Status	
Operating hours	Site closed
Site facilities, i.e. ablutions, guard house	Ablution and guard house facilities
Cost of closure	+/- R24 000 000

Table 95: Plettenberg Bay Landfill Site Status

Due to the closure and the rehabilitation of the municipal waste site on the 15th of December 2018 for rehabilitation and the need for disposal of domestic waste, the domestic waste stream generated within the municipal area is now being transported by road to Petro SA Landfill Site in Mossel Bay. Petro SA does not permit the disposal of certain waste streams, i.e. green waste and builders rubble.

3.6.2 Highlights: Waste Management

The table below specifies the highlights for the year:

Highlights	Description
Quarterly E-Waste Roadshow	The collection of all electronic waste from a central collection point for disposal
Purchasing of wheelie bins	All households from the previous disadvantage areas that didn't receive wheelie bins before, received Wheelie bins
Purchasing of 3 new Compactor trucks & 1 Hook-lift truck	The purchasing of Compactor trucks and a Hook-lift truck will enhance service delivery in Waste Management throughout the area

Table 96: Waste Management Highlights

Picture 2: Waste transfer station

3.6.3 Challenges: Waste Management

The table below specifies the challenges for the year:

Description	Actions to address
Breakdown of Hook-lift trucks during high season creating gross stockpiling of solid waste at the Waste Transfer Station	Pre-season vehicle inspection, testing and repairs will be done to ensure optimal use and maintenance is done on the Hook-lifts to minimize the problem. The Municipality also purchased an additional Hook-lift
Gross stockpiling of bulky waste materials	The Municipality is investigating the possibility to ensure sufficient budget that is required for the removal and disposal of bulky waste materials to the regional landfill site

Table 97: Waste Management Challenges

3.6.4 Waste Management Services Delivery Levels

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

Description	2022/23	2023/24
	Actual	**Actual**
Household		
Refuse Removal: (Minimum level)		
Removed at least once a week	22 160	22 603
Minimum Service Level and Above sub-total	**22 240**	**22 603**
Minimum Service Level and Above percentage	**100**	**100**
Refuse Removal: **(Below minimum level)**		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	2	2
No rubbish disposal	2	2

Description	2022/23	2023/24
	Actual	Actual
Household		
Below Minimum Service Level sub-total	**4**	**4**
Below Minimum Service Level percentage	**95%**	**95%**
Total number of households	**22 160**	**22 630**

Table 98: Waste Management Service Delivery Levels

3.6.5 Employees: Waste Management Services

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	18	22	19	3	14%
4 - 6	34	45	32	13	29%
7 - 9	15	17	14	3	18%
10 - 12	2	2	2	0	0%
13 - 15	1	1	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	**61**	**88**	**69**	**19**	22%

Table 99: Employees: Waste Management Services

3.6.6 Capital: Waste Management Services

The following table indicates the capital expenditure for this division:

Capital Projects	2023/24			
	R'000			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Kurland Village – Waste drop-off facility	1 350	0	0	0
Specialised cameras at transfer station	0	50	0	50
Total	**1 350**	**50**	**0**	**50**

Table 100: Capital Expenditure 2023/24: Waste Management Services

3.7 Housing

3.7.1 Introduction to Housing

The multi-year development plan illustrates the projected housing projects for at least the next 10 years. The current housing provincial approved beneficiary waiting list is 8710.

The table below indicates the priority housing sites:

Site	Units
Subsidy: Priority 1	
Ebenezer	1 433
Subsidy Priority 2	
Qolweni/ Bossiesgif	728

Table 101: Prioritised Housing Sites

3.7.2 Highlights: Housing

The table below specify the highlight for the year:

Highlights	Description
Construction of engineering services to sites	The construction of water, sewer reticulation, roads and related stormwater services to 115 vacant sites were completed

Highlights	Description
Allocation of Emergency funding	• The relocation of TRA toilets and the construction of standpipes for 19 TRAs was completed • The construction of a Top Structure for an elderly couple who lost their house through fire in 2017 at Kwa-Nokuthula, Sajini Street was completed
Construction of Top Structures	The construction of: • 154 Breaking New Grounds • 25 First Home Finance • 25 Serviced Sites were completed

Table 102: Housing Highlights

Picture 3: Ebenezer housing handover

3.7.3 Challenges: Housing

The table below specify the challenge for the year:

Description	Actions to address
Delayed procurement processes	The unit will assist SCM by ensuring relevant and required documentation is submitted timeously as well as assisting SCM with the arrangement of applicable Committee meetings
Transfers	A number of properties are still without Title Deeds, the Provincial department is not prioritising the transfer, however the Municipality is committed to remind and engage with province on a continues basis until these matters are finalised

Description	Actions to address
Housing backlog	Due to the fact that the matter for the approval and availing of funds resides with the provincial department, only a few of the required and needed projects have been approved. This unfortunately creates the stagnation in reduction of these backlogs. The Municipality is however committed to engaging with the provincial departments on a continues basis and submitting the required information as requested

Table 103: Housing Challenges

3.7.4 Housing Service Delivery Levels and Statistics

The table below indicates the different housing service delivery levels and statistic standards within the urban edge area of the Municipality:

Number of households with access to basic housing			
Year end	**Total households (including informal and formal settlements)**	**Households in formal settlements**	**Percentage of HHs in formal settlements (%)**
2022/23	21 195	16 264	76.73
2023/24	21 195	16 264	76.73

Table 104: Households with Access to Basic Housing

There are currently approximately 8 710 housing beneficiaries registered on the provincial housing waiting list.

Financial year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2022/23	8 710	0
2023/24	8 710	0

Table 105: Housing Waiting List

A summary of houses built, includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2022/23	13 000	13 000	100	139	0
2023/24	57 817	51 557	89.19	179	319

Table 106: Houses Built

3.7.5 Employees: Housing

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	3	2	1	33%
13 - 15	1	1	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	**4**	**5**	**4**	**1**	20%

Table 107: Employees: Housing

3.8 Free Basic Services and Indigent Support

3.8.1 Introduction

A debtor is considered indigent if the gross household income is equal to or less than R 5 200 per month. All indigent households receive 6 Kℓ of water and 50 kWh of electricity free each month. Furthermore, all indigent debtors are subsidised for refuse removal and sewerage monthly cost. Indigent debtors from the 2023/24 financial year will not have to re-apply every year but will have to verify their indigent status annually.

3.8.2 Service Delivery Levels

The table, furthermore, indicates the total number of indigent households and other households that received free basic services in the past two financial years:

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2022/23	18 022	7 900	43.83	4 132	22.92	4 132	22.92	4 132	22.92
2023/24	18 034	8 068	44.77	5 080	28.17	5 080	28.17	5080	27.17

Table 108: Free Basic Services to Indigent Households

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000
2022/23	4 132	50	2 410	3 768	50	2 615	2 570	50	1 799
2023/24	5 080	50	4 389	2 988	50	2 582	2 690	50	2 712

Table 109: Free Basic Electricity Services to Indigent Households

Water						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Unit per HH (kl)	Value R'000	No. of HH	Unit per HH (kl)	Value R'000
2022/23	4 132	6	2 013	0	0	0
2023/24	5 080	6	2 188	0	0	0

Table 110: Free Basic Water Services to Indigent Households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value R'000	No. of HH	Unit per HH per month	Value R'000
2022/23	4 132	572	21 996	0	0	0
2023/24	5 080	611	37 247	0	0	0

Table 111: Free Basic Sanitation Services to Indigent Households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Service per HH per week	Value R'000	No. of HH	Unit per HH per month	Value R'000
2022/23	4 132	1	12 763	0	0	0
2023/24	5 080	1	20 641	0	0	0

Table 112: Free Basic Refuse Removal Services to Indigent Households per Type of Service

Financial Performance 2023/24: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2022/23	2023/24			
	Actual	Budget	Adjustment Budget	Actual	Variance to Adjustment Budget %
	R'000			R'000	
Water	0	9 271	12 951	13 072	-0.93
Waste Water (Sanitation)	21 851	22 378	33 928	35 378	-4.27
Electricity	5 025	5 734	5 734	5 890	-2.7
Waste Management (Solid Waste)	15 218	15 307	24 265	24 917	-2.69

Table 113: Financial Performance 2023/24: Cost to Municipality of Free Basic Services Delivered

COMPONENT B: ROAD TRANSPORT PROVISIONS

3.9 Roads

Picture 4: Main road

3.9.1 Introduction: Roads

The objective of maintenance of a municipal road network is the provision of a safe, comfortable to use roads and where maintenance is performed, before defects become hazardous. This is the "apparent" service delivery that the road user (driver or passenger) can physically see and, perhaps more importantly (from their perspective), feel.

This is economic service delivery. A further important factor to consider is that of excess vehicle operating cost (EVOC). A poorly maintained road (i.e. potholed and/or excessively patched) is in the region of 75% more expensive to drive on than a well-maintained road. The failure to undertake timely and correct road maintenance imposes an effective financial "double whammy" on the road user. For effective road maintenance, a management plan renders effective and efficient "pro-active" preventative maintenance possible.

The roads are evaluated and managed with the pavement management systems which presents a network level proposal for maintaining the roads in the area through an assessment of the network based on methodical visual ratings of each pavement section. It is essentially a network level tool. The completion of the network conditions was assessed 1999, 2004, 2008, 2011, 2015 and 2018 with the Rural Road Assets Management System.

Visual assessment forms the basis of evaluation of the condition (surface, structural and functional) of the road network and the need for specific actions.

Different road sections require different types of maintenance varying from routine and normal to heavy rehabilitation. Possible project types range from routine maintenance (e.g. patching), to normal maintenance (resurfacing) through to heavy rehabilitation (e.g. thick overlays and reconstruction).

With the limited funds available it is important that these funds be spent at the right place at the right time to ensure optimum use of funds. The use of a Pavement Management Systems is accepted as essential for determining the maintenance and upgrading needs/programs for pavements in a network of roads.

The repair and maintenance of road crossings and pipe burst have a major effect on the maintenance program and are estimated at more than R2 million per year.

The rating system includes more than 15 distress types within the following subgroups:

- Visual/Surface (VCI) – the condition of the surfacing relates to its quality as a suitable riding surface for traffic and as an impermeable layer, preventing ingress of water into the pavement structure. "In general, the overall VCI for Bitou LM is at 59.8 (fair) and the general pavement surface condition is mostly dry and brittle."
- Structural – the condition of the structure relates to its ability to withstand traffic volumes;
- Functional (FCI) – the functional condition is a measure of the level of service currently provided by the pavement, as perceived by the road user. "In general, the overall FCI for BLM is at 71.6 (good) with the riding quality, skid resistance and non-kerbed/unpaved shoulders being the most dominant defects."

The total length of the paved network is 157.38km (144.28km tar, 13.1km block paving and 0.6km concrete pavements) with an estimated replacement value of R764, 023 million. The average condition of the network can be rated as fair, with 5% of the surfacing and 12% of the structure in the poor to very poor category.

Rehabilitation Priorities

An amount of R38.2 million has been estimated to rehabilitate 22.99km of the road network covering an approximate area of 126 950sqm within the municipal area. **An amount of R7.637 million for rehabilitation** for the next five years is required, plus consultant's fee 17% for rehabilitation to be spent annually on the road network to eradicate the existing backlog with the key objective of rehabilitation to restore the road to an acceptable structural capacity and level of service.

Where rehabilitation remedial measure has been recommended and selected out of any one of the three, in light rehabilitation, medium rehabilitation and heavy rehabilitation depending upon prevailing conditions affecting the road segment in question.

Resurfacing/Reseal Priorities

An amount of R55 million has been estimated to resurface 42.2km of the road network covering an approximate area of 239 754sqm within the municipal area. **An amount of R11.460 million for resurfacing** for the next five years is required to restore the condition of the network to an excellent level of service.

- The following are detrimental to roads networks and results in additional maintenance:
- road crossings poorly reinstated;
- over irrigation of sidewalks which run-off on the road surface;
- discharging of stormwater;
- pool backwash;
- underground water seepage; and
- alterations to the sidewalks, which hamper stormwater discharge.

Gravel Roads

The Gravel Road Management System (GRMS) report presents a network level proposal for maintaining the roads. Visual assessments form the basis of the evaluation of the condition of the road network and the need for specific actions. Different road sections may require different types of maintenance varying from normal and special, to scheduled maintenance. Project types can include - blading, reshaping, reworking, re-graveling or even upgrading of the road to a higher standard.

Visual Gravel Index

- A condition index has several useful applications, including the following:
- As a relatively simple way to communicate the health of the system or individual roads to management, planners and politicians;
- As a parameter to compare the general condition of different road networks;
- To indicate the rate of deterioration of individual pavement segments;
- As a factor in a priority rating method; and
- As a fast technique for estimating average costs to maintain or rehabilitate a candidate project.
- The rating system includes more than 15 distress types within the following subgroups:

- Surface/structural – the condition of the surfacing relates to its quality as a suitable riding surface for traffic and as an impermeable layer, preventing ingress of water into the pavement structure and further looks into its ability to withstand traffic loads.
- Gravel properties – the properties of the gravel material provide insight as to the durability and mechanistic behaviour of the wearing course.
- Functional – the functional condition is a measure of the level of service currently provided by the pavement, as perceived by the road user.

In general, the overall VGI for Bitou is at 19.0 (very poor) and the general road surface condition largely affected by dustiness and fixed stoniness.

The Impact of Unpaved Roads on the Broader Community

Some of the costs attributable to unpaved roads are more difficult to define, as they are not borne by the road authorities. They are however, real costs to the economy and, as such should be considered by a road authority.

Some of these costs are:

- Road User Costs
- Environmental Costs
- Social Costs

According to studies carried out by the World Bank and taking all the components of road user costs into account it could cost up to two and a half times more to travel on gravel than on paved roads. Furthermore, studies have shown that the fuel consumption of a motor car increases by up to 20% and a truck by 27% on a poor condition gravel road when compared with a paved road.

Preventative Maintenance Application Strategies

The following schedule of activities is suggested for the gravel roads:

- Grader blading to occur twice per annum
- Shaping the profile to occur once per annum
- Re-gravelling to occur every 5-years for streets with Average Daily Traffic > 50 and 9 years for streets with ADT =<50, however spot re-gravelling may take place at the discretion of the municipality
- Roadside maintenance teams also have to be brought into the picture to maintain the road reserve area 3 m adjacent from the road shoulder, this may occur on a quarterly basis

The total unpaved network is 40.958km of which 36.958km are gravel roads and the rest can be defined as track roads. The average condition of the unpaved network can be rated as good to fair with only

16% of the roads in the poor to very poor category. The total replacement value of the entire municipal area's gravel road network is in the region of R26.8 million.

An amount of R4.241 million has been estimated for regular blading and shaping by a motor grader, as well as periodic re-gravelling to replace lost material in order to keep them in good condition.

Upgrading network

The upgrade needs are viewed from a functional point of view, but consideration is also given for the upgrade of the dirt roads to gravel standard. An amount of R7.2 million has been estimated for the upgrade of gravel roads.

3.9.2 Highlights: Roads

The table below specifies the highlights for the year:

Highlights	Description
Road surface maintenance	2.18km of surfaced roads ranging from resurfacing to heavy rehabilitation were rehabilitated during the year under review
Gravel road maintenance	12.36km of gravel roads ranging from blading to re-gravelling were maintained throughout the financial year under review
Sectional completion of upgrade of Spreeu Street	230m of gravel was upgraded to surfaced road

Table 114: Roads Highlights

3.9.3 Challenges: Roads

The table below specify the challenges for the year:

Description	Actions to address
Actual Budget less than targeted maintenance	Request more funding and investigate alternative funding sources
Deterioration of High Street	Funding request submitted for project to be implemented and included within the 2025/26 financial year budget
Deterioration of Sewell Street	Submit funding request for project to be implemented and included with the 2025/26 financial year budget

Table 115: Roads Challenges

3.9.4 Roads Service Delivery Levels and Statistics

The table below reflects the different service delivery level standards for roads within the municipal area:

Gravel Road Infrastructure: Kilometres				
Year	**Total gravel roads**	**New gravel roads constructed**	**Gravel roads upgraded to tar**	**Gravel roads graded/maintained**
2022/23	14	0	0	14
2023/24	14	0	0.23	12.36

Table 116: Gravel Road Infrastructure

Tarred Road Infrastructure: Kilometres					
Year	**Total tarred roads**	**New tar roads**	**Existing tar roads re-tarred**	**Existing tar roads re-sheeted**	**Tar roads maintained**
2022/23	142.7	0	0	2.6	142.7
2023/24	144.28	1.58	0	2.18	144.28

Table 117: Tarred Road Infrastructure

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

Financial year	Gravel			Tar		
	New	**Gravel – Tar**	**Maintained**	**New**	**Re-worked**	**Maintained**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
2022/23	0	0	800	0	0	9 000
2023/24	0	3 500	800	2 000	0	7 800

Table 118: Cost of Construction/Maintenance of Roads

3.9.5 Employees: Roads

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	10	16	10	6	38%
4 - 6	6	7	6	1	14%
7 - 9	2	3	2	1	33%
10 - 12	2	2	2	0	0%
13 - 15	2	2	1	1	50%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	**23**	**31**	**22**	**9**	29%

Table 119: Employees: Roads

3.9.6 Capital: Roads and Stormwater

The following table indicates the capital expenditure for this division:

Capital Projects/	2023/24			
	R'000			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Bossiesgif: new water (PH4A)	0	2 427	0	2 427
Ebenezer (Phase 3, portion 1): New roads	0	6 400	5 906	494
Kurland (1500): New roads	1 500	0	0	0

Capital Projects/	2023/24			
	R'000			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
New Horizons: connecting Saringa Road	0	440	440	0
New Horizon-Stormwater upgrades	1 000	1 100	648	452
Qolweni/Bossiesgif Phase 4	2 800	2 800	693	2 107
Speedhumps	100	100	100	0
Upgrading of all gravel roads in Kranshoek with surfacing	3 269	3 636	3 636	0
Wittedrift-stormwater upgrades	5 000	1 051	565	486
Total	**13 669**	**17 954**	**11 987**	**5 967**

Table 120: Capital Expenditure 2023/24: Roads and Stormwater

3.10 Stormwater

3.10.1 Stormwater

The major stormwater system of the Municipality's service area consists of all-natural waterways, including springs, streams, rivers, wetlands and dams. It includes detention and retention dams and other devices constructed to control stormwater. Roadways and their associated drainage structures are part of the major storm water system if they result in a significant deflection of stormwater from its natural overland flow path.

The minor stormwater system consists of any measures provided to accommodate stormwater run-off within sites and road reserves and convey the run-off to the major stormwater system. These measures include gutters, conduits, beams, channels, road verges, small watercourses and infiltration constructions.

Stormwater run-off should not be concentrated to an extent that would result in any damage to the environment during storms with a probability frequency of more than 1 in 10 years and would result in only minor, repairable damage in storms with a probability frequency more than 1 in 50 years. All elements of the built and natural environment must be able to withstand a 1 in 100-year storm event without significant consequential loss and risk to property and life. Note that a "storm frequency" equates to a "probability of occurrence" of a storm event that should be used to assess the annual budget or insurance provision for remedial works, should the event occur.

In all catchments, the watercourses and built stormwater infrastructure must be maintained in a clean state, free of any rubbish, debris and matter likely to pose any pollution threat to the lower reaches of the watercourses.

The built info collection of all the areas in throughout the Municipality is in progress. This will determine the requirements of needed stormwater upgrade caused by funding constraints. The strategy was to develop a Stormwater Master Plan that is in progress to be completed for all areas. The funding to upgrade portion of Wittedrift area was approved, the designs were prepared with the plan to implement the designs in the following financial year.

Master drainage planning should be contemplated on a catchment-wide basis, irrespective of urban and other man-made boundaries. The full environmental impact of the stormwater on that catchment must be investigated and is the responsibility of the controlling regional or local authority. The hydrological processes in the specific area need to be investigated and statistical data obtained. Hydraulic routing of the stormwater must be considered. In analysing storm water drainage, consideration may be given to the use of open spaces like parks, sports fields and transport circulation routes. It is assumed that, with development, there is an increase in both the overall quantity and the peak flow rate of the run-off.

The stormwater management philosophy encourages the following:

- Maintain adequate ground cover at all places and at all times to negate the erosive forces of wind, water and all forms of traffic;
- Prevent concentration of stormwater flow at any point where the ground is susceptible to erosion;
- Reduce stormwater flows as much as possible with the effective use of devices;
- Ensure that development does not increase the rate of stormwater flow above that which the natural ground can safely accommodate at any point in the sub-catchments;
- Ensure that all stormwater control works are constructed in a safe and aesthetic manner in keeping with the overall development theme for the area;
- Prevent pollution of waterways and water features by suspended solids and dissolved solids in stormwater discharges;

- Contain soil erosion, whether induced by wind or water forces, by constructing protective works to trap sediment at appropriate locations. This applies particularly during construction;
- Avoid situations where natural or artificial slopes may become saturated and unstable, both during and after the construction process.

The estimated cost to address the stormwater demands are addressed in the Stormwater Master Plan for the various areas:

Area	Cost
Kwanokuthula	R49 178 243
Green Valley and Wittedrift Stormwater	R42 553 803
Kranshoek	R20 184 425
New Horizons	R20 446 588

Table 121: Stormwater Master Plan Cost

The main purpose of the stormwater management function in the Municipality is to mitigate the damage to and increase the lifespan of the road infrastructure.

Much of the work carried out by the department relates to the following activities:

- Unblocking of stormwater drainage system
- Replacement of missing manhole covers
- Maintaining the entire infrastructure (stormwater)
- Cleaning and rehabilitation of the stormwater system and culverts
- Replacing broken pipes, catch pit inlets, manhole slabs and covers
- Installing new stormwater systems, construction of open channels and sub-soil drains

3.10.2 Highlights: Stormwater

The table below specify the highlights for the year:

Description	Actions to address
Sectional completion of Spreeu Street stormwater in Kranshoek	The upgraded road included a new stormwater drainage system
Construction of Ebenezer stormwater	New roads were built with 600m of stormwater infrastructure

Table 122: Stormwater Highlights

3.10.3 Challenges: Stormwater

The table below specify the challenge for the year:

Description	Actions to address
Huge backlog of stormwater infrastructure	Implementation of stormwater projects every year
Flooding	Provision of stormwater infrastructure
Budget constraints	Prioritizing Stormwater projects

Table 123: Stormwater Challenges

3.10.4 Stormwater Drainage Service Delivery Levels

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

Stormwater Infrastructure				
Year	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2022/23	83.59	0.692	0	83.59
2023/24	83.59	0.745	0	60.00

Table 124: Stormwater Infrastructure

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

Financial year	Cost of Construction/Maintenance of Stormwater Systems		
	New R'000	Upgraded R'000	Maintained R'000
2022/23	2 000	0	1 200
2023/24	2 200	0	250

Table 125: Cost of Construction/Maintenance of Stormwater Systems

3.10.5 Employees: Stormwater

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	10	4	2	2	50%
4 - 6	6	54	42	12	22%
7 - 9	2	22	8	14	64%
10 - 12	2	15	9	6	40%
13 - 15	2	3	2	1	33%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	**23**	**99**	**64**	**35**	35%

Table 126: Employees: Stormwater

COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT

3.11 Planning

3.11.1 Introduction to Planning

In the past, Bitou relied on three Zoning Schemes dating from 1985 and even older. The Zoning Bylaw which serves to integrate the previous zoning legislation was promulgated on 26 September 2023, in terms of the which the zoning and associated development rights and land use parameters will be administered. The content takes into account current/modern land uses as well as additional parameters governing the use of property.

A call for proposals for the development of erf 4367 (generally known as Shell Ultra development) was made and an award was made to a developing company to provide middle income housing on the erf. The proposal is for around 200 units with a maximum selling amount of R 1 million. This will alleviate the dire need for affordable housing for the middle-income group.

A number of substantial developments are being implemented i.e. Eden Views (near Buco), Robberg Mall at the southern end of Longships Road, the shopping centre in Kwanokuthula and Plett Quarter in Main Road. An integrated development is proposed to the east of Kranshoek, which will provide for 850 residential units as well as numerous associated land use. The application is currently being processed. This is in addition to a similar development already approved, consisting of 875 residential opportunities and associated land uses.

Non-compliance with the provisions of the Bitou Municipality Zoning Scheme Bylaw, 2023 has become an increasingly challenging issue for the Land Use Management section to regulate and control. Records will show that numerous property owners fail to adhere to the established zoning regulations and development parameters, and the circumstances for pursuing legal action against non-compliance are often difficult and non-reactive. To address this growing challenge, the Land Use Management Section has introduced penalty tariffs for non-compliant landowners. These penalty fees have been adopted in the latest 2024-2025 Municipal Tariffs adopted by Council.

The Ladywood Local Spatial Development Plan has been adopted by Council, and will serve to provide guidance to developer of the distribution of land uses, ranging from high value erven to high density housing opportunities, commercial opportunities, etc. The Ladywood area is crucial to the integration of the communities, and it is trusted that development will take place soon.

3.11.2 Highlights: Planning

The table below specifies the highlights for the year:

Highlights	Description
Promulgation of Zoning By-laws	Integration of 3 outdated zoning schemes
Approval of penalty tariffs	Penalty tariffs will be applied where land transgression is identified

Table 127: Planning Highlights

3.11.3 Challenges: Planning

The table below specifies the challenges for the year:

Description	Actions to address
Continued land use transgressions	Penalty tariffs have been approved and will be applied for the 2024/25 financial year
Staff capacity	The Section has experienced a shortage of staff, but this has been addressed in the Draft Organogram

Table 128: Planning Challenges

3.11.4 Planning Service Delivery Levels

The table below reflects the different service delivery level standards for planning within the municipal area:

Applications for Land Use Development		
Detail	Built Environment	
	2022/23	2023/24
Planning applications received	86	75
Determination made in year of receipt	34	30
None-compliant notices issued	3	8
Applications closed	39	21
Applications outstanding at year end	3	24

Table 129: Applications for Land Use Development

Type of service	2022/23	2023/24
Building plan applications processed	566	463
Total surface (m²)	370 486.75	150 969.53
Approximate value (Rand)	644 559 359	867 507 831
Residential extensions	386	353

Table 130: Additional Performance Town Planning and Building Control

3.11.5 Employees: Planning

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	2	2	0	0%

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
13 - 15	3	3	2	1	33%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	**8**	**7**	**6**	**1**	14%

Table 131: Employees: Planning

3.12 Local Economic Development (including Tourism and Market Places)

3.12.1 Introduction to Local Economic Development (LED)

The LED and Tourism Unit is tasked with the obligation of growing the Bitou economy by enabling small, medium and micro-sized enterprises (SMME), creating an environment wherein a business can optimally operate and ensure that sustained increases in growth are obtained. Tourism is key to the success of the Bitou economy and is seen as a primary source for revenue enhancement and creating job opportunities. Other critical key success areas are agriculture, the marine economy, eco-education and environment /adventure-driven sports.

3.12.2 Highlights: LED

The table below specifies the highlights for the year:

Highlights	Description
Visit Food and Agriculture Organization of the United Nations	The Head of FAO in South Africa, Dr. Ahmadu outlined its organisation supports for farmers, and communities who require capacity building in sustainable management. The Bitou Municipality has after the briefing session submitted a request for funding and technical assistance for the review of its LED Strategy 2010 and Implementation plan. Also, part of the request is to assist with short-term relief projects within the Bitou Municipal area, are as follows: • Harkerville Agri Forestry Project

Highlights	Description
	• Kwanokuthula Farmers Association • Kranshoek Small Holders famers • Van Huyseoord Farm
Social Responsibility Initiatives: Mining Quarry	As per the Department of Minerals and Energy, it is mandatory for every quarry to contribute to local economic development. A requirement is to address a community challenge identified in the Integrated Development Plan (IDP). The following projects have been earmarked for support, for the 2024/2025 financial year, **Robberg Quarry** • - Upgrading the Kranshoek Sport Fields • - Fixing the main gate • - Upgrading ablution facilities • - Repairing holes in the boundary walls **Kurland Brick** Has pledged to support the Happy Kids Creche in Kurland with the following interventions: • - Erection of boundary walls • - Construction of a kitchen • - Establishment of ablution facilities
Youth Entrepreneurial Programme	The project was officially launched by the Executive Mayor at the June 16th celebration in Qolweni. The programme focusses on informal youth businesses and targets young entrepreneurs who runs an informal business from their home or rented space. The objective of the programme is to provide non-financial support to local SMME's as a booster that will assist the informal business owner to maximise their business potential. No direct financial support or funding will be transferred to the successful participants, but small equipment will be procured
Expended Public Works Programme	• 264 Job opportunities created

Highlights	Description
	• 240 opportunities were created by the Bitou Municipality with own funds.

Table 132: Highlights: LED

3.12.3 Challenges: LED

The table below specifies the challenges for the year:

Description	Actions to address
Budget Constraints	There is a lack of budget to implement projects and no capital budget for the infrastructure projects. The Municipality is investigating the possibility of external funding sources
EPWP	The turnaround time to address challenges within the EPWP Unit took too long. Better of communication and relations are currently being enforced with specific process between the Human Resource Department and the EPWP Unit to ensure this function does not stagnate
Role Clarification	Beter communications and information workshops are being discussed to ensure that the Staff Regulations are optimally implemented within the Local Economic Development Department

Table 133: Challenges: LED

3.12.4 Employees: LED

The following table indicates the staff composition for this division:

Job Level (T-grade)	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	2	2	2	0	0
7 – 9	1	1	1	0	0
10 - 12	3	3	3	0	0

Job Level (T-grade)	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	**7**	**7**	**7**	**0**	0

Table 134: Employees: LED

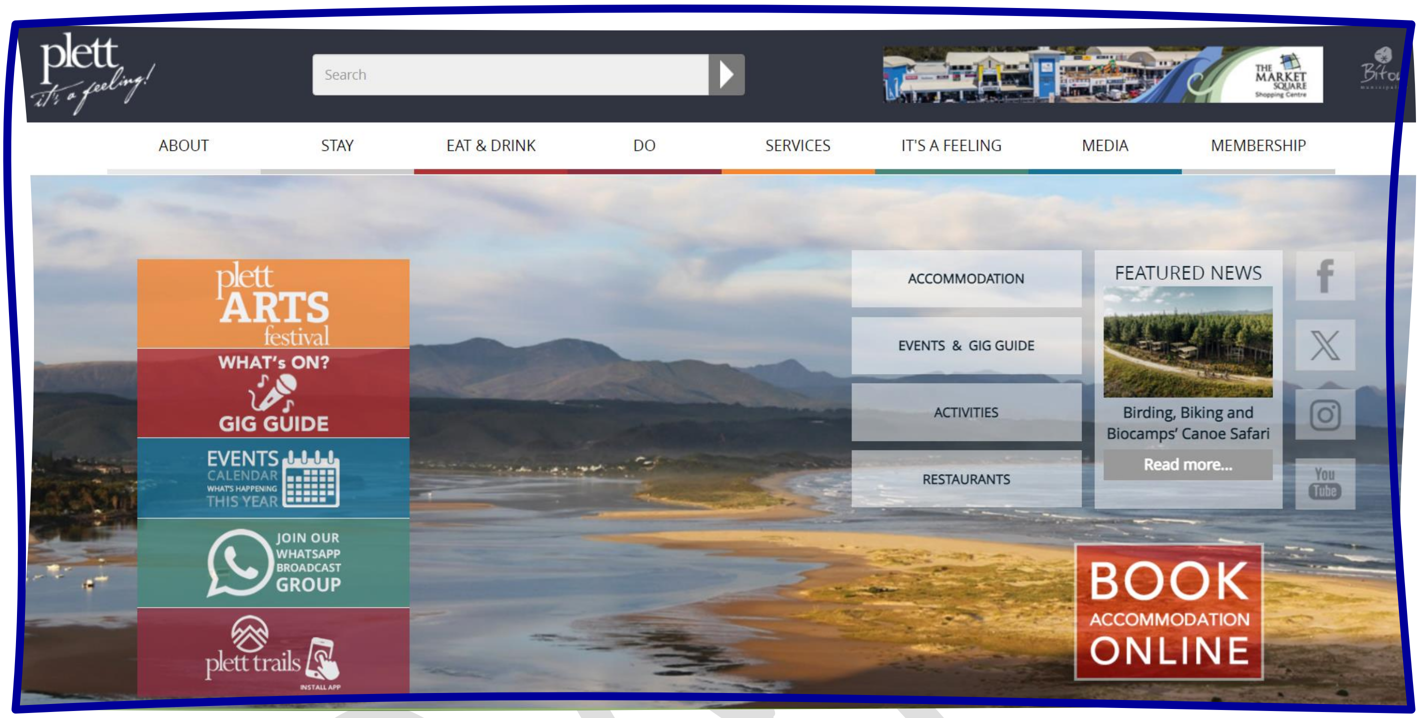
3.12.5 Capital: LED

The following table indicates the capital expenditure for this division:

Capital Projects/	2023/24			
	R'000			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Construction of Qolweni Cultural Village	304	304	301	4
Total	**304**	**304**	**301**	**4**

Table 135: Capital Expenditure 2023/24 LED

3.13 Tourism



Picture 5: Bitou Tourism website

3.13.1 Introduction to Tourism

The Bitou Municipality has contracted the services of a service provider for a period of three years, July 2023 until June 2026. Plett Tourism Association (PTA) currently assist the Municipality with the promotion of sustainable tourism and tourism development in the Municipal area. The responsibilities are based on a service level agreement (SLA) which includes 3 important areas such as destination marketing, destination Management and development of the Greater Plettenberg Bay area.

3.13.2 Highlights: Tourism

The table below specifies the highlights for the year:

Highlights	Description
Sustainable Infrastructure Investment Conference	The Bitou Municipality hosted its inaugural Sustainable Infrastructure Investment Conference on Thursday, 23 May 2024 at the Beacon Island Resort. The conference brought together 200 stakeholders inclusive of businesses, investors, government officials, bankers, Developers, the office of the Minister of Public Works

Highlights	Description
	and Infrastructure and local SMMEs to discuss emerging trends, opportunities, and challenges in Bitou
WTM Africa 2024	Economic development and Tourism Association attended the 2024 World Trade Market Africa, products Plett trail network and the promotion of tour guides throughout Bitou
Africa Travel Indaba-Durban	Participated with tourism professionals from across the African continent and around the world to network, showcase their products and services, and discuss industry trends. Great opportunity to showcase the Garden Route/Bitou on such a platform
Skills Mecca Initiatives	17 learners trained and completed NQF level 3 General Security Practitioners

Table 136: Tourism Highlight

3.13.3 Challenges: Tourism

The table below specifies the challenges for the year:

Description	Actions to address
Adoption of an Events Policy/SOP	A SOP will be developed during the 2024/25 financial year to provide an appropriate system of control for events applications, consideration and processing
Lack of capacity within the Unit	Tourism is a broad sector as well as Informal Trading as a growing sector within the economy. One Officer with one assistant appointed to manage/oversee two broad and very important sectors

Table 137: Challenges Tourism

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.14 Libraries

3.14.1 Introduction to Libraries

The public library provides free services and resources with a variety of materials to meet the needs of individuals and groups in its community with information, educational, cultural, technological and personal development, as well as recreation as its objectives. As such, libraries are important in the development and empowerment of communities and should be available to everyone as set out in the *IFLA/UNESCO Public Library Manifesto, 1994.*

Norms and standards are essential to ensure the provision and consistent development of public library services to give effect to the draft *South African Public Library and Information Services Bill* of 2013 and the *Library and Information Services Transformation Charter* of 2014.

3.14.2 Highlights: Libraries

The table below specifies the highlights for the year:

Highlights	Description
World Read-aloud day	Bitou Libraries visited local schools in the surrounding areas to encourage and instil a love for reading from an early age. Staff members read stories to the kids and had question and answer sessions
University of South Africa (UNISA) and Bitou Libraries partnership renewal	Bitou Municipality yet again pledged its assistance and support to UNISA by assisting students with getting/ returning study materials. The library will also act as a centralized location for visitations from the University. The pledge agreement was signed in May 2024
Establishment of Kwanokuthula Library Recreational Room	The Kwanokuthula library hall has been transformed into the new "Rec- Room. The intended purpose of this room is to act as a hub to attract our youth and keep them off the streets by creating a nurturing, conducive and fun environment where learning and sharing information is the norm. The following items are available in the Rec-Room: • *Pool table* • *Foosball table* • *Table Tennis table* • *Chess, checkers and Jenga board games*
Staff trainings (UKS Examinations)	7 x Library assistants enrolled at UKS for the formal "Library Assistant" qualification. All of the staff have passed the assignments and will be writing their formative/ summative assessments in October 2024. We are extremely proud of each staff member that has dedicated their time to completing the modules
Library Week Event	The event was a success. This year the event was hosted by Kurland Library

Highlights	Description
Kranshoek Library: Youth Month Celebration	On 14 June 2024 Kranshoek Library hosted their annual "Youth Day Celebration". The event was a huge success thanks to all the stakeholders' involved: (Bitou Library staff, Ward Councillors, Mayor's office, Communications, SAPS and Neighbourhood watch)

Table 138: Libraries Highlights

Picture 6: Bitou Municipality and UNISA partnership renewal

3.14.3 Challenges: Libraries

The table below specifies the challenges for the year:

Description	Action to address
Staff shortages	2 x Library staff from Plettenberg Bay Library has been enrolled at the Traffic College, leaving an operational gap in libraries. There is currently no ICT Support Officer within libraries hence the backlog of ICT issues and complaints.

Description	Action to address
	Once the Organogram is adopted and approved, advertising and appointments in the vacant positions can be concluded
Green Valley Library roofing	The Green Valley Library roof has completely collapsed due to severe rain over the March month period in 2023. On 28 June 2024 the entire roof was replaced, and all leakages have stopped. The library has since re-opened up to the public
Kranshoek Library roof leakages	This roof leakage has been on-going. We are looking at having this issue corrected once we start the maintenance on library buildings

Table 139: Libraries Challenges

3.14.4 Service Statistics for Libraries

The table below specifies the service delivery levels for the year:

Type of service	2022/23	2023/24
Number of libraries	6 Library Services	6 Library Services
Library members	17 282	20125
Books circulated	53 100	54120
Exhibitions held	227	228
Internet access points	6 Libraries	6 Libraries
Children's programmes	99	142
Visits by school groups	69	115
Book group meetings for adults	20	19
Primary and secondary book education sessions	Library promotion/outreach programs and services to educational institutions – pre-schools, crèches, all schools in the different community areas, private schools, South Cape College, ECD, UNISA, NMMU, post matriculants and other tertiary institutions senior citizens, community groups	Library promotion/outreach programs and services to educational institutions – pre-schools, crèches, all schools in the different community areas, private schools, South Cape College, ECD, UNISA, NMMU, post matriculants and other tertiary institutions senior citizens, community groups

Table 140: Service Statistics for Libraries

3.14.5 Libraries Outreach programmes:

The table below specifies the outreach programmes conducted by library services:

Type of programme	Description
Teenager reading clubs	Plettenberg Bay Secondary High School has a book club that participates in reading competitions. Libraries have been in communication with more schools to try and assist they with establishing a similar program
Computer literacy programmes	Cape Access – Accredited ICDL training course. Basic Introduction to ICDL and E-Learner (30 students are currently enrolled)
Weekly aerobics classes	The Rec-Room at Kwanokuthula library was established to provide recreational activities to our patrons. In addition to that we also offer free boxing/ Judo classes in all wards Bi-weekly
Story hour	• Digital story hour • School and crèche visitations
Weekly arts classes	This is ongoing and is offered by each library respectively. Libraries offer art classes as extra mural activity to scholars to keep them occupied , cultivate their talents or as an outreach initiative
Student support	This is ongoing. Libraries work in close collaboration with schools so that we can easily assist our patrons as we know what projects/ assignments they are working on

Table 141: Outreach Programmes Libraries

3.14.6 Employees: Libraries

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	1	1	50%
4 - 6	16	23	15	8	35%
7 - 9	6	10	8	2	20%
10 - 12	6	5	3	2	40%

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
13 - 15	2	2	2	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**32**	**42**	**29**	**13**	31%

Table 142: Employees: Libraries

3.14.7 Capital: Libraries

The following table indicates the capital expenditure for this division:

Capital Projects/	2023/24			
	R'000			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Computer equipment	100	100	24	76
Furniture	50	50	17	33
Library maintenance	250	250	213	37
Outreach programmes equipment	50	50	19	31
Total	**450**	**450**	**273**	**177**

Table 143: Capital Expenditure 2023/24: Libraries

3.15 Cemeteries

3.15.1 Introduction to: Cemeteries

The service provides burial space for the residents of the Bitou area.

3.15.2 Challenges: Cemeteries

The table below specifies the challenges for the year:

Description	Actions to address
Finalising extension of portion 5 463 Kwanokuthula	Burials will be able to commence soon and will provide some relief for burial space throughout the Bitou Municipal area
Regional cemetery	The Municipality is currently busy with the finalisation of the application however this process is being dealt with by two separate directorates within the Municipality

Table 144: Cemeteries Challenges

3.15.3 Service Statistics for Cemeteries

The table below specifies the service delivery level for the year:

Type of service	2022/23	2023/24
Pauper burials	4	15

Table 145: Service Statistics for Cemeteries

3.15.4 Employees: Cemeteries

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Post	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	8	17	10	7	41%
4 - 6	8	12	8	4	33%
7 - 9	3	3	2	1	33%
10 - 12	2	2	2	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**21**	**34**	**22**	**12**	35%

Table 146: Employees: Cemeteries

3.16 Aerodrome

Picture 7: Plettenberg Bay Aerodrome

3.16.1 Introduction to Aerodrome

The Bitou aerodrome is one of the key assets of the Bitou Municipality. This could largely increase the tourism footprint and has "game changer" status in term of the economy of the Bitou region. The development of an airport precinct has been one of the projects that was identified and has the potential of creating a large number of jobs. A tender was awarded to RSA Aero for the development of and management of the airport for a period of 30 years, the take over is subject to the fulfilment of license conditions and it is anticipated that the management and control of the facility will commence in the 2024/25 financial year.

3.16.2 Highlights: Aerodrome

The table below specifies the highlights for the year:

Highlights	Description
Maintain Category 5 licence for 2023/24 financial year	Various of the findings were addressed successfully
Uninterrupted aerodrome services rendered	Increased passenger total for scheduled operations as well as general aviation
CCTV coverage functional with camera footage	Available secured footage for a 30day playback period

Highlights	Description
No runway incidents	Statistical proof of no runway incursions or incidents were recorded on scheduled flights or general aviation
No bird strikes	An influx of bird life has been recorded but no strikes were recorded
Smooth vehicle and aircraft movement	No crashes or incidents were recorded

Table 147: Aerodrome Highlights

3.16.3 Challenges: Aerodrome

The table below specifies the challenges for the year:

Description	Actions to address
Potholes on runway, taxiway and apron	The potholes and surface with depression is earmarked to be attended to findings from the CAA in respect of the runway that was not addressed over a number of years has resulted in the closure of the airport subsequent to the closure of the books. Urgent remedial action is underway in collaboration with the newly appointed operator
Faded runway markings	Runway markings is earmarked to be repainted to ensure clearer visibility
Alien vegetation/ vegetation	A 3m clearing perimeter on both sides of the fence should form part of the general maintenance
Pine tree removal on western side of runway	The Municipality is currently investigating the removal and cost implications of the Pine trees as an obstacle

Table 148: Aerodrome Challenges

3.16.4 Service Statistics for Aerodrome

The table below specifies the service delivery levels for the year:

Type of service	2022/23	2023/24
Number of flights	624	646
Number of passengers	15 964	17 814

Table 149: Additional Performance Information for Aerodrome

3.16.5 Employees: Aerodrome

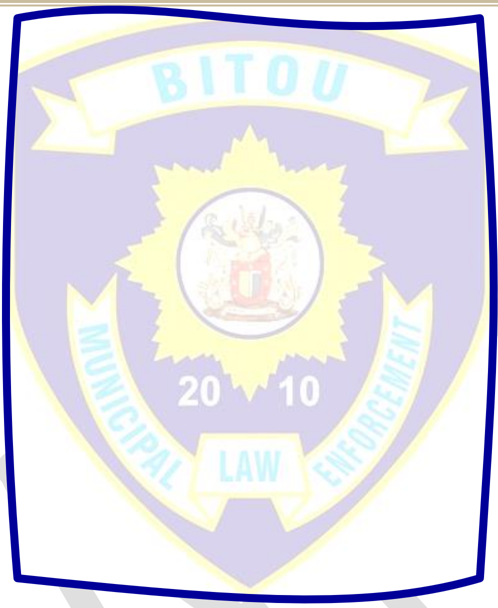
The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	4	1	3	75%
4 - 6	5	5	5	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	1	0	1	100%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**7**	**10**	**6**	**4**	40%

Table 150: Employees: Aerodrome

COMPONENT E: SECURITY AND SAFETY

3.17 Law Enforcement



Picture 8: Bitou Law Enforcement badge

3.17.1 Introduction to Law Enforcement

The Law Enforcement Section is responsible for law enforcement, and monitoring and management of the security service providers, the protection of municipal property, crime prevention duties, and the protection of our beaches, as well as monitoring of the security surveillance cameras. Municipal law enforcement is mandated by Government Gazette 23868 of 26 September 2002, to address shortfalls and hardships experienced by municipalities in South Africa relating to by-law empowerment, Business Act 1991 (Act 71 of 1991), Occupational Health and Safety and land use planning.

3.17.2 Highlights: Law Enforcement

The table below specifies the highlights for the year:

Highlights	Descriptions
Complaints	676 complaints attended too
Notice of complaints	188 issued
Section 341	2 734 were issued
Section 56	34 were issued
Impound of Animals	18 were issued

Highlights	Descriptions
Stray Animals	33 animals were impounded to SPCA
Safe keeping of animals	16 notices of compliance issued
Joint operations	57 attended and discovery of drugs
Plots	On going and daily operations to remove plots
Illegal dumping	61 notices of compliance issued
Illegal structures	20 notices of compliance issued
Noise nuisance	25 notices issued
Illegal car attendants	On going removals
Stop and search	On going removals
Arrests	99 suspects were detained

Table 151: Law Enforcement Highlights

3.17.3 Service statistics for Law Enforcement

The table below specifies the service delivery levels for the year:

Details	2022/23	2023/24
Animals impounded	231	18
Complaints attended to by traffic officers	763	0
Special functions – Escorts	8	0
Awareness initiatives on public safety	2	0
Notice of compliance	208	188
Section 341 fines	2639	2734
Section 56	164	34
Toxic operation	33	0
Arrests	133	99
Joint crime prevention operation	78	57
Illegal Immigrants with Department of Home Affairs	2	0
Vagrants/Bush dwellers operations and car guards	220	363

Table 152: Law Enforcement Data

3.17.5 Employees: Law Enforcement

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	0	0	0	0	0%
4-6	4	1	0	1	100%
7-9	16	28	22	6	21%
10-12	3	3	3	0	0%
13-15	1	1	1	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	**24**	**33**	**26**	**7**	21%

Table 153: Employees: Law Enforcement

3.17.6 Capital: Law Enforcement

The following table indicates the capital expenditure for this division:

Capital Projects/	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
37 x Bullet proof vests	265	265	208	57
Installation of security cameras	120	120	90	30
Total	**385**	**385**	**298**	**87**

Table 154: Capital Expenditure 2023/24: Law Enforcement

3.18 Traffic Services

Picture 9: Traffic Services

3.18.1 Introduction to Traffic Services

The Traffic Department strive to provide a safe and secure environment for all road users within the municipal area.

The department relies on support and approval from Council to ensure when motivations and requests are submitted, they would be supported. The services offered have improved from year-to-year with focus on the four E's namely:

- Engineering
- Education
- Enforcement
- Evaluation

The department now boasts a school programme for education. Our technical and road marking team have two vehicles in which progress was made to have tenders for supply and delivery of road markings, as well as signs, poles and other technical equipment.

The one-stop centre is progressing well, and the department is enthusiastic about the completion of the yard and driving license testing centre, so we can serve the public.

A concern for the department remains safety of officers as the number of attacks on officers around the country is on the increase. We aim to have a two-up policy that no officer patrol or work alone and that cameras for vehicles or personal cameras on vests be worn to ensure that when any incidents occur there is recourse to take and follow up.

3.18.2 Highlights: Traffic Services

The table below specifies the highlights for the year:

Highlights	Description
Appointment of staff	• 2 x Traffic Officers were appointed • 1 x Officer on A Grade Examiner
Easter Holiday	This mini-festive period was concluded without any serious injuries or fatalities on our roads
Auditor visits	The DLTC and Motor Registration and Licensing offices were audited and received good reviews. The MVR increased from 75% compliance to 88% compliance

Table 155: Traffic Services Highlights

3.18.3 Challenges: Traffic Services

The table below specifies the challenges for the year:

Description	Actions to address
Fleet	This remains a challenge for the department as vehicles are becoming old. Budget requests will be submitted in the next financial year in collaboration with fleet section for the systematic replacement of aged vehicle fleet
Court	The number of cases per court role is limited and this has an impact on possible income from Traffic Fines
Seasonal Staff	Our office was inundated with calls from members of the public re intersections blocking, one of those was the N2 intersection at Old Nick where sadly a motorcyclist was fatally injured in a car crash. With resources stretched and no seasonal staff we were unable to cover all the points
Space and shelter	At our DLTC the office space is very limited and thus means that members of the public must wait outside there even is not enough space for our staff. With the members of the public standing outside, there is currently no shelter against inclement weather, this

Description	Actions to address
	however is being addressed as specifications for a RFQ have been submitted and the facilities manager is dealing with it

Table 156: Traffic Services Challenge

3.18.4 Additional Performance Service statistics for Traffic Services

The table below specifies the service delivery levels for the year:

Details	2022/23	2023/24
Motor vehicle licenses processed	28 436	48 776
Rand- value for Motor Vehicle Licenses	16 141 300	15 733 698
Driving License transactions processed	11 269	12 151
Rand- value for Driving License transactions processed	1 067 880	1 073 776
Fines issued for traffic offenses	114 400	164 078
Rand-value of fines collected	8 110 110	13 475 435
Roadblocks held	11	11
Complaints attended to by traffic officers	252	127
Awareness initiatives on public safety	9	8
Number of road traffic accidents during the year	745	858
Number of officers in the field on an average day	11 (3x Officers at DLTC)	11 (4x Officers at DLTC)
Number of officers on duty on an average day	14	11

Table 157: Additional Performance Service Statistics for Traffic Services

3.18.5 Employees: Traffic Services

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	12	15	11	4	27%
7 - 9	2	2	2	0	0%
10 - 12	14	19	15	4	21%
13 - 15	2	2	2	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**30**	**38**	**30**	**8**	21%

Table 158: Employees: Traffic Services

3.19 Fire Services and Disaster Management

3.19.1 Introduction to Fire Services and Disaster Management

Fire Services

The Bitou Fire Department maintains its goals in stiving to continually develop and expand capacity based on operational needs to increase service delivery and offer a service in fire and rescue as legislated in the Fire Brigade Services Act 99 of 1987, and as amended. The service also aims to improve services as required by the minimum South African National Standards in Community Protection SANS 10090: 2003 as prescribed in the White Paper on fire services.

The Bitou Fire and Rescue Service of Plettenberg Bay is dedicated to providing a service to the entire community, which include all walks of life, all races, all genders, all ages and all religions. In our efforts to improve quality of life and peace of mind, we render a service to the best of our ability, the service is proud to have had highlights for the financial year, maybe not as much as would be preferred but a step forward remains a step forward and we together with assistance from local and district fire service and engagements and support through Metro and Provincial Fire Services of the Western Cape believe in continuous development in aspects of resource / equipment support and that of skills and qualifications through training is a win-win situation for all.

With current financial constraints we have engaged into MOUs with other local fire services and by all means possible try to ensure that with this in place response will always have back up from neighbouring municipal fire services. Likewise with training via agreements with CoCT and Province to capacitate staff.

Disaster Management

Disaster Management unit has also been established in the Public Safety Section seeing the function separate to fire and rescue services. The new leg of Disaster Management is led by two permanent employees together with the support functions of public safety as proposed in organogram: control room and the CCTV surveillance room.

The Unit / section has also made great strides to having the disaster plan approved by Council and have recently embarked on a fire risk reduction strategy to reduce fire loads and safer Urban Interface via fire breaks and alien clearing. Which has led to reduced fire calls. The disaster section requires funding allocations to cover the continuum of disaster from planning to response and reduction and mitigation. Operating costs for staff as well as that for relief and building materials is critical. Capital funding for vehicles and upgrades in technology, cameras, monitors, drone etc. is of essence. We are pleased 2024/25 allocates funds for various needs such as cameras, drones and radios.

3.19.2 Highlights: Fire Services and Disaster Management

The table below specifies the highlights for the year:

Highlights	Description
Decrease in total incidents reported	An 8% decrease in calls were reported for the 2024/25 financial year compared to the 2022/23 financial year
Training and development	Current and completed training included: • Fire safety • 2 x Members on learnership Further to these 2024/25 financial year indicates positive opportunities for training of staff members
Vehicle repairs/ refurbishment	Due to financial constraints and cost containment measures to replace vehicles, 2 vehicles have been provided an extension into service

Table 159: Highlights: Fire Services and Disaster Management

3.19.3 Challenges: Fire Services and Disaster Management

The table below specifies the challenges for the year:

Description	Actions to address
Funding constraints	Both the Fire Services and Disaster Management units require capital funding allocations for vehicles and equipment for the outer year's budget funding processes. Additional business plans and motivations were submitted to the provincial government for funding
Staff capacity/ development	Proposals and motivation have been submitted for the organogram review process Inputs have been provided for the 2024/25 training needs in order to promote the development of staff skills

Table 160: Challenges: Fire Services and Disaster Management

3.19.4 Service Statistics for Fire Services and Disaster Management

The table below specifies the service delivery levels for the year:

Details	2022/23		2023/24	
Operational callouts	649		618	
Reservists and volunteers trained	0		0	
Awareness initiatives on fire safety	336		409	
Total fires attended in the year	570		521	
Total other incidents attended in the year	79		97	
Average turnout time – urban areas	Urban 2.4 min	Average 7.8 min	Urban 2 Min	Average 6.3 min
Average turnout time – rural areas	Rural 15.75 min		Rural 13 min	
Fire Department Staffing in post at year end	1 Chief Fire Officer 4 Seniors Fire Officers 18 Fire Fighters 3 Learners		1 Chief Fire Officer 4 Senior Fire Officers 18 Fire Fighters * 4 Learners*	
Fire fighters in post at year end	1 x Disaster Co-Ordinator 1 x Disaster Officer 4 Control Room 5 CCTV operators		1 x Disaster Co-Ordinator 1 x Disaster Officer 4 Control Room 5 CCTV operators	

Table 161: Fire Services and Disaster Management Data

3.19.5 Employees: Fire Services and Disaster Management

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	4	24	12	12	50%
7 - 9	17	20	17	3	15%
10 - 12	4	5	5	0	0%
13 - 15	1	2	2	0	0%
16 - 18	0	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	**26**	**52**	**37**	**15**	29%

Table 162: Employees: Fire Services and Disaster Management

COMPONENT F: SPORT AND RECREATION

3.21 Sport and Recreation

Bitou enjoys a strong heritage in soccer, rugby, netball and cricket. The sport codes that are in the early stage of development within the greater Bitou community are athletics, cycling, boxing and golf.

3.21.1 Highlights: Sport and Recreation

The table below specifies the highlights for the year:

Highlights	Description
Jument Avenue Longships play park upgrade	The play park was upgraded by: • Painting of apparatus; • Installing of new playground equipment in partnership with the Parks Department by one lady who felt the need to plough back in the community

Table 163: Sport and Recreation Highlights

3.21.2 Challenges: Sport and Recreation

The table below specifies the challenges for the year:

Description	Actions to address
Vandalism and theft	• Security by camera surveillance • Placing of security guards at high-risk areas • Involving community committees and external structures to assist

Table 164: Sport and Recreation Challenges

3.21.3 Service Statistics for Sport and Recreation

The table below specifies the service delivery levels for the year:

Type of service	2022/23	2023/24
Number of sport grounds/fields	7	7
Number of events hosted on fields	2	5
Number of parks with play park equipment	6	5
Number of wards with community parks	4	4
Number of wards with sport fields	7	7

Table 165: Additional Performance Information for Sport and Recreation

3.21.4 Employees: Sport and Recreation

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	8	17	10	7	41%
4 - 6	8	12	8	4	33%
7 - 9	3	3	2	1	33%
10 - 12	2	2	2	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
19 - 20	0	0	0	0	0%
Total	**21**	**34**	**22**	**12**	35%

Table 166: Employees: Sport and Recreation

3.21.5 Capital: Sport and Recreation

The following table indicates the capital expenditure for this division. The planning issues and environmental authorization have not yet been completed and therefore the fuds had to be moved to the outer years of the MTREF.

Capital Projects/	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Construction of regional cemetery	1 000	0	0	0
Total	**1 000**	**0**	**0**	**0**

Table 167: Capital Expenditure 2023/24: Sport and Recreation

COMPONENT G: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.22 Corporate Services

The Directorate Corporate Services is a pivotal part of the Bitou Municipality. Support services is being provided to the different directorates and offices within the Municipality in accordance to relevant legislation, collective agreements and internal policies to enable the Municipality to deliver quality services to our communities.

3.22.1 Employees: Executive and Council

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	6	7	5	2	29%
10 - 12	5	7	5	2	29%
13 - 15	7	7	7	0	0%
16 - 18	1	2	1	1	50%
19 - 20	0	0	0	0	0%
Total	**20**	**24**	**19**	**5**	21%

Table 168: Employees: Corporate Services

3.23 Human Resources Management (HR)

The HRM function is a staff function aimed at providing the organization with labour and giving it specialized human resources services to help it achieve its goals.

The Human Resources Management Services branch provides the following functions:

- **HR Administration and Skills Development:** To provide effective and efficient human resources administration, organisational development, job profile procedures, coordinate training, skills development and employment equity
- **Labour Relations**: To render labour relations services and manage labour relations function to ensure compliance with relevant legislation, collective agreements and council policy
- **Health & Safety & Employee Wellness:** To render occupational health and safety and employee wellness services

3.23.1 Challenges: HR

The table below specifies the challenges for the year:

Description	Actions to address
Cascading of Individual Performance Management to all staff	Implement Consequence Management to all Managers and Directors that are non-compliant
Review and approved the Macro and Micro Organizational Structure in line with the Municipal Staff Regulations	The Municipality will facilitate: • Employee engagement sessions; and • Consultation Sessions with Recognized Labour; and • Workshop current structure to Council and Management
OHS Risk Assessment	Tender Specifications to be compiles and advertised in order to appoint a Service Provider to assist with the OHS Risk Assessment – Municipality does not have any in-house capacity to conduct this assessment

Table 169: HR Challenges

3.23.2 Employees: HR

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	3	3	3	0	0%
10 - 12	3	7	3	4	57%
13 - 15	1	1	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	**8**	**12**	**8**	**4**	33%

Table 170: Employees: HR Services

3.24 Administration

3.24.1 Introduction to Administration Services

The Administration branch provides the following functions:

- **Committee (secretariat) services to the institution**

Provide committee services to support appropriate decision-making processes: meeting planning and organising services, logistics, agendas and minutes, liaise with various directorates to facilitate the implementation of resolutions and resolution tracking,

- **Provide sound record keeping, record management practices, resolution tracking, drafting and distribution of documentation service**

Provide sound record keeping and record management practices, capture and keep general records and information provisioning, provide messaging services, development, implementation, maintenance, and support of the document management system.

- **To provide and coordinate office auxiliary services to the institution**

Provide departmental support services with regard to the municipality's switchboard, telephone management system and document reproduction, monitor office cleaning services and implement uniform standards, provide administrative support services to the municipality's administration.

3.24.2 Highlights: Administration Services

The table below specifies the highlights for the year:

Highlight	Description
Filling of vacant position (vacant for more than one year)	The Head Registry position filled. The new incumbent resume office 8 July 2024

Table 171: Highlights: Administration

3.24.3 Challenges: Administration Services

The table below specifies the challenges for the year:

Description	Actions to address
Centralisation of records – space constraints prohibit the organisation from centralising the safekeeping of all records.	The registry section is in the process of assessing the volumes of records stored at each office with the aim of developing a program that will ensure that all records are stored in a centralised location

Table 172: Administration Challenges

3.25 Information and Communication Technology (ICT) Services

3.25.1 Introduction to ICT Services

To provide an advisory, strategic, developmental and management service to the Municipality in order to maintain, support and design the information systems, communication network and technology resources for the Municipality. Thus, ensuring the compliance, availability, continuity and security of the Municipality's information and services. Align Council's IDP and vision with ICT Strategy through business analytics, strategic budgeting and developmental and programming, implementation of strategies related to the ICT systems of the organization.

3.24.2 Highlights: ICT Services

The table below specifies the highlights for the year:

Highlights	Description
Audit Outcome 2022/23	Attaining a notably good audit outcome with only a single administrative finding is an excellent accomplishment for an organization, especially concerning ICT's ability to deliver essential support and provide assurance to the financial operations within the organization
Internship Program Recruitment Succession	Interns recruited permanently. As a first run at having ICT interns, it has been a successful internship program that moulded 2 young, local talents into ICT professionals, who furthermore went through the Bitou recruitment process successfully
Sanitary drive	The ICT unit took the lead on a Sanitary drive campaign where the aim was to donate sanitary care packages to Murray and Plettenberg Bay High Schools. The focus was to fill the gap of struggling homes that cannot buy their teenage daughters the necessary' sanitary goods. With the assistance from Human Resources and Communications units, the project was a success due to internal and external stakeholders contributing to the drive. Special mention to Mr Kova for initiating and driving this initiative

Table 173: ICT Services Highlights

3.25.3 Challenges: ICT Services

The table below specifies the challenges for the year:

Description	Actions to address
General office conditions	The office conditions pose challenges for the ICT team. Insufficient space, no maintenance. Upgrading facilities and ensuring a comfortable work environment are crucial for their effectiveness.
Cyber security awareness	Although Bitou has made improvements towards improving cyber security awareness we are still facing challenges where users are not completing their awareness training timeously.
Cyber Security Phishing Campaign	We conducted a campaign to determine user propensity to click malicious links, we found that out of 352 users tested 60 (17%) failed the test. If this was a real-world scenario the chances of a breach would have been high.

Table 174: ICT Services Challenges

3.25.4 Employees: ICT Services

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	0	0	0	0%
7 - 9	1	2	2	0	0%
10 - 12	6	8	6	2	25%
13 - 15	1	2	1	1	50%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	**10**	13	**10**	**3**	23%

Table 175: Employees: ICT Services

3.25.5 Capital: ICT Services

The following table indicates the capital expenditure for this division:

Capital Projects/	2023/24			
	R'000			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Airport backup power and solar	25	0	0	0
Beaches office 2-way radios	64	64	61	2
Bitou new users	701	701	700	1
Bitou repairs, maintenance and equipment	176	176	114	62
Council tablet accessories	112	112	46	66
Councillors office backup power and solar	25	72	72	0
Cutty sark hight site backup power and solar	75	0	0	0
Engineering services PMU computer monitors (MIG 5% top slice)	0	22	20	1
Fire Department 2-way radios	19	19	19	0
ICT office backup power and solar	25	125	124	1
ICT office furniture and equipment	14	20	15	5
Kranshoek high site backup power and solar	25	0	0	0

Capital Projects/	2023/24			
	R'000			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Kwano Library backup power and solar	25	0	0	0
Melvilles corner backup power and solar	125	475	474	1
Melvilles corner network cabinet replacement	29	0	0	0
New Horizon Library backup power and solar	25	125	122	3
Robberg high site backup power and solar	25	0	0	0
Signal Hill high site backup power and solar	25	0	0	0
Spitskop high site backup power and solar	25	0	0	0
Traffic dept./Law Enforcement backup power and solar	25	0	0	0
Wireless AP main building Council chambers	4	4	0	4
Wireless AP main building MM office	4	4	0	4
Wireless AP new Horizon YAC	4	4	0	4
Total	**1 577**	**1 923**	**1 769**	**154**

Table 176: Capital Expenditure 2023/24: ICT Services

3.26 Legal Services

To provide within the confines of the Constitution and other enabling legislation a dynamic legal environment that renders excellent legal services and ensures excellent executive decision-making and support to Council, thereby protecting Bitou Municipality's interests.

3.26.1 Highlights: Legal Services

The table below specify the highlight for the year:

Highlights	Description
Savings realised on contracted services	Legal expenses incurred on Legal Practitioners was below the budgeted amount approved by Council for the financial year

Table 177: Legal Services Highlights

3.26.2 Challenges: Legal Services

The table below specifies the challenges for the year:

Description	Actions to address
Litigation against the Municipality in SCM related matters	On going training must be provided to SCM officials on the legislation and regulations applicable to procurement of goods and services

Table 178: Legal Services Challenges

3.26.3 Employees: Legal Services

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
13 - 15	1	1	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	**3**	**3**	**3**	**0**	0%

Table 179: Employees: Legal Services

3.27 Financial Services

The Financial Services Department plays a critical role in the municipal planning process and support to various departments in the Municipality. The department is led by the Chief Financial Officer and it has four departments. The department has 70 staff members and 3 interns.

3.27.1 Highlights: Financial Services

The table below specifies the highlights for the year:

Highlights	Description
Debtors' collection rate achieved	The Municipality has achieved a 96.73% collection rate for the year, it is the highest collection rate the last 7 years
Improvement in liquidity position	The liquidity position further improved from the previous financial year as cash and cash equivalents show a steady increase year-on-year
Revenue enhancement program successfully implemented	The revenue enhancement program was implemented, and additional revenue discovered already exceed R4 million

Table 180: Financial Services Highlights

3.27.2 Challenges: Financial Services

The table below specifies the challenges for the year:

Description	Actions to address
Vacant positions	The Municipality has not been able to fill positions within the Financial Department with suitably qualified and experienced staff members, resulting in critical vacancies remaining
Best practice norms in respect of various financial ratios not achieved	The current ratio remains below the best practice norm of 3:1 as the financial recovery process is still not complete The staff cost ratio expressed as a percentage of total expenditure remains concerning and is nearing the upper limit of the National Treasury norm. Concerted efforts will be necessary to curb the cost from further escalation

Table 181: Financial Services Challenges

3.27.3 Financial Services

Details of the types of account raised and recovered	Debt Recovery R'000								
	2022/23			2023/24			2023/24		
	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected (%)	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected (%)	To be billed in Year	Estimated turnout for accounts to be billed in year	Estimated Proportion of accounts to be billed that will be collected (%)
Property Rates	156 899	141 209	90	178 911	158 849	89	179 802	161 822	90
Electricity	211 450	192 420	91	216 352	201 204	93	231 701	220 116	95
Water	85 375	66 592	78	88 776	70 735	80	86 173	73 247	85

Details of the types of account raised and recovered	Debt Recovery								
	R'000								
	2022/23			2023/24			2023/24		
	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected (%)	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected (%)	To be billed in Year	Estimated turnout for accounts to be billed in year	Estimated Proportion of accounts to be billed that will be collected (%)
Sanitation	78 318	60 304	77	65 751	62 462	95	65 521	57 003	87
Refuse	45 707	34 737	76	44 643	39 485	88	46 406	39 445	85

Table 182: Debt Recovery

3.27.4 Employees: Financial Services

The following table indicates the staff composition for this division:

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	25	27	23	4	15%
7 - 9	10	11	10	1	9%
10 - 12	17	23	18	5	22%
13 - 15	2	2	0	0	0%
16 - 18	6	6	6	0	0%
19 - 20	0	0	0	0	0%

Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	**60**	**69**	**57**	**12**	17%

Table 183: Employees: Financial Services

3.28 Procurement Services

3.28.1 Supply Chain Management (SCM) Policy

The Council of Bitou Municipality adopted the municipality's Supply Chain Management Policy in adherence to the Supply Chain Management Regulations, and in line with the model policy issued by National Treasury (NT). It should be noted that the Bitou Municipality's Supply Chain Management Policy for 2023/24 was initially approved by Council on 31 May 2023. The Supply Chain Management Policy has focused on the procurement of goods and services.

The Supply Chain Management Policy, the Infrastructure Procurement and Delivery Management Policy, and the Preferential Procurement Policy (PPP) were reviewed on 25 January 2024, in line with the Preferential Procurement Regulations of 2023. The Bitou's Preferential Procurement Policy (PPP) is the procurement spine in the organization, in terms of Bitou Council's strategic goal to increase localized procurement to emerging enterprises.

The Western Cape Provincial Treasury regularly reviews the supply chain management policies of municipalities within the province in order to ensure compliance with all relevant amendments to legislation.

Delegation of SCM Powers and Duties

Council has delegated the SCM powers and duties to the Municipal Manager in order to ensure that the Municipal Manager adheres to Section 115 of the MFMA to:

- discharge the responsibilities conferred by the SCM Policy
- maximise the administrative and operational efficiency in the implementation of the policy
- enforce reasonable cost-effective measures to prevent fraud, corruption, favouritism and unfair and irregular practices

The Municipal Manager may in terms of Section 79 of the MFMA, sub-delegate certain of these powers and duties in writing. However, sub-delegations have also been conferred in writing to the members of bid committees, and financial delegations were issued to all Heads of Directorates, as well as the

Divisional Managers for the procurement of goods and services, in line with Section 12 (4), as well as Section 10 (1) of the Supply Chain Management and Accounts Payable Policies, respectively, as Approved by the Bitou Council. The said sub-delegations are limited to officials ranked not lower than TASK-Level 13.

3.28.2 SCM Unit

In terms of Section 7 of the SCM Policy the Municipality must establish a Supply Chain Management Unit (SCMU) to implement its SCM Policy.

The SCM Unit must operate under the direct supervision of the Chief Financial Officer (CFO) and may be delegated to an official reporting to the CFO, in terms of Section 82 of the MFMA, viz, the Manager: SCM.

SCM officials are continuously developed through regular training opportunities, with specialized SCM training by the Provincial Treasury and SCM Forum Meetings. The focus on training and development of officials will be improved and supplemented by the retention of skilled SCM officials and succession planning.

3.28.3 Demand Management

In terms of Section 10(1) of the SCM Policy, the Accounting Officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the Municipality to support its operational commitments, and its strategic goals outlined in the IDP, are delivered at the right time, place and price.

The demand management system must –

- include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
- take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature;
- provide for the compilation of the required specifications to ensure that its needs are met; and
- undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized

  Include the following demand management considerations –
- understanding of future and current needs
- requirements are linked to the budget
- specifications are determined
- needs form part of the strategic plan and Integrated Development Plan of the Municipality

- analysis of past and current expenditure
- optimum methods to satisfy needs
- frequency of requirements is specified
- calculation of economic order quantity
- conducting of industry and market analysis

These processes have been implemented with relative success over the 2022/23 financial year and resulted in a documented plan. However, the plan still lacks due to inadequate monitoring and reporting.

3.28.4 Acquisition Management

The Municipality's system of acquisition management must ensure:

(i) That goods and services are procured in accordance with authorized processes only

(ii) That expenditure on goods and services is incurred in terms of an approved budget in terms of Section 15 of the MFMA

(iii) That the threshold values for different procurement processes are complied with

(iv) That bid documentation, evaluation and adjudication criteria and general conditions of a contract are in accordance with any applicable legislation

(v) That any Treasury guidelines on acquisition management are properly taken into account

Goods and service are procured in accordance with authorized processes and approved delegations. Expenditure that has been incurred was budgeted for in the approved budget of Council. The bid documentation that is utilized is in accordance with the guidelines issued by National and Provincial Treasury, the general conditions of contract and applicable legislation such as the Construction Industry Development Board Act (Act 38 of 2000). We are continuously improving the documents in order to improve access and ease of use.

3.28.5 Accredited Prospective Providers

In terms of Section 14(1) the Accounting Officer must keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations.

The Municipality's Accredited Suppliers Database on the Solvem Financial Management System is in line with the National Treasury Central Suppliers Database (CSD). The integration of both CSD and Solvem has been finalized, and fully implemented.

The Municipality must at least once a year through newspapers circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers. The municipality could not comply with the advertisement as required as per aforementioned clause and section (14)(1)(c) of the SCM Policy however SCM has ensured that CSD was approached as per National Treasury Circular 81 on Web based Central Supplier Database whenever procurement process has been carried-out. That National Treasury Circular 81 requires that municipalities can only do business with suppliers registered on Central Supplier Database.

The list was updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers are allowed to apply at any time and the list is updated on daily basis.

3.28.6 Formal Quotations valued less than R30 000

The SCM Unit has progressively ensured that the procurement of formal quotations is centralized and procurement on formal quotations is in accordance with section 16 and 17 of the SCM Policy. SCM has ensured that SCM Policy is safeguarded to ensure reduction of irregular expenditure during the 2023/24 financial year. That no irregular expenditure to be incurred in the future. SCM has shared National Treasury circular 68 on Unauthorized, Irregular, Fruitless and Wasteful Expenditure to ensure that user-departments takes note thereof and consequence management entailed when one incurs irregular expenditure.

3.28.7 Formal Written Price Quotations for R30 001 up to R300 000

The procurement of formal written price quotations have been streamlined by obviating the need for Bid Specification and Evaluation Committees before a Director could make an award. This change was made in order to improve the turnaround time for procurement.

3.28.8 Competitive Bidding for Contracts valued more than R300 001

The competitive bidding process and bid committee structures are functioning effectively. Members of the bid committees are required to complete the attendance register and declare to undertake the following:

- That all information, documentation and decisions regarding any matter before the committee is confidential and undertakes not to make known anything in this regard;
- To treat all service providers and potential service providers equitably and will not purposefully favour or prejudice anybody; and
- To make known details of any private or business interest he or she or any close family member, partner or associate may have in any proposed procurement or disposal of, or in any award or contract that they will immediately withdraw from participating in any matter whatsoever.

The bid committees have been conducted regularly through the year with attendance closely monitored in compliance with Council's SCM Policy:

No	Committee	Number of Meetings 2023/24	Attendance for Quorum
1	**Specifications**	49	100%
2	**Evaluation**	34	100%
3	**Adjudication**	30	100%

Table 184: Compliance with Council's SCM Policy

The bid committees processed 44 tenders for awards valued at R541 665 613.12

No	Tenders Processed	2023/24	2022/23	2021/22	2020/21	2019/20
1	**Tenders awarded**	44	61	30	30	30
2	**Contracts awarded**	90	61	28	28	28
3	**Value of tenders awarded**	541 665 613.12	92 525 705	82 902 269	82 902 269	82 902 269
4	**Number of appeals received**	7	1	0	0	0
5	**Number of successful appeals**	0	0	0	0	0

Table 185: Tenders Processed

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

Tender No	Tender Description	Awarded To	Estimated Total Amount (Vat Included) R
SCM/2024/11/EDP	Call for development proposals, Erf 4367 Plettenberg Bay	Carnivore Capital (Pty) Ltd	R193 917 000.36
SCM/2023/130/EDP	Attainment of Airport Business and long-term lease: The Plettenberg Bay Airport	RSA Aero Limited	R116,134,906.00
SCM/2024/60/FIN	Provision of an External Loan to the amount of R45 150 000,00	The Standard Bank of South Africa Limited	R76 576 794.39
SCM/2023/98/ENG	Supply & Delivery of Vehicles outright Purchase	CFAO Mobility (Pty) Ltd t/a Williams Hunt GM Midrand; Southern Sea Motors (Pty)	R16 934 162.00

Tender No	Tender Description	Awarded To	Estimated Total Amount (Vat Included) R
		Ltd t/a Volkswagen Knysna; Short's Nissan CC; Barloworld South Africa (Pty) Ltd t/a Barloworld Equipment	
SCM/2023/120/COMM	Construction of Engineering Services for Ebenezer (Phase 3 Portion 1)	Norland Construction (Pty) Ltd	R16 040 598.00
SCM/2024/44/COMM	Qolweni Phase 4B: Construction of Civil Engineering Services (Payle's Land Infill Site)	Amlo Trading (Pty) Ltd	R9 785 093.25
SCM/2023/99/COMM	Qolweni Phase 4B: Construction of Civil Engineering Services	SC Housing (Pty) Ltd t/a S Colarossi Housing & Civils	R6 318 131,83
SCM/2023/118/ENG	Upgrading of Gravel Roads in Kranshoek: Phase 3	Naso Civil and Building (Pty) Ltd	R3 719 334.08

Table 186: Ten Highest Bids Awarded

The awards in excess of R10 million, was made by the Accounting Officer upon recommendation of the Bid Adjudication Committee. Bids awarded by the Municipal Manager are as follows:

Tender Number	Tender Description	Awarded To	Estimated T0tal Amount (Vat Included) R
SCM/2024/11/EDP	Call for development proposals, Erf 4367 Plettenberg Bay	Carnivore Capital (Pty) Ltd	R193 917 000,36
SCM/2023/130/EDP	Attainment of Airport Business and long-term lease: The Plettenberg Bay Airport	RSA Aero Limited	R116,134,906.00
SCM/2024/60/FIN	Provision of an External Loan to the amount of R45 150 000,00	The Standard Bank of South Africa Limited	R76 576 794,39
SCM/2023/98/ENG	Supply & Delivery of Vehicles outright Purchase	CFAO Mobility (Pty) Ltd t/a Williams Hunt GM Midrand; Southern Sea Motors (Pty) Ltd t/a Volkswagen	R16 934 162,00

Tender Number	Tender Description	Awarded To	Estimated T0tal Amount (Vat Included) R
		Knysna; Short's Nissan CC; Barloworld South Africa (Pty) Ltd t/a Barloworld Equipment	
SCM/2023/120/COMM	Construction of Engineering Services for Ebenezer (Phase 3 Portion 1)	Norland Construction (Pty) Ltd	R16 040 598,00

Table 187: *Tenders Awarded in Excess of R10 million*

We also report in terms of all contracts awarded as follows:

- Broad-Based Black Economic Empowerment (B-BBEE) compliant enterprises
- Enterprises within the Bitou municipal area
- B-BBEE Enterprises within the Bitou municipal area

The schedule compares the results with the comparative previous financial year as follows:

No	Description	2022/23	2023/24
1.	Tenders awarded	61	44
2.	Contracts concluded resulting from the tenders. (Individual suppliers or service providers appointed as a result of the tenders awarded)	61	90
3.	Estimated value of tenders awarded	92 525 705.00	541 665 613.12
4.	Number of appeals received	1	7
5.	Number of appeals in progress	1	1
6.	Number of successful appeals	0	0
7.	Number of contracts awarded to B-BBEE Enterprises	37	63
8.	Value of contracts awarded to B-BBEE Enterprises	78 894 181.00	334 293 027.73
9.	% of contracts awarded to B-BBEE Enterprises	85.27%	78.11%
10.	Number of contracts awarded to enterprises based in the Bitou Municipality Area	20	17
11.	Value of contracts awarded to enterprises based in the Bitou Municipality Area	63 591 310.00	Rate based contracts

No	Description	2022/23	2023/24
12.	% of contracts awarded to enterprises based in the Bitou Municipality Area vs All Contracts	68.73%	18.89%
13.	Number of contracts awarded to B-BBEE Enterprises based in the Bitou Municipality Area	20	17
14.	Value of contracts awarded to B-BBEE Enterprises based in the Bitou Municipality Area vs all contracts	63 591 310.00	Rate based contracts
15.	% of contracts awarded to B-BBEE Enterprises based in the Bitou Municipality Area vs all contracts	68.73%	18.89%
16.	Sub-Contracts to Local SMME's	6 661 478.89	0
17.	% of sub-contracts awarded to SMME Enterprises based in the Bitou Municipality Area vs all contracts	7.20%	0

Table 188: Comparing Schedule

3.28.9 Deviations from the SCM Policy

Section 36 of Council's Supply Chain Management Policy allows the Accounting Officer to dispense with the official procurement processes. Deviations to the value of **R 6 437 097.59** were considered and approved and compares as follows to the previous financial years:

Description	2023/24	2022/23	2021/22
Value of Deviations	6 437 097.59	2 345 173.83	6 382 154.00
Number of Deviations	5	17	30

Table 189: Value of Deviations

The decrease in the number of deviations is an indication of the improved diligence exercised in managing procurement in the Municipality unfortunately, the direct correlation between the reduction of deviations and the higher number of transactions classified as irregular expenditure, remains as only properly motivated deviations, are approved.

Deviations from the SCM Policy were approved in the following categories as per Section 36 of the SCM Policy for the 2023/24 financial year:

Reason for Deviation	Number of Applications Considered and Approved				Value of Applications Approved			
	2022/23		2023/24		2022/23		2023/24	
	Number	%	Number	%	Value	%	Value	%
Section 36(1)(a)(i)- In an emergency which is considered an unforeseeable and sudden event with materially harmful or potentially materially harmful consequences for the municipality which requires urgent action to address	7	41.18	0	0	1 734 289.25	73.95	0	0
Section 36(1)(a)(ii)- Where it can be demonstrated that goods or services are produced or available from a single provider only	5	29.41	0	0	207 147.15	8.83	0	0
Section 36(1)(a)(iii)- For the acquisition of special works of art or historical objects where specifications are difficult to compile	0	0	0	0	0	0	0	0
Section 36(1)(a)(v)- Exceptional case and it is impractical or impossible to follow the official procurement processes	5	29.41	5	100	403 737.42	17.22	6 437 097.59	100

Reason for Deviation	Number of Applications Considered and Approved				Value of Applications Approved			
	2022/23		2023/24		2022/23		2023/24	
	Number	%	Number	%	Value	%	Value	%
Total	**17**	**100**	**5**	**100**	**2 345 173.82**	**100**	**6 437 097.59**	**100**

Table 190: Categories Deviations

3.29 Capital Expenditure

3.29.1 Facilities management and Maintenance

The following table indicates the capital expenditure for this division. The planning issues and environmental authorization have not yet been completed and therefore the funds had to be moved to the outer years of the MTREF.

Capital Projects/	2023/24 R'000			
	Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
Replacement of flooring at Piesang Valley Hall	0	200	0	200
Upgrading of New Horizon Community Hall	0	601	449	152
Total	**0**	**801**	**449**	**352**

Table 191: Capital Expenditure 2023/24 Facilities Management and Maintenance

COMPONENT H: SERVICE DELIVERY PRIORITIES FOR 2023/24

The main development and service delivery priorities for 2023/24 forms part of the Municipality's Top Layer SDBIP for 2024/25 and are indicated in the tables below:

3.31. Achieving long terms financial sustainability

KPI Ref	KPI	Unit of Measurement	Ward	Annual target
TL7	Spend 100% of the municipal capital budget on capital projects by 30 June 2025 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100}	% budget spent	All	**100%**
TL14	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2025 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100	% of debt to revenue	All	**20%**
TL15	Financial viability measured in terms of the outstanding service debtors as at 30 June 2025 ((Total outstanding service debtors (net debtors)/ revenue received for services)X100)	% of outstanding service debtors	All	**11.80%**
TL16	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2025 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed	Number of months it takes to cover fix operating expenditure with available cash	All	**1.5**

KPI Ref	KPI	Unit of Measurement	Ward	Annual target
	Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)) as per Circular 71			
TL17	Achieve a debtor payment percentage of 90% by 30 June 2025 (Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	% debtor payment achieved	All	**90%**

Table 192: Achieving long term financial sustainability

3.32 Adhere to implement effective and efficient governance processes

KPI Ref	KPI	Unit of Measurement	Ward	Annual Target
TL1	Submit the Risk Based Audit Plan (RBAP) for the 2025/26 financial year to the Audit Committee by 30 June 2025	Risk Based Audit Plan compiled and submitted to the Audit Committee	All	**1**
TL2	Complete 90% of audits as scheduled in the RBAP applicable for 2024/25 by 30 June 2025 (Actual audits completed divided by the audits scheduled for the year) x100	% of audits completed	All	**90%**
TL3	Complete the annual risk assessment for 2025/26 and submit to the RMC by 31 March 2025	Risk assessment completed and submitted to the RMC	All	**1**
TL4	Review and submit the IDP for the 2025/26 financial year to Council by 31 May 2025	Draft IDP compiled and submitted to Council	All	**1**
TL5	Conduct the Mid-year Performance Evaluations of the section 57's employees by 28 February 2025	Number of evaluations completed	All	**1**

KPI Ref	KPI	Unit of Measurement	Ward	Annual Target
TL6	Conduct the Final Performance Evaluation of the section 57's employees for the 2023/24 by 30 December 2024	Number of evaluations completed	All	**1**
TL8	Review the Organisational Structure by 30 May 2025	Organisational Structure reviewed by 30 May 2025	All	**1**

Table 193: Adhere to and implement effective and efficient governance processes

3.33 Build a capable, developmental, transformed and productive workforce

KPI Ref	KPI	Unit of Measurement	Ward	Annual target
TL18	Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan by 30 June 2025 {(Number of people from employment equity target groups/total vacant positions in terms of equity)x 100)	% of people employed	All	**50%**
TL19	Spend 100% of the 0.20% of operational budget on training by 30 June 2025 {(Actual total training expenditure divided by total operational budget)x100}	% budget spent	All	**0.20%**
TL20	Review the "System of Operational Delegations" and submit to Council by 30 June 2025	System of operational delegations submitted to Council	All	**1**
TL21	Spend 100% of the allocated capital budget for ICT by 30 June 2025 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	All	**100%**
TL22	Review the HR Strategy and Plan and submit to Council by 30 May 2025	HR Strategy and Plan reviewed and submitted to Council by 30 May 2024	All	**1**
TL23	Review 5 HR Policies by 31 March	Number of policies reviewed	All	**5**

Table 194: Build a capable, developmental, transformed and productive workforce

3.34 Provide excellent and sustainable services to all residents

KPI Ref	KPI	Unit of Measurement	Ward	Annual target
TL9	Provide subsidies for free basic services to indigent households as at 30 June 2025	Number of indigent households receiving subsidies for free basic services as per Financial System	All	**4 800**
TL10	Number of residential properties with piped water which are connected to the municipal water infrastructure network and billed for the service as at 30 June 2025	Number of residential properties billed for piped water	All	**16 750**
TL11	Number of residential properties with electricity which are connected to the municipal electrical infrastructure network(credit and prepaid electrical metering and excluding Eskom areas) and billed for the service as at 30 June 2025	Number of residential properties billed credit meter and prepaid meters connected to the network	All	**15 000**
TL12	Number of residential properties with sanitation services to which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2025	Number of residential properties which are billed for sewerage	All	**15 000**
TL13	Number of residential properties for which refuse is removed from, once per week and billed for the service as at 30 June 2025	Number of residential properties which are billed for refuse removal	All	**15 000**
TL24	Limit unaccounted for water to less than 30% by 30 June 2025 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100}	% water losses	All	**30%**

KPI Ref	KPI	Unit of Measurement	Ward	Annual target
TL25	Limit unaccounted for electricity to less than 10% as at 30 June 2025 {(Number of units purchased - Number of units Sold (incl free basic electricity) / Number of units purchased) X100}	% unaccounted electricity	All	**10%**
TL26	Spend 100% of the approved capital budget for Waste Water services by 30 June 2025 {(Total actual capital expenditure /Total capital amount budgeted)x100}(excluding Fleet)	% budget spent	All	**100%**
TL27	Spend 100% of the approved capital budget for Electrical & Mechanical services by 30 June 2025 {(Total actual capital expenditure /Total capital amount budgeted)x100}(excluding Fleet)	% budget spent	All	**100%**
TL28	Spend 100% of the approved capital budget for Water services by 30 June 2025 {(Total actual capital expenditure /Total capital amount budgeted)x100} (excluding Fleet)	% budget spent	All	**100%**
TL29	Spend 100% of the approved capital budget for Roads & Storm Water services by 30 June 2025 {(Total actual capital expenditure /Total capital amount budgeted)x100}(excluding Fleet)	% budget spent	All	**100%**
TL30	Spend 100% of MIG Funding allocation by 30 June 2025 {(Total actual MIG expenditure /Total MIG amount budgeted)x100}	% budget spent	All	**100%**
TL31	Spend 100% of the allocated capital budget for Fleet Management by 30 June 2025 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**
TL32	Conduct 550 potential electricity theft investigations annually by 30 June 2024	Number of inspections conducted	All	**550**

KPI Ref	KPI	Unit of Measurement	Ward	Annual target
TL33	Spend 100% of the allocated capital budget for the upgrade of Brakkloof 66kV new to 20MVA transformer from firm capacity and allow for maintenance on existing by 30 June 2025 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**
TL34	Spend 100% of the allocated capital budget for the upgrade of Kurland WTW from 0.6 to 1.2 Ml by 30 June 2025 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**
TL35	Spend 100% of the budget allocated for the Kurland Waste Water Treatment Works (WWTW) by 30 June 2025{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**
TL36	Review and submit the Disaster Management Plan to Council by 31 May 2025	Disaster Management Plan reviewed and submitted to Council	All	**1**
TL37	Spend 100% of the allocated budget for the construction of a regional cemetery at Ebenezer Sanral Road (multi-year project) by 30 June 2025 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	All	**100%**
TL38	Spend 100% of the allocated budget for upgrade of Kranshoek Sports field floodlights by 30 June 2025 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% of budget spent	All	**100%**
TL39	Submission of the Sports Master Plan to Council for approval by 30 June 2025	Sports Master Plan submitted	All	**1**
TL40	Develop and submit the Public Safety Plan to Council 30 June 2025	Public Safety Plan submitted	All	**1**

KPI Ref	KPI	Unit of Measurement	Ward	Annual target
TL41	Spend 100% of the budget allocated for the upgrade of sewer reticulation for 134 Ebenezer (Portion 4) 708 by 30 June 2025{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**
TL42	Spend 100% of the budget allocated for the upgrade of sewer reticulation 255 erven Ebenezer (Portion 3) 725 by 30 June 2025{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**
TL43	Spend 100% of the budget allocated for the construction of sewer reticulation for 100 erven Qolweni/ Bossiesgif Phase 4B5 by 30 June 2025{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**
TL44	Spend 100% of the budget allocated for the construction of water reticulation for 134 erven Ebenezer (Portion 4) 708 by 30 June 2025{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**
TL45	Spend 100% of the budget allocated for the construction of water reticulation for 255 erven Ebenezer (Portion 3) 725 by 30 June 2025{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**
TL46	Spend 100% of the budget allocated for the Qolweni/Bossiesgif Phase 4B upgrade of water by 30 June 2025{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**

KPI Ref	KPI	Unit of Measurement	Ward	Annual target
TL47	Spend 100% of the allocated capital budget for the electrification of Ebenezer by 30 June 2025 {(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**
TL48	Spend 100% of the budget allocated for the road network for 255 erven with related stormwater (Ebenezer (portion 3) 725) by 30 June 2025{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**
TL49	Spend 100% of the budget allocated for the construction of road network for 134 erven with related stormwater (Ebenezer (Portion 4) 708) by 30 June 2025{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**
TL51	Spend 100% of the budget allocated for the construction of road network for 100 erven with related stormwater (Qolweni/ Bossiesgif Phase 4) by 30 June 2025{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**
TL56	Spend 100% of the budget allocated for the upgrade of water reticulation for 50 erven Qolweni Bossiesgif (Phase 4) by 30 June 2025{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**
TL57	Spend 100% of the budget allocated for the construction of road network for 50 erven with related stormwater (Qolweni Bossiesgif (Phase 4) by 30 June 2025{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**

KPI Ref	KPI	Unit of Measurement	Ward	Annual target
TL58	Spend 100% of the budget allocated for the upgrade of sewer reticulation for 50 erven Qolweni Bossiesgif (Phase 4) by 30 June 2025{(Total actual capital expenditure /Total capital amount budgeted)x100}	% budget spent	All	**100%**

Table 195: Provide excellent and sustainable services to all residents

3.36 Facilitate growth and expand economic opportunities to empower communities

KPI Ref	KPI	Unit of Measurement	Ward	Annual Target
TL50	Review the LED Strategy and submit to Council for consideration by 31 May 2025	LED Strategy reviewed	All	**1**
TL52	Create 330 job opportunities in terms of the EPWP by 30 September 2025	Number of job opportunities created	All	**330**
TL53	Review and submit the Housing pipeline to Council by 31 May 2025	Housing pipeline reviewed and submitted to Council	All	**1**
TL54	Submit the reviewed Spatial Development Framework (SDF) to Council by 31 May 2025	Spatial Development Framework (SDF) submitted to Council	All	**1**
TL55	Develop a Growth and Development Implementation Plan (2025/26) and submit to Council for consideration by 30 June 2025	Growth and Development Implementation Plan submitted to Council	All	**1**

Table 196: Facilitate growth and expand economic opportunities to empower communities

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PROGRAMME

4.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance

Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

KPA & Indicators	Municipal Achievement	
	2022/23	2023/24
Spent 0.20% of operational budget on training by 30 June 2024 {(Actual total training expenditure divided by total operational budget) x100}	0.19%	0.27%

Table 197: National KPIs– Municipal Transformation and Organisational Development

4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Municipality currently employs **594** (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of HR management is to render an innovative HR service that addresses both skills development and an administrative function.

4.2.1 Employment Equity

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

4.4.2 Employment Equity vs. Population

Description	African	Coloured	Indian	White	Other	Total
Population numbers	34 305	18 801	201	10 757	1 176	65 240
% Population	**52.58**	**28.82**	**0.31**	**16.49**	**1.80**	**100**
Number for positions filled	350	253	3	24	0	630
% for Positions filled	**55.49**	**40.23**	**0.48**	**3.80**	**0**	**100**

Table 198: EE Population 2023/24

4.4.3 Specific Occupational Levels - Race

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

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	2	1	0	1	0	2	0	0	**6**
Senior management	1	1	0	1	0	0	0	0	**3**
Professionally qualified and experienced specialists and mid-management	15	8	1	7	3	3	0	2	**39**
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	37	48	2	7	50	25	0	1	**170**
Semi-skilled and discretionary decision making	93	72	0	3	58	42	0	2	**270**
Unskilled and defined decision making	39	22	0	0	31	14	0	0	**106**
Total permanent	**187**	**152**	**3**	**19**	**142**	**86**	**0**	**5**	**594**
Non- permanent employees	11	9	0	0	9	7	0	0	**36**
Total	198	**161**	**3**	**19**	**151**	**93**	**0**	**5**	**630**

Table 199: Occupational Levels

4.2.4 Department – Race

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

Department	2022/23	2023/24								
	Total	Male				Female				Total
		A	C	I	W	A	C	I	W	
Municipal Manager	21	5	5	0	1	6	3	0	1	21
Corporate Services	**69**	18	13	0	2	21	19	0	0	**73**
Financial Services	**60**	13	11	0	2	21	16	0	0	**63**
Community Services	**264**	79	62	1	5	74	38	0	1	**260**
Municipal Services and Infrastructure Development	**137**	65	54	2	2	17	7	0	0	**147**

Department	2022/23	2023/24								
	Total	Male				Female				Total
		A	C	I	W	A	C	I	W	
Planning & Strategic Services	**30**	7	7	0	7	3	3	0	3	**30**
Total permanent	**581**	**187**	**152**	**3**	**19**	**142**	**86**	**0**	**5**	**594**
Non- permanent	**8**	11	9	0	0	9	7	0	0	**36**
Grand total	**589**	**198**	**161**	**3**	**19**	**151**	**93**	**0**	**5**	**630**

Table 200: Department - Race

4.2.5 Vacancy Rate

The Municipality had **665** budgeted positions approved for the 2023/24 financial year. **72** Budgeted posts were vacant at the end of 2022/23, resulting in a vacancy rate of **11.43%.** A total number of **630** positions were filled of which **594** are permanent and **36** positions temporarily as at end of the 2023/2024 financial year.

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

Per Post Level				
Post level	2022/23		2023/24	
	Filled	Vacant	Filled	Vacant
MM & MSA section 57 & 56	3	3	2	4
Middle management **(T14-T20)**	42	5	42	3
Admin Officers **(T4-T13)**	436	39	473	45
General Workers **(T3)**	108	28	113	20
Total	**589**	**75**	**630**	**72**
Per Functional Level				
Functional area	**Filled**	**Vacant**	**Filled**	**Vacant**
Municipal Manager	22	4	21	4
Corporate Services	70	7	79	9
Financial Services	60	8	68	9
Community Services	**269**	31	282	19

Per Post Level				
Post level	**2022/23**		**2023/24**	
	Filled	**Vacant**	**Filled**	**Vacant**
Engineering Services	138	21	150	27
Planning & Strategic Services	30	4	30	4
Total	**589**	**75**	**630**	**72**

Table 201: Vacancy Rate Per Post and Functional Level

4.2.6 Turnover Rate

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that shows the staff turnover rate within the Municipality. The staff turnover rate shows an increase from **5.27%** in 2022/23 compared to the **7.46%** in 2023/24.

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

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2022/23	589	88	31	5.27%
2023/24	630	36	47	7.46%

Table 202: Staff Turnover Rate

4.3 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.3.1 Injuries

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

The injury rate of the 2023/24 financial year shows that 35 (5.9%) employees of the 594 permanent employees were injured against the 40 (6.79%) of the 589 permanent employees in the 2022/23 financial year.

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

Directorates	2022/23	2023/24
Municipal Manager	0	0
Corporate Services	1	0
Financial Services	2	2
Community Services	28	22
Engineering Services	7	10
Economic Development and Planning Services	2	1
Total	**40**	**35**

Table 203: Injuries

4.3.2 Sick Leave

The number of days sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken. The total number of employees that have taken sick leave during the 2023/24 financial year shows and decrease when compared to the 2022/23 financial year.

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

Department	2022/23	2023/24
Municipal Manager	161	100
Corporate Services	321.25	246
Financial Services	400	214
Community Services	1895.75	1 369.66
Engineering Services	1 620	712
Economic Development and Planning Services	203.67	134
Total	**4 601.67**	**2775.66**

Table 204: Sick Leave

4.3.3 HR Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff. The Municipality subsequently throughout the financial year under review reviewed/developed several policies to be in line with the Staff Regulation 890 and Guidelines 891.

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

Approved policies	
Name of Policy	**Date approved/ revised**
Acting Arrangement Policy	30 June 2023
Confidentiality Policy	30 June 2023
Education Training Development	30 June 2023
EE Policy Framework	30 June 2023
Gift Policy	30 June 2023
Incapacity Policy	30 June 2023
Internal and Functional Transfer Policy	30 June 2023
Leave of Absence Policy	30 June 2023
LLF Proceedings Policy	30 June 2023
Office Ethics Policy	30 June 2023
OHS Policy	30 June 2023
Overtime Policy (Revised)	30 June 2023
Private Work Policy	30 June 2023
Recruitment and Selection Policy	30 June 2023
Removal Expenses Policy	30 June 2023
Scares Skills and Retention Policy	30 June 2023
Sexual Harassment Policy	30 June 2023
Smoking Policy	30 June 2023
Succession Plan and Career Pathing Policy	30 June 2023
Termination of Service Policy	30 June 2023

Table 205: HR Policies and Plans

4.4 CAPACITATING THE MUNICIPAL WORKFORCE

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

4.4.1 Skills Matrix

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

Management level	Gender	Number of employees identified for training at start of the year (2022/23)	Number of Employees that received training (2022/23)	Number of employees identified for training at start of the year (2023/24)	Number of Employees that received training (2023/24)
Top Management	Female	0	0	0	0
	Male	0	0	0	0
Senior management	Female	0	0	0	0
	Male	0	0	1	0
Professionally qualified and experienced specialists and mid- management	Female	3	1	15	1
	Male	4	4	12	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	Female	40	13	23	21
	Male	45	23	47	41
Semi-skilled and discretionary decision making	Female	45	19	47	43
	Male	45	33	34	31
Unskilled and defined decision making	Female	25	1	0	0
	Male	25	4	27	23
Sub total	**Female**	**113**	**34**	**85**	**77**

Management level	Gender	Number of employees identified for training at start of the year (2022/23)	Number of Employees that received training (2022/23)	Number of employees identified for training at start of the year (2023/24)	Number of Employees that received training (2023/24)
	Male	117	64	121	108
Total		175	230	206	185

Table 206: Skills Matrix

4.4.2 Skills Development – Training Provided

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff. Furthermore Regulation 890 and Guidelines 891 has placed an emphasis on the development of staff skills as per Chapter 5.

Occupational categories	Gender	Training provided within the reporting period						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% achieved
Top Management	Female	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0
Senior management	Female	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	Female	0	1	1	2	1	3	33
	Male	3	2	1	2	4	4	100
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	Female	6	15	7	25	13	40	33
	Male	9	20	14	25	23	45	51
Semi-skilled and discretionary decision making	Female	9	15	10	30	19	45	42
	Male	7	15	26	30	33	45	73
	Female	1	10	0	15	1	25	4

Occupational categories	Gender	Training provided within the reporting period						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% achieved
Unskilled and defined decision making	Male	4	10	0	15	4	25	16
Sub total	**Female**	**16**	**41**	**18**	**72**	**34**	**113**	**30**
	Male	**23**	**47**	**41**	**70**	**64**	**117**	**55**
Total		**39**	**39**	**88**	**59**	**142**	**98**	**230**

Table 207: Skills Development

4.4.3 Skills Development - Budget Allocation

The table below indicates that a total amount of R2 960 million were allocated to the workplace skills plan and that 83.34% of the total was spent in the 2023/24 financial year.

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
	R 000			
2022/23	307 942	1 650	1 559	95.42
2023/24	345 596	2 960	2 467	83.34

Table 208: Budget Allocated and Spent for Skills Development

4.4.4 MFMA Competencies

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management.

In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice No. 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

On 03 February 2017, National Treasury published Notice no. 91 of 03 February 2017 in Government Gazette No. 40593: LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT 2003 – **Exemption from regulation 15 and 18 of municipal on minimum competency levels, 2007**, exempting municipalities from Regulation 15 and 18 of the Regulations on Minimum Competency Levels, subject to certain conditions.

According to the notice, a municipality may now continue to employ an existing official as well as appoint new officials who do not meet the minimum competency level as required for the position in terms of the regulations. Hereinafter, referred to as "the exemption".

However, in terms of the notice, the exemption is subject to the following conditions:

In the case of an existing official, he/she must attain the minimum competency level in the unit standards for each competency area within 18 months from the date of publication of the notice. This condition must be included in the official's performance agreement, where a performance agreement is required and where no such an agreement is required, the municipality must conclude an agreement with the official which gives effect to the condition.

In the case of a new appointee, the official must attain the minimum competency level in the unit standards for each competency area within 18 months from the date of appointment. This condition must be included in the employee's contract of employment which must also state that, if the required minimum competency levels are not attained within the stipulated 18 months, the employment contract will terminate automatically within one month after the applicable period. If a performance agreement is required for the new appointee, then the condition must be included as a performance target in the official's performance agreement.

The notice further states that the municipality must assist existing officials as well as new appointees to attain the required minimum competency level in the unit standards for each competency area, within the stipulated period.

The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting officer	1	1	1	1

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Chief financial officer	1	1	1	1
Senior managers (Sec. 56)	4	2	4	4
Any other financial officials	21	21	0	21
Supply Chain Management Officials				
Heads of supply chain management units	1	1	0	1
Supply chain management senior managers	0	0	0	0
Total	**28**	**26**	**6**	**28**

Table 209: Budget Allocated and Spent for Skills Development

4.5 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

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

4.5.1 Personnel Expenditure

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

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure(R'000)	Percentage (%)
	R'000		%
2022/23	294 230	796 807	36.93
2023/24	320 196	813 310	36.66

Table 210: Total Personnel Expenditure

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

Financial year	2022/23	2023/24		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Councillors (Political Office Bearers Plus Other)				
Salary	5 244	5 572	5 572	5 780
Pension Contributions	422	836	836	560
Medical Aid Contributions	117	109	109	121
Motor vehicle allowance	331	350	350	197
Cell phone allowance	538	559	560	539
Housing allowance	0	0	0	0
In-kind benefits	68	247	247	178
Sub Total	**6 721**	**7 674**	**7 675**	**7 376**
% increase/(decrease)	**8.44**	**14.17**	**14.19**	**9.75**
Senior Managers of the Municipality				
Basic Salaries and Wages	4 290	7 307	14 523	9 038
Motor vehicle allowance	606	960	882	821
Cell phone allowance	227	385	316	246
Performance Bonus	0	576	493	777
Contributions to UIF, Medical and Pension Fund	672	1 345	1 527	895
Other benefits or allowances (Acting)	1 224	1 955	2 223	6 096
Sub Total	**7 018**	**12 529**	**19 963**	**17 873**
% increase/(decrease)	**(6.52)**	**78.52**	**184.45**	**154.67**
Other Municipal Staff				
Basic Salaries and Wages	168 561	177 524	180 095	182 850
Contributions to UIF, Medical and Pension	50 527	82 180	81 143	70 681
Motor vehicle allowance	11 136	13 375	13 394	10 698
Housing allowance	965	1 004	1 019	913

Financial year	2022/23	2023/24		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Overtime	22 368	17 786	21 430	27 589
Other benefits or allowances	26 934	30 852	30 737	26 315
Sub Total	**280 490**	**322 720**	**327 818**	**319 046**
% increase/(decrease)	**4.21**	**15.06**	**16.87**	**13.75**
Total Municipality	**294 230**	**342 922**	**355 457**	**344 295**
% increase/(decrease)	**4.02**	**16.55**	**20.81**	**17.02**

Table 211: Analysis of Personnel Expenditure

CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2023/24 financial year:

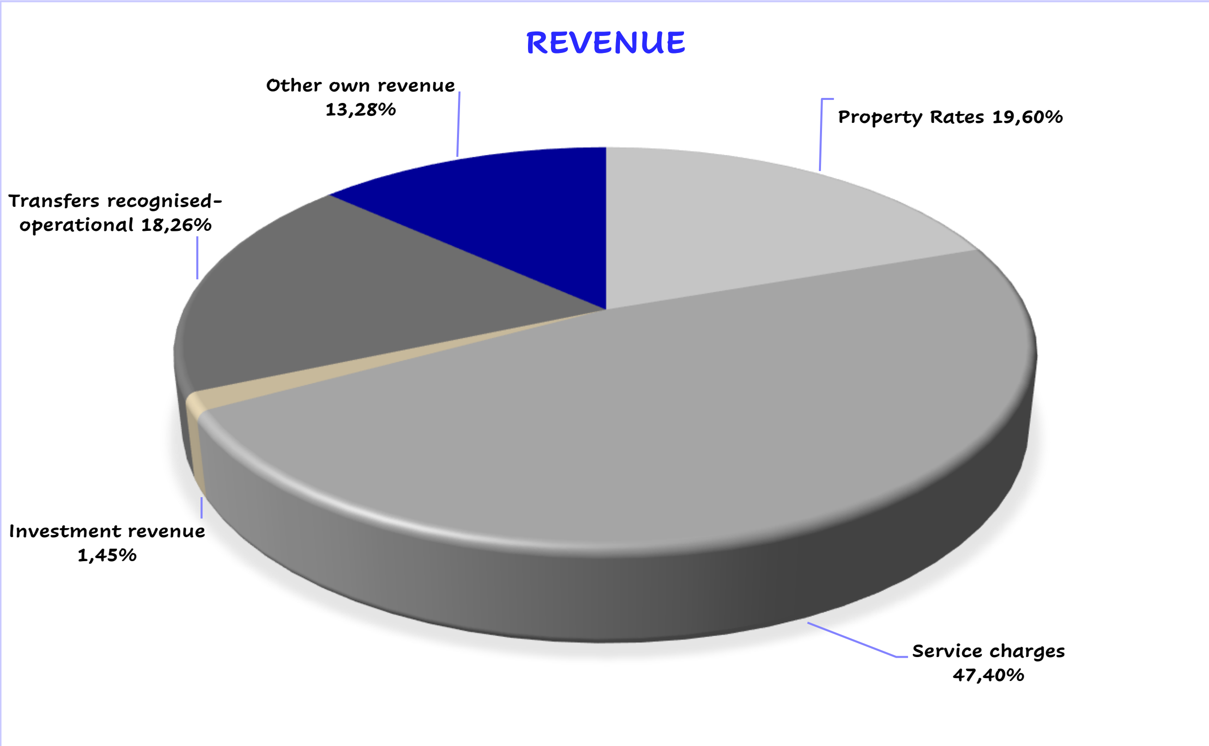
Financial Summary						
R'000						
Description	2022/23	2023/24			2023/24 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	151 445	179 779	179 802	178 229	-0.87	-0.88
Service charges	405 789	464 234	429 307	431 020	-7.71	0.40
Investment revenue	8 027	4 950	12 325	13 203	62.51	6.65
Transfers recognised - operational	155 983	163 277	175 758	166 044	1.67	-5.85
Other own revenue	118 604	88 815	111 563	120 773	26.46	7.63
Total Revenue (excluding capital transfers and contributions)	**839 847**	**901 055**	**908 756**	**909 269**	**0.90**	**0.06**
Employee costs	287 758	333 063	345 596	312 820	-6.47	-10.48
Remuneration of councillors	6 721	7 674	7 675	7 376	-60.11	-60.14
Depreciation & asset impairment	36 393	40 059	40 059	39 994	13.28	13.28
Finance charges	19 740	13 428	13 428	20 922	35.82	35.82
Materials and bulk purchases	177 949	225 784	216 742	214 280	-5.37	-1.15
Transfers and grants	5 626	12 230	12 774	9 208	-32.82	-38.72
Other expenditure (Remaining)	274 030	268 038	269 934	265 952	-0.78	-1.50
Total Expenditure	**797 665**	**900 274**	**906 207**	**874 170**	**-2.99**	**-3.66**

Financial Summary						
R'000						
Description	2022/23	2023/24			2023/24 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Surplus/(Deficit)	**42 182**	**780**	**2 549**	**35 099**	97.78	92.74
Transfers recognised - capital	36 567	37 468	59 278	50 277	25.48	-17.90
Contributions recognised- capital and contributed assets	0	0	0	0	0	0
Surplus/(Deficit) after capital transfers & contributions	**78 749**	**38 248**	**61 826**	**85 376**	**55.20**	**27.58**
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	36 567	37 468	59 278	50 277	25.48	-17.90
Public contributions and donations	0	0	0	33	100.00	100.00
Borrowing	35 255	40 150	40 150	45 150	11.07	11.07
Internally generated funds	12 985	31 814	29 365	8 885	-258.08	-230.52
Total sources of capital funds	**84 807**	**109 432**	**128 793**	**104 344**	**-4.88**	**-23.43**
Financial position						
Total current assets	236 715	429 672	476 234	329 339	-30.47	-44.60
Total non-current assets	1 281 683	1 335 112	1 331 844	1 333 926	-0.09	0.16
Total current liabilities	182 159	426 612	412 629	211 630	-101.15	-94.55
Total non-current liabilities	162 075	190 333	181 699	191 636	0.68	5.19
Community wealth/Equity	1 174 164	1 147 839	1 213 749	1 260 026	8.87	3.64
Cash flows						
Net cash from (used) operating	106 549	75 138	99 858	149 040	49.63	33.06
Net cash from (used) investing	(74 495)	(98 470)	(109 617)	(104 494)	5.76	-4.90
Net cash from (used) financing	14 396	19 383	20 633	25 624	24.36	19.48

Financial Summary						
R'000						
Description	2022/23	2023/24			2023/24 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Cash/cash equivalents at the year end	**46 451**	**(3 949)**	**10 875**	**70 300**	105.62	84.53
Cash backing/ surplus reconciliation						
Cash and investments available	95 078	112 281	129 807	165 432	32.13	21.53
Application of cash and investments	(51 692)	(57 320)	(62 008)	(84 587)	32.23	26.69
Balance -surplus (shortfall)	**43 386**	**54 961**	**67 799**	**80 845**	**32.02**	**16.14**
Asset management						
Asset register summary (WDV)	12 729	1 322 420	1 319 152	14 088	-9286.92	-9263.73
Depreciation and asset impairment	28 623	40 059	40 059	46 195	13.28	13.28
Renewal of Existing Assets	0	0	176	1 104	100.00	84.02
Repairs and Maintenance	51 724	59 186	53 743	49 299	-20.06	-9.01
Free services						
Cost of Free Basic Services provided	42 095	0	0	(7 289)	100.00	100.00
Revenue cost of free basic services provided	6 172	0	0	(1 628)	100.00	100.00
Households below minimum service level						
Water:	(7 490)	74 487	74 772	71 660	-3.94	-4.34
Sanitation/sewerage:	132 328	62 252	62 435	40 388	-54.14	-54.59
Energy:	204 897	258 402	250 540	246 905	-4.66	-1.47
Refuse:	54 627	71 965	68 041	61 960	-16.15	-9.81
Water:	(7 490)	74 487	74 772	71 660	-3.94	-4.34
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

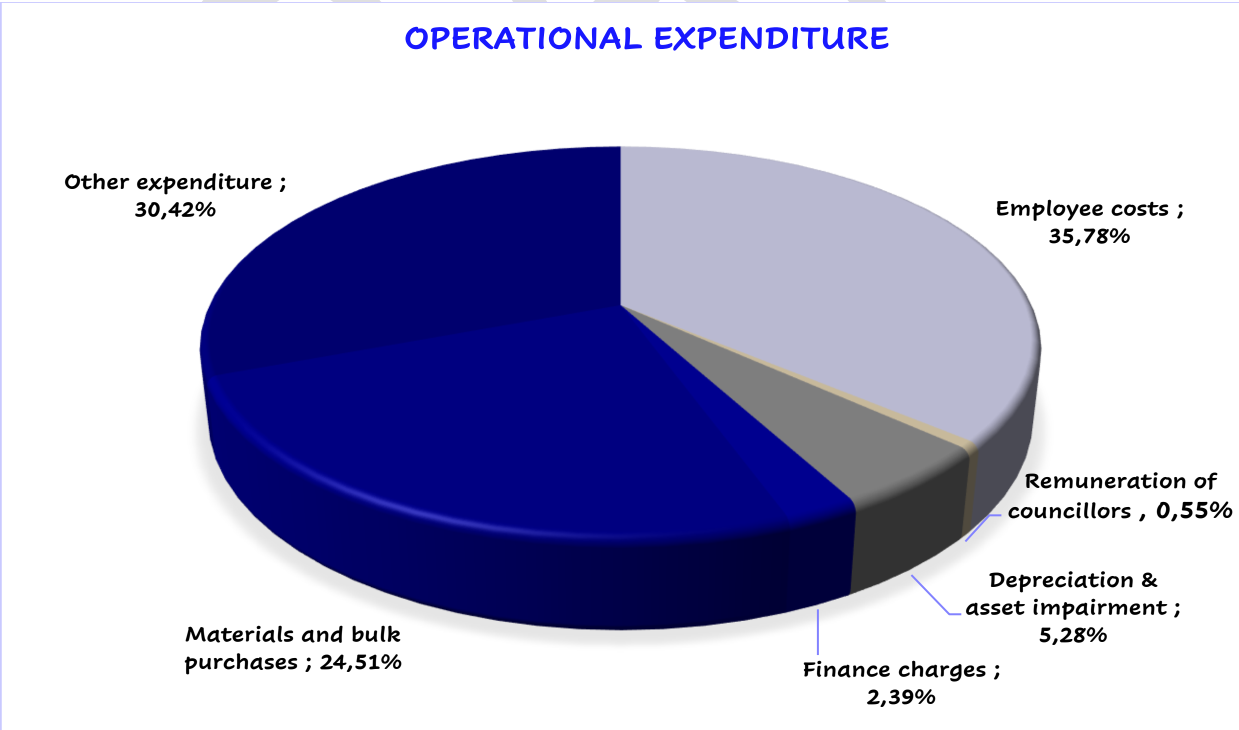
Table 212: Financial Performance 2023/24

The following graph indicates the various types of revenue items in the municipal budget for 2023/24



Graph 2.: *Revenue*

The following graph indicates the various types of operational expenditure items in the municipality budget for 2023/24



Graph 3.: *Operating Expenditure*

The table below shows a summary of performance against budgets:

Financial Year	Operating Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
2022/23	805 791	839 847	(34 057)	-4.23	851 826	797 665	54 161	6.36
2023/24	908 756	909 237	(480)	-0.05	906 207	874 170	32 038	3.54

Table 213: Performance Against Budgets

5.1.1 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote:

Vote Description	2022/23	2023/24			2023/24 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Vote 1 - Executive and Council	18	2 918	2 918	0	0	0
Vote 2 - Office of the Municipal Manager	131 670	62 081	62 149	101 437	38.80	38.73
Vote 3 - Corporate Services	3 690	0	516	2 358	100.00	78.10
Vote 4 - Community Services	128 743	137 490	139 690	133 865	-2.71	-4.35
Vote 5 - Economic Development and Planning	9 539	21 821	47 383	29 608	26.30	-60.04
Vote 6 - Financial Services	170 898	207 447	213 905	209 717	1.08	-2.00
Vote 7 - Engineering Services	431 855	506 765	501 474	482 562	-5.02	-3.92
Total Revenue by Vote	**876 414**	**938 523**	**968 034**	**959 546**	2.19	-0.88
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						

Table 214: Revenue by Vote

5.1.2 Revenue Collection by Source

The table below indicates the revenue collection performance by source for the 2023/24 financial year:

Description	2022/23	2023/24			2023/24 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Property rates	151 445	179 779	179 802	178 229	-0.87	-0.88
Service Charges - electricity revenue	210 164	241 830	232 677	230 904	-4.73	-0.77
Service Charges - water revenue	81 627	86 725	82 972	87 795	1.22	5.49
Service Charges - sanitation revenue	72 645	77 663	66 874	67 358	-15.30	0.72

Description	2022/23	2023/24			2023/24 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000					
Service Charges - refuse revenue	41 353	58 016	46 784	44 964	-29.03	-4.05
Rentals of facilities and equipment	1 124	11 571	11 559	1 354	-754.32	-753.41
Interest earned - external investments	8 027	4 950	12 325	13 203	62.51	6.65
Interest earned - outstanding debtors	17 120	17 042	17 613	13 243	-28.68	-33.00
Dividends received	0	0	0	0	0	0
Fines	46 722	31 699	45 096	60 451	47.56	25.40
Licences and permits	5 438	1 285	1 965	1 427	65.46	47.16
Agency services	2 501	3 014	2 803	2 498	-20.69	-12.21
Transfers recognised - operational	155 983	163 277	175 758	166 044	1.67	-5.85
Other revenue	45 699	20 254	28 578	39 507	48.73	27.66
Gains on disposal of PPE	0	3 950	3 950	0	0	0
Total Revenue (excluding capital transfers and contributions)	**839 847**	**901 055**	**908 756**	**909 269**	0.90	0.06

Table 215: Revenue by Source

5.1.3 Operational Services Performance

The table below indicates the operational services performance for the 2023/24 financial year:

Description	2022/23	2023/24			2023/24 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Operating Cost						
Water	(7 490)	74 487	74 772	71 660	-3.94	-4.34
Waste Water (Sanitation)	132 328	62 252	62 435	40 388	-54.14	-54.59
Electricity	204 897	258 402	250 540	246 905	-4.66	-1.47
Waste Management	54 627	71 965	68 041	61 960	-16.15	-9.81
Housing	19 345	9 539	19 672	14 854	35.78	-32.44
Component A: sub-total	**403 707**	**476 646**	**475 459**	**435 767**	-9.38	-9.11
Road Transport	33 316	37 244	35 494	32 932	-13.09	-7.78
Component B: sub-total	**33 316**	**37 244**	**35 494**	**32 932**	-13.09	-7.78
Planning and Development	43 090	47 333	45 569	42 198	-12.17	-7.99
Air Transport	3 982	1 884	1 804	1 339	-40.65	-34.68
Tourism	2	1	0	0	0	0
Other	10 071	2 891	2 891	38 953	92.58	92.58
Health	0	0	0	0	0	0
Component C: sub-total	**57 145**	**52 109**	**50 264**	**82 490**	36.83	39.07
Libraries and Archives	15 108	15 995	16 063	12 563	-27.32	-27.87
Cemeteries, Funeral Parlours and Crematoriums	1 890	2 313	2 048	2 230	-3.74	8.14
Community and Social Services	10 312	15 371	18 401	13 922	-10.41	-32.17
Component D: sub-total	**27 310**	**33 679**	**36 512**	**28 715**	-17.29	-27.16
Environmental Protection	0	0	0	0	0	0
Component E: sub-total	**0**	**0**	**0**	**0**	0	0
Public Safety	92 887	77 981	78 309	76 977	-1.30	-1.73
Component F: Sub Total	**92 887**	**77 981**	**78 309**	**76 977**	-1.30	-1.73
Sport and Recreation	22 287	23 168	23 065	24 012	3.52	3.94
Component G: Sub Total	**22 287**	**23 168**	**23 065**	**24 012**	3.52	3.94
Finance and Administration	111 190	159 415	160 909	148 212	-7.56	-8.57
Internal Audit	4 178	5 976	5 655	4 882	-22.39	-15.82
Executive and Council	27 633	34 057	40 539	40 184	15.25	-0.88
Component H: sub-total	**143 002**	**199 449**	**207 103**	**193 278**	-3.19	-7.15
Total Net Operational Expenditure	**779 654**	**900 274**	**906 207**	**874 170**	-2.99	-3.66
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 216: Operational Services Performance

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

5.2.1 Water Services

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	**112 663**	**133 489**	**134 908**	**136 621**	**2.29**
Expenditure					
Employees	14 981	21 618	21 618	26 639	**18.85**
Repairs and Maintenance	3 802	2 963	3 013	3 136	**5.54**
Other	(26 273)	49 906	50 141	41 884	**-19.15**
Total Operational Expenditure	**(7 490)**	**74 487**	**74 772**	**71 660**	**-3.94**
Net Operational (Service) Expenditure	**120 153**	**59 002**	**60 137**	**64 961**	**9.17**

Table 217: Financial Performance: Water services

5.2.2 Waste Water (Sanitation)

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	**90 640**	**100 071**	**92 360**	**87 815**	**-13.96**
Expenditure					
Employees	13 040	18 945	18 945	3 177	**-496.28**
Repairs and Maintenance	2 359	2 871	3 114	2 921	**1.71**
Other	116 929	40 437	40 377	34 290	**-17.93**
Total Operational Expenditure	**132 328**	**62 252**	**62 435**	**40 388**	**-54.14**
Net Operational (Service) Expenditure	**(41 688)**	**37 818**	**29 925**	**47 427**	**20.26**

Table 218: Financial Performance: Waste Water (Sanitation) services

5.2.3 Electricity

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	**222 936**	**269 936**	**263 584**	**250 377**	**-7.81**
Expenditure					

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Employees	22 475	19 978	23 448	21 966	**9.05**
Repairs and Maintenance	6 132	8 164	6 959	6 725	**-21.40**
Other	176 291	230 260	220 133	218 215	**-5.52**
Total Operational Expenditure	**204 897**	**258 402**	**250 540**	**246 905**	**-4.66**
Net Operational (Service) Expenditure	**18 039**	**11 534**	**13 044**	**3 471**	**-232.26**

Table 219: Financial Performance: Electricity

5.2.4 Waste Management

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	**49 136**	**83 242**	**70 662**	**58 224**	**-42.97**
Expenditure					
Employees	22 587	25 335	25 835	27 169	**6.75**
Repairs and Maintenance	1 924	1 960	2 010	1 767	**-10.90**
Other	30 116	44 670	40 196	33 023	**-35.27**
Total Operational Expenditure	**54 627**	**71 965**	**68 041**	**61 960**	**-16.15**
Net Operational (Service) Expenditure	**(5 491)**	**11 277**	**2 621**	**(3 735)**	**401.92**

Table 220: Financial Performance: Waste Management

5.2.5 Housing

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	**10 985**	**11 893**	**36 315**	**19 147**	**37.88**
Expenditure					
Employees	6 577	3 625	3 766	6 853	**47.10**
Repairs and Maintenance	15	166	66	26	**-536.53**
Other	12 753	5 748	15 840	7 975	**27.92**
Total Operational Expenditure	**19 345**	**9 539**	**19 672**	**14 854**	**35.78**
Net Operational (Service) Expenditure	**(8 360)**	**2 354**	**16 643**	**4 293**	**45.17**

15. Financial Performance: Housing

5.2.6 Roads and Stormwater

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	**0**	**140**	**140**	**447**	**68.71**
Expenditure					
Employees	8 217	11 261	10 961	8 141	**-38.32**
Repairs and Maintenance	10 647	10 320	8 972	9 591	**-7.60**
Other	14 451	15 663	15 561	15 200	**-3.05**
Total Operational Expenditure	**33 316**	**37 244**	**35 494**	**32 932**	**-13.09**
Net Operational (Service) Expenditure	**(33 316)**	**(37 104)**	**(35 354)**	**(32 485)**	**-14.22**

Table 221: Financial Performance: Roads and Stormwater

5.2.7 Planning (Development Management, Spatial Planning and Environmental Management, Building Control and Property Management)

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	**10 184**	**13 076**	**21 573**	**17 768**	**26.41**
Expenditure					
Employees	33 524	34 803	33 926	29 486	**-18.03**
Repairs and Maintenance	100	166	86	43	**-286.83**
Other	9 466	12 363	11 557	12 669	**2.41**
Total Operational Expenditure	**43 090**	**47 333**	**45 569**	**42 198**	**-12.17**
Net Operational (Service) Expenditure	**(32 906)**	**(34 256)**	**(23 996)**	**(24 429)**	**-40.23**

Table 222: Financial Performance: Planning (Development Management, Spatial Planning and Environmental Management, Building Control and Property Management)

5.2.8 IDP and LED

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	**68**	**176**	**267**	**806**	**78.15**
Expenditure					
Employees	7 751	9 809	12 186	7 948	**-23.42**

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Repairs and Maintenance	898	1 880	1 655	950	**-97.87**
Other	1 663	3 681	4 560	4 989	**26.21**
Total Operational Expenditure	**10 312**	**15 371**	**18 401**	**13 887**	**-10.69**
Net Operational (Service) Expenditure	**(10 245)**	**(15 195)**	**(18 134)**	**(13 081)**	**-16.16**

Table 223: Financial Performance: IDP and LED

5.2.9 Libraries

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	**10 539**	**11 879**	**11 879**	**12 783**	**7.08**
Expenditure					
Employees	11 150	12 810	12 278	11 243	**-13.94**
Repairs and Maintenance	1 135	1 425	820	721	**-97.68**
Other	2 958	3 907	3 989	4 055	**3.64**
Total Operational Expenditure	**15 243**	**18 142**	**17 086**	**16 018**	**-13.26**
Net Operational (Service) Expenditure	**(4 704)**	**(6 263)**	**(5 207)**	**(3 235)**	**-93.60**

Table 224: Financial Performance: Libraries

5.2.10 Cemeteries

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	**38**	**57**	**41**	**63**	**10.57**
Expenditure					
Employees	1 354	1 849	1 354	1 213	**-52.44**
Repairs and Maintenance	0	0	0	0	0
Other	536	464	694	1 052	**55.90**
Total Operational Expenditure	**1 890**	**2 313**	**2 048**	**2 265**	**-2.11**
Net Operational (Service) Expenditure	**(1 852)**	**(2 256)**	**(2 008)**	**(2 202)**	**-2.48**

Table 225: Financial Performance: Cemeteries

5.2.11 Traffic and Law Enforcement

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	**47 492**	**36 230**	**49 548**	**62 927**	**42.43**
Expenditure					
Employees	43 425	51 546	51 596	51 886	**0.65**
Repairs and Maintenance	1 817	1 940	1 685	1 104	**-75.79**
Other	47 645	24 495	25 028	23 987	**-2.12**
Total Operational Expenditure	**92 887**	**77 981**	**78 309**	**76 977**	**-1.30**
Net Operational (Service) Expenditure	**(45 395)**	**(41 751)**	**(28 761)**	**(14 050)**	**-197.16**

Table 226: Financial Performance: Traffic and Law Enforcement

5.2.13 Sport and Recreation

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	**137**	**252**	**407**	**657**	**61.67**
Expenditure					
Employees	17 074	16 087	16 527	17 453	**7.82**
Repairs and Maintenance	2 170	2 994	1 216	773	**-287.27**
Other	3 043	4 087	5 323	5 786	**29.37**
Total Operational Expenditure	**22 287**	**23 168**	**23 065**	**24 012**	**3.52**
Net Operational (Service) Expenditure	**(22 149)**	**(22 916)**	**(22 659)**	**(23 355)**	**1.88**

Table 227: Financial Performance: Sport and Recreation

5.2.14 Executive Council

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	**130 304**	**64 999**	**65 067**	**101 411**	**35.90**
Expenditure					
Employees	16 055	16 022	21 621	24 723	**35.19**
Repairs and Maintenance	0	20	20	0	0
Other	11 578	18 015	18 898	15 461	**-16.52**

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Expenditure	**27 633**	**34 057**	**40 539**	**40 184**	**15.25**
Net Operational (Service) Expenditure	**102 670**	**30 942**	**24 528**	**61 227**	**49.46**

Table 228: Financial Performance: Executive Council

5.2.15 Tourism

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	**0**	**0**	**0**	**0**	**0**
Expenditure					
Employees	0	0	0	0	0
Repairs and Maintenance	0	0	0	0	0
Other	2	1	0	0	0
Total Operational Expenditure	**2**	**1**	**0**	**0**	**0**
Net Operational (Service) Expenditure	**(2)**	**(1)**	**0**	**0**	**0**

Table 229: Financial Performance: Tourism

5.2.16 Finance

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue (excluding tariffs)	**170 203**	**212 195**	**219 671**	**213 375**	**0.55**
Expenditure					
Employees	62 868	84 087	85 197	68 372	**-22.98**
Repairs and Maintenance	3 640	6 547	5 877	4 615	**-41.86**
Other	44 683	68 782	69 835	75 224	**8.56**
Total Operational Expenditure	**111 190**	**159 415**	**160 909**	**148 212**	**-7.56**
Net Operational (Service) Expenditure	**59 012**	**52 779**	**58 761**	**65 164**	**19.00**

Table 230: Financial Performance: Finance

5.3 GRANTS

5.3.1 Grant Performance

The performance in the spending of these grants is summarised as follows:

Description	2022/23	2023/24			2023/24 Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Operating Transfers and Grants						
National Government:	**160 280**	**175 494**	**184 014**	**183 956**	4.60	-0.03
Equitable Share	129 019	144 726	144 726	144 726	0.00	0.00
Local Government Financial Management	1 043	1 771	2 449	2 449	27.68	0.00
Extended public works program (EPWP)	1 155	1 879	1 879	1 879	0.00	0.00
Municipal Infrastructure	13 765	23 344	31 186	31 128	25.01	-0.19
Municipal Disaster Recovery	0	0	0	0	0	0
Integrated National Electrification Programme	8 718	3 774	3 774	3 774	0	0
Energy Efficiency And Demand Side Management	0	0	0	0	0	0
Water Services Infrastructure	6 579	0	0	0	0	0
Infrastructure - grant 13	0	0	16 000	0	0	0
Provincial Government:	**31 734**	**25 251**	**34 705**	**31 564**	20.00	-9.95
Community Library Services	2 295	2 331	1 955	1 026	-127.10	-90.47
Human Settlement Development (Beneficiaries)	10 985	150	0	1 638	90.84	100.00
Human Settlement Development	0	0	0	13 734	100.00	100.00
Library Services Replacement Funding for most vulnerable B3 Municipalities	9 572	9 898	9 892	7 353	-34.61	-34.53
Local Government Graduate Internship	0	0	0	0	0	0
Community Development Workers (CDW)	0	19	25	10	-88.92	-145.94
Informal Settlements Upgrading Partnership: Provinces (Beneficiaries)	6 993	10 000	11 659	5 804	-72.30	-100.89
Local Government Public Employment Support	128	0	0	0	0	0

Description	2022/23	2023/24			2023/24 Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Operating Transfers and Grants						
Regional Social Economic Projects (RSEP)	500	350	350	345	-1.55	-1.55
Municipal Library Support	0	0	450	0	0	0
Thusong Services Centres	79	120	191	115	-4.08	-65.26
Financial Assistance To Municipalities For Maintenance And Construction Of Transport Infrastructure	135	140	6 559	140	0.00	-4585.00
Financial Management Capacity Building	14	1 743	1 743	0	0	0
Disaster Management: Emergency Housing	0	0	0	0	0	0
Western Cape Municipal Energy Resilience (WC MER)	1 034	500	1 492	1 009	50.43	-47.89
Tourism Marketing and Development	0	0	390	390	100.00	0.00
District Municipality:	**0**	**0**	**0**	**0**	0	0
Safety Plans	**0**	**0**	**0**	**0**	0	0
Other grant providers:	**536**	**0**	**316**	**801**	100.00	60.50
Nedbank - LED Contribution	0	0	0	**0**	0	0
Local Government, Water and Related Service SETA	536	0	316	**801**	100.00	60.50
Total Operating Transfers and Grants	**192 550**	**200 745**	**219 036**	**216 321**	7.20	-1.25
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 231: Grant Performance for 2023/24

5.3.2 Conditional Grants

Details	2022/23	2023/24			2023/24 Variance	
	Actual				Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Budget	Adjustments Budget
	R'000				%	
Local Government Financial Management	1 043	1 771	2 449	2 449	27.68	0.00

Details	2022/23	2023/24			2023/24 Variance	
	Actual				Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Budget	Adjustments Budget
	R'000				%	
Extended public works program (EPWP)	1 155	1 879	1 879	1 879	0	0
Municipal Infrastructure	13 765	23 344	31 186	31 128	25.01	-0.19
Municipal Disaster Recovery	0	0	0	0	0	0
Integrated National Electrification Programme	8 718	3 774	3 774	3 774	0	0
Energy Efficiency And Demand Side Management	0	0	0	0	0	0
Water Services Infrastructure	6 579	0	0	0	0	0
Community Library Services	2 295	2 331	1 955	1 026	-127.10	-90.47
Human Settlement Development (Beneficiaries)	10 985	150	0	0	90.84	100.00
Human Settlement Development	0	0	0	13 734	100.00	100.00
Library Services Replacement Funding for most vulnerable B3 Municipalities	9 572	9 898	9 892	7 353	-34.61	-34.53
Local Government Graduate Internship	0	0	0	0	0	0
Community Development Workers (CDW)	0	19	25	10	-88.92	-145.94
Informal Settlements Upgrading Partnership: Provinces (Beneficiaries)	6 993	10 000	11 659	5 804	-72.30	-100.89
Local Government Public Employment Support	128	0	0	0	0	0
Regional Social Economic Projects (RSEP)	500	350	350	345	-1.55	-1.55
Municipal Library Support	0	0	450	0	0	0
Thusong Services Centres	79	120	191	115	-4.08	-65.26
Financial Assistance To Municipalities For Maintenance And Construction Of Transport Infrastructure	135	140	6 559	140	0.00	-4585.00
Financial Management Capacity Building	14	1 743	1 743	0	0	0

Details	2022/23	2023/24			2023/24 Variance	
	Actual				Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Budget	Adjustments Budget
	R'000				%	
Disaster Management: Emergency Housing	0	0	0	0	0	0
Western Cape Municipal Energy Resilience (WC MER)	1 034	500	1 492	1 009	50.43	-47.89
Safety Plans	0	0	0	0	0	0
Nedbank - LED Contribution	0	0	0	0	0	0
Local Government, Water And Related Service SETA	536	0	316	801	100.00	60.50
Infrastructure - grant 13	0	0	16 000	0	0	0
Tourism Marketing and Development	0	0	390	390	100.00	0.00
Total	**63 531**	**56 019**	**90 310**	**71 595**	**21.76**	**-26.14**

Table 232: Conditional Grant

5.3.3 Level of Reliance on Grants and Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000	R'000	%
2022/23	251 240	876 414	**28.67%**
2023/24	275 627	959 546	**28.72%**

Table 233: Reliance on grants

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

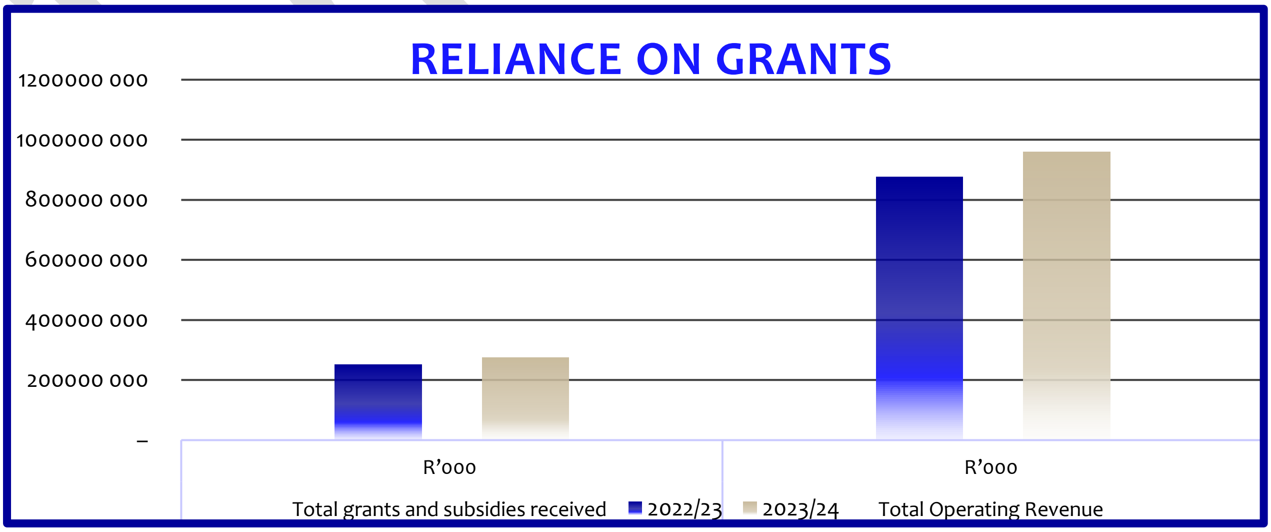


Figure 5.: Reliance on Grants

5.4 ASSET MANAGEMENT

The objectives of the asset management within the Bitou Municipality are to assist officials in understanding their legal and managerial responsibilities with regard to assets and to ensure the effective and efficient control of the Municipality's assets through:

- Proper recording of assets from authorisation to acquisition and to subsequent disposal
- Providing for safeguarding procedures
- Setting proper guidelines as to authorised utilisation
- Prescribing for proper maintenance

The key elements of the Asset Management Policy represent:

- Statutory and regulatory framework / responsibilities and accountabilities
- Financial management / internal controls / management of control items
- Management and operation of assets / classification & components
- Accounting for assets / financial disclosure

The asset management section consists of three staff members and forms part of the Expenditure & Asset Management Division within the finance directorate.

The costing module on the SAMRAS Management Information System is utilized to cost all new asset components up to completion there-of. This approach was deployed over the past year with great success.

Regular asset counts are conducted in accordance with the prescriptions of the Asset Management Policy. Information regarding asset register updates in respect of disposals, adjustments, review of useful life etc. is based on submissions by user departments in accordance with the procedures in place. The asset register is currently hosted on software specifically developed for this purpose.

5.4.1 Treatment of the Three Largest Assets

Asset 1		
Name	Farm 440 Portion 105 (Asset ID 22967)	
Description	Airport	
Asset Type	Land (General Plant)	
Key Staff Involved	Property Manager, Budget Office and Supply Chain Management Office	
Staff Responsibilities	Repairs, Maintenance, Additions and Safeguarding of Asset	
Asset Value as at 30 June 2018	**2022/23 R million**	**2023/24 R million**
	22 542	22 542
Future Purpose of Asset	Tourism and economic development	
Policies in Place to Manage Asset	Asset Management and Insurance Policies	

Table 234: Treatment of the three largest assets: Asset 1

Asset 2	
Name	Farm 456 Portion 1 (Asset ID 22968)
Description	Grootfontein (Golf Course)

Asset 2		
Asset Type	Land (General Plant)	
Key Staff Involved	Property Manager, Budget Office and Supply Chain Management Office	
Staff Responsibilities	Repairs, Maintenance, Additions and Safeguarding of Asset	
Asset Value as at 30 June 2018	**2022/23 R million**	**2023/24 R million**
	17 163	17 163
Future Purpose of Asset	Leased for Recreational purposes	
Policies in Place to Manage Asset	Asset Management and Insurance Policies	

Table 235: Treatment of the three largest assets: Asset 2

Asset 2		
Name	Erf 4117, Beacon Island (Plettenberg Bay) (Asset ID 22950)	
Description	Desalination Plant	
Asset Type	Land (General Plant)	
Key Staff Involved	Property Manager, Budget Office and Supply Chain Management Office	
Staff Responsibilities	Repairs, Maintenance, Additions and Safeguarding of Asset	
Asset Value as at 30 June 2018	**2022/23 R million**	**2023/24 R million**
	15 790	15 790
Future Purpose of Asset	Site on which Desalination Plant is constructed / Water Supply during peak seasons	
Policies in Place to Manage Asset	Asset Management and Insurance Policies	

Table 236: Treatment of the three largest assets: Asset

5.4.2 Repairs and Maintenance

Description	2022/23	2023/24			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			%
Repairs and maintenance expenditure	51 724	59 186	53 743	49 299	-9.01

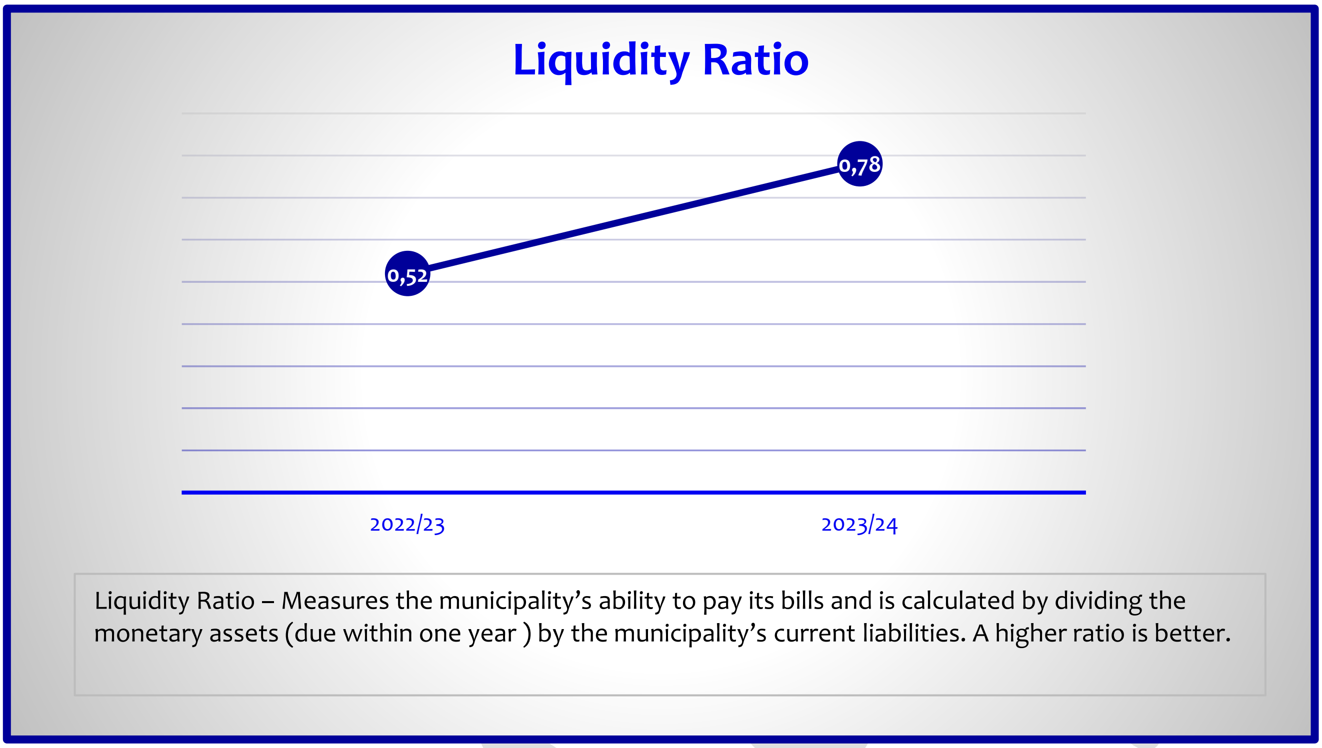
Table 237: Repairs & Maintenance Expenditure

5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 Liquidity Ratio

Description	Basis of calculation	2022/23	2023/24
		Actual	Actual
Current Ratio	Current assets/current liabilities	1.30	1.55
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.91	1.16
Liquidity Ratio	Monetary Assets/Current Liabilities	0.52	0.78

Table 238: Liquidity Financial Ratio

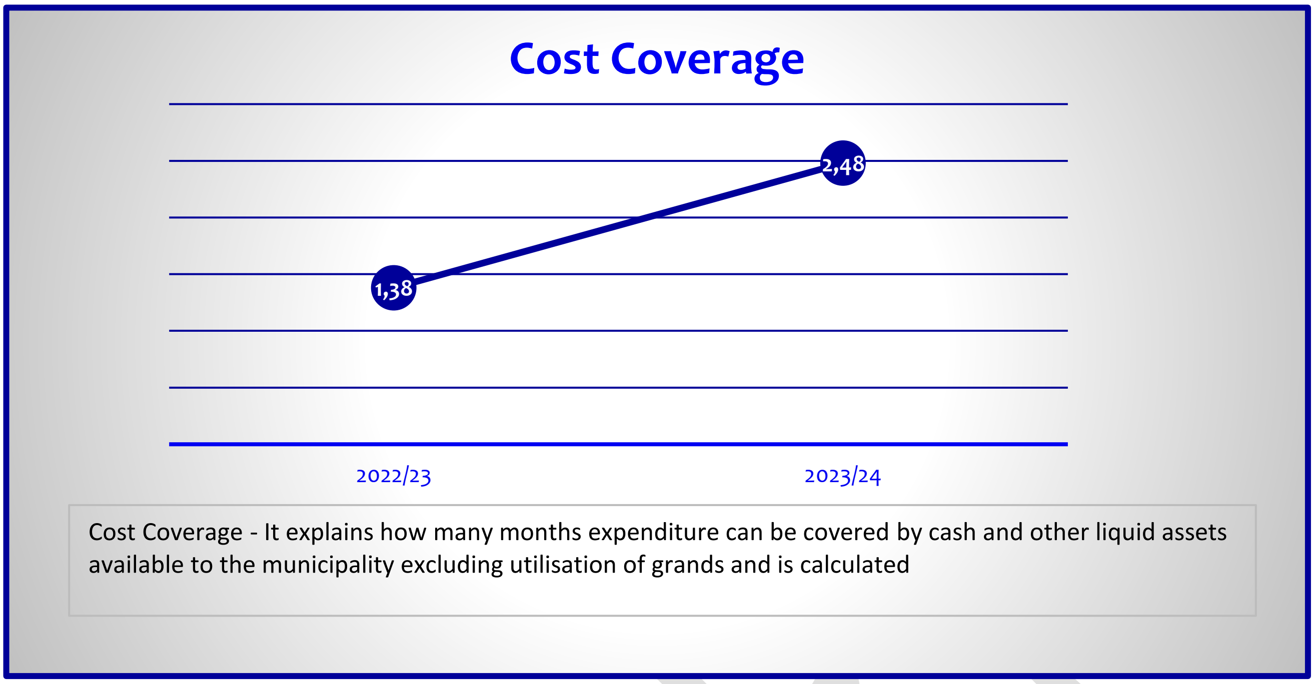


Graph 4.: *Liquidity Ratio*

5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2022/23	2023/24
		Actual	Actual
Cost Coverage	(Available cash + Investments- Unspent Grants)/monthly fixed operational expenditure	1.38	2.48
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	982%	10.94
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	14.93	17.18

Table 239: Financial Viability National KPAs



Graph 5.: Cost Coverage

5.5.3 Borrowing Management

Description	Basis of calculation	2022/23	2023/24
		Audited outcome	Pre-audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	7.44%	6.81%

Table 240: Borrowing Management

5.5.4 Employee Costs

Description	Basis of calculation	2022/23	2023/24
		Audited outcome	Pre-audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	34%	36%

Table 241: Employee Costs

5.5.5 Repairs and Maintenance

Description	Basis of calculation	2022/23	2023/24
		Audited outcome	Pre-audit outcome
Repairs and Maintenance	R&M/(Total Revenue excluding capital revenue)	6%	5%

Table 242: Repairs and Maintenance

The following graph indicates the repairs and maintenance for 2023/24:

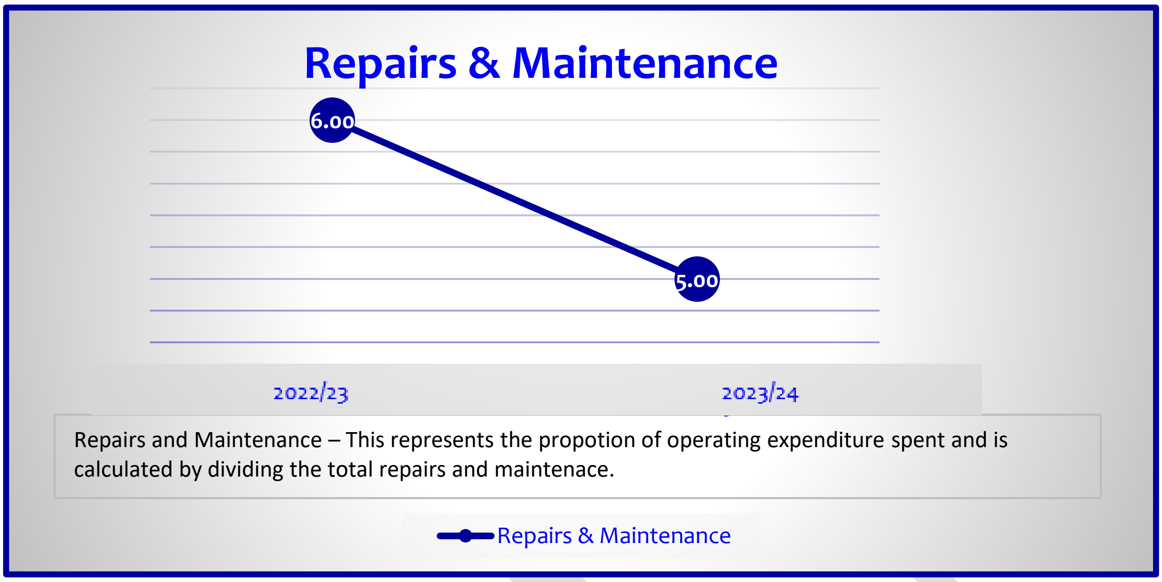


Table 243: Repairs and Maintenance

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 CAPITAL EXPENDITURE BY ASSET PROGRAM

Description	2022/23	2023/24		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure
R'000				
Capital expenditure by Asset Class				
Infrastructure – Total	**65 568**	**71 332**	**87 810**	**67 720**
Infrastructure: Road transport – Total	**8 656**	**13 669**	**15 527**	**11 987**
Roads, Pavements & Bridges	3 781	7 669	13 376	10 774
Storm water	4 875	6 000	2 151	1 213
Infrastructure: Electricity – Total	**23 070**	**19 682**	**19 838**	**17 475**
Generation	0	0	0	0
Transmission & Reticulation	23 070	19 682	19 838	17 475
Street Lighting	0	0	0	0
Infrastructure: Water – Total	**24 453**	**20 031**	**35 419**	**27 114**
Bulk Mains	2 925	0	0	0
Water Purification	5 727	0	0	0

Description	2022/23	2023/24		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure
Reticulation	15 801	20 031	35 419	27 114
Infrastructure: Sanitation – Total	**5 954**	**15 046**	**15 671**	**10 149**
Reticulation	5 954	14 612	10 071	6 436
Sewerage purification	0	435	5 600	3 713
Infrastructure: Other – Total	**43**	**0**	**0**	**0**
Waste Management	0	0	0	0
Transport	0	0	0	0
Gas	0	0	0	0
Other	43	0	0	(0)
Community – Total	**3 392**	**2 904**	**1 355**	**996**
Parks and gardens	435	304	304	301
Sports fields and stadia	0	0	0	0
Swimming pools	0	0	0	0
Community halls	1 599	0	801	449
Libraries	0	250	250	213
Recreational facilities	0	0	0	33
Cemeteries	0	1 000	0	0
Other	1 358	1 358	0	0
Capital expenditure by asset class	**19 239**	**38 100**	**40 983**	**36 591**
Heritage assets	**0**	**0**	**0**	**0**
Buildings	0	0	0	0
Other assets	**19 239**	**38 100**	**40 983**	**36 591**
General vehicles	2 972	16 400	13 934	13 530
Plant & equipment	0	0	0	0
Computers - hardware/equipment	11 303	5 368	7 737	7 345
Plant and Equipment	3 412	2 0258	2 000	1 400
Furniture and other office equipment	81	1 064	1 070	302
Other Buildings	2 165	10 780	12 605	10 411
Other	(693)	2 430	3 636	3 603
Total Capital Expenditure on new assets	**84 807**	**109 432**	**128 793**	**104 311**

Table 244: Analysis of Capital and Operating Expenditure

5.7 SOURCE OF FINANCE

The table below indicates the capital expenditure by funding source for the 2023/24 financial year:

Capital Expenditure: Funding Sources						
R'000						
Details	2022/23	2023/24				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
External loans	32 098	45 150	38 998	35 920	-13.63	-7.89
Public contributions and donations	0	0	0	33	0	0
Grants and subsidies	33 505	34 335	57 821	44 924	68.40	-22.30
Own funding	19 204	29 947	31 974	23 467	6.77	-26.61
Total	**84 807**	**109 432**	**128 793**	**104 344**	15.03	-4.88
Percentage of finance						
External loans	37.85	41.26	30.28	34.42		
Public contributions and donations	-	-	-	0.03		
Grants and subsidies	39.51	31.38	44.89	43.05		
Own funding	22.64	27.37	24.83	22.49		
Capital expenditure						
Water and sanitation	40 304	45 246	62 925	(36 982)	39.07	-158.77
Electricity	25 395	23 741	23 321	19 492	-1.77	-16.42
Housing	0	0	0	0	0	0
Roads and Stormwater	9 135	13 669	17 954	11 987	31.35	-33.23
Other	9 973	26 776	24 593	109 847	-8.15	346.67
Total	**84 807**	**109 432**	**128 793**	**104 344**	15.03	-4.88
Percentage of expenditure						
Water and sanitation	47.52	41.35	48.86	-35.44		
Electricity	29.94	21.69	18.11	18.69		
Housing	-	-	-	-		
Roads and stormwater	10.77	12.49	13.94	11.49		
Other	11.76	24.47	19.09	105.27		

Table 245: Capital expenditure by Asset Program

5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2023/24.

Name of Project*	2023/24			% Variance	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
Plett WTW: New Pump Station	13 730	19 192	19 172	40%	0%
Keurbooms: Upgrade Network	5 989	5 989	5 921	-1%	-1%
Ebenezer (Phase 3, Portion 1): New roads	0	6 400	5 883	0%	-8%
3X New 15Cube Compactors- Waste Management	5 500	5 489	5 489	0%	0%
Security Fencing - Waste Water Plants	3 500	5 224	5 065	45%	-3%
Projects with the highest capital expenditure in 2023/24					

Table 246: Capital Expenditure on the 5 Largest Projects

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is critical to the municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

5.9 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	2022/23	2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Cash flow from operating activities				
Receipts				
Ratepayers and other	149 399	163 156	163 105	174 876
Service charges	353 211	422 573	418 554	387 284
Other Revenue	16 645	22 595	23 655	37 761
Government - operating	136 528	163 277	167 745	170 385
Government - capital	51 322	37 468	48 907	34 470
Interest	11 407	8 221	15 596	17 654
Payments				
Suppliers and employees	(597 561)	(716 494)	(712 046)	(654 116)
Finance charges	(8 776)	(13 428)	(13 428)	(10 751)

Cash Flow Outcomes				
R'000				
Description	2022/23	2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Transfers and Grants	(5 626)	(12 230)	(12 230)	(9 208)
Net cash from/(used) operating activities	**106 549**	**75 138**	**99 858**	**148 354**
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	454	10 962	10 962	0
Decrease (Increase) in non-current debtors	0	0	0	0
Decrease (Increase) other non-current receivables	1	0	0	0
Decrease (increase) in non-current investments	9 857	0	0	0
Payments				
Capital assets	(84 807)	(109 432)	(120 579)	(104 494)
Net cash from/(used) investing activities	**(74 495)**	**(98 470)**	**(109 617)**	**(104 494)**
Cash flows from financing activities				
Receipts				
Borrowing long term/ refinancing	35 255	40 150	40 150	45 150
Increase/(Decrease) in Consumer Deposits	945	0	0	565
Payments				
Repayment of borrowing	(21 804)	(20 767)	(19 517)	(19 526)
Net cash from/(used) financing activities	**14 396**	**19 383**	**20 633**	**26 190**
Net increase/ (decrease) in cash held	**46 451**	**(3 949)**	**10 875**	**70 049**
Cash/cash equivalents at the year begin:	**48 627**	**59 740**	**59 740**	**95 078**
Cash/cash equivalents at the year-end:	**95 078**	**55 791**	**70 615**	**165 128**

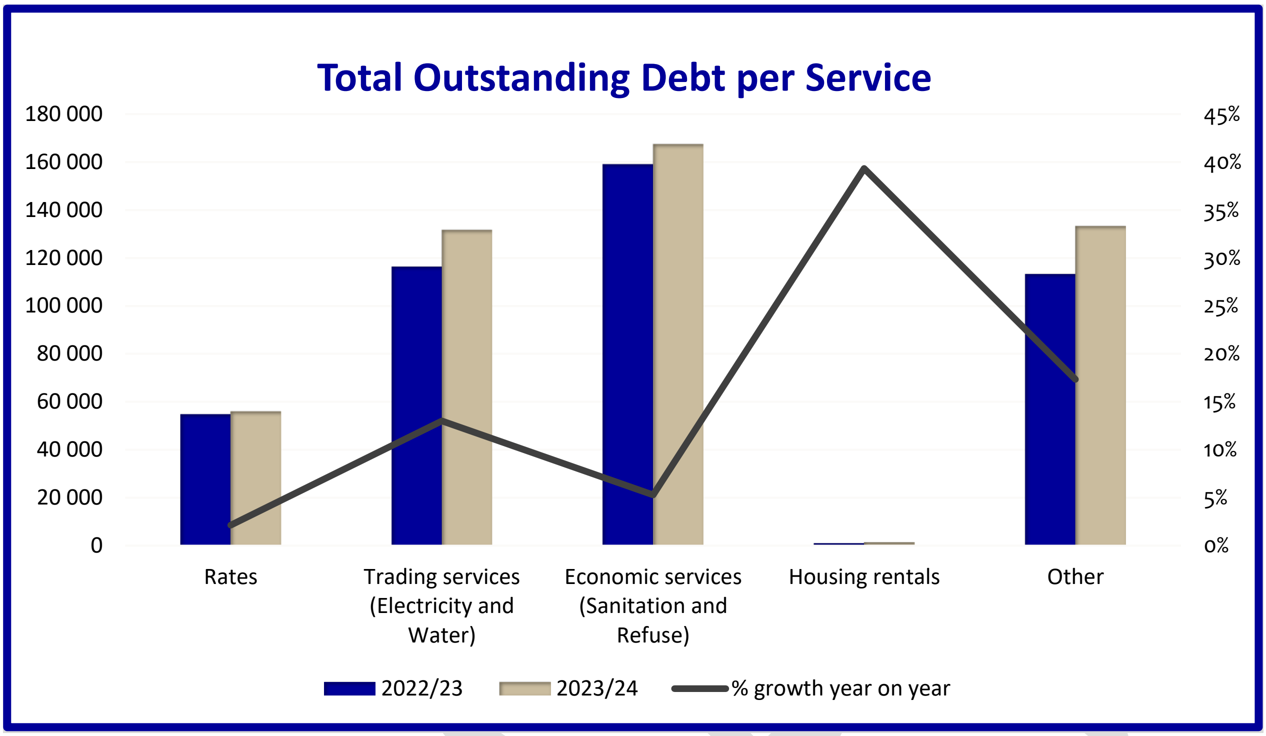
Table 247: Cashflow

5.10 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services (Electricity and Water)	Economic services (Sanitation and Refuse)	Housing rentals	Other	Total
2022/23	54 786	116 564	159 011	1 006	113 619	444 986
2023/24	55 960	131 702	167 416	1 402	133 336	489 815
Difference	1 174	15 138	8 404	396	19 717	44 829
% growth year on year	**2.14**	**12.99**	**5.29**	**39.33**	**17.35**	**10.07**

Table 248: Gross Outstanding Debtors per Service

The following graph indicates the total outstanding debt per type of service for 2023/24



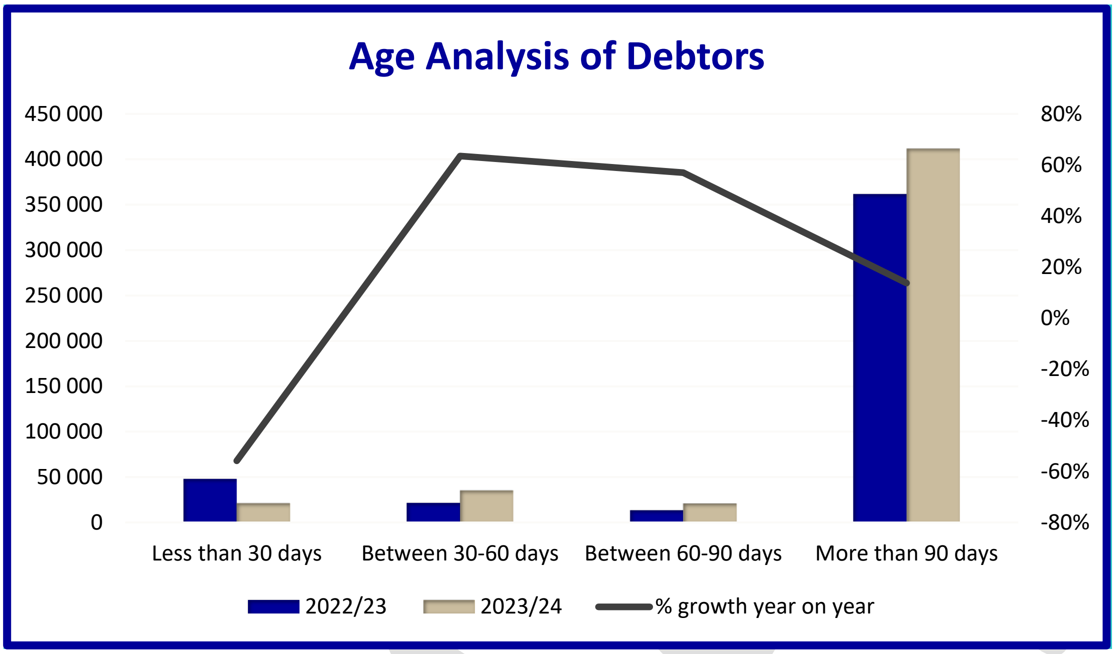
Graph 6.: Outstanding Debtors per Service

5.11 TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
2022/23	47 885	21 641	13 310	362 149	444 986
2023/24	21 146	35 387	20 901	411 914	489 348
Difference	(26 739)	13 745	7 591	49 765	44 362
% growth year on year	**-55.84**	**63.51**	**57.03**	**13.74**	**9.97**

Table 249: Service Debtor Age Analysis

The following graph indicates the age analysis of debtors and the increase/decrease from 2022/23 to 2023/24:



Graph 7.: *Total Debtors Age Analysis*

5.12 MUNICIPAL COST CONTAINMENT MEASURES

5.12.1 MUNICIPAL COST CONTAINMENT REGULATIONS (MCCR)

National Treasury first published the draft MCCR for public comment on 16 February 2018, with the closing date being 31 March 2018. Comments were received, from the Department of Cooperative Governance and Traditional Affairs, SALGA, municipalities and other stakeholders. After extensive consultation and consideration of all comments received, the MCCR were finalised and promulgated on 7 June 2019 in the Government Gazette, with the effective date being 1 July 2019.

5.12.2 MUNICIPAL COST CONTAINMENT POLICY

The MCCR do not apply retrospectively, therefore will not impact on contracts concluded before 1 July 2019. If municipalities and municipal entities decided to extend current contracts, such contracts should have been aligned with the principles outlined in the MCCR and SCM regulations.

Regulation 4(1) of the MCCR requires municipalities and municipal entities to either develop or review their cost containment policies. The MCCR require municipalities to adopt the cost containment policies as part of their budget related policies prior to 30 September 2019. The Bitou Municipality adopted cost containment policies on **29 January 2021**.

5.12.3 COST CONTAINMENT MEASURE AND ANNUAL COST SAVING

The effective implementation of the MCCR is the responsibility of the municipal council and the municipal accounting officer. In terms of the cost containment framework provided in the MCCR, which is consistent with the provisions of the MFMA and other government pronouncements, the following cost savings for the financial year are disclosed:

Measures	Actual 2022/23	Original Budget 2023/24	Adjusted Budget 2023/24	Total Expenditure	Savings
	R'000	R'000	R'000	R'000	
Use of consultants	26 323	39 366	96 670	63 235	33 434
Vehicles used for political office- bearers	512	53	372	111	261
Travel and subsistence	969	1 687	2 093	1 155	937
Domestic accommodation	493	93	1 177	817	359
Sponsorship, events and catering	864	1 479	2 224	811	1 412
Communication	4 062	3 020	3 136	2 458	678
Other related expenditure items	35 805	44 688	48 505	10 531	37 973
Total	**69 032**	**90 390**	**154 180**	**79 122**	**75 057**

Table 250: Cost containment

5.13 BORROWING AND INVESTMENTS

5.13.1 Actual Borrowings

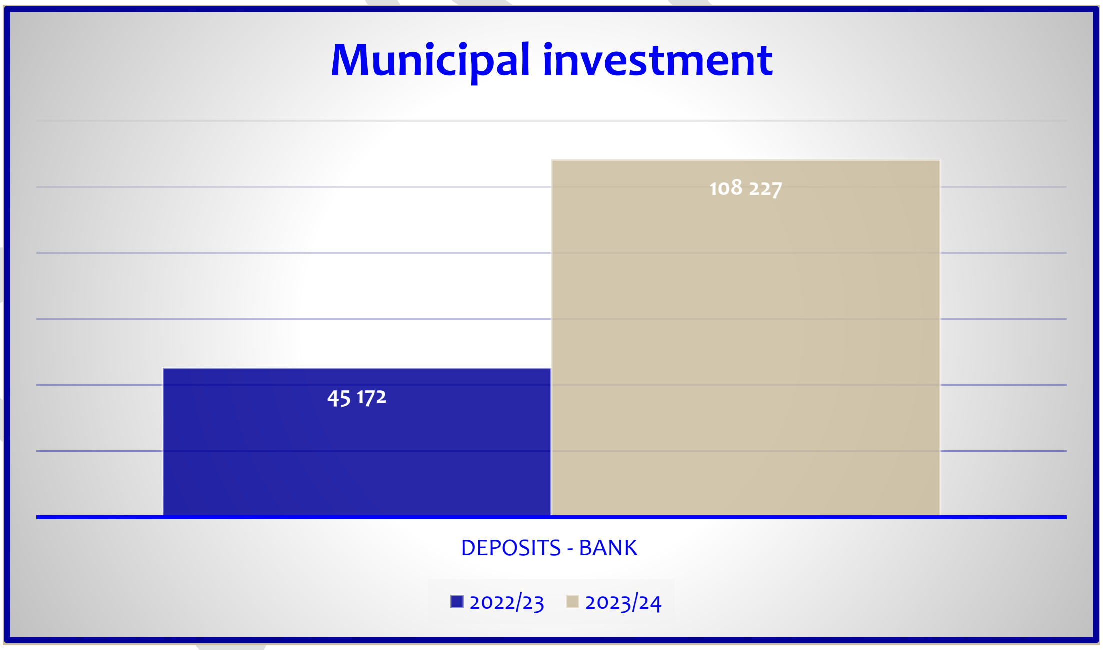
Actual Borrowings		
R' 000		
Instrument	2022/23	2023/24
Long-Term Loans (annuity/reducing balance)	100 826	127 702
Financial Leases	1 251	0
Total	**102 077**	**127 702**

Table 251: *Actual Borrowings*

5.12.2 Municipal Investments

Actual Investments		
R'000		
Investment type	2022/23	2023/24
	Actual	
Deposits - Bank	45 172	108 227
Total	**45 172**	**108 227**

Table 252: *Municipal Investments*



Graph 8.: *Municipal investment*

5.12.3 Grants made by the Municipality

All Organisation or person in receipt of Grants provided by the Municipality	Nature of project	Value 2023/24 R'000
Youth Crime Prevention Desk	Crime Prevention	50
Ubomi Bethu Community Development	Community Development	30
Vusumzi Soup Kitchen	Feeding Scheme	52
Baby Eagles Educare	Early Childhood Development	30
Hope of life Centre	Skills Development	30
All Nations Satisfactory Centre	Skills Development and Feeding Scheme	30
Bitou Rise and Shine Enrichment Centre	Early Childhood Development	30
Wonderkids Educare Centre	Early Childhood Development	30
Sizanani Educare Centre	Early Childhood Development	30
Learn and Play Educare Centre	Early Childhood Development	30
Youth for Change	Skills Development	30
Angels of Joy	Early Childhood Development	30
New Life Centre	Skills Development	34
Kurland Educare	Early Childhood Development	30
Flamingo Educare	Early Childhood Development	30
Theodora Creche	Early Childhood Development	30
Blomathi Soup Kitchen	Feeding Scheme	32
Protea Diens Sentrum	Elderly Care	30
Kranshoek Community Women's Forum	Gender Based Violence	32
Plett Animal Welfare Service	Animal Welfare	40
Zikhona Soup Kitchen NPC	Feeding Scheme	40
House of Hope and Glory NPC	Feeding Scheme and After Care	40
Plett Food Centre	Feeding Scheme	30
Child Welfare SA - Plettenberg Bay	Child Welfare	40
Native Roots Community Development	Community Development	30
Lithemba Bafazi	Skills Development	30
Lilitha Lamasukwini	Feeding Scheme	30
Songoba Boxing Academy	Sport	15
Building the Walls of Communities	Food Distribution	50
Kwanokuthula Crime Prevention	Crime Pervention	50
Sonop Disabled Day Care Centre	Disabled Day Care	30
Adopt a Swimmer NPO	Sport	30
Eden Grow	Agricultural food gardens and Medicinal Fynbos Cultivation	42
Libongwe Ngabantu Community Empowerment	Community Empowerment	30

New Horizon Pensioners Club	Pensioners Club	30
Covie Community Development	Community Development	30
Bitou 10 Education and Development Foundation	Early Childhood Development and Education	70

Table 253: Grants made by the Municipality

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

Component A: audit outcomes 2022/23

6.1 FINANCIAL PERFORMANCE: 2022/23

Auditor-General Report on Financial Performance 2022/23	
Audit report status	**Unqualified**
Main issues raised under emphasis of matter	**Corrective steps implemented/ to be implemented**
Financial Statements	
Material impairments	
As disclosed in note 1 1 to the financial statements, the municipality provided for the impairment of receivables from exchange and non-exchange transactions amounting to R358,4 million (2021-22: R327,1 million)	The Municipality is currently embarking on a credit control and debt collection strategy to strengthen the recovery of debt that is due, the process includes cutting and restriction of services coupled to the handing over of debt to collection agents where all other avenues have been exhausted. The municipality is furthermore implementing its revenue enhancement strategy where focus is on ensuring completeness and accuracy of billing and collecting all due amounts in a timely manner
Material losses	
As disclosed in the statement of financial performance and note 51 to the financial statements, the municipality has written off bad debts of R88,9 million during the year (2021-22: R93,7 million)	The material losses are addressed through the loss control effort that include a verification of all services points, a meter replacement strategy is also underway to address meters that are either inaccessible or unreadable
As disclosed in note 50.02 to the financial statements, material water losses of 35.85% (202122: 37.71%)	
Restatement and reclassification of corresponding figures	
As disclosed in note 62 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022	The municipality has implemented a process where sufficient time has been allocated for a review of the financial statements and related information

Table 254: AG Report 2022/23

6.2 SERVICE DELIVERY PERFORMANCE: 2022/23

The Auditor-General in its audit report identified misstatements on the annual performance report concerning the usefulness and reliability of the information. Management subsequently corrected these misstatements. The Auditor-General did not raise any material findings on the usefulness and reliability of the reported performance information.

COMPONENT B: AUDIT OUTCOMES 2023/24

6.1 FINANCIAL PERFORMANCE: 2023/24

Auditor-General Report on Financial Performance 2023/24	
Audit report status	**Unqualified with findings**
Main issues raised under emphasis of matter	Corrective steps implemented/ to be implemented
Financial Statements	
Material losses/impairments	
Material impairments As disclosed in not 9 to the financial statements, the municipality provided for impairment of receivables from and non-exchange transactions of R389,2 million (2022-2023: R358,4 million)	The Auditor-General is urging the municipality to further enhance this indicator as it is crucial to establish a balance between efficient revenue collection and prudent risk management to maintain fiscal health and ensure long-term sustainability
Material losses As disclosed in the statement of financial performance and note 38 to the financial statements, the municipality has written off bad debt of R74,4 million during the year (2022-2023: R88,9 million)	The municipality has implemented strict credit control processes and a debt collection strategy to improve on the collection of receivables and reduce the writing off of debt
As disclosed in note 39.02 to the financial statements, material water losses of 37,89% (2022-2023: 35,85%) were incurred	It was recommended by the Auditor-General that effective steps should be implemented by the municipality reduce water losses. Those would include the services inspection by the revenue enhancement team, the appointment of sufficient staff members to perform loss control inspections and repairs as well as the monitoring of deviation reports and system anomalies
Restatement and reclassification of corresponding figures	

Auditor-General Report on Financial Performance 2023/24	
Audit report status	**Unqualified with findings**
Main issues raised under emphasis of matter	**Corrective steps implemented/ to be implemented**
As disclosed in note 54 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.	The municipality is implementing a system of monthly reconciliations and verification and control over processes by management to ensure accurate reporting and transactional recording to minimise the occurrence of prior year errors.

Table 255: AG Report 2023/24

6.2 SERVICE DELIVERY PERFORMANCE: 2023/24

The Auditor-General in its audit report identified misstatements on the annual performance report concerning the usefulness and reliability of the information. Management subsequently corrected these misstatements. The Auditor-General did not raise any material findings on the usefulness and reliability of the reported performance information.

List of Abbreviations

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

List of Tables

Table 1: Total Population 9
Table 2: Total Population as per Bitou IDP 2024 and previous years....................10
Table 3: Population Profile 10
Table 4: Race Categories 10
Table 5: Total Number of Households 11
Table 6: Municipal Wards 13
Table 7: Municipal Areas....................13
Table 8: Key Economic Activities 14
Table 9: Basic Services Delivery Highlights 15
Table 10: Basic Service Delivery Challenges 16
Table 11: Households with Minimum Level of Basic Services 16
Table 12: Financial Viability Highlights 17
Table 13: Financial Viability Challenges....................17
Table 14: National KPI's for Financial Viability and Management....................18
Table 15: Financial Overview 18
Table 16: Total Capital Expenditure 19
Table 17: National KPIs – Good Governance and Public Participation Performance 20
Table 18: Good Governance and Public Participation Performance Highlights 21
Table 19: Good Governance and Public Participation Challenges 21
Table 20: Council 01 July 2023 till 30 June 2024 23
Table 21: Council Meetings 24
Table 22: Executive Mayoral Committee 01 July 2022 till 01 February 2024 25
Table 23: Executive Mayoral Committee 01 July 2022 till 01 February 2024 25
Table 24: Executive Mayoral Committee Meetings 26
Table 25: Number of reports per Directorate dealt with under the delegated authority per committee....................28
Table 26: Finance and Corporate Portfolio Committee members (period 1 July 2023 to 1 February 2024) .28
Table 27: Finance and Corporate Portfolio Committee members (period 2 Februarie 2024 to 30 June 2024) 29
Table 28: Engineering and Community Services Portfolio Committee members (1 July 2023 to 1 February 2024) 29
Table 29: Engineering and Community Services Portfolio Committee members (2 February 2024 to 30 June 2024) 29
Table 30: Strategic Services and Office of the Municipal Manager Portfolio Committee (1 July 2023 to 1 February 2024) 29
Table 31: Strategic Services and Office of the Municipal Manager Portfolio Committee (2 February 2024 to 30 June 2024)....................30
Table 32: Administrative Governance 30
Table 33: Intergovernmental Structures 33
Table 34: 2023/24 IDP and Budget Process 39
Table 35: Ward 1 Committee Meetings 41
Table 36: Ward 2 Committee Meetings 41
Table 37: Ward 3 Committee Meetings 41
Table 38: Ward 4 Committee Meetings 42
Table 39: Ward 5 Committee Meetings 42
Table 40: Ward 6 Committee Meetings 42
Table 41: Ward 7 Committee Meetings 43
Table 42: Functioning of Ward Committees 44
Table 43: Labour Forum....................45
Table 44: Top Ten Risks 46
Table 45: Highlights: Risk Management 46
Table 46: Challenges: Risk Management 47
Table 47: Risk Management Functions....................47
Table 48: Strategies....................48
Table 49: Members of the AC....................50
Table 50: Members of the Performance Audit Committee 50
Table 51: Highlights: Internal Audit 51
Table 52: Challenges: Internal Audit 52
Table 53: Internal Audit Coverage Plan 56
Table 54: Internal Audit Functions....................56
Table 55: Policies 57
Table 56: Communication Activities....................58

Table 57: Communication and Customer Care Unit..............58
Table 58: Additional Communication Channels Utilised........59
Table 59: External Communication Forums............................60
Table 60: Communication Platforms Utilised.........................61
Table 61: Website Checklist...63
Table 62: Highlights: Supply Chain Management....................64
Table 63: Challenges: Supply Chain Management..................64
Table 64: Bid Committee Meetings...65
Table 65: Attendance of Bid Specification Committee 65
Table 66: Attendance of Members of Bid Evaluation Committee 65
Table 67: Attendance of Members of Bid Adjudication Committee 65
Table 68: Management Control 66
Table 69: Skills Development 66
Table 135: Capital Expenditure 2023/24 LED 133
Table 212: Financial Performance 2023/24 202
Table 213: Performance Against Budgets 204
Table 214: Revenue by Vote 204
Table 215: Revenue by Source...205
Table 216: Operational Services Performance 206
Table 217: Financial Performance: Water services 207
Table 218: Financial Performance: Waste Water (Sanitation) services..207
Table 219: Financial Performance: Electricity 208
Table 220: Financial Performance: Waste Management........208
Table 221: Financial Performance: Roads and Stormwater...209
Table 222: Financial Performance: Planning (Development Management, Spatial Planning and Environmental Management, Building Control and Property Management) 209
Table 223: Financial Performance: IDP and LED......................210
Table 224: Financial Performance: Libraries 210
Table 225: Financial Performance: Cemeteries.......................210
Table 226: Financial Performance: Traffic and Law Enforcement 211
Table 227: Financial Performance: Sport and Recreation 211
Table 228: Financial Performance: Executive Council............212
Table 229: Financial Performance: Tourism 212
Table 230: Financial Performance: Finance 212
Table 231: Grant Performance for 2023/24.............................214
Table 232: Conditional Grant..216
Table 233: Reliance on grants 216
Table 234: Treatment of the three largest assets: Asset 1...217
Table 235: Treatment of the three largest assets: Asset 2...218
Table 236: Treatment of the three largest assets: Asset 218
Table 237: Repairs & Maintenance Expenditure 218
Table 238: Liquidity Financial Ratio 218
Table 239: Financial Viability National KPAs 219
Table 240: Borrowing Management..220
Table 241: Employee Costs..220
Table 242: Repairs and Maintenance..220
Table 243: Repairs and Maintenance..221
Table 244: Analysis of Capital and Operating Expenditure ...222
Table 245: Capital expenditure by Asset Program.................223
Table 246: Capital Expenditure on the 5 Largest Projects....224
Table 247: Cashflow 225
Table 248: Gross Outstanding Debtors per Service 225
Table 249: Service Debtor Age Analysis 226
Table 250: Cost containment 228
Table 251: Actual Borrowings...229
Table 252: Municipal Investments..229
Table 253: Grants made by the Municipality..........................231
Table 254: AG Report 2022/23 232
Table 255: AG Report 2023/24 234

List of Graphs

Graph 1.: Overall Performance per Strategic Objective 2023/24 74
Graph 2.: Revenue 203
Graph 3.: Operating Expenditure 203
Graph 4.: Liquidity Ratio 219
Graph 5.: Cost Coverage 220
Graph 6.: Outstanding Debtors per Service...........................226
Graph 7.: Total Debtors Age Analysis 227
Graph 8.: Municipal investment...229