

# Sol Plaatje Municipality

## Annual Report 2020/21



# Message from the Mayor



The 2020/21 annual report is presented under extremely strained circumstances where the resilience of governance systems were tested by the Novel Corona Virus that had adverse consequences, the world over; of which Sol Plaatje Municipality was no exception. This disruption brought about by COVID-19 has affected both the service delivery targets, collection rate as many residents lost their livelihoods because of the lockdown restrictions and general decline in economic activities. This annual report will give an account of our performance on the targets and highlight achievements to the respective stakeholders and communities in lieu of the difficult circumstances perpetuated by the COVID-19 pandemic.

Improving Service delivery for the betterment of Sol Plaatje Municipality remains an apex priority. There has been significant movement in rolling out of basic services; provisioning water, electricity, and sanitation particularly to unformalized settlements. Continuous efforts have been placed into strengthening operational efficiencies in as far as the day-to-day service delivery challenges such as refuse removal, pothole repairs, repairs of burst pipes and sewer leaks. The below threshold collection rate has been a major contributor for the ineffectiveness of the Municipality to adequately respond to service delivery challenges where there is an imbalance on the cash reserves ratio and service delivery demands.

We remain committed to improve the delivery of core municipal services through the application of efficient and effective service delivery mechanisms, and the application of sound financial management principles. It is essential and critical to ensure that the Municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities. In achieving this, greater collaboration is required with National and Provincial Government to ensure that adequate resources are allocated to enable the Municipality to genuinely meet its constitutional mandate.

I trust that this Annual Report offers readers an understanding of the Municipality's accomplishments despite the surmountable challenges faced throughout the 2020/21 financial year, in its bid to uphold service delivery. The Municipality is committed to its vision and henceforth I would like to thank all our councillors, municipal employees, citizens, stakeholder groups, business partners and sector departments who participated in and contributed to the municipality delivering on its strategic objectives.



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# Chapter 1



## MUNICIPAL MANAGER'S MESSAGE

### CHAPTER 1: EXECUTIVE SUMMARY

#### MUNICIPAL MANAGER'S MESSAGE

The Annual Report is a transparent reflection of the highlights and challenges presented throughout the financial year. The report discloses both the results achieved, despite the gruelling circumstances under which they were obtained, as well as the shortcomings and the measures in place to correct them in the future.

The impact of the difficult economic climate our country is experiencing as a result of the pandemic has brought forward various challenges especially in terms of the Municipality's cash flow, which remains an ongoing concern.

The deficiency of progression in the local economy is negatively impacting the growth in revenue of the Municipality and this also puts tremendous pressure on the organizations' revenue.

The main challenges of the triple threat being poverty, unemployment and inequality still remains and impacts negatively on our revenue streams and together with infrastructure and maintenance backlogs meaning that financial sustainability remains a serious threat to the rendering of sustainable value - for- money services.

Although significant progress was made in eradicating backlogs in terms of access to services such as housing, water, sanitation, roads and solid waste as discussed above, various service backlogs still exist that need to be addressed. Sol Plaatje Local Municipality, like any other secondary city, is faced with the difficulty of:

- Addressing historical backlog regarding adequate access to quality basic services;

- Influx of people which increases demand for basic services in addition to normal growth demand;
- Achieving progressive development of services provided above the basic level of service, whilst trying to address aging infrastructure; and
- Limited resources available in terms of funding, with a high level of dependency on capital grants.

For the financial year ended 30 June 2021, the total Operating revenue was R2 176 889 billion vs an adjusted budget of R2 377 602 billion, resulting in an actual achieved of 92% with a satisfactory variance of minus 8%. Total operational expenditure amounted to R2 166 350 billion vs an adjusted budget of R2 241 373 billion, resulting in an actual of 97%, with a satisfactory variance of minus 3%.

During 2018/19 the capital budget was adjusted downwards from R333 241 million to R231 113 million, whilst there was a marginal upward adjustment in 2019/20 and 2020/21. Spending on capital versus the adjustment budget in 2018/19 resulted in 89% spent which then decreased in 2019/20 as the spending against the adjustment budget was 72%. In 2020/21 spending on capital against the adjustment budget showed improvement with a spending of 84%.

In conclusion, I would like to thank the Senior Management Team and all staff members who have worked tirelessly toward improving service delivery. I would also like to extend my appreciation to the Executive Mayor, Executive Mayoral Committee, councillors and staff for their support and commitment towards serving the community and all stakeholders.

Yours in government

**MUNICIPAL MANAGER**

# CHAPTER 1: MUNICIPAL OVERVIEW

## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### 1.2.1 Demographic Information

#### *Municipal geographical information*

The Sol Plaatje Local Municipality is a Category B Municipality located in the Frances Baard District in the Northern Cape Province. The geographic area of the Municipality is 3 145 km<sup>2</sup>. It is bordered by Dikgatlong in the north, the Pixley ka Seme District in the south and west, and the Free State Province in the east. It is one of the four municipalities that make up the district, accounting for a quarter of its geographical area. It includes the diamond mining City of Kimberley and Ritchie, in the south eastern corner of the area. Kimberley is approximately 110 km east of the confluence of the Vaal and Orange Rivers. The N12 highway, which connects Gauteng to the Western Cape Province, runs through Kimberley.

Sol Plaatje Municipality is named after Solomon Tshekisho Plaatje, who was a South African intellectual, journalist, linguist, politician, translator and writer. Solomon Plaatje was born just outside Boshof, formerly the Orange Free State (now Free State Province).

The Sol Plaatje Municipality is the seat of the Northern Cape Provincial Government and the Frances Baard District Council. Kimberley is the seat of the Northern Cape Division of the High Court of South Africa, which exercises jurisdiction over the province.

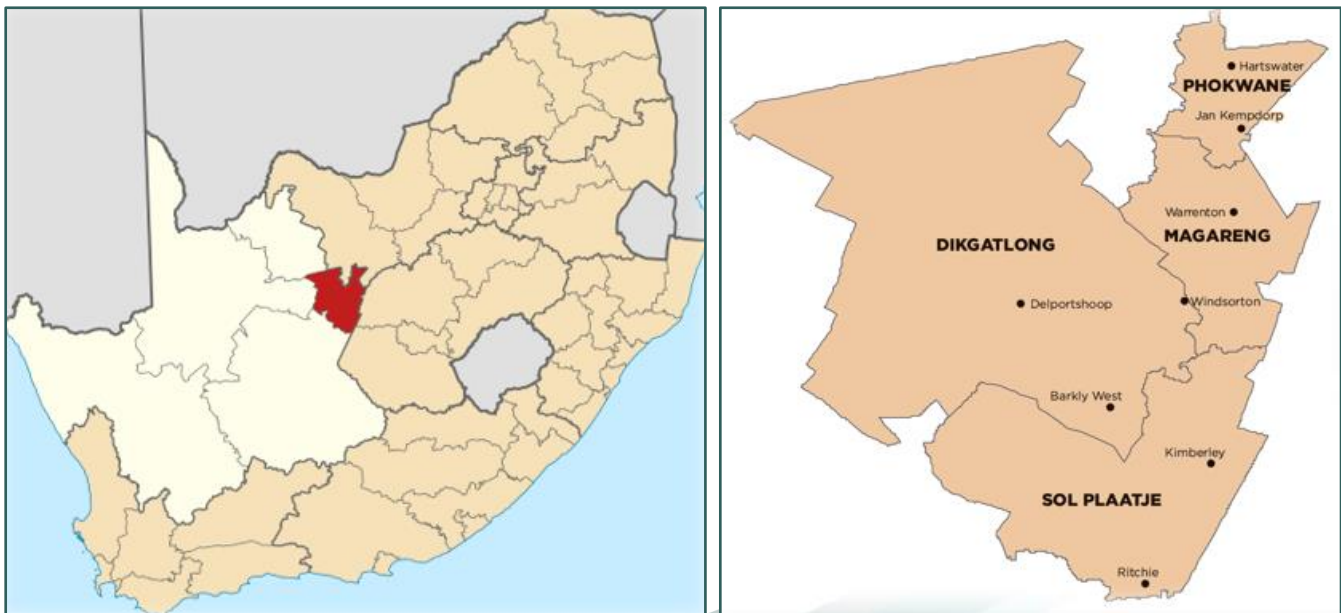


Figure 1: Sol Plaatje Municipal Area

## CHAPTER 1: MUNICIPAL OVERVIEW

### *Municipal Wards and Neighbourhoods*

There are 33 wards within the Sol Plaatje municipal area with several wards overlapping. The table below indicates the various neighbourhoods within the wards:

Wards	Suburbs
1	Roodepan, Sunset Manor
2	Roodepan
3	Homevale, Homelite
4	Homestead, Vergenoeg Ext 3, Vergenoeg Ext 4, Vergenoeg Ext 9
5	Thusanong, Redirile, Vergenoeg Ext 2
6	Vergenoeg Ext 2, Vergenoeg Ext 9, Vergenoeg Ext 10, Boikhutsong
7	Vergenoeg, Vergenoeg Ext 1, Vergenoeg Ext 2, Ubuntu
8	Donkerhoek, Kirstenhof, Riviera, Verwoerd Park
9	Retswelele, Ipopeng
10	Tshwaragona, Vergenoeg Ext 5, Vergenoeg Ext 6, Vergenoeg Ext 7
11	Vergenoeg Ext 6, Vergenoeg Ext 8, Agisanang
12	Galeshewe Ext 2, Galeshewe Ext 3, Vergenoeg Ext 6, KwaNobantu, Galeshewe Proper, China Square
13	Galeshewe Ext 1, Galeshewe Proper, Galeshewe Ext 6, China Square
14	Homestead, North view, Colville, Gemdene, Floors, Square Hill Park, Utility, Ashburnham, Moghul Park
15	Phutanang, Phomolong, Ipeleng
16	Promise Land, Lindelani, Snake Park, Tswelelang
17	Ipeleng, Tlhageng, John Mampe, Kutlwanong, Kagiso
18	Verwoerd Park, Kirstenhof, Greater No. 2, Galeshewe Ext 7
19	Latlhi Mabilo, Galeshewe Ext 5, Galeshewe Ext 4, Galeshewe Ext 3
20	Verwoerd Park, Diamant Park, West End, Kestelhof, New Park, Albertynshof, Kimberley Central, Kimberley Mine, Cecil Sussman, Kimberley North, Utility, Square Hill Park
21	De Beers, Moghul Park, De Beers Mine, Herlear, Cassandra, Ernestville, Beaconsfield, Memorial Road area
22	South Ridge, Fabricia, Green Point
23	El Toro Park, Royldene, Monument Heights, New Pak, Labram, Kimberley Central, Hadison Park, Memorial Road area
24	Carters Glen, Rhodesdene, Hadison Park, Heuwelsig, Kestelhof
25	Diamond Park, Diskobolos, Beaconsfield, Klisserville, Memorial Road area, De Beers Mine
26	Hillcrest, Rietvale, Ritchie, Ikageng, Motswedimosa
27	Platfontein, Rietvale
28	De Beers Mine, Kenilworth, Kimdustria, Colville, Floors, Beaconsfield, Greenside
29	Roodepan, Ivory Park, Langley & Riverton
30	Lerato Park, Kamfersdam, Roodepan, Jacksonville
31	Soul City, Kutlwanong, Riviera
32	Platfontein, Phutanang
33	Diamant Park, Thambo Square, West End, Gemdene, China Square

Table 1: Municipal Wards



## CHAPTER 1: MUNICIPAL OVERVIEW

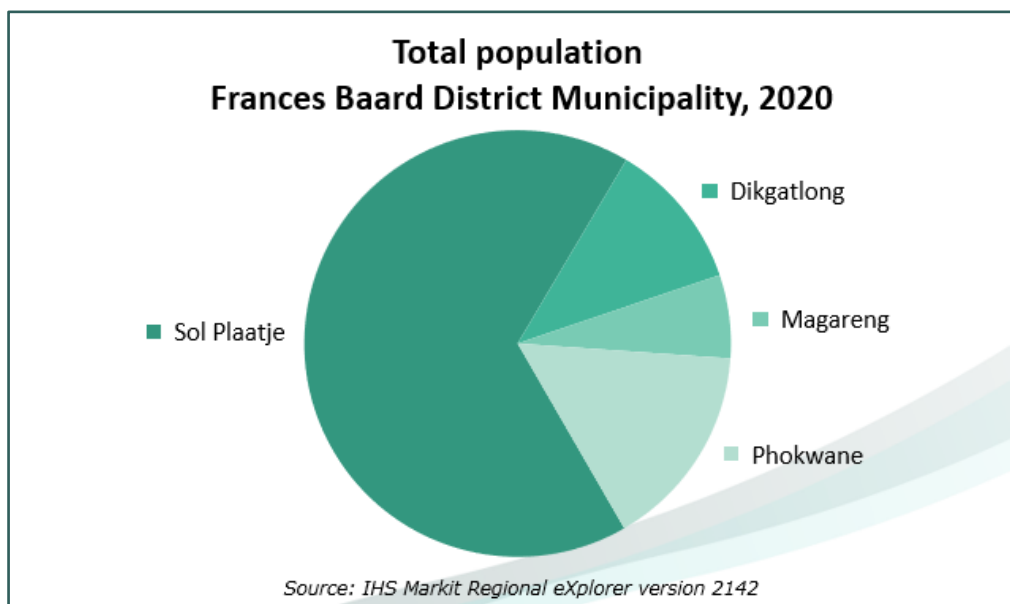
### Total Population

With 299,000 people, the Sol Plaatje Local Municipality housed 0.5% of South Africa's total population in 2020. Between 2010 and 2020 the population growth averaged 2.45% per annum which is close to double than the growth rate of South Africa as a whole (1.59%). The Sol Plaatje Local Municipality accounts for a total population of 299,000, or 66.8% of the total population in the Frances Baard District Municipality, which is the most populous region in the Frances Baard District Municipality for 2020.

Year	Sol Plaatje	Frances Baard	Northern Cape	National Total	% of District Municipality	% of Province	% of National
2010	235 000	359 000	1 120 000	51 100 000	65.5	20.9	0.46
2011	242 000	368 000	1 150 000	52 000 000	65.7	21.0	0.46
2012	248 000	377 000	1 170 000	52 900 000	65.9	21.1	0.47
2013	255 000	386 000	1 200 000	53 700 000	66.1	21.3	0.47
2014	262 000	395 000	1 220 000	54 600 000	66.3	21.4	0.48
2015	268 000	404 000	1 250 000	55 500 000	66.4	21.5	0.48
2016	274 000	412 000	1 270 000	56 400 000	66.5	21.5	0.49
2017	281 000	421 000	1 300 000	57 200 000	66.6	21.6	0.49
2018	287 000	430 000	1 320 000	58 100 000	66.7	21.7	0.49
2019	293 000	439 000	1 340 000	59 000 000	66.8	21.8	0.50
2020	299 000	447 000	1 370 000	59 800 000	66.8	21.9	0.50
<b>% Average Annual growth</b>							
<b>2010- 20</b>	<b>2.45%</b>	<b>2.24%</b>	<b>1.98%</b>	<b>1.59%</b>			

*Source: IHS Markit Regional eXplorer version 2142*

Table 2: Total Population - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2010-2020



Graph 1: Total Population - Sol Plaatje and the rest of Frances Baard, 2020

## CHAPTER 1: MUNICIPAL OVERVIEW

### Population by Population Group, Gender and Age

Sol Plaatje Local Municipality's male/female split in population was 94.3 males per 100 females in 2020. The Sol Plaatje Local Municipality appears to be a fairly stable population with the share of female population (51.47%) being very similar to the national average of (51.03%). In total there were 154,000 (51.47%) females and 145,000 (48.53%) males. This is different from the Frances Baard District Municipality as a whole where the female population counted 230,000 which constitutes 51.53% of the total population of 447,000.

In 2020, the Sol Plaatje Local Municipality's population consisted of 65.14% African (195,000), 6.98% White (20,900), 26.99% Coloured (80,700) and 0.89% Asian (2,670) people.

Age	African		White		Coloured		Asian	
	Male	Female	Male	Female	Male	Female	Male	Female
0-04	10 200	10 600	538	588	3 750	3 680	96	120
05-09	9 330	10 100	531	499	3 130	3 320	117	78
10-14	8 940	8 740	480	485	3 100	3 220	34	41
15-19	7 400	7 230	654	484	3 280	3 160	96	89
20-24	7 040	6 360	631	652	3 710	3 690	115	26
25-29	8 860	7 630	729	637	3 700	3 720	53	119
30-34	9 890	9 030	740	772	3 390	3 180	118	95
35-39	8 620	8 900	757	749	3 210	2 970	128	164
40-44	7 020	7 920	751	583	2 690	2 500	53	110
45-49	5 650	6 000	673	659	2 510	2 400	56	163
50-54	5 200	4 420	671	669	2 350	2 070	109	197
55-59	3 910	2 730	824	657	2 050	1 640	49	116
60-64	2 460	1 710	739	652	1 610	1 290	55	57
65-69	1 850	1 190	648	579	1 260	807	38	26
70-74	1 710	1 130	609	458	942	765	51	15
75+	1 990	1 020	1 040	741	954	658	54	33
<b>Total</b>	<b>100 000</b>	<b>94 700</b>	<b>11 000</b>	<b>9 860</b>	<b>41 600</b>	<b>39 100</b>	<b>1 220</b>	<b>1 450</b>

Source: IHS Markit Regional eXplorer version 2142

Table 3: Population by Population Group, Gender and Age - Sol Plaatje Local Municipality, 2020

## CHAPTER 1: MUNICIPAL OVERVIEW

### 1.2.2 Socio-Economic Information

#### Households

In 2020, the Sol Plaatje Local Municipality comprised 79,500 households. This equates to an average annual growth rate of 2.80% in the number of households from 2010 to 2020. With an average annual growth rate of 2.45% in the total population, the average household size in the Sol Plaatje Local Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2010 decreased from approximately 3.9 individuals per household to 3.8 persons per household in 2020.

Relative to the district municipality, the Sol Plaatje Local Municipality had a higher average annual growth rate of 2.80% from 2010 to 2020. In contrast, the province had an average annual growth rate of 2.28% from 2010. South Africa as a whole had a total of 17 million households, with a growth rate of 1.88%, thus growing at a lower rate than the Sol Plaatje.

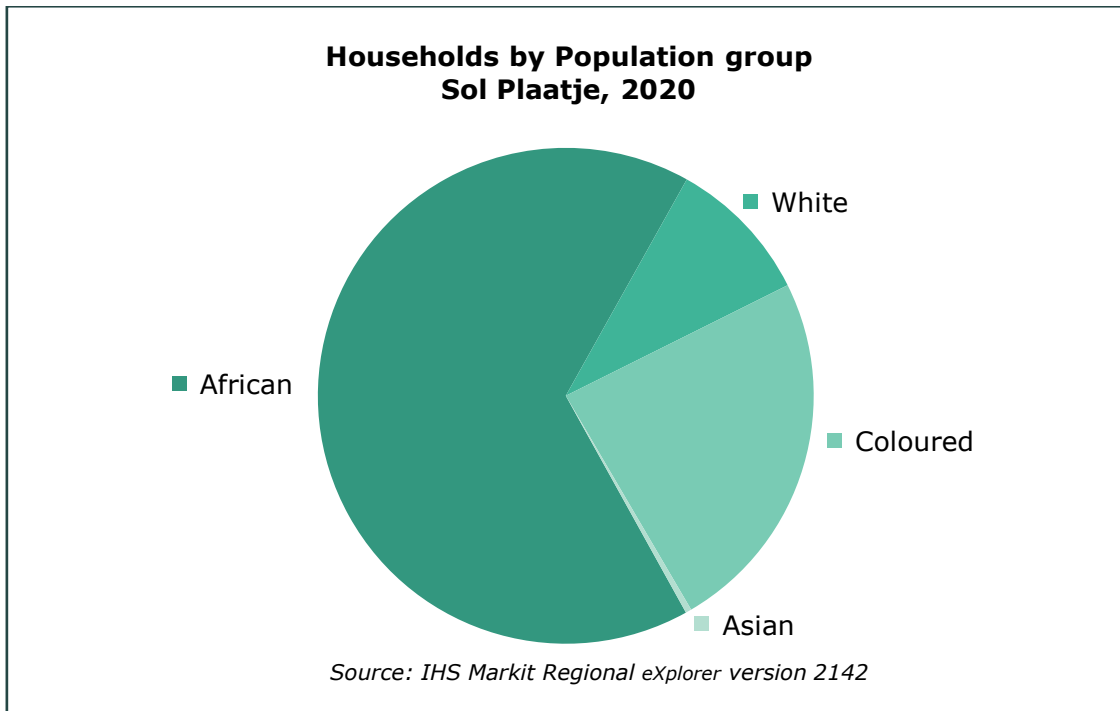
The composition of the households by population group consists of 66.2% which is ascribed to the African population group with the largest number of households by population group. The Coloured population group had a total composition of 23.9% (ranking second). The White population group had a total composition of 9.5% of the total households. The smallest population group by household is the Asian population group with only 0.4% in 2020.

Period	Sol Plaatje	Frances Baard	Northern Cape	National Total	% Of District Municipality	% Of Province	% Of National
	No				%		
2010	60 300	93 400	297 000	14 100 000	64.6	20.3	0.43
2011	62 500	96 500	306 000	14 400 000	64.8	20.4	0.44
2012	64 900	99 700	316 000	14 700 000	65.1	20.6	0.44
2013	67 200	103 000	325 000	15 000 000	65.4	20.7	0.45
2014	69 000	105 000	332 000	15 300 000	65.6	20.8	0.45
2015	70 800	108 000	338 000	15 700 000	65.8	21.0	0.45
2016	73 300	111 000	347 000	16 100 000	66.0	21.1	0.46
2017	76 100	115 000	358 000	16 400 000	66.0	21.3	0.46
2018	77 700	118 000	365 000	16 600 000	66.1	21.3	0.47
2019	78 700	119 000	370 000	16 800 000	66.2	21.3	0.47
2020	79 500	120 000	372 000	17 000 000	66.2	21.4	0.47
<b>Average Annual growth</b>							
<b>2010-2020</b>	<b>2.80%</b>	<b>2.54%</b>	<b>2.28%</b>	<b>1.88%</b>			

*Source: IHS Markit Regional eXplorer version 2142*

Table 4: Number of Households - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2010-2020

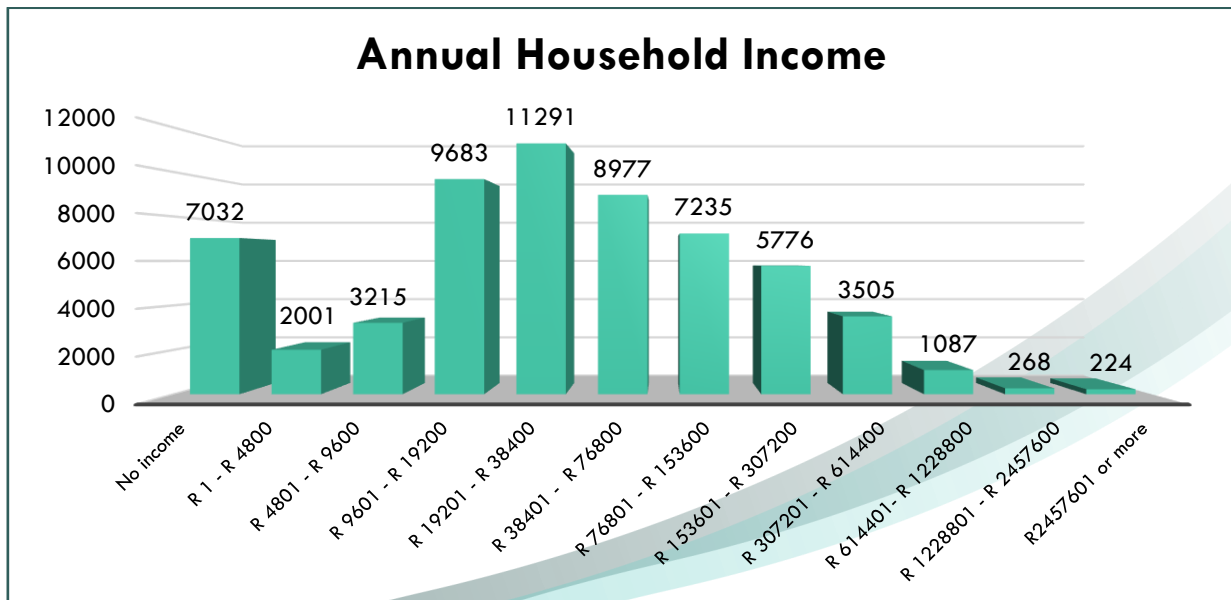
## CHAPTER 1: MUNICIPAL OVERVIEW



Graph 2: Number of Households by Population Group - Sol Plaatje Local Municipality, 2020

### Annual Household Income

The graph below indicates the annual household income as per Census 2011. The highest proportion of households earned between R19,201 – R38,400 annually.



Graph 3: Annual Household Income, 2011

## CHAPTER 1: MUNICIPAL OVERVIEW

### Unemployment levels

In 2020, there were a total number of 29,900 people unemployed in Sol Plaatje, which is an increase of 2,580 from 27,400 in 2010. The total number of unemployed people within Sol Plaatje constitutes 67.63% of the total number of unemployed people in the Frances Baard District Municipality. The Sol Plaatje Local Municipality experienced an average annual increase of 0.91% in the number of unemployed people, which is worse than that of the Frances Baard District Municipality which had an average annual increase in unemployment of 0.73%.

Year	Sol Plaatje	Frances Baard	Northern Cape	National Total	% Of District Municipality	% Of Province	% Of National
	No				%		
2010	27 300	41 100	105 000	4 490 000	66.5	26.0	0.61
2011	28 800	43 300	110 000	4 590 000	66.4	26.1	0.63
2012	30 500	46 000	117 000	4 710 000	66.4	26.1	0.65
2013	32 200	48 500	126 000	4 870 000	66.3	25.5	0.66
2014	34 900	52 300	135 000	5 070 000	66.8	25.9	0.69
2015	37 000	54 800	140 000	5 320 000	67.5	26.5	0.70
2016	37 100	54 700	141 000	5 700 000	67.8	26.4	0.65
2017	36 200	53 300	139 000	6 020 000	67.9	26.0	0.60
2018	34 100	50 200	134 000	6 130 000	67.9	25.4	0.56
2019	32 700	48 100	132 000	6 480 000	67.9	24.7	0.50
2020	29 900	44 200	129 000	6 660 000	67.6	23.1	0.45
<b>Average Annual growth</b>							
<b>2010-2020</b>	<b>0.91%</b>	<b>0.73%</b>	<b>2.11%</b>	<b>4.01%</b>			

*Source: IHS Markit Regional eXplorer version 2142*

Table 5: Unemployment (Official Definition) - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2010-2020

In 2020, the unemployment rate in Sol Plaatje Local Municipality (based on the official definition of unemployment) was 27.05%, which is a decrease of -4.5 percentage points as indicated in the table below. The unemployment rate in Sol Plaatje Local Municipality is lower than that of Frances Baard. Compared to the Northern Cape Province it can be seen that the unemployment rate for Sol Plaatje Local Municipality was lower than that of Northern Cape which was 27.60%. The unemployment rate for South Africa was 29.93% in 2020, which is an increase of -5 percentage points from 24.93% in 2010.

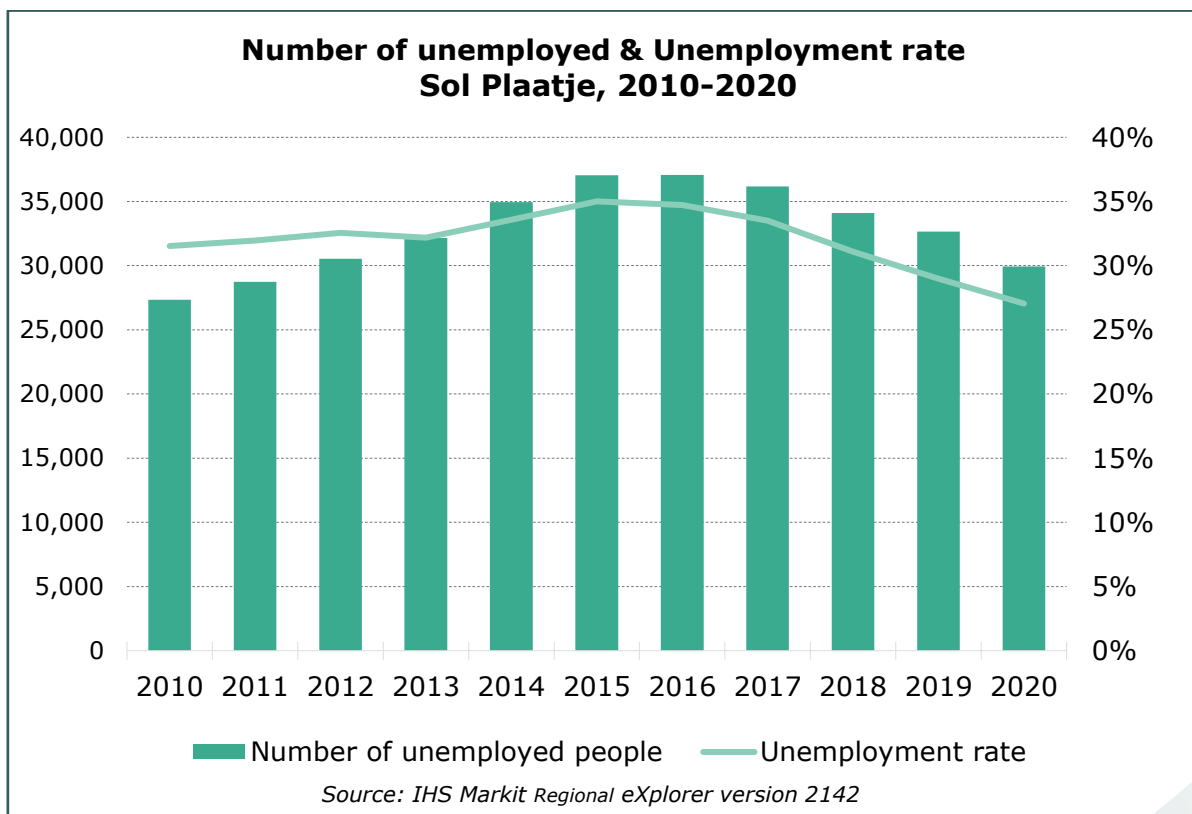
Year	Sol Plaatje	Frances Baard	Northern Cape	National Total
2010	31.5%	33.4%	27.7%	24.9%
2011	32.0%	34.1%	28.1%	25.1%
2012	32.6%	34.7%	28.4%	25.1%
2013	32.2%	34.5%	29.0%	25.2%
2014	33.6%	35.7%	29.7%	25.2%

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Year	Sol Plaatje	Frances Baard	Northern Cape	National Total
2015	35.0%	36.8%	30.1%	25.5%
2016	34.7%	36.4%	30.0%	26.4%
2017	33.5%	35.1%	29.4%	27.2%
2018	31.1%	32.7%	28.1%	27.4%
2019	29.0%	30.5%	27.3%	28.4%
2020	27.0%	28.7%	27.6%	29.9%

Source: IHS Markit Regional eXplorer version 2142

Table 6: Unemployment Rate (Official Definition) - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2010-2020



Graph 4: Unemployment and Unemployment Rate

## CHAPTER 1: MUNICIPAL OVERVIEW

### Education Levels

The table below indicates the highest level of education: Age 15+. The number of people without any schooling in Sol Plaatje Local Municipality accounts for 42.23% of the number of people without schooling in the district municipality, 12.56% of the province and 0.39% of the national. In 2020, the number of people in Sol Plaatje Local Municipality with a matric only was 65,900 which is a share of 73.77% of the district municipality's total number of people that have obtained a matric. The number of people with a matric and a Postgrad degree constitutes 85.91% of the district municipality, 35.99% of the province and 0.47% of the national.

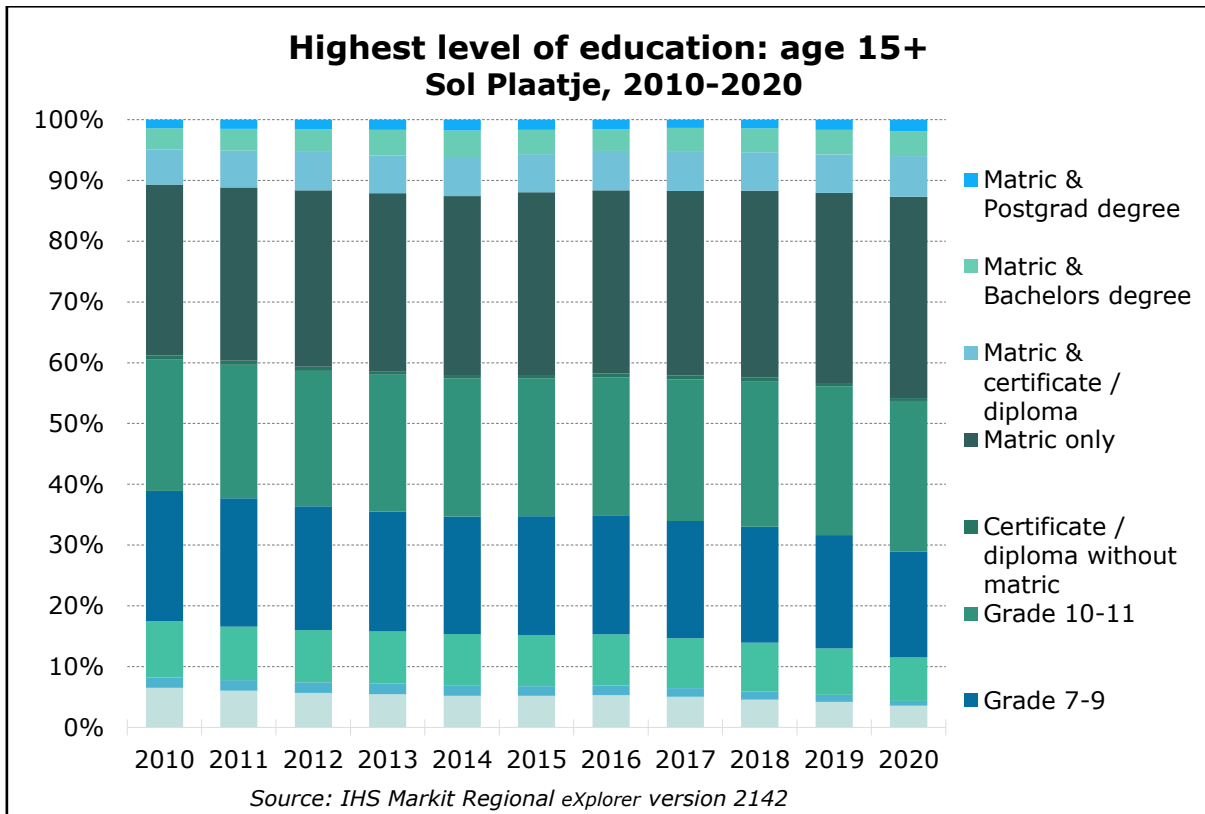
Period	Sol Plaatje	Frances Baard	Northern Cape	National Total	% Of District Municipality	% Of Province	% Of National
	No				%		
No schooling	7 110	16 800	56 600	1 810 000	42.2	12.6	0.39
Grade 0-2	1 580	3 280	11 600	551 000	48.1	13.6	0.29
Grade 3-6	14 200	26 700	93 700	2 900 000	53.1	15.1	0.49
Grade 7-9	34 600	52 400	187 000	6 020 000	66.1	18.5	0.58
Grade 10-11	49 400	70 200	205 000	9 480 000	70.3	24.1	0.52
Certificate/diploma without matric	978	1 200	3 580	197 000	81.5	27.3	0.50
Matric only	65 900	89 300	246 000	12 100 000	73.8	26.8	0.55
Matric certificate/diploma	13 300	16 100	46 500	2 570 000	82.5	28.6	0.52
Matric bachelor's degree	8 010	9 320	22 200	1 720 000	85.9	36.0	0.47
Matric Postgrad degree	3 890	4 590	9 830	848 000	84.7	39.5	0.46

*Source: IHS Markit Regional Explorer version 2142*

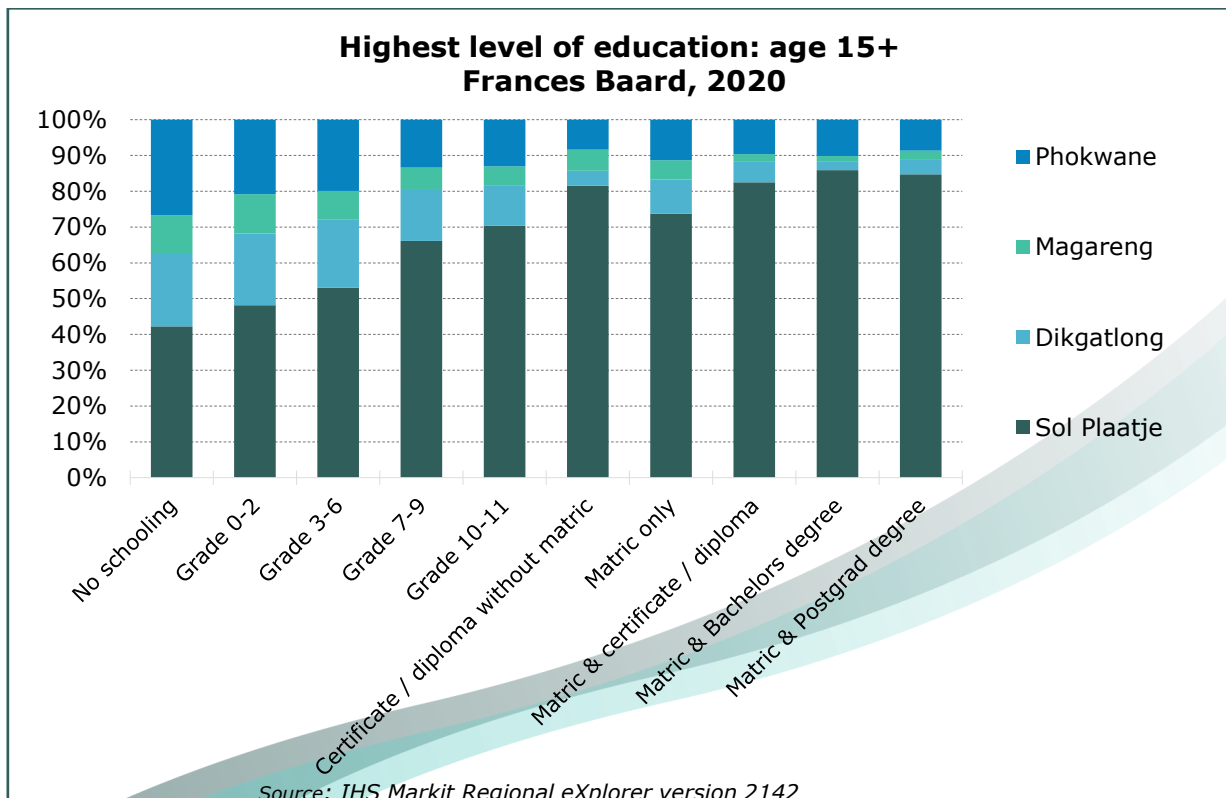
Table 7: Highest Level of Education: Age 15+

Within Sol Plaatje Local Municipality, the number of people without any schooling decreased from 2010 to 2020 with an average annual rate of -3.08%, while the number of people within the 'matric only' category, increased from 42,100 to 65,900. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 4.38%, with the number of people with a 'matric and a Bachelor's degree' increasing with an average annual rate of 4.42%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

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Graph 5: Highest Level of Education: Age 15



Graph 6: Highest Level of Education: Age 15, Sol Plaatje, Dikgatlong, Magareng and Phokwane 2020





## CHAPTER 1: MUNICIPAL OVERVIEW

### 1.2.3 Economy

As per Census 2011, the economic activities consist of retailers and industries, as well as mining and farming. Agricultural land is mostly used for game, sheep and cattle farming, and cash crops such as lucerne, grapes, cotton and soybeans. Mining is still an integral part of the economy. Main Economic Sectors: Community services (33%), Finance (24%), Trade (14%), Mining (8%).

The Sol Plaatje Local Municipality does not function in isolation from Frances Baard, Northern Cape Province, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

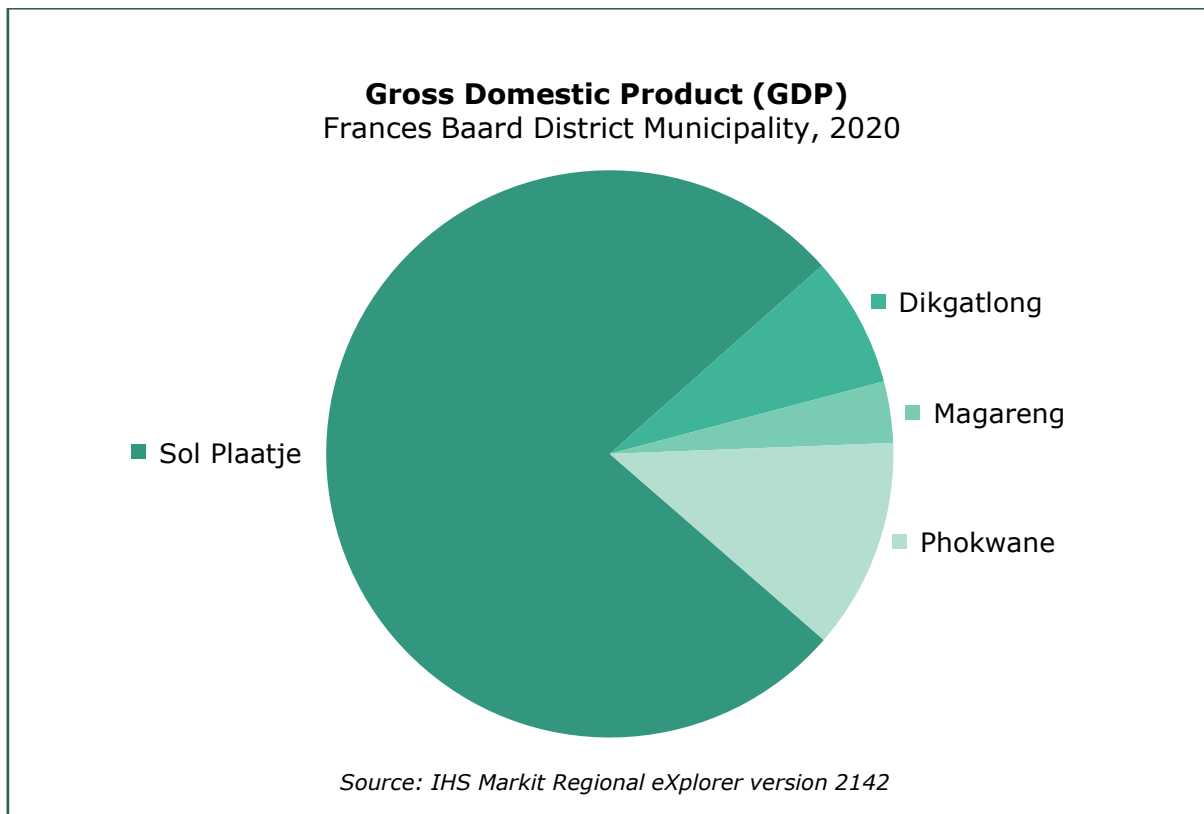
The table below indicates the Gross Domestic Product (GDP) for Sol Plaatje, Frances Baard, Northern Cape and National from 2010 to 2020. The Sol Plaatje Local Municipality contributes 27.63% to the GDP of Northern Cape Province and 0.56% to the GDP of South Africa which had a total GDP of R4.97 trillion in 2020 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2010 when it contributed 0.58% to South Africa, but it is lower than the peak of 0.60% in 2014.

Period	Sol Plaatje	Frances Baard	Northern Cape	National Total	% Of District Municipality	% Of Province	% Of National
	No				%		
2010	15.9	20.7	60.1	2,748.0	76.8	26.5	0.58
2011	17.1	22.2	64.0	3,023.7	77.1	26.7	0.57
2012	18.4	23.8	68.2	3,253.9	77.2	26.9	0.56
2013	19.7	25.5	72.5	3,540.0	77.1	27.1	0.56
2014	23.0	29.8	83.5	3,805.3	77.2	27.5	0.60
2015	24.0	31.0	86.2	4,049.9	77.3	27.8	0.59
2016	25.3	32.7	90.4	4,359.1	77.2	28.0	0.58
2017	26.8	34.7	96.5	4,653.6	77.2	27.8	0.58
2018	28.0	36.2	100.1	4,873.9	77.2	27.9	0.57
2019	28.9	37.4	103.4	5,077.6	77.2	27.9	0.57
2020	27.8	36.1	100.7	4,973.0	77.1	27.6	0.56

*Source: IHS Markit Regional eXplorer version 2142*

Table 8: Gross Domestic Product (GDP) - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2010-2020

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Graph 7: Gross Domestic Product (GDP) Frances Baard District Municipality, 2020

The Sol Plaatje Local Municipality had a total GDP of R27.8 billion and in terms of total contribution towards Frances Baard District Municipality the Sol Plaatje Local Municipality ranked highest relative to all the regional economies to total Frances Baard District Municipality GDP. This ranking in terms of size compared to other regions of Sol Plaatje remained the same since 2010. In terms of its share, it was in 2020 (77.1%) slightly larger compared to what it was in 2010 (76.8%). For the period 2010 to 2020, the average annual growth rate of 0.6% of Sol Plaatje was the third relative to its peers in terms of growth in constant 2010 prices.

District	2020 (Current prices)	Share of district municipality	2010 (Constant prices)	2020 (Constant prices)	Average Annual growth
Sol Plaatje	27.83	77.07%	15.94	16.89	0.58%
Dikgatlong	2.68	7.43%	1.73	1.85	0.63%
Magareng	1.26	3.50%	0.73	0.74	0.14%
Phokwane	4.34	12.01%	2.32	2.59	1.12%

*Source: IHS Markit Regional eXplorer version 2142*

Table 9: Gross Domestic Product (GDP) - Regions within Frances Baard District Municipality, 2010 to 2020, Share and Growth

## CHAPTER 1: MUNICIPAL OVERVIEW

### 1.3 SERVICE DELIVERY OVERVIEW

Sol Plaatje Local Municipality performs the functions of both Water Services Authority (WSA) and Water Services Provider (WSP) in its area of jurisdiction. Thus, in terms of Section 27 of the Constitution and Section 11 of the Water Services Act, Sol Plaatje Local Municipality has an obligation to ensure progressive access to quality and reliable water services to its communities, which is their right as enshrined in the Bill of Rights and Section 3 of the Water Services Act. In terms of the Water Services Act, these services must be provided progressively, efficiently, economically, sustainably and affordable to consumers.

Kimberley is an old city that was designed as a mining town that grew with time. Infrastructure is very old, retrofitted with time and buried under other structures with no accurate "as built" information. This poses a challenge with the maintenance and upgrading of infrastructure for all basic services. The minimum requirement in terms of water provision is that all households living in informal settlements be provided with stand taps at a distance of 200m. In this regard, the municipality has ensured that all households living in informal settlements have access to communal stand taps. This service is provided freely to all households living in informal settlements.

Electrification remains a challenge due to the continuous growth of informal settlements on vacant land. Electrical infrastructure and electrification of houses cannot be installed in informal settlements prior to township establishment. Although the municipality received funding support from the Department of Energy, all these challenges are exacerbated by the availability of funding to timeously address challenges of maintenance, refurbishment, upgrading and development of new infrastructure at the same rate as demand and growth.

With immigration to Sol Plaatje Local Municipality due to several factors, infrastructure improvement and development interventions are chasing a moving target, and funding sources are inadequate to catch up with the demand without impacting on affordability and economic provision of services.

The table below indicates the percentage of households that have access to the minimum levels of basic services according to the Census 2011 and 2016:

Household Services	Census 2011	Census 2016
Flush toilet connected to sewerage	82.80%	87.70%
Weekly refuse removal	84.30%	82.70%
Piped water inside the dwelling	61.90%	60.20%
Electricity for lighting	84.90%	90.80%

Table 10: Access to Basic Services

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The table below indicates service backlogs per service and provision by the Municipality:

Service	2015/16	2016/17	2017/18	2018/19	2019/20	Balance
	Service Backlogs Census 2016	Provision	Provision	Provision	Provision	
New Erven Planned and Surveyed*	6 427	701	235	1 844	0	3 647
Erf connected to Water	6 061	280	0	0	842	4 939
Erf connected to Sanitation	5 438	274	0	0	842	4 596
Houses connected to Electricity	6 692	1 015	635	1 090		
Houses provided with Refuse Removal	4 526	0	0	0		

*Source: Municipal internal data*

Table 11: Service Backlogs per Service and Provision

Although significant progress was made in eradicating backlogs in terms of access to services such as housing, water, sanitation, roads and solid waste as discussed above, various service backlogs still exist that need to be addressed. Sol Plaatje Local Municipality, like any other secondary city, is faced with the difficulty of:

- Addressing historical backlog regarding adequate access to quality basic services;
- Influx of people which increases demand for basic services in addition to normal growth demand;
- Achieving progressive development of services provided above the basic level of service, whilst trying to address aging infrastructure; and
- Limited resources available in terms of funding, with a high level of dependency on capital grants as per Census 2011 and Community Survey 2016 indicated below is the percentage of households having access to basic services. Connection to Sewerage and Electricity shows improvement in the level of service provided.

### 1.3.1 Electricity

Indicated in the following table is the number of households by the main type of energy source as per Census 2016.

Description	No of households by main type of energy source	Access
In-house conventional meter	9 116	12.7%
In-house pre-paid meter	56 130	78.0%
Connected to another source which household pays for	600	0.8%
Connected to another source which household is not paying for	208	0.3%
Solar home system	82	0.1%
Generator/ Battery	266	0.4%

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Description	No of households by main type of energy source	Access
Other	201	0.3%
No access electricity	5 335	7.4%
<b>Total</b>	<b>71 938</b>	<b>100.0%</b>

Table 12: Number of Households by Main Type of Energy Source

### 1.3.2 Water and Sanitation Services

The minimum requirement in terms of water provision is that all households living in informal settlements be provided with stand taps at 200m. The minimum standard for sanitation services is a ventilated pit latrine or ventilation improved pit latrine (VIP) or chemical toilet. In this regard, the municipality has ensured that all households living in informal settlements have access to communal stand taps, and at least a VIP or chemical toilet. This service is provided freely to all households living in informal settlements.

Indicated in the table below is the number of households by the main source of water for drinking as per Census 2016. When taking into consideration the Minimum Service Level and Above which includes Piped (tap) water inside the dwelling and Piped (tap) water inside the yard, the Minimum service level and above actually amount to 92% access to water for drinking.

Description	No of households by main source of water for drinking	Access
Piped (tap) water inside the dwelling/house	43 297	60.2%
Piped (tap) water inside the yard	22 582	31.4%
Piped water on community stand	4 318	6.0%
Neighbour's tap	146	0.2%
Public/ communal tap	1 088	1.5%
Borehole in the yard – borehole outside the yard	160	0.2%
Rain-water tank in the yard	0.0	0.0%
Watercarrier/tanker	46	0.1%
Flowing water/stream/ river/other	303	0.4%
<b>Total</b>	<b>71 940</b>	<b>100.0%</b>

Table 13: Water and Sanitation Services

Indicated in the table below is the number of households by type of toilet facility as per the Census 2016.

Description	No of households by type of toilet facility	Access
Flush toilet connected to a public sewerage system	63 085	87.7%
Flushed toilet connected to a septic tank or conservancy tank	281	0.4%

## CHAPTER 1: MUNICIPAL OVERVIEW

Description	No of households by type of toilet facility	Access
Chemical toilet	22	0.0%
Pit latrine/toilet with a ventilation pipe	1 235	1.7%
Pit latrine/toilet without ventilation pipe	1 535	2.1%
Ecological toilet/Other	342	0.5%
Bucket toilet (collected by the municipality)	3 280	4.6%
Bucket toilet (emptied by household)	1 072	1.5%
None	1 086	1.5%
<b>Total</b>	<b>71 938</b>	<b>100.0%</b>

Table 14: Households by Type of Toilet Facility

### 1.3.3 Roads And Storm Water

Roads and Stormwater management is the responsibility of Sol Plaatje Local Municipality. As such, the municipality strives to improve the provision of these services, and to maintain a high level of service in respect of access to Roads and Storm Water, and their management and maintenance.

Although all residents have access to a road meeting a basic level of service, most streets may have challenges with regard to surface quality and effective stormwater management. This is the reason for the flagship project of upgrading streets to paved roads and improving the stormwater drainage system.

## 1.4 FINANCIAL HEALTH OVERVIEW

### 1.4.1 Financial Overview

The table below shows the financial overview of the municipality for the 2020/21 financial year:

Details	Original budget	Adjustment Budget	Actual	% Achieved Original budget	% Achieved Adjustment Budget
	(R'000)				
<b>Revenue</b>					
Grants received	341 098	369 183	372 988	109	101
Taxes, levies and tariffs	1 754 126	1 754 126	1 624 125	93	93
Other	248 293	254 293	179 776	72	71
<b>Sub-total</b>	<b>2 343 517</b>	<b>2 377 602</b>	<b>2 176 889</b>	<b>93</b>	<b>92</b>
<b>Less Expenditure</b>	<b>(2 193 028)</b>	<b>(2 241 373)</b>	<b>(2 166 350)</b>	<b>99</b>	<b>97</b>
<b>Net surplus/(deficit)</b>	<b>150 490</b>	<b>136 229</b>	<b>10 539</b>	<b>7</b>	<b>8</b>

*Note: surplus/(deficit) The surplus at year-end includes an operational surplus of R10,539 million, whilst Capital Grants amount to R130,547 million*

Table 15: Financial Overview

## CHAPTER 1: MUNICIPAL OVERVIEW

For the financial year ended 30 June 2021, the total Operating revenue was R2 176 889 billion vs an adjusted budget of R2 377 602 billion, resulting in an actual achieved of 92% with a satisfactory variance of minus 8%. Total operational expenditure amounted to R2 166 350 billion vs an adjusted budget of R2 241 373 billion, resulting in an actual of 97%, with a satisfactory variance of minus 3%.

### 1.4.2 Operating Ratios

The key operating ratios are indicated in the following table:

Detail	2020	2021
Employee costs as a % of total expenditure	33.74%	33.52%
Repairs and maintenance as a % of total expenditure	7.88%	7.64%
Bulk Purchases as a % of total expenditure	32.26%	30.18%
Finance charges as a % of total expenditure	1.60%	1.68%
Debtors' impairment as a % of total expenditure	12.02%	15.90%

Table 16: Operating Ratios

Employee costs as a percentage of total operating expenses decreased from 33.74% (2019/20) to 33.52% (2020/21), it is still within the national norm of 35 to 40 percent. For the 2020/21 financial year and as part of the cost containment measures, the filling of vacancies has been frozen with the exception of critical vacancies. The budget for the encashment of leave was also reduced. In a bid, to reduce overtime expenditure, overtime hours were capped at 30 hours per employee amongst most units within the municipality.

Description	30 June 2019	30 June 2020	30 June 2021
Employee costs actual	688 186 973	653 808 737	726 218 896
Total Operational Expenditure	1 862 630 793	1 937 693 630	2 166 350 248
Employee costs as % of Operational Expenditure	36.95%	33.74%	33.52%

Table 17: Employee Costs

The Bulk purchases remained relatively constant in comparison to 2019/20 and constitute on average about 30% of the municipality's total operational expenditure.

Finance charges are below 2%, also within the norm. The municipality managed to maintain its obligations in terms of the long-term loan. Currently, the municipality is not in a financial position to incur any further long-term loans.

Depicted in the table below is the year-on-year movement in the cash and cash equivalents of the Municipality. There is a slight improvement as cash and cash equivalents increased by R25 287 million from 2018/19 to 2019/20. Cash and cash equivalents deteriorated by R60 297 million from 2019/20 to 2020/21. The cost coverage ratio at year-end was 0.24 months or 7 days which seriously threatens the Municipality's ability to continue as a going concern in order to remain operational. This is evident by the fact that the Municipality is struggling to pay major creditors like ESKOM and the Department of Water and Sanitation.

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Description	30 June 2019	30 June 2020	30 June 2021
Cash and cash equivalents at year-end	74 019 286	99 306 676	39 009 634
Year-on-year increase (decrease)	n/a	25 287 390	(60 297 042)

Table 18: Cash and Cash Equivalents

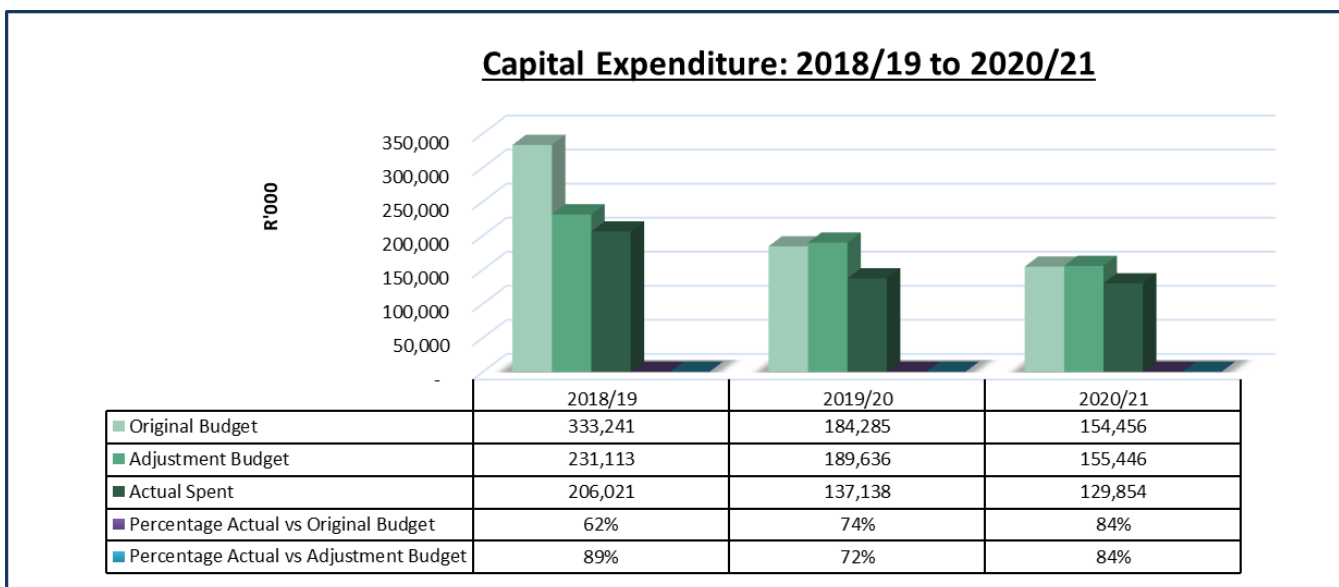
### 1.4.3 Total Capital Expenditure

The table below indicates the total capital expenditure for the last two financial years:

Detail	2018/19	2019/20	2020/21
	(R'000)		
Original budget	333 241	184 285	154 456
Adjustment budget	231 113	189 636	155 446
Actual	206 021	137 138	129 854
Percentage Actual vs Original Budget	62%	74%	84%
Percentage Actual vs Adjustment Budget	89%	72%	84%

Table 19: Total Capital Expenditure

During 2018/19 the capital budget was adjusted downwards from R333 241 million to R231 113 million, whilst there was a marginal upward adjustment in 2019/20 and 2020/21. Spending on capital versus the adjustment budget in 2018/19 resulted in 89% spent which then decreased in 2019/20 as the spending against the adjustment budget was 72%. In 2020/21 spending on capital against the adjustment budget showed improvement with a spending of 84%.



Graph 8: Capital Expenditure



## CHAPTER 1: MUNICIPAL OVERVIEW

### 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

The municipality invests in the capacitation of its employees, councillors and the unemployed. Various projects are planned and executed within the restrictions of the budget. Additional sources of funds are accessed for improving knowledge and skills to ultimately improve service delivery. The Covid-19 Pandemic resulted in several training programmes being halted or restricted by the social distancing requirements and the fact that the training venues being altered for COVID isolation have seriously affected the planned training rollout.

The training varied from bursaries, online training, and across the spectrum of fields although in far fewer numbers than was planned due to the covid restrictions.

Management and Professionals received focused on the minimum competency training and training specific for their professions. The minimum competencies in June 2021 were as listed in the table below:

Position	Highest Educational Qualification	Work Related Experience	Performance Agreement Signed (where required)	Completed Required Unit standards	Requirements met	Compliant (consider budget)
Accounting Officer	√	√	√	X	3	X
CFO Municipality	√	√	√	X	3	X
Senior Manager (S56)	√	√	√	X	3	X
Senior Manager (S56)	√	√	√	√	4	√
Senior Manager (S56)	√	√	√	X	3	X
Senior Manager (S56)	√	√	√	X	3	X
Middle Manager: Finance	√	√	√	X	3	X
Middle Manager: Finance	√	√	√	X	3	X
SCM Manager	X	√	√	X	2	X
SCM Manager	X	√	√	√	3	X
SCM Manager	√	√	√	√	4	√

Table 20: Minimum Competencies in June 2021

Councillors were capacitated in various areas related to their portfolios; SALGA training; and Bursaries received from the LGSETA for the National Diploma in Local Government Law and Administration.

The following table provides a breakdown of training beneficiaries as a percentage of the total per group:

Employment Category	Total (Percentage)	
	2019/20	2020/21
Legislators	3.2	9.4
Directors and Corporate Managers	4.4	5.6
Professionals	4.0	6.8

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Employment Category	Total (Percentage)	
	2019/20	2020/21
Technicians and Trade Workers	8.0	10.7
Community and Personal Service Workers	7.7	7.3
Clerical and Administration Workers	19.6	16.7
Machine Operators and Drivers	5.0	5.7
Labourers	38.8	32.2
Sales and Service Workers	9.3	5.7

*Table 21: Training Beneficiaries as a Percentage of the total per Group*

The following table provides a breakdown of ABET attendance:

Description	Number
ABET Level 2	0
ABET Level 3	0
ABET Level 4	1

*Table 22: ABET Attendance*

The following table provides a summary of beneficiaries' trained data:

Description	2018/19	2019/20	2020/21
Total number of beneficiaries	795	1 193	413
Black beneficiaries as % of total beneficiaries	96.1%	70.9%	91.77%
Total number of woman beneficiaries	292	393	142
Women beneficiaries as % of total beneficiaries	36.73%	32.94%	34.38%

*Table 23: Beneficiaries Trained*

The following information is indicative of the total number of beneficiaries receiving training:

Description	2018/19	2019/20	2020/21
Total number of beneficiaries	795	1 193	413
Beneficiaries as % of the total workforce	40%	58.56%	20.92%

*Table 24: Total Number of Beneficiaries Receiving Training*

The following table indicates the number of employees trained per course:

Employment Category	Total (Percentage)		
	2018/19	2019/20	2020/21
ABET Level 2	0	0	0
ABET Level 3	3	0	0
ABET Level 4	2	1	1
Analysis and design of water systems & sewer design	5	0	2
Backhoe Loader Novice Operator Training or TLB	0	2	6

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Employment Category	Total (Percentage)		
	2018/19	2019/20	2020/21
Basic Health and Safety	26	0	0
Batho Pele	2	34	14
Chairing Hearings	24	0	0
Cherry Picker	0	0	0
Client Services	8	27	47
Code (8/10/14) Drivers Licence	1	37	13
CPMD / MEFMP/ modules	7	6	42
Confined Space Entry Accredited Training	0	0	14
DTM Software Training /Payday	4	0	0
Effective Report Writing, Minute Taking and Excel	31	10	0
Elementary Fire Fighting	17	0	0
Employee Rights and Obligations	0	49	12
Excavator Training	2	0	2
Excel Basic Training	0	0	0
Firearm Training (Level 1)	0	0	37
Firearm Training (Combination Manual)	0	0	15
Firearm Skills Instructor	0	0	0
First Aid Level 1 + 2 +3	10	7	8
Group dynamics	3	0	0
Health and Safety Representative	0	15	0
Health and Safety Training for Work-Integrated Learners	0	38	0
Human Resource Accredited Training	0	2	2
HIV/Aids Training	0	30	0
HV Regulations / HV cable fault finding	2	11	1
Ignite – Equity	1	0	0
IMESA	5	7	0
Induction Training	356	122	0
Introduction to Law	5	0	0
Diploma Pub administration	5	0	10
Juridical Interpretation	1	0	0
Basic Computer Training	18	36	11
Basic Principles of Labour Law	0	0	0
Bid Committee Training	0	0	0
Leadership Development Portfolio building workshop	14	0	0
Local Government Orientation Programme	4	0	0
Competency to possess firearm, shotgun, handgun	0	0	0



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Employment Category	Total (Percentage)		
	2018/19	2019/20	2020/21
Middle management coaching	64	4	0
Management	2	15	0
Security Management Oxbridge Academy	0	0	0
Local Labour Forum Training	6	3	13
LGSETA HRD Capacity Building and Good Governance	4	0	0
Matric (National Senior Certificate)	10	10	3
Minute Taking	0	2	0
Mobile Truck Mounted Crane Training	1	5	12
MS Word 2010 Level 1	0	0	0
N2 Electrical Diploma	0	0	0
National Artisan Development Roadshow	0	2	0
National Certificate: Local Government Law and Administration Year 4	16	0	12
National Diploma: Local Government Law and Administration Year 3 or lower	20	32	12
Operate Grader	4	2	3
Operate Tractor Mobile Work Platform	2	0	10
Patient Safety Training	1	0	0
Peace Officer	0	0	0
Performance Management	0	0	22
Plumbers Training	14	14	0
Presentation Skills	11	0	12
Project Management	28	0	4
Range Officer	0	0	0
Regulation 21	0	0	0
Retic Master	0	2	0
Road to Registration	17	1	0
SANS 10142	3	0	0
Skills Development Training/Moderator & Assessor	2	1	4
Water and Waste Water (NQF 2-4; & RPL)	24	23	0
Workplace Communication	10	15	13
Working at Heights	0	0	10
Professionalised	0	2	1
Spatial Data Modules	0	2	0
Financial Literacy	0	48	0
Electrical Apprenticeship	0	4	3
Electrical Trade Test	0	1	0
CESA Networking	0	5	0

## CHAPTER 1: MUNICIPAL OVERVIEW

Employment Category	Total (Percentage)		
	2018/19	2019/20	2020/21
GIS Technician Training	0	39	0
Applied Mathematics	0	2	0
GIS Intro to Geo-Information Science	0	4	3
Arc GIS Pro	0	2	0
Electrical Design Training	0	2	0
Wadiso and Sewsan Training	0	4	0
Pro Lazer Training	0	17	0
General Condition of Contracting	0	21	0
Supervisor Training	0	25	16
Women's SACPLAN Conference	0	1	0
Town Planning Law SALGA Conference	0	1	0
Map Use Evaluations or other GIS-related Training	0	5	4
SALGA Conference	0	1	0
Aruba or ICT Training	0	6	4
Powa Master	0	2	0
Public Management and Administration	0	2	0
Development of Urban Environment	0	2	0
Brush Cutter	0	0	5
Bill of Rights	0	2	0
Motivation	0	0	10
Energy-Efficient Public Lighting	0	4	0
EPWP (Plant Production)	0	20	0
<b>Total</b>	<b>795</b>	<b>789</b>	<b>413</b>

Table 25: Number of Employees Trained per Course

### 1.6 AUDITOR-GENERAL REPORT

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements.
- Reliable and credible performance information for predetermined objectives.

## CHAPTER 1: MUNICIPAL OVERVIEW

- Compliance with all laws and regulations governing financial matters.

There can be 5 different outcomes to an audit, once the municipality has submitted its financial statements to the Auditor-General, which can be simply defined as follows:

- **Unqualified audit without findings:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation. This is commonly referred to as a “clean audit” outcome.
- **Unqualified audit with findings:** The financial statements contain material misstatements. Unless a clean audit outcome is expressed, findings will be raised on either reporting on predetermined objectives or non-compliance with legislation, or both of these aspects.
- **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated.
- **Adverse audit opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.
- **Disclaimer of audit opinion:** Insufficient evidence was provided in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts or represents a substantial portion of the information contained in the financial statements.

### 1.6.1 Audited Outcomes

The table below indicates the audit outcomes for the past four years:

Year	2017/18	2018/19	2019/20	2020/21
Status	Qualified	Qualified	Qualified	Qualified

Table 26: Audit Outcomes

### 1.6.1 Auditor-General Report 2020/21

<b>Audit Findings</b>	118
<b>The basis for qualified opinion</b>	Employee Benefits Liabilities
	Service charges
	Property, Plant and Equipment
	Investment Property
	Irregular Expenditure
	Non-Current Provisions
	Sol Plaatje Group Life Trust Fund
<b>The emphasis of matter paragraphs</b>	Restatement of corresponding figures
	Material impairments – trade receivables
	Material losses

## CHAPTER 1: MUNICIPAL OVERVIEW

Underspending the budget

Table 27: Auditor-General Report

### 1.7 IDP, BUDGET AND PMS PROCESS

#### *IDP Participation and Alignment*

Criteria	Yes/No
Does the municipality have impact, outcome, input, and output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, and development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly with the KPIs in the strategic plan?	Yes
Do the IDP KPIs align with the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the Twelve Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four-quarter aligned reports submitted within stipulated timeframes?	Yes
<i>* Section 26 Municipal Systems Act 2000</i>	

Table 28: IDP Participation and Alignment

The table below is a summary of key activities that took place throughout the 2020/21 financial year in terms of the IDP, Budget and PMS process:

No.	Activity	Timeframe
1	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	July 2021
2	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feed seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	August 2021
3	Finalise the fourth quarter Report for the previous financial year	August 2021
4	The audit committee considers draft Annual Financial Statements, performance report and draft annual report of municipality and entities (where relevant) (not the draft AR) exemption from NT due to Covid-19	August – September 2021
5	Municipal entities submit draft annual reports to MM	N/A
6	Submit the first draft year 2020/21 Annual Report to Internal Audit and Auditor-General	Not submitted
7	Auditor-General audits Annual Report including consolidated Annual Financial Statements and Performance data	October 2021 – January 2022 AR not submitted
8	Municipalities receive and start to address the Auditor-General's comments	October 2021 – January 2022
9	The mayor tables the unaudited Annual Report	Not tabled
10	The municipality submits the Annual Report including the audited annual financial statements and performance report to Auditor-General	April 2022 except AR

## CHAPTER 1: MUNICIPAL OVERVIEW

No.	Activity	Timeframe
11	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase	Jan 2022
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	April 2022 except AR
13	The audited Annual Report is made public, and representation is invited	No report
14	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	No AR and oversight reports
15	MPAC Committee assesses Annual Report	No Report
16	Council adopts Oversight report	No Report
17	MPAC report is made public	No report
18	MPAC report is submitted to relevant provincial councils	No report

*Table 29: Key Activities Linked to the 2021/22 IDP & Budget Planning Cycle, and 2020/21 PMS Implementation Cycle*

The municipality develops a process plan for the approval of the annual report. It is estimated that the timelines will be achieved, as this is key to management and MPAC. The Annual Report assists the municipal councillors, and officials as well as residents and other stakeholders with information and progress made on service delivery.

It is important that it aligns with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in-year reports as these reports should be used as decision-making tools by the municipalities.

The advantages of compiling an unaudited Annual Report in August (as per the timeframe in the above table) is that it can be used to influence the strategic objectives indicated in the IDP for the next financial year as well as the related budgetary requirements. It will further provide the Municipality with an opportunity to review the functional areas that received attention during the current financial year and take the necessary corrective actions to align the IDP and budget to other priority areas needing attention.

It is vital to align the IDP, Budget and Performance Management systems to ensure the achievement of the municipality's strategic objectives. The IDP sets out the vision, objectives/goals and development plans of the municipality. It is presented to the Council who adopts it and undertakes an annual review and assessment of performance.

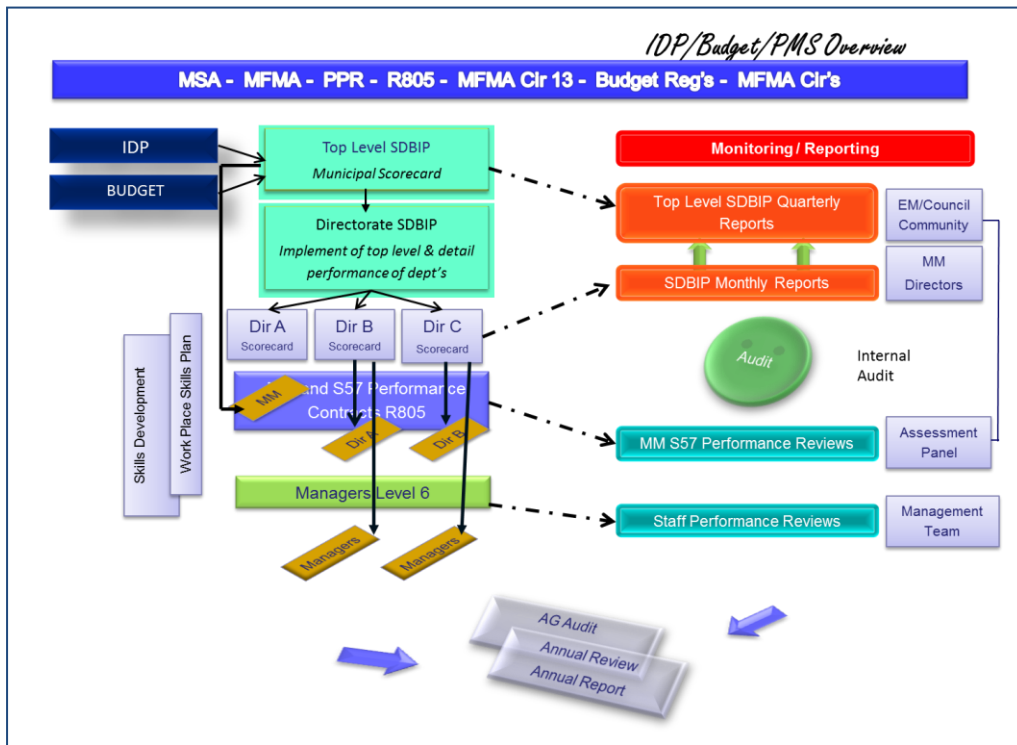
The IDP informs the budget. The budget sets out the revenue-raising and expenditure plan for approval by Council. The budget informs the SDBIP which lays the basis for the performance agreements of the Municipal Manager and senior management. (The Performance Management System.)

The IDP review is informed by changing policy imperatives and circumstances – described in an accompanying performance evaluation. The evidence of this is obtained from the mid-year Budget and Performance Review (documents presented to Council) in terms of Section 72 of the MFMA and in the Annual Report in terms of Section 121 (Annual financial and performance reports) tabled to Council. The municipality must also prepare an annual performance report which must form part of the Annual Report for each financial year in accordance with the Municipal Systems Act 2000 (MSA) Section 46, and the Municipal Finance Management Act 2003 (MFMA) Section 121.



# CHAPTER 1: MUNICIPAL OVERVIEW

This process as implemented by the Sol Plaatje Municipality is indicated in the following diagram:



# Chapter 2



## CHAPTER 2: GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Good governance comprises eight 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 considered 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.

During the reporting period Sol Plaatje Local Municipality was governed by an executive mayoral system in order to assist with the achievement of clean audit status. Adequate provision is made in the system of delegations and sub-delegations to ensure the effective, efficient and accountable functioning of the Council, the Political Executive of Council, and the Municipal Manager as Chief Accounting Officer as well as the Executive Directors as executors of policy and service delivery. The Office of the Speaker is responsible to ensure smooth functioning of Council and its committees underpins the functioning of Council.

The governance model consists of Section 80 and 79 committees.

In terms of the Section 80 of the Municipal Structures Act, the under-mentioned committees assist the Executive Mayor in execution of duties and have no binding decision making powers. The ten members of the Mayoral Committee are the chairpersons of the Section 80 committees:

In terms of Section 79 of the Municipal Structures Act (Act No. 117 of 1998), Section 62 of the Municipal Systems Act, (Act No. 32 of 2000), and Section 66 of the Municipal Finance Management Act, (Act No. 56 of 2003), (MFMA), Council must establish the under-mentioned committees to perform certain functions that are directly accountable to Council and consists of non-executive councillors:

In terms of Section 166 of the MFMA, the Audit Committee exists within Council. The Municipal Public Accounts Committee (MPAC) adopts the responsibilities of the Oversight Committee by reviewing the Auditor-General's annual report and, on its own initiative or Council instruction investigates and advise Council of unauthorised, irregular, fruitless and/or wasteful expenditure in terms of Section 32(2) of the MFMA. The Audit Committee and MPAC work in close co-operation and MPAC reports to Council at least quarterly. The Oversight Report is published separately in accordance with MFMA guidance.

The table below indicates the committees (other than the Mayoral/Executive Committee) functioning in the municipality and their purposes:

Municipal Committees	Purpose
<b>Section 80 Committees</b>	<b>The terms of reference of these committees are policy formulation and implementation monitoring within the following functional areas:</b>
Community Services	Sports, Parks and Recreation; Library and Information Services; Commonage; Social Development; Primary Health Care Services and Municipal Health Care Services
Corporate Services & Human Resources	Communication; Customer Relationship Management/Service Delivery; Employment Equity; Information Systems and Technology; Legal Services; Personnel Service; Strategic Human Resources; Strategic Support

## CHAPTER 2: GOVERNANCE

Municipal Committees	Purpose
Economic Development, Urban Renewal & Tourism Committee	Economic Development; Local Tourism; Urban Renewal; Markets; Street Trading and Informal Trading Schemes; Advertising
Finance	Revenue; Treasury and Accounting
Human Settlement Services	New and Existing Settlements; Housing Finance, Social Housing; Housing Policy, Research Planning and Monitoring
IDP, Budget & Project Management	Development and Review of IDP, Budget and SDBIP
Inter-governmental & International Relations	Intergovernmental Projects and Programmes
Safety & Security	Emergency Services; Law Enforcement; Traffic Management; Motor Registration and Licensing Services
Transport, Roads & Storm water	Transport Planning; Infrastructure Planning, Development and Maintenance
Utility Services	Electricity Infrastructure Planning, Development and Maintenance; Water And Sanitation Infrastructure Planning, Development And Maintenance; Solid Waste Infrastructure Planning, Development And Maintenance
Section 79 Committees	Proposed terms of reference for section 79 committees:
Disciplinary Committee	<p>To investigate and make findings on any alleged breach of the Code of Conduct and to make appropriate recommendations to the council. To investigate and make a finding on non-attendance of meetings and to impose a fine as determined by the Standard Rules of Order of the council. In terms of section 59 of the Municipal Systems Act, council delegated the following powers, functions and duties to the committee:</p> <ul style="list-style-type: none"> <li>● To co-opt advisory members who are not members of council provided that such members may not vote on any matter;</li> <li>● To instruct any councillor(s) and request official(s)/or other affected parties to appear before the committee to give evidence;</li> <li>● To appoint a legal advisor to assist the committee including obtaining internal/external legal opinions;</li> <li>● To make written representations to the MEC for local government pertaining to an appeal to the MEC by a councillor(s) who has been warned, reprimanded or fined in terms of paragraph item 14(2)(a), (b) or (d) of the Code of Conduct for councillors; and</li> <li>● In appropriate instances act in terms of section 14(2) and impose a fine in respect of contraventions in item 4 of the Code of Conduct for councillors.</li> </ul>
General Appeals Committee	Consider appeals from any person affected by the exercise of delegated power by a structure or person to whom such power is delegated.
Municipal Public Accounts Committee (MPAC)	The terms of reference of these committees are to review the Auditor-General's Annual Report and when instructed by the council or on its own initiative, to investigate and advise council in respect of unauthorised, irregular or fruitless and wasteful expenditure in terms of section 32(2) of the MFMA.
Rules Committee	Rules of Order; Attendance of Meetings; Delegation Register.
Spatial Planning, Environment and Land Use Management Committee (SPELUM)	Spatial Development Framework (SDF); Land Use Management Scheme (LUMS); Land Use Applications; Building Plans; Immovable Property; Environmental and Heritage Authorisations and Development and Appeals.
Ward Participatory Committee	<ul style="list-style-type: none"> <li>● To oversee the establishment and coordination of ward committees</li> <li>● To determine administrative arrangements to enable ward committees to execute duties and exercise powers</li> <li>● To recommend to council in terms of dissolution of ward committees</li> <li>● To determine roles and responsibilities of ward committees. To facilitate enabling environment for ward committees to function optimally (training, stipends)</li> </ul>
Other Committees	

## CHAPTER 2: GOVERNANCE

Municipal Committees	Purpose
Audit	<p>A committee of the council typically charged with oversight of financial reporting and disclosure. Their responsibilities are to advise the municipal council, political office bearers, the accounting officer and the management staff of the municipality on matters relating to:</p> <ul style="list-style-type: none"> <li>• internal financial control and internal audits; risk management; accounting policies;</li> <li>• the adequacy, reliability and accuracy of financial reporting and information;</li> <li>• review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality; and</li> <li>• respond to council on any issues raised by the Auditor-General in the audit report.</li> </ul>
Performance Audit Committee	<p>A committee of the council typically charged with oversight responsibilities relating to the performance management and achievement of pre-determined objectives. Their responsibilities are to advise the municipal council, political office bearers, the accounting officer and the management staff of the municipality on matters relating to:</p> <ul style="list-style-type: none"> <li>• internal financial control and internal audits;</li> <li>• effective governance; the adequacy,</li> <li>• reliability and accuracy of financial reporting and information;</li> <li>• performance management;</li> <li>• performance evaluation; and</li> <li>• respond to council on any issues raised by the Auditor-General in the audit report.</li> </ul>
Section 57 Appointments Committee	<p>In terms of section 54A of the LG: Municipal Systems Amendment Act, 2011 (Act No 7 of 2011) the section is aimed at regulating the appointment of municipal managers (MMs) and acting municipal managers and has introduced a new approach in terms of recruitment of MMs and section 56 managers. Municipalities must ensure that the Provincial Departments of Co-operative Governance, Treasury, SALGA and Development Bank of SA (DBSA) form part of the shortlisting and interview panels for MMs and managers reporting to the MM.</p>

Table 30: Municipal Committees and Purposes

### 2.1 POLITICAL GOVERNANCE STRUCTURE

The Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles and has delegated its executive function to the Executive Mayor and the Mayoral Committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policymakers, councillors are also actively involved in community work and the various social programmes in the municipal area.

Description	Number
Total number of councillors	65
Ward councillors	33
Proportional councillors	32

Table 31: Political Governance Structure

## CHAPTER 2: GOVERNANCE

### 2.1.1 Council

The table below categorises the councillors within their specific political parties and wards for the 2020/21 financial year:

<b>Councillors, Committees Allocated and Council Attendance</b>					
<b>Council Members</b>	<b>Full-time/Part-time (FT/PT)</b>	<b>Committees Allocated</b> <small>(Only the Chairperson will be stipulated, if no stipulation, the Cllr is listed as a member of the various committees)</small>	<b>Ward and/or Party Represented</b>	<b>Council Meetings Attended</b>	<b>Apologies / Absent</b>
				<b>%</b>	
Mabilo SP (Mayor)	FT	<ul style="list-style-type: none"> <li>• Mayco: Chairperson</li> <li>• OCM</li> <li>• General Appeals: Chairperson</li> <li>• Municipal Advisory: Chairperson</li> </ul>	ANC	83	17
Koopman I (Speaker)	FT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Ward Participatory: Chairperson</li> <li>• Disciplinary: Chairperson</li> <li>• Ad Hoc Nelson Mandela:</li> </ul>	ANC	90	10
Keetile WM (Whip)	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Finance</li> <li>• Rules</li> <li>• Municipal Advisory Committee</li> </ul>	ANC Ward 15	59	41
Badenhorst EL	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Community Services</li> <li>• Disciplinary</li> </ul>	DA	43	57
Banda F	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Safety and Security</li> <li>• Utility Trading Services</li> </ul>	ANC Ward 32	71	29
Beylefeld MJ	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Spelum</li> <li>• Disciplinary</li> </ul>	DA	63	37
Bishop PD	PT	<ul style="list-style-type: none"> <li>• OCM</li> </ul>	ANC	78	22
Boqo AN	FT	<ul style="list-style-type: none"> <li>• Mayco</li> <li>• OCM</li> <li>• Corporate Services &amp; Human Resources: Chairperson</li> <li>• Disciplinary</li> </ul>	ANC	81	19
Britz S	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Human Settlement Services</li> </ul>	ANC Ward 16	73	27
Chinkuli DS	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• General Appeals</li> </ul>	ANC	43	57

## CHAPTER 2: GOVERNANCE

<b>Councillors, Committees Allocated and Council Attendance</b>					
<b>Council Members</b>	<b>Full-time/Part-time (FT/PT)</b>	<b>Committees Allocated</b> (Only the Chairperson will be stipulated, if no stipulation, the CLR is listed as a member of the various committees)	<b>Ward and/or Party Represented</b>	<b>Council Meetings Attended</b>	<b>Apologies / Absent</b>
				<b>%</b>	
Diphahe JG	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Inter-Governmental, International Relations &amp; Customer Services</li> <li>• Transport, Roads &amp; Storm Water</li> </ul>	ANC Ward 7	64	36
Farland LK	PT	<ul style="list-style-type: none"> <li>• Mayco</li> <li>• OCM</li> <li>• Community Services - Chairperson</li> <li>• Ad Hoc Nelson Mandela</li> </ul>	ANC	77	23
Fourie OC	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Utility Trading Services</li> </ul>	DA Ward 25	44	56
Francis BP	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Rules</li> </ul>	DA Ward 1	49	51
Gomba JT	PT	<ul style="list-style-type: none"> <li>• Mayco</li> <li>• OCM</li> <li>• Utility Trading Services - Chairperson</li> </ul>	ANC Ward 10	72	28
Griqua SH	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Finance</li> <li>• IDP, Budget &amp; PM</li> </ul>	ANC	56	44
Hammer N	PT	<ul style="list-style-type: none"> <li>• OCM</li> </ul>	IND Ward 27	77	23

## CHAPTER 2: GOVERNANCE

<b>Councillors, Committees Allocated and Council Attendance</b>					
<b>Council Members</b>	<b>Full-time/Part-time (FT/PT)</b>	<b>Committees Allocated</b> (Only the Chairperson will be stipulated, if no stipulation, the Cllr is listed as a member of the various committees)	<b>Ward and/or Party Represented</b>	<b>Council Meetings Attended</b>	<b>Apologies / Absent</b>
				<b>%</b>	
Jaffer CB	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Corporate Services</li> <li>• Transport, Roads &amp; Storm Water</li> </ul>	DA	61	39
Japhta H	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Human Settlement Services</li> <li>• Spelum</li> </ul>	DA Ward 28	78	22
Joseph G	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Finance</li> <li>• Utility Trading Services</li> </ul>	DA	90	10
Keme BJ	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Safety &amp; Security</li> <li>• Spelum</li> <li>• Disciplinary</li> </ul>	ANC Ward 31	64	36
Kika SN	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Inter-Governmental, International Relations &amp; Customer Services</li> </ul>	DA	61	39
Kock GP	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Ward Participatory</li> <li>• Rules</li> </ul>	ANC Ward 30	61	39
Kok PK	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Human Settlement Services</li> </ul>	EFF	70	30
Kruger F	PT	<ul style="list-style-type: none"> <li>• Mayco</li> <li>• OCM</li> <li>• Inter-Governmental, International Relations &amp; Customer Services: Chairperson</li> </ul>	ANC	68	32
Lekoma IA	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• General Appeals</li> <li>• Transport, Roads &amp; Storm Water</li> </ul>	ANC Ward 19	59	41
Lewis CB	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Inter-Governmental, International Relations &amp; Customer Services</li> </ul>	DA Ward 3	23	77
Liebenberg CR	PT	<ul style="list-style-type: none"> <li>• OCM</li> </ul>	COPE	59	41



## CHAPTER 2: GOVERNANCE

<b>Councillors, Committees Allocated and Council Attendance</b>					
<b>Council Members</b>	<b>Full-time/Part-time (FT/PT)</b>	<b>Committees Allocated</b> (Only the Chairperson will be stipulated, if no stipulation, the CLR is listed as a member of the various committees)	<b>Ward and/or Party Represented</b>	<b>Council Meetings Attended</b>	<b>Apologies / Absent</b>
				<b>%</b>	
Louw M	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Corporate Services &amp; Human Resources</li> <li>• General Appeals</li> </ul>	DA	43	57
Maditse ND	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Community Services</li> <li>• Human Settlement Services</li> </ul>	DA Ward 22	49	51
Makhamba BJ	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• MPAC (Chairperson)</li> <li>• Rules</li> <li>• Ad Hoc Nelson Mandela</li> </ul>	ANC Ward 26	77	23
Matika ET	FT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Inter-Governmental, International Relations &amp; Customer Services</li> </ul>	ANC	53	47
Matshedisho OE	FT	<ul style="list-style-type: none"> <li>• Mayco</li> <li>• OCM</li> <li>• Finance: Chairperson</li> <li>• Ad Hoc Nelson Mandela</li> </ul>	ANC	80	20
Meintjies M	FT	<ul style="list-style-type: none"> <li>• Mayco</li> <li>• OCM</li> <li>• Transport, Roads &amp; Storm Water: Chairperson</li> </ul>	ANC	52	48
Miller HB	PT	<ul style="list-style-type: none"> <li>• OCM</li> </ul>	EFF	59	41
Mocwagole LL	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• MPAC</li> <li>• Economic Development, Urban Renewal &amp; Tourism</li> </ul>	ANC Ward 12	62	38
Mohamed L	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Safety &amp; Security</li> </ul>	DA Ward 2	38	62
Mohapi PM	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Spelum - Chairperson</li> </ul>	ANC Ward 5	54	46
Mojakwe IM	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Community Services</li> <li>• Utility Trading Services</li> </ul>	ANC Ward 11	83	17

## CHAPTER 2: GOVERNANCE

<b>Councillors, Committees Allocated and Council Attendance</b>					
<b>Council Members</b>	<b>Full-time/Part-time (FT/PT)</b>	<b>Committees Allocated</b> (Only the Chairperson will be stipulated, if no stipulation, the Cllr is listed as a member of the various committees)	<b>Ward and/or Party Represented</b>	<b>Council Meetings Attended</b>	<b>Apologies / Absent</b>
				<b>%</b>	
Molatudi MK	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• MPAC</li> <li>• Spelum</li> </ul>	ANC Ward 13	90	10
Morwe RT	FT	<ul style="list-style-type: none"> <li>• Mayco</li> <li>• OCM</li> <li>• Human Settlement Services</li> <li>• Chairperson</li> <li>• General Appeals</li> </ul>	ANC	61	39
Moshweu MM	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Finance</li> <li>• Inter-Governmental, International Relations &amp; Customer Services</li> </ul>	ANC	48	52
Mothelesi FK	PT	<ul style="list-style-type: none"> <li>• OCM</li> </ul>	EFF	82	18
Mpanza TH	PT	<ul style="list-style-type: none"> <li>• OCM</li> </ul>	ANC Ward 4	13	87
Ngoma TC	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Human Settlement Services</li> <li>• IDP Budget &amp; PM</li> <li>• Disciplinary</li> <li>• Municipal Advisory Committee</li> <li>• Ad Hoc Nelson Mandela</li> </ul>	ANC Ward 8	27	73
Niemann E	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Safety &amp; Security</li> </ul>	DA	65	35
Ndelaphi J	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Economic Development, Urban Renewal &amp; Tourism</li> </ul>	ANC	71	29
Pearce C	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Transport, Roads &amp; Storm Water</li> </ul>	DA Ward 20	74	26
Petoro GI	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• MPAC</li> <li>• Spelum</li> </ul>	ANC Ward 17	70	30
Phillipus G	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Community Services</li> <li>• IDP Budget &amp; PM</li> </ul>	ANC	80	20

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<b>Councillors, Committees Allocated and Council Attendance</b>					
<b>Council Members</b>	<b>Full-time/Part-time (FT/PT)</b>	<b>Committees Allocated</b> (Only the Chairperson will be stipulated, if no stipulation, the CLR is listed as a member of the various committees)	<b>Ward and/or Party Represented</b>	<b>Council Meetings Attended</b>	<b>Apologies / Absent</b>
				<b>%</b>	
Phiri KC	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Finance</li> <li>• Ward Participatory</li> <li>• General Appeals</li> <li>• Municipal Advisory</li> </ul>	DA	50	50
Pholoholo IM	PT	<ul style="list-style-type: none"> <li>• OCM</li> </ul>	EFF	41	59
Pieterse LHS	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• IDP, Budget &amp; PM</li> <li>• MPAC</li> </ul>	DA Ward 14	55	45
Plaatjie OB	FT	<ul style="list-style-type: none"> <li>• Mayco</li> <li>• OCM</li> <li>• Safety &amp; Security: Chairperson</li> </ul>	ANC	70	30
Sebego KM	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Community Services</li> <li>• Safety &amp; Security</li> <li>• Ward Participatory</li> <li>• Municipal Advisory</li> </ul>	ANC Ward 33	30	70
Setholo DT	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Corporate Services &amp; Human Resources</li> <li>• Utility Trading Services</li> <li>• Ward Participatory</li> <li>• Municipal Advisory</li> </ul>	ANC Ward 6	83	17
Shushu LN	PT	<ul style="list-style-type: none"> <li>• Mayco</li> <li>• OCM</li> <li>• IDP Budget &amp; PM: Chairperson</li> <li>• Ad Hoc Nelson Mandela</li> </ul>	ANC	45	55
Springbok B	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Corporate Services &amp; Human Resources</li> <li>• Rules: Chairperson</li> </ul>	ANC Ward 29	21	79
Steyn SM	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Economic Development, Urban Renewal &amp; Tourism</li> <li>• IDP, Budget &amp; PM</li> </ul>	DA Ward 24	44	56

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Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/Part-time (FT/PT)	Committees Allocated (Only the Chairperson will be stipulated, if no stipulation, the Cllr is listed as a member of the various committees)	Ward and/or Party Represented	Council Meetings Attended	Apologies / Absent
				%	
Swazi DM	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Corporation Services &amp; Human Resources</li> <li>• Transport, Roads &amp; Storm Water</li> </ul>	Ward 9	38	62
Thulo FL	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Municipal Advisory</li> </ul>	EFF	78	22
Van den Berg HJ	PT	<ul style="list-style-type: none"> <li>• OCM</li> </ul>	VF+	84	16
Van Rooyen WA	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• Economic Development, Urban Renewal &amp; Tourism</li> <li>• Ward Participatory</li> </ul>	DA Ward 21	50	50
Van Wyk PR	PT	<ul style="list-style-type: none"> <li>• Mayco</li> <li>• OCM</li> <li>• Economic Development, Urban Renewal &amp; Tourism</li> </ul>	ANC Ward 18	90	10
Vorster PJ	PT	<ul style="list-style-type: none"> <li>• OCM</li> <li>• MPAC</li> <li>• Municipal Advisory</li> </ul>	DA Ward 23	54	46

*Table 32: Council 2020/21*

### 2.1.2 Disclosure of Financial Interests

This disclosure of interest is to ensure that councillors adhere to the statutory requirements to avoid conflict of interest. Paragraph 6 of Schedule 7 (Code of Conduct for Councillors) of the Municipal Structures Act [Act 117 of 1998] as amended in term of Act 3 of 2021 on 1 June 2021 determines that a councillor must –

- a) *disclose to the municipal council, or to any committee of which that councillor is a member, any direct or indirect personal or private business interest that the councillor, or any spouse, partner or business associate of that councillor may have in any matter before the council or the committee; and*
- b) *withdraw from the proceedings of the council or committee when that matter is considered by the council or committee unless the council or committee decides that the councillor's direct or indirect interest in the matter is trivial or irrelevant."*

Paragraph 8 of Schedule 7 determines that the following financial interests have to be disclosed by a councillor within 60 days of his/her appointment/election:

- Shares and securities in any company

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- membership in any close corporation
- interest in any trust
- directorships
- partnerships
- other financial interests in any business undertaking
- employment and remuneration
- interest in the property
- pension
- subsidies, grants and sponsorships by any organisation

Any change in the nature or detail of the financial interests of any councillor or official must be declared in writing to the municipal manager or to the chairperson of the municipal council annually. The municipal council must determine which of the financial interests referred to in the abovementioned list must be made public, having regard to the need for confidentiality and the public interest for disclosure.

The following table lists the disclosure of financial interests of the strategic role players of the municipality which were deemed to be disclosed for public interest:

Submission Date	Name	Description of Financial interests
2018	Badenhorst, Eleanor Linzi	<ul style="list-style-type: none"> <li>• Land and Property - House-Pescodia Value R1.5Million –</li> <li>• Husband is the Director of Afrikhaya Housing Development Agency</li> </ul>
2019	Banda, Frikkie	Nothing to disclose
2018	Beyleveld, Maria Johanna	<ul style="list-style-type: none"> <li>• Land &amp; Property: Residence – Kimberley</li> <li>• Remunerated work outside the Municipality &amp; Pension income: Dept. Finance – Pension.</li> <li>• Land &amp; Property: Residence – South Ridge</li> </ul>
2018	Bishop, Patrice Dipuo	Nothing to disclose
2018	Boqo, Anna Nomvula	Remunerated Work outside the Municipality & Pension: Education – General Cleaner
2018	Boshoff, Wynand Johannes	No submissions
2018	Buda, Unondumiso Hester	Fumamo G.T. Close Corp. R0.00 Remuneration, NC Provincial Registry- R17599.50 P/M (R12224.69)
2018	Chinkuli, Dimakatso Susan	Nothing to disclose
2019	Diphae, John Gaoletlhwe	Nothing to disclose
2018	Doyle, Maria Sandra	Nothing to disclose
2018	Duba, Lorato Florence	No submissions

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Submission Date	Name	Description of Financial interests
2018	Farland, Leon Konton	Nothing to declare
2018	Fourie, Ockert Cornelius	Shares – Roodeheuwel Sand (Bpk) Minerals
2018	Francis, Bernadette Petunia	Nothing to disclose
2018	Gilbert, Boikanyo Pius	Nothing to disclose
2020	Gomba, Jozi Themba	<ul style="list-style-type: none"> <li>100% Shares Phiwe Trading</li> <li>Shares in Peja Trading and never give up</li> <li>Res property Tswaragano R60 000.00</li> <li>Director Salophiwes General Trading (Not Active)</li> <li>Force petroleum/ Not active yet</li> </ul>
2018	Griqua, Shaine Hendry	Nothing to disclose
2018	Hammer, Norman	No submissions
2019	Itumeleng, Moses Mojakwe	<ul style="list-style-type: none"> <li>Remuneration: Merseta (Project Manager) R6000.00</li> <li>Pensioner R6430.39</li> </ul>
2019	Jaffer, Christine	Land and property- Residential – Colville R100.000
2018	Johnson, Elizabeth	<ul style="list-style-type: none"> <li>Directorships &amp; Partnerships Santoma Inn (Tavern)</li> <li>Land &amp; Property: Residence - 2 rooms in Pescodia</li> </ul>
2018	Keetile, Winter Manga	No submissions
2018	Keme, Bothata John	Residential House Soul City Ward 31 R45 000.00
2018	Kika, Suresh Nager	<ul style="list-style-type: none"> <li>Directorship &amp; Partnership- Barkley West Sheriffs +- R15000.00</li> <li>Property-House Moughal Park R600 000.00</li> </ul>
2018	Kock, Gaopalelwe Paul	Nothing to disclose
2018	Kruger, Felicity	No submissions
2018	Kwagile, Pulane Prudence	<ul style="list-style-type: none"> <li>Shares: Seed of Life 2%</li> <li>Director/Partnership: Shepulma general cleaning. 0%</li> <li>Child Grant Gov SASSA R350.00 x 2</li> </ul>
2019	Lekoma, Itumeleng Abednigo	Nothing to disclose
2018	Lekhatlanya, Maserame Jeanette	Dept of social development-Social Auxillary Worker R10434.00 PM
2018	Lewis, Clifford Benedict	<ul style="list-style-type: none"> <li>Directorships &amp; Partnerships: Taxi Remunerated work outside the Municipality</li> <li>Pensions: De Beers Pension Fund.</li> <li>Property Homevale R200 000.00</li> </ul>

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Submission Date	Name	Description of Financial interests
2019	Liebenberg, Christiaan Rudolf	Nothing to disclose
2018	Liebenberg, Reinet	<ul style="list-style-type: none"> <li>• Directorships &amp; Partnerships: Mein Heim Estate – Conference/Guest House (Dormant - No income)</li> </ul>
2018	Louw, Mariam	No submissions
2018	Ludick, Rosie Annie	<ul style="list-style-type: none"> <li>• Directorships &amp; Partnerships: Women in Pride (no income)</li> <li>• SAWIF (no income to date)</li> <li>• Seed of Life Investment (no income to date)</li> </ul>
2018	Maditse, Norman David	Nothing to disclose
2018	Makhamba, Bonsile John	No submissions
2021	Matika, Eucia Thobela	<ul style="list-style-type: none"> <li>• PR Cllr, Cleaner Dept of Health R9700 p/m</li> </ul>
2018	Matika, Octavious Mangaliso	No submissions
2018	Matshedisho, Ornica Emma	Nothing to disclose
2018	Meintjies, M	Nothing to disclose
2018	Meleng, Lehlohonolo Patrick	Nothing to disclose
2018	Miller, Herbert Bazil	No submissions
2019	Mocwagole, Lesedi Lawrence	Shares and Directorships- 50% SNM Mining, 100% LLM, 50% Mentorza Holding & Invest
2018	Mohapi, Petrus Motseki	Nothing to disclose
2018	Mokae, Ohentse Jeremiah	Nothing to disclose
2018	Mokgalagadi, Magdeline	No submissions
2019	Molatudi, Margaret Kekeditse	Nothing to disclose
2018	Monyamane, Gladys Keikantsemang	Nothing to disclose
2018	Morwe, Ronney Tsholohelo	Land & Property: House Ubuntu Galeshewe
2018	Moshweu, Michael Mpho	<ul style="list-style-type: none"> <li>• Directorship &amp; Partnership: Moshweu</li> <li>• General Trading CC Cleaning services</li> <li>• Ad hoc -Kabothis CC</li> <li>• Ad hoc – Itereleng Corp- Nil Remunerated work</li> <li>• Mental health DOH-Board Member R13116 P/m</li> </ul>
2018	Mpampi, Samson	Mpampi Construction R0.00
2018	Mpangiso, Ipeleng Millicent	No submissions

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Submission Date	Name	Description of Financial interests
2018	Mpanza, Thokozile Happiness	No submissions
2018	Ngoma, Tshabalala Charles	Remunerations – NC Department of Education
2018	Niemann, Elizabeth	Residential House, 21 Mallet Street, Albertynshof KBY R1000 000.00
2018	Pearce, Carol-Ann	<ul style="list-style-type: none"> <li>• Directorship &amp; Partnership- Women Liberation Trading (PTY)LTD</li> <li>• General Trading. No Income</li> <li>• Residential-Property Hillcrest 809M2, Value: R2800000.00</li> <li>• Remunerated work Eskom Electrician No Amounts Disclosed</li> </ul>
2018	Petoro, Gaolaolwe Ishmael	No submissions
2018	Phillipus, Gladys	Nothing to declare
2018	Phiri, Kamogelo Christopher	<ul style="list-style-type: none"> <li>• Residential House Bergenoeg KBY R75000.00</li> <li>• Work for Dept of Agriculture</li> <li>• Security Services R9300.00</li> </ul>
2018	Pieterse, Leopold Heinrich Sarel	<ul style="list-style-type: none"> <li>• NC Department of education-Educator R15391.31 P/M</li> </ul>
2018	Plaatjie, Obakeng Benjamin	<ul style="list-style-type: none"> <li>• Remuneration-Dept of Sport and Art-</li> <li>• EPWP Admin R2613 P/M</li> <li>• Property: RDP House Phutanang R105000.00</li> </ul>
2018	Qonga, Yvonne Tshebeletso	No submissions
2018	Sebego, Kgomotso Mary	Nothing to disclose
2018	Setholo, Deborah Thandiwe	Nothing to disclose
2018	Shushu, Lucia Nonyameko	No submissions
2018	Springbok, Benjamin	Nothing to disclose
2018	Steenkamp, Dikeledi Lydia	No submissions
2018	Steyn, Sharon Merle	CEO- NOCCI Income R25402.30 p/m
2018	Stout, Boitumelo Joel	Shares – De Beers
2018	Thabane, Mike Pula	Remunerations – Self-employed – construction. Land & Property – residence in Vergenoeg.
2018	Thulo, Francis Lebusa	No submissions
2019	Van Den Berg, Hendrik Jacobus	Directorships-Kimprint (PTY)LTD General Printers R2000 p/m



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Submission Date	Name	Description of Financial interests
2018	Van Der Merwe, Dirk Jacobus Petrus (passed away 2017)	Nothing to disclose
2018	Van Rooyen, Wesley Allistor	No submissions
2018	Van Wyk, Perdy Ronald	Employer: Memorena van Wyk-Field Ranger R119154.00
2018	Visagie, Lucia	Nothing to disclose
2018	Vorster, Philip Johan	Shares – Old Mutual. Remuneration – Frances Baard District Council. Land & Property – Residence - Roypark 12
2018	Wapad, Motlalepula Rachel	Nothing to disclose

Table 33: Disclosure of Financial Interests

### 2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

By law the Municipal Manager is the head of administration, as well as the Accounting Officer. The Municipal Manager has extensive statutory and delegated powers and duties, as well as powers and duties that can be inferred from such statutory and delegated powers and duties.

- The Municipal Manager is, amongst others, responsible for:
  - for the formation and development of an economical, effective, efficient and accountable administration;
  - to ensure that the municipal “machine” operates efficiently, that the organisational structure can perform the various tasks and exercise the necessary controls;
  - to fulfill a leadership role in the administration; this is of utmost importance to influence the actions of staff and to inspire and persuade them to work together to realise the municipality’s goals;
  - for the implementation of the municipality’s IDP, and the monitoring of progress with implementation of the plan; and
  - for the financial responsibilities as accounting officer as determined by the MFMA.

The Municipal Manager is the chief adviser of the Municipality and must advise the political structures and political office-bearers of the municipality. The Municipal Manager must see to the execution of the decisions of the political structures and political office-bearers of the Municipality.

The Municipal Manager must facilitate participation by the local community in the affairs of the Municipality and must also develop and maintain a system whereby community satisfaction with municipal services is assessed.

He is assisted by his Executive Management Team (EMT) as indicated in the table below:

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Name of official	Position	Performance agreement signed
		(Yes/No)
Boy Dhlwayo	Municipal Manager	Yes
Nomonde Tyabashe-Kesiamang	Executive Director: Strategy, Economic Development and Planning	Yes
Kooitse Ruth Sebolecewe	Executive Director: Corporate Services	Yes
Khuza Bogacwi	Executive Director: Community and Social Development Services	Yes
Kenneth Samolapo	(Acting) Chief Financial Officer	N/A
Sabelo Mkhize	(Acting) Executive Director: Infrastructure and Services	N/A

Table 34: Administrative Governance Structure

### COMPONENT B: INTER GOVERNMENTAL RELATIONS

#### 2.3 INTER GOVERNMENTAL RELATIONS (IGR)

##### 2.3.1 National Inter Governmental Structures

Sol Plaatje Municipality is a non-delegated municipality and reports monthly and quarterly to National Treasury. During the year, there are various meetings attended with National Treasury and in the main, the following engagements are highlighted:

- National Treasury's mid-term visits to the municipality
- Budget Benchmark Exercise – review of the budget prior to the approval by Council
- Financial Statements Compliance Checklist – for GRAP compliance

Some municipal officials serve in the Institute of Municipal Finance Officers at the National level, thus giving the municipality an early awareness of new developments in the accounting and reporting framework.

##### 2.3.2 Provincial Inter Governmental Structure

The municipality is a full-time member of the Provincial Inter Governmental Relations Committee that is chaired by the Premier of the Province, and it sits on a quarterly basis. There are various other meetings where the municipality is being represented such as SALGAs Working Committees of Finance, Local Economic Development, etc.

##### 2.3.3 Provincial and District Structure

The District Intergovernmental Forum is a legislative structure constituted to ensure that the three spheres of government operate smoothly. The District Technical IGR, therefore, was put together to render technical support to the political IGR. The technical committee's responsibility is to plan for the District IGR. The committee addresses issues that sector departments and municipalities are confronted with.

These issues will then form the Agenda of the District IGR and may be submitted further to the Provincial IGR.

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Service delivery by individual municipalities as well as the municipalities on the district level enjoy the advantages of regular contact between professional peers, a sense of coordination and aid in problem solving. Regular communication and planned meetings enhance cooperation on local government level as well as different spheres of government.

### 2.3.4 District Intergovernmental Structures

The District Intergovernmental Forum is a legislative structure constituted to ensure that the three spheres of government operate smoothly.

The District Technical IGR, therefore, was put together to render technical support to the political IGR. The technical committee's responsibility is to plan for the District IGR.

The committee addresses issues that sector departments and municipalities are confronted with. These issues will then form the agenda of the District IGR and may be submitted further to the Provincial IGR.

The District IDP Committee consisting of the four local municipalities and the district municipality meets on a quarterly basis to co-ordinate IDP related issues within the district. When required provincial sector departments are also invited for their specific input.

Service delivery, in this case by an individual, as well as the municipalities on the district level, enjoy the advantages of regular contact between professional peers, a sense of coordination and aid in problem solving. Regular communication and planned meetings enhance cooperation on local government level as well as different spheres of government.

## COMPONENT C: PUBLIC ACCOUNTABILITY

MSA Section 15(b) requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16(i) states that a municipality must develop a system of municipal governance that complements formal representative governance with a system of participatory governance. Section 18(i)(d) requires a municipality to supply its community with information concerning municipal governance, management and development.

Such participation is required in terms of:

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

In line with the requirements of the Municipal Systems Act and Municipal Finance Management Act, the municipality had adopted various platforms for public participation such as ward meetings, Imbizos, the IDP Representative Forum and even through Facebook. The success of public participation is dependent on the activeness of the ward councillors and committees on the ground as well as the municipal communication and public relations team.

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On a monthly basis, it is expected that ward councillors call meetings with the intention to communicate the work of the council through the committees established. It is in these meetings where budget and IDP implementation is reported, service delivery challenges as experienced by the communities are noted and forwarded to members of the Mayoral Committee for intervention.

The office of the Executive Mayor and that of the Speaker work in collaboration to ensure that public participation is effective and encourage participation and involvement of the community in the business of the municipality.

### 2.4 PUBLIC MEETINGS

Feedback is given directly to the community members during public meetings. The table below provides detail of the public meetings that took place during the year under review:

Nature and purpose of meeting	Date of Meeting	Venue of Meeting	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending
Public Participating Programme	04/06/2020	Radio Revival FM interviews	None due to Covid 19	5	None due to Covid 19
Public Participating Programme	09/06/2020	Radio Revival FM Interviews	None due to Covid 19	7	None due to Covid 19
Public Participating Programme (Churches, NPOsNGOsGO's)	30/06/2020	Radio Revival FM interviews	None due to Covid 19	4	None due to Covid 19
Public Participating Programme (Business Forum Structures)	30/06/2020	Radio Revival FM interviews	None due to Covid 19	4	None due to Covid 19
Public Participating Programme all 33 Wards within the Sol Plaatje Municipality Jurisdiction	11/06/2020	Radio Revival FM interviews	None due to Covid 19	7	None due to Covid 19
Public Participating Programme all 33 Wards within the Sol Plaatje Municipality Jurisdiction	18/06/2020	Radio Revival FM interviews	None due to Covid 19	7	None due to Covid 19
Public Participating Programme all 33 Wards within the Sol Plaatje Municipality Jurisdiction	23/06/2020	Radio Revival FM interviews	None due to Covid 19	7	None due to Covid 19
Public Participating Programme all 33 Wards within the Sol Plaatje Municipality Jurisdiction	25/06/2020	Radio Revival FM interviews	None due to Covid 19	5	None due to Covid 19

Table 35: Public Meetings

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### 2.4.1 Ward Committees

The purpose of a ward committee is:

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

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

The ward committee supports the ward councillor who receives reports on development, participates in development planning processes, and facilitates wider community participation. To this end, the municipality constantly strives to ensure that all ward committees function optimally with the provision of community information, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

The table below indicates the ward committee members for 2016 - 2021 and the capacity they are representing.

Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
1	Francis BP	Carmen Abdeziet Lettie Witbooi Sarah van Heerden Latoya Settley Bonita T Katz Deon R Katz Megan S Bosch Klaas S Katz Brenelda B Simons Felicity P Phillipus	Yes	4	4	No Public meetings due to Covid 19 Regulations
2	Visagie L	Andrew S Lenyora Hespter P Solomon Chatine Jantjies Nadine Bedwell Micheal Abrahams Stephen Visagie Agnes Phafodi Allisar G Hofsta	Yes	5	5	No Public meetings due to Covid 19 Regulations

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Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
		Diane C Lemmetjie Lionel Pieteron				
3	Lewis CB	Andrew van der Merwe Johanna Visagie Gloria van der Merwe Vincent C Swartz Fawzia Africa Florence Bailey Mauleen van Wyk Ursula Hendricks Daphne Olyn Mary Mabilo	Yes	7	7	No Public meetings due to Covid 19 Regulations
4	Mpanza TH	Cyril Lekhwi Jabulani Mbambo Thabiso Maleyoane Paricia Matthews Thomas C Jantjies Nthabiseng Ledbane Angela Albertus Nhlanhla Sithole Jane Riet Bakang Mokgoro	Yes	n/a	n/a	No Public meetings due to Covid 19 Regulations
5	Mohapi PM	Rebecca Leepile Mosekimang Dikgetsi Cecil Setlogelo Jennifer Masilo Thabo Seekoei Dipuo Tshenkeng Benjamin G Samplie Mcedisi R Nolitye Olebogeng Itumeleng Mirriam Jafta	Yes	n/a	n/a	No Public meetings due to Covid 19 Regulations
6	Setholo DT	Kagisho G Nembe Francina Maris Thandiwe E Molose Keseneile Bella Msomi Ilse Ntombi Thahane Matha Kobona Jackson Tlhomelang	Yes	5	5	No Public meetings due to Covid 19 Regulations

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Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
		Gavin Esau Mantwa A Tshoaeidi Hilda V Sehularo				
7	Diphahe JG	John Diphane Tuelo Pharasi Sipho W Matika Macdonald T Kesekile Jemima N Stemmer Motswakong C Thupane (Deceased) Fransiena Chou Abigile Gwele Goitsemanang M Senye Joseph L Henyekane	Yes	2	2	No Public meetings due to Covid 19 Regulations
8	Ngoma TC	Israel van der Linda Rethabile Hendricks Diah Mdebuka Eremiah Mosikare Angelina Gasetiwe Kelebogile Phakedi Apathea Rameriti Rachel Ndebuka Kereeditse Visagie Tshepo Nkukane	Yes	n/a	n/a	No Public meetings due to Covid 19 Regulations
9	Swazi D	Seiso Moroka Tshepo Sealira Patience T Mohosh Lucia Moerane Neo G Bacon Ntsikeleho Makehle Obakeng Mousi Susan M Kkolwane Katlego Tswaile Richard Galehole	Yes	5	5	No Public meetings due to Covid 19 Regulations
10	Gomba JT	Malefa Diphokje Dimakatso J Modisane Thuso Jood Samson Gumbo Ronald S Modutle	Yes	6	6	No Public meetings due to Covid 19 Regulations

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Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
		Keitumetse Molale Junior P Mokomela Ben M Kosegomi Moeti MJ Mpete Oduetse K Malebono				
11	Mojakwe IM	Modingwane Tsholofelo Mpho Tawane Ntshenge Dumu Patricia Aaron Lebenkele Thamsanqa Ntombizodwa Banda Mpho Jennifer Montge Mpha Karabo Mothibi Itumeleng M Mojakwe Tsamaesi Boitshwarelo	Yes	n/a	n/a	No Public meetings due to Covid 19 Regulations
12	Mocwagole LW	David Koopman Masimo Kgatlane Lshego Kock Katie Gaborone Keitumetse Pholo Selelo A Mothelesi Seitisho Liphoko Saul Mohapi Kedibone V Mokulupi Lorraine Lester	Yes	1	1	No Public meetings due to Covid 19 Regulations
13	Molatudi MK	Patience Aaron Mirriam Maredi Kwamongwe Moilwa Maggie Pienaar Vinolia P Jonathan Nelson Macomo Tomeletso P Khatwane Maria Mvelase Iris D Tlhalogang Babalwe Walaza	Yes	7	7	No Public meetings due to Covid 19 Regulations
14	Pieterse LHS	Nicole C Mangal Andre J Pailman Beryl de Klerk Arno C Pearce	Yes	3	3	No Public meetings due to Covid 19 Regulations



## CHAPTER 2: GOVERNANCE

Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
		Felecity R Swarts BradleyL Fritz Mark Jooste Micayla Carelse Jayd-Lynn Jood Rhoda Fawzia				
15	Keetile WM	Nontiantla Hoye Lerato Sithole Kabane Mirriam Mogape Veronica Booyesen Michael Molefeeugalia Mogate Dipuo Rebecca Moilwa Lettie Mocwagole Benjamin Bosman (Deceased) Florence Faniswa	Yes	1	1	No Public meetings due to Covid 19 Regulations
16	Stout BJ	Joyce Ndi Licwidi BoitumeloOwen Mokgoro Guys chandler Moses B wechoemang Neo Reginald Molusi Catherine Banda Floria Jeleni Donald Tebogo Bokote Phemelo Leburu Benjamin Mangungwana	Yes	1	1	No Public meetings due to Covid 19 Regulations
17	Petoro GI	Tshepang Mothelesi Obakeng Kepadia Majan Setlhodi Mosweu Moleko Bonga Tshidiso Lucia Motaung Tebogo Pharisi Leonard Jossi Kgosiemang Boitumelo Sarah Moduo	Yes	n/a	n/a	No Public meetings due to Covid 19 Regulations

## CHAPTER 2: GOVERNANCE

Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
18	Van Wyk PR	Gerladine Phama Tau Yvonne Lesego Sei Lindiwe Mduyona Tumiso Phoolo Maagdeline Mjoli Brandon Oliphant Ingrid Ndawande Boitumelo G Moigoda Christopher Swartz	Yes	n/a	n/a	No Public meetings due to Covid 19 Regulations
19	Lekoma IA	Reggie Thamoethata Itumeleng Lekoma Olga Moroka Flatela Mzwandile Cecilia Oliphant Marrian Seakeco Jonas Peterson Nichalas Ndayi Nontsilelelo Selatolo Dinilelizwe Geco	Yes	1	1	No Public meetings due to Covid 19 Regulations
20	Pearce C	Kgalaelo Matsime Maria Matsime Phillow O Beukes Lize-Mari Niemann Sandra Stassen Chery E Valentine Hazel C Harmse Johannes H Niemann Pieter HS Stassen Jacobus P Jansen	Yes	1	1	No Public meetings due to Covid 19 Regulations
21	Van Rooyen WA	Sureya Moti Moirra Willeen Ferris Obrey Mabija Zenzisa Solomon Khumalo Johannes Baoitsiwe Chanel Bowler Leboan Lebenya Maggie Joyce Nkoane	Yes	1	1	No Public meetings due to Covid 19 Regulations

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Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
22	Maditse ND	Graham Davids Leon Monyoba Leroy Stone Veronica January Venessa Sebusang Shaun Witbooi Ann Fisher Gertrude Appies Glynnis Mathews Paul Stone	Yes	2	2	No Public meetings due to Covid 19 Regulations
23	Vorster PJ	Jan Viljoen Zacharias Blomerus RJ Gibson Magriet Louw Sune Louverdie Derick Payne Johannes Aucamp Martha de Kock Juan du Plooy	Yes	n/a	n/a	No Public meetings due to Covid 19 Regulations
24	Steyn SM	Gertruida S van der Merwe MH van Vuuren Francis H Dippenaar JT de Kock GA Bessinger Wynand G Delpport Helena C Scheepers Johan A Scheepers	Yes	3	3	No Public meetings due to Covid 19 Regulations
25	Fourie OC	Sandra Parkinson Irene Petersen Elona M Davis Zwelinzima Ntsabo Jacobus van der Berg Sone van der Berg Siphiwe Shadrack Makhaye Daniel Slamati Gloria Nozuko Tsiloane Ingrid Lehata	Yes	2	2	No Public meetings due to Covid 19 Regulations

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Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
26	Makhamba BJ	Margaret D Maphalla Martha D Tembani Lydia J Lewane Cynthia Mojaki Grace M Martins Eveline Ngeezer Georgina Seekoei Desmond Jonkers Marthinus Botha	Yes	3	3	No Public meetings due to Covid 19 Regulations
27	Hammer N	Adam Kortman Lorein Mlaza Mabeta Metteheus Ursula Zeekoei Johanna Malan Bianca van Rooyen Maria Adams Bettie Afrika Driene Denster Charmaine Lawan	Yes	3	3	No Public meetings due to Covid 19 Regulations
28	Japhta H	Cayleen Petersen Darien Juries Janup Meyers Winston Fredricks Chantelle Jood Shandrie Petersen Margaret van Wyk Louwtjie Doyle Jenine le Grange Peter May	Yes	n/a	n/a	No Public meetings due to Covid 19 Regulations
29	Springbok B	Abel Raad Lorry-Ann Brandt Wilhelmina Mathabatha Michelle G Mogole Ellen Setlhabi Tshenolo Setlhabi Setlhabi Tshenolo Sadrick du Plooy Doris Koopman Ivan Damins	Yes	3	3	No Public meetings due to Covid 19 Regulations

## CHAPTER 2: GOVERNANCE

Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
		Eva Springkaan				
30	Kock GP	Janet Ditlhobolo Lerato Mongale Martin Bantjies Andrew Jantjies Daniel Julies Petrus Mothibi Kabelo G Segami Anneline Benjamin Tebogo Rooibaadjie Samson Squire	Yes	3	3	No Public meetings due to Covid 19 Regulations
31	Keme BJ	Viola Modise Emily Andrew Mpho Seribe Kedibone M Springkaan Seadimo Toalo Davind Mohleleng Joseph Zomdo Jansen Sarah Vis Selena Omega Fortuin Moyce Molao	Yes	n/a	n/a	No Public meetings due to Covid 19 Regulations
32	Banda F	Martha Mangumbu Fernando Kayundu Mate Mbangu J Tshabalala Kelebogile V Kgoakgoe Phatekile November Clifford Moremi Rainy Sophazi Goofy Jack Motsamai Molale	Yes	n/a	n/a	No Public meetings due to Covid 19 Regulations
33	Sebego M	Gideon K Mapolai Unica Mosamo Lerato Mothelesi Keatlaletse E Kwanaco Vera Muller Boipelo S Moagwe Deboah Libang Clement Moenko	Yes	n/a	n/a	No Public meetings due to Covid 19 Regulations

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Ward	Ward Councillor	Committee Members	Committee Established (Yes/No)	Monthly Committee Meetings	Monthly Reports Submitted to Speakers Office	Quarterly Public Ward Meetings
				Number		
		Eunice Ditshake Portia Monase				

Table 36: Ward Committees for 2016-2021

### 2.4.2 Capital Projects in Wards

The table below indicates the wards:

Wards	Project Name and detail	Start Date	End Date	Total value
				R'000
<b>Water</b>				
All	Lerato Park Water	20 September 2018	To be determined	37 721
All	Replacement of water meters	1 July 2019	30 June 2020	n/a
All	Elevated Water Tanks Distribution	10 June 2020	To be determined	1 311
<b>Sanitation/Sewerage</b>				
All	Lerato Park Sewer	20 September 2018	To be determined	37 721
All	Carter's Glen Pump Station	9 September 2021	To be determined	26 097
All	Reconstruction of zinc toilets	n/a	n/a	n/a
<b>Electricity</b>				
All	Electrification Lerato park	1 July-2020	30 June 2021	11 976
All	Electrification of Mathibe	n/a	n/a	n/a
All	Prepaid Meter Replacement Programme	n/a	n/a	n/a
<b>Roads</b>				
1,2,3,18,29	Upgrade Gravel Roads	1 August 2019	1 October 2019	12 074
1,2,3,18,29	Distribution FB District Grant	n/a	n/a	n/a
<b>Stormwater</b>				
All	Galeshewe Stormwater Projects	9 October 2019	31 August 2020	498 000
All	Roads & Stormwater Upgrade Wards	1 March 2021	30 June 2021	1 962
<b>Economic Development</b>				
All	Planning and surveying plots to be sold	1 July-2020	30 June 2021	796
<b>Sports, Arts &amp; Culture</b>				
No Projects				
<b>Environment</b>				
No Projects				
<b>Health</b>				

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Wards	Project Name and detail	Start Date	End Date	Total value
				R'000
No Projects				
<b>Safety and Security</b>				
No Projects				
<b>ICT</b>				
All	Replacement Program: IT Hardware	1 July 2020	30 June 2021	1 687
<b>Corporate Services</b>				
No Projects				
<b>Other</b>				
All	Fleet Replacement Programme	1 July 2019	30 June 2020	2 099
All	Replacement Furniture and Office Equipment	1 July 2019	30 June 2020	76
All	Satellite Fire Station	5 November 2018	Ongoing	14 893
All	Other machinery and Equipment	1 July 2019	30 June 2020	n/a

Table 37: Capital Projects in Wards

### COMPONENT C: 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 many stakeholders involved and the goals by which the institution is governed.

#### 2.5 RISK MANAGEMENT

Risk management is a systematic and formalised process instituted by the municipality to identify, assess, manage, monitor and report risks ensuring the achievement of objectives.

In terms of Sections 62(1)(c)(i) and 95(c)(i) of the MFMA the Accounting Officer is required to ensure that the municipality has and maintains effective, efficient and transparent systems of risk management.

The main reason for risk management is that the service delivery environment and the public sector's interface with stakeholders have become far more demanding and volatile than before.

Historical ways of doing things are no longer effective as evidenced by several service delivery and general failures.

Benefits of risk management are:

- more efficient, reliable and cost-effective delivery of services;
- minimised waste and fraud; and
- more reliable decision making.

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Enterprise Risk Management (ERM) forms a critical part of any entity's strategic management. It is the process whereby an entity both methodically and intuitively addresses the risk attached to their activities with the goal of achieving a sustained benefit within each activity and across a portfolio of activities. Enterprise Risk Management is recognised as a strategic, integral part of sound organisational management and is being promoted internationally and in South Africa as good business practice applicable to the public and private sectors.

The underlying premise of enterprise risk management is that every entity exists to provide value for its stakeholders. All entities face uncertainty and the challenge for management is to determine how much uncertainty to accept as it strives to grow stakeholder value. Uncertainty presents both risk and opportunity, with the potential to erode or enhance value.

Enterprise risk management enables management to effectively deal with uncertainty and associated risk and opportunity, enhancing the capacity to build value. Value is maximised when management sets strategy and objectives to strike an optimal balance between growth and return goals and related risks, and efficiently and effectively deploys resources in pursuit of the entity's objectives.

The framework provides a basis for management to effectively deal with uncertainty of associated risk and opportunity, thereby enhancing its capacity to build value.

The following factors require consideration when integrating ERM into organisational decision-making structures:

- Strategically aligning risk management with objectives at all levels of the organisation;
- Introducing risk management components into existing strategic planning and operational practices;
- Including risk management as part of employees' performance appraisals; and
- Continuously improving control and accountability systems and processes to consider risk management and its results.

The Enterprise Risk Management Framework specifically addresses the structures, processes and standards implemented to manage risks on an enterprise-wide basis in a consistent manner. The standards further address the specific responsibilities and accountabilities for the Enterprise Risk Management process and the reporting of risks and incidences at various levels within SPM. As the field of risk management is dynamic, this policy and framework document is expected to change from time to time.

Current trends in good corporate governance have given special prominence to the process of Enterprise Risk Management, and reputable businesses needed to prove that they follow expected risk management standards. This means that SPM must ensure that the process of risk management receives special attention throughout the organisation and that all levels of management know, understand, and follow the framework document.

Risk Management Activities as contemplated in the Framework are properly discharged and all Risk Management activities reported quarterly to the Risk Management and Audit Committee.



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### Sol Plaatje Municipality's Current Key Risks as of 30 June 2021 are as follows:

- Declining economic conditions impacting on customer affordability
- Lagged mSCOA implementation
- Sustainability of revenue generation
- Revenue loss due to significant water and electricity losses
- Reliability of customer information and data
- Audit outcome
- Information technology risk
- Inadequate (failing) water and sanitation infrastructure, roads and storm water and electricity
- Condition of water and sanitation infrastructure (conveyance and reticulation)
- Deterioration of raw water quality and rising tariffs
- Inadequate and ineffective security measures to enable effective control and physical security of works, equipment and plant
- Human resource management (Covid-19 pandemic)

SPM was able to align Actions and Projects required for mitigation of the above with the actual Capital Plan as part of the next Five Year IDP cycle but remains challenged by resources.

#### 2.5.1 Top Risks as of 30 June 2021

- Declining economic conditions impacting on customer affordability.
- Lagged mSCOA implementation.
- Sustainability of revenue generation.
- Revenue loss due to significant water and electricity losses.
- Reliability of customer information and data.
- Audit outcome.
- Information technology risk.
- Inadequate (failing) water and sanitation infrastructure, roads and stormwater and electricity.
- Condition of water and sanitation infrastructure (conveyance and reticulation).
- Deterioration of raw water quality and rising tariffs.
- Inadequate and ineffective security measures to enable effective control and physical security of works, equipment and plant.
- Human resource management (Covid-19 pandemic).

#### 2.6 FRAUD PREVENTION

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption and the MFMA, section 112(1) (m)(i) specifies 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

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officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud.

The Sol Plaatje Local Municipality has a range of measures to prevent corruption, fraud and theft; these are in harmony with the national anti-corruption strategy. SPM reviewed and the Policy and Council adopted the Fraud Prevention Policy on 14 October 2020, together with the Fraud Prevention and Anti-Corruption Plan; the latter operationalised the broad principles contained in the policy framework. This framework essentially defines and regulates measures to address corruption, fraud and theft. This is underscored by the understanding that criminal and other irregular conduct is detrimental to good, effective, accountable and transparent governance and hampers the service delivery capacity of the Municipality.

To that end, the objective of this policy framework is to:

- Develop and foster an environment, where public representatives, the employees of the Municipality and the public shall strive to eradicate corruption, fraud and theft through the application of a full spectrum of pro-active and re-active measures at their disposal
- Encourage disclosures of corrupt practices and the protection of whistle-blowers through the application of the Protected Disclosures Act (Act No. 26 of 2000)
- Encourage the reporting of irregular acts or corrupt activities through the joint utilisation of the national anti-corruption hotline
- Ensure that, where appropriate, the municipality recovers financial losses or damages incurred by using a range of legal instruments at its disposal.

Regular incidents of corruption and theft are reported to the Municipal Manager and acted upon by an internal investigative unit, who also reports such incidents to the SAPS, where appropriate.

It is common within the government sector that various whistle-blowers will approach the Office of the Public Protector and the Hawks. The municipality has dealt with various matters from these two offices, the nature of which can be summarised as follows:

- Billing related enquiries
- Service delivery related enquiries
- Budget implementation enquiries
- Fraud allegation on tendering
- Dissatisfaction with the tender outcomes

All of these are handled through the Municipal Manager, the Executive Directors and other senior managers.

### 2.7 SUPPLY CHAIN MANAGEMENT (SCM)

According to Robert Handfield, Ph.D. (<https://scm.ncsu.edu/scm-articles/article/author/hand-field>)

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*"Supply Chain Management (SCM) is the active management of Supply Chain activities to maximise customer value and achieve sustainable competitive advantage. It represents a conscious effort by the supply chain firms to develop and run supply chains in the most effective and efficient ways possible. Supply chain activities cover everything from product development, sourcing, production and logistics, as well as the information systems needed to coordinate these activities."*

The goal of SCM is to meet the needs of the final consumer by supplying the right product at the right place, time and price.

SCM is an integral part of precedent fiscal management in the South African Public Sector Management. It introduces internationally accepted best practice principles, while at the same time addressing Government's Preferential Procurement Policy goals. This framework makes up of Demand Management, Acquisition Management, Logistics and Disposal Management, Risk and Performance Management. The framework is guided by the Preference Point System to achieve re-distribution of wealth.

SCM currently occupies the centre stage in the Financial Management reform process in South African Public Sector Management. Here, the Sol Plaatje Local Municipality has taken an active approach and has focused on promoting Women Empowerment, Small Business Empowerment, Disability Empowerment and Black Empowerment.

The Sol Plaatje Local Municipality has successfully implemented all SCM relevant Regulations. However, it is far from perfect. The Municipality does not have a fully functional established Procurement Software System but is in the process of procuring one. The lack of such a system increases risks and human-related errors.

### 2.8 POLICIES AND BY-LAWS

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

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

Policies developed/revised	Date adopted	Resolution Number
Burial and Exhumations Policy	July 2021	C96/07/21
Information Systems Security Policy	October 2020	n/a
Telecommunications Policy	October 2020	n/a
Integrated Human Settlements Policy	October 2020	C176/10/20
Fraud Prevention and Anti-Corruption Policy	October 2020	C175/10/20
Fraud Prevention and Anti-Corruption Plan	October 2020	C175/10/20
Fraud Prevention and Anti-Corruption Strategy	October 2020	C175/10/20

Table 38: Policies

Municipal by-laws are adopted by Council in terms of section 12 of the Local Government: Municipal Systems Act, No. 32 of 2000. In terms of Section 13 thereof, a by-law takes effect when published in the Provincial Gazette, or on a

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future date as determined in terms of the by-law. In compliance with the Systems Act, prior to the adoption of by-laws, the Municipality follow public participation processes, affording the public the opportunity to submit comments and/or objections to the proposed by-law, which are subsequently considered by Council. There were no by-laws reviewed for the 2020/21 financial year.

### 2.9 WEBSITE

The Municipality developed and maintained a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Sections 21A and B of the MSA as amended.

The website serves as a mechanism to promote accountability and transparency to communities. It is a key communication mechanism in terms of service offering, information sharing and public participation. A website is a communication tool that allows easy and convenient access to relevant information and is an integral part of the Municipality's Communication Strategy.

The information and documents that were published on our website include the following:

Documents published on the Municipality's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	<ul style="list-style-type: none"> <li>Adjustment Budget – 22 February 2021</li> <li>Annual Budget – 7 July 2020</li> <li>All other budget related documents have been published within two days of receipt</li> </ul>
All current budget-related policies	Yes	Published within two days of receipt
Annual report (2019/20)	Yes	24 January 2022
The Annual Report 2020/21 to be published	No	n/a
All current performance agreements required in terms of Section 57(1)(b) of the Municipal Systems Act (2020/21) and resulting scorecards	Yes	<ul style="list-style-type: none"> <li>ED: Corporate Services: 19 August 2020</li> <li>ED: Community Services: 19 August 2020</li> <li>ED: SEDP: 19 August 2020</li> </ul>
All service delivery agreements	No	No service delivery agreements published in 2020/21
All long-term borrowing contracts	No	No long-term borrowing contracts published in 2020/21
All supply chain management contracts above R200,000 for 2020/21	Yes	Published within two days of receipt
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14 (2) or (4) during 2020/21	No	n/a
Contracts agreed in 2020/21 to which subsection (1) of Section 33 apply, subject to subsection (3) of that section	Yes	Published within two days of receipt

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Documents published on the Municipality's Website	Yes / No	Publishing Date
All quarterly reports tabled in the council in terms of Section 52 (d) during 2020/21	No	<ul style="list-style-type: none"> <li>First Quarter: 20 April 2021</li> <li>Second Quarter/Mid-Year: 5 July 2021</li> </ul>

*Table 39: Municipal Website: Content and Currency of Material*

The municipality has complied with the requirements of a municipal website as set out in the MFMA section 75 especially the requirements that are supply chain, finance, and performance management related. The municipality continuously aims to improve the content of the website to speak mainly to the needs of the community. As such, the municipality is currently exploring different cost-effective solutions, which will bring municipal services closer to communities and will be accessible through the municipality website.

The following table is a website checklist to indicate compliance with Section 75 of the MFMA

Documents published on the Municipal Website	Date Published
Annual Budget for 2020/21	7 July 2020
Adjustment Budget for 2020/21	22 February 2021
Annual Report 2019/20	24 January 2022
IDP 2020/21	1 July 2020
IDP Review (Planning) 2021/22	10 September 2020
Performance Agreements 2020/21	19 August 2020
Quarterly Reports tabled to Council	<ul style="list-style-type: none"> <li>First Quarter: 20 April 2021</li> <li>Second Quarter/Mid-Year: 5 July 2021</li> </ul>
Mid-Year Assessment Report	5 July 2021
SDBIP 2020/21	13 July 2020
Policies	
Asset Disposal Policy 013 (Revision)	6 April 2017
Cash Management & Investment Policy revised 2013	6 July 2020
Policy on Ward Committees	6 April 2020
SLA Treasury - Infrastructure Skills Development Grant	7 November 2013
SLA Department of Health	7 November 2013
SLA Nugen	7 November 2013
SLA Department Sports, Arts & Culture	7 November 2013
SLA FBDM and SPLM (Municipal Health Services MHS)	13 September 2019

*Table 40: Website Publications*

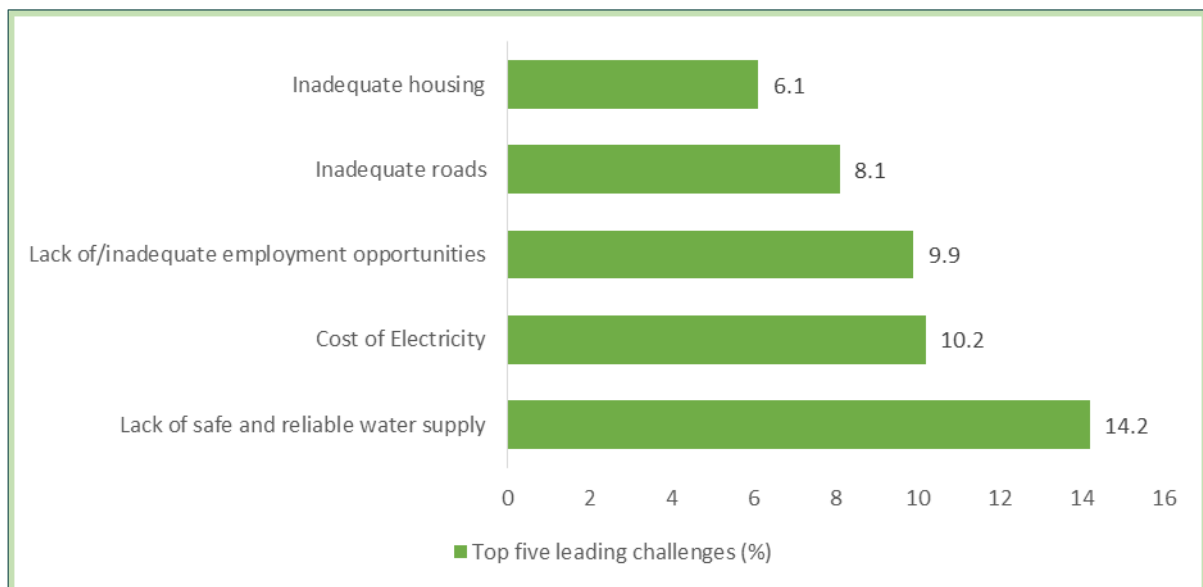
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### 2.10 PUBLIC SATISFACTION WITH MUNICIPAL SERVICES

The municipality did not conduct a public satisfaction survey on municipal services for the 2020/21 financial year. However, through public meetings held, it can be said that the public is not satisfied with the performance of the municipality. The public's perception is growing alarmingly negative which directly affects the community's willingness to pay outstanding debt. Comments and posts on social media platforms clearly show that the overall general view is extremely negative. Improving on service delivery and handling of customer complaints or queries will go a long way in addressing this. Required for this to materialize is improved communication amongst different departments, providing timeous feedback and reducing the turnaround time to address calls logged with the municipality.

#### 2.10.1 Perceptions on Municipal Problems and Services

As per CS 2016, indicated in the following charts are the five leading problems or challenges facing municipalities in the Northern Cape. The main challenge that has been reported by many households across the whole province is lack of safe and reliable water supply services, followed by the cost of electricity. Additionally, the lack of employment opportunities is the third biggest problem; the fourth biggest problem is inadequate roads, while inadequate housing completes the list of the top five challenges facing municipalities in the province.



Graph 9: Five Leading Problems or Challenges Facing Municipalities in the Northern Cape

#### 2.10.2 Percentage distribution of households rating the overall quality of basic services – Frances Baard District only

For the Northern Cape Province, in relation to the overall quality, all other basic services were rated at an average of 55%. As per CS 2016, indicated in the chart above, the majority of households in the Frances Baard District are fairly satisfied with the overall quality of level of basic services. Electricity supply was rated with the highest satisfaction rating of 59.9%, whilst Refuse removal was rated as the lowest satisfactory level at 51.6%. Water services were rated

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by households with lowest rating of No access at 2%, whilst Refuse removal services was rated as the highest percentage of 12.3% with No access.

### 2.10.3 Comment on Satisfaction Levels

The municipality has established a fully-fledged Call Centre to log community infrastructure queries and dispatch them to the technical teams on the ground to resolve. Consumers personally visit the municipality for municipal account queries. Queries can also be done telephonically or via e-mail. The municipality is also in the process of making an application (app) available to log queries and service delivery interruptions.

During the 2020/21 financial year 31 018 calls were officially logged with Edams (Call Log System). Indicated in the following table are all the services affected. It should be noted that Stores Call-out (fuel, material, tyre bay, mechanical workshop, fitter, and turner) are internally reported calls amongst the different departments during working hours. After-hours callouts for the Stores distributed by the Call Centre.

Service	No of calls	Weighting per Service
Community & Social Development	2	0.006%
Properties and Structures	6	0.028%
Electricity Distribution	8 890	28.66%
Metering & testing (traffic lights & geysers)	181	0.58%
Potable water	6 282	20.25%
Prepaid metering	2 766	8.91%
Roads & potholes	656	2.11%
Stores Call-out (fuel, material, tyre bay, mechanical workshop, fitter and turner)	555	1.78%
Storm water	23	0.10%
Wastewater	11 657	37.58%
<b>Grand Total</b>	<b>31 018</b>	<b>100%</b>

Table 41: Calls Logged per Service

Indicated in the following table are the top twelve complaint issues logged by the community, ranked from highest to lowest. The majority of calls were for blocked sewer systems and electricity disruptions with a weighting of 28.66 and 37.58 percent respectively.

Complaint issue	No of calls	Weighting per Complaint issue
Blocked Sewer	9 935	37.09%
No Electricity	6 342	23.67%
Prepaid Meter Problem	2 114	7.89%
Blocked Manhole	1 369	5.11%
Burst Pipe	1 366	5.10%
Meter is leaking	1 058	3.95%

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Complaint issue	No of calls	Weighting per Complaint issue
Leaking Pipe	1 234	4.60%
Streetlight Not Working	1 449	5.40%
No Water	643	2.40%
Broken Pipe	535	1.99%
Damaged Water Service	460	1.71%
Suspected Tampering	279	1.04%
<b>Grand Total</b>	<b>26 784</b>	<b>99.94%</b>

Table 42: Calls Logged per Issue

Indicated in the following table are the top four service categories, ranked from lowest to highest and the service affected with the highest volumes of calls being for waste water issues.

Complaint issue	No of calls	Weighting per Complaint issue
Prepaid metering	2 766	9.34%
Potable water	6 282	21.22%
Electricity distribution	8 890	30.03%
Waste water	11 657	39.38%
<b>Grand Total</b>	<b>29 595</b>	<b>99.97%</b>

Table 43: Top Four Service Category Calls

Indicated in the following table is the status of calls per task. The status of calls is recorded on Edams. Please take note that the Edams system only makes provision for statuses 1, 2, 3 and 6 and does not have status 4 and 5. It is concerning that the majority of calls resorts under Task Outstanding with a weighting of 58.81%, whilst Tasks Completed has a weighting of 34.68%.

It should be noted that the statuses may not be a true reflection of what transpired during the year, as users unfortunately do not regularly update Edams. What this means, is that calls might have been addressed but not captured on the Edams system timeously. Also, some calls might have been reported in the latter part of June 2020 and might have only been fully resolved in the new financial year.

Better internal controls should be implemented to ensure that the status of calls is regularly updated and finalised. Unfortunately, the report does not indicate the turnaround time of calls from the time they were logged and finally resolved. This can be taken up with the developers, as this has the potential to be a more accurate and realistic measurement of performance.

Status description	Status of task	Weighting per status
The task not given out yet.	22	0.07%
Task outstanding	18 244	58.81%
Task identified but outstanding	1 994	6.42%



## CHAPTER 2: GOVERNANCE

Status description	Status of task	Weighting per status
Task completed	10 760	34.68%
<b>Grand Total</b>	<b>31 018</b>	<b>99.98%</b>

Table 44: Status of Calls per Task

Indicated in the following table is the number of calls per status per month. The average number of calls per month was approximately 2 584 calls. The highest call volumes were experienced in November 2020 and March 2021 with a total of 2 778 and 3 129 calls respectively. It should be noted that some calls are duplicated as the community is sometimes obliged to call several times for the same complaint issue.

Month	The task not given out yet.	Task outstanding	Task identified but outstanding	Task completed	Total
Jul-20	12	1 772	163	727	2 674
Aug-20	6	1 691	127	679	2 503
Sep-20	0	1 617	140	860	2 617
Oct-20	0	1 046	85	615	1 746
Nov-20	1	1 400	186	1 191	2 778
Dec-20	3	1 508	177	843	2 531
Jan-21	0	2 016	171	1 078	3 265
Feb-21	0	1 168	171	1 017	2 356
Mar-21	0	1 433	253	1 443	3 129
Apr-21	0	1 531	123	571	2 225
May-21	0	1 723	223	632	2 578
Jun-21	0	1 342	173	1 104	2 619
<b>Grand Total</b>	<b>22</b>	<b>18 244</b>	<b>1 994</b>	<b>10 760</b>	<b>31 018</b>

Table 45: Call Status per Month

Indicated in the following table is the task status for each service. Electricity distribution, prepaid metering and waste water show the highest totals of tasks being completed. And as the majority of calls were for waste water, it is also showing the highest totals of tasks outstanding, followed by potable water and lastly, electricity distribution.

Service	The task not given out yet	Task outstanding	Task identified but outstanding	Task completed	Total
Community & Social Development	0	0	0	2	2
Properties and Structures	0	0	0	6	6
Electricity Distribution	17	2 398	339	6 136	8 890
Metering & Testing (Traffic Lights & Geysers)	2	146	15	18	181
Potable Water	0	4 842	879	561	6 282

## CHAPTER 2: GOVERNANCE

Service	The task not given out yet	Task outstanding	Task identified but outstanding	Task completed	Total
Prepaid Metering	2	474	486	1 804	2 766
Roads & Potholes	1	652	2	1	656
Stores, Mechanical Workshop, Fitter, and Turner	0	0	0	555	555
stormwater	0	21	0	2	23
Waste Water	0	9 711	271	1 675	11 657
<b>Grand Total</b>	<b>22</b>	<b>18 244</b>	<b>1 994</b>	<b>10 760</b>	<b>31 018</b>

Table 46: Task Status

# Chapter 3



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### CHAPTER 3: SERVICE DELIVERY PERFORMANCE

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2020/21 in terms of the deliverables achieved compared to the key performance objectives and indicators in the Integrated Development Plan (IDP).

#### 3.1 MUNICIPAL FUNCTIONS

##### Analysis of Functions

The municipal functional areas are as indicated below:

Municipal function	Municipal function: Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	Yes
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	No
Storm Water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services are limited to potable water supply systems and domestic waste water and sewage disposal systems	Yes
<b>Constitution Schedule 5, Part B functions:</b>	
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral 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	Yes

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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

Table 47: Municipal Functions

### COMPONENT A: BASIC SERVICES

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

To achieve the government's constitutional obligation of providing services, Sol Plaatje Municipality is delegated to provide access to basic municipal services. The Local Government: Municipal System Act (MSA), (Act No. 32 of 2000), describes a basic municipal service, as a service that is necessary to ensure an acceptable and reasonable quality of life and which if not provided, would endanger public health, safety and the environment. In order to ensure sustainable delivery of basic services, SPM should ensure that relevant policies and strategies that govern technical standards and norms are in place.

A municipality as a service authority would, in order to deliver a service, require adequate infrastructure to meet the requirements as set out in the MSA. Infrastructure is a tool to deliver municipal services. The Infrastructure Development Act (Act No. 23 of 2014) defines infrastructure as installations, structures, facilities, systems, services or processes relating to the matters specified in Schedule 1 and are part of the National Infrastructure Plan. The Act further defines public infrastructure as infrastructure owned by the state or infrastructure in relation to which a public-private partnership or a concession agreement exists.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Municipal infrastructure may be broadly defined as the capital works required to provide municipal services. This includes all activities necessary to ensure that the works are delivered effectively, such as feasibility studies, project planning and capacity building to establish sound operational arrangements for the works. These activities or projects have also considered the eradication of backlogs and provision of basic services to indigents, despite inadequate funding to address backlogs.

### Employees: Infrastructure & Services (Director's Office)

Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (% of total Budgeted Posts)
	Number				%
Municipal Manager and Senior Managers	1	1	1	0	1
Other Managers	2	3	2	1	33.3
Professionals	0	0	0	0	0
Technicians & Trade Workers	0	0	0	0	0
Clerks & Administrative Workers	7	7	7	0	0
Community and Personal Workers	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	2	2	2	0	0
<b>Total</b>	<b>12</b>	<b>13</b>	<b>12</b>	<b>1</b>	<b>33.3</b>

Table 48: Employees: Infrastructure & Services (Director's Office)

## 3.2 WATER PROVISION

### 3.2.1 Introduction to Water Provision

The provision of Water services is directed, regulated and controlled by the Water Services Act (Act No. 108 of 1997) and the National Water Act (Act No. 36 of 1998). The Water Services Act primarily deals with water services provision to consumers, while the National Water Act focuses on water in its natural state.

Sol Plaatje Local Municipality is both the Water Service Provider and Water Service Authority. This implies that the municipality is responsible for the planning and implementation of its strategies related to water supply services. The municipality must develop a Water Services Development Plan (WSDP) relevant to Water Services Authority requirements and furthermore defines desired and minimum level of water service for communities, which is a specific function of the Water Services Provider in its area of jurisdiction.

The WSDP describes and defines arrangements for water service provision in the municipal area, both present and future within a prescribed legislative requirement. The WSD plan has been completed and awaiting comments from

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

sector department, the Department of Water and Sanitation. Thereafter it will be administered through municipal processes for approval by the Council.

In terms of water services provision, the municipality has experienced a common trend of high water consumption. The demand exceeds supply, and this behavior has already presented serious challenges in relation to water demand challenges. More focus should be given to water demand strategies and water supply related future proposed projects must entail elements of water demand and conservation management.

At face value the unaccountable water losses are almost double that of domestic use. Yet the domestic users are castigated for wasting water. This needs to be addressed urgently because the exercise or the formula currently used to determine unaccounted water is not consistent with standards. The municipality needs to address this matter urgently because it depicts a bleak picture as far as non-revenue water is concerned.

In the financial year under review, the municipality has successfully implemented the following major projects, of which some are multi-year projects:

### Multi-year projects:

- Lerato Park bulk linking sewer services
- Carters Ridge Sewer Outfall project
- Lerato Park – Mechanical and Electrical Project
- Reconstruction of old sink toilets
- Elevated water tanks distribution

### 3.2.2 Comment on Water use by Sector

Household and per capita water usage is the highest in this category, followed by industrial water use. There is no significant consumption for the agricultural sector and forestry from the municipal water system. These sectors are serviced directly by different agencies of state such as the Department of Water and Sanitation, and Water Users Associations.

Non-revenue water (NRW), which includes water losses, remains unacceptably high. The municipality has acknowledged that calculation of NRW is not consistent with International Water Association (IWA) and national norms. As such, a process of adopting a realistic calculation methodology to determine factual NRW is underway. The establishment of a special committee that monitors the performance of all activities and projects aimed at improving NRW shows significant progress. In the previous year, NRW statistics were above 50% and these figures are higher than the national norm.

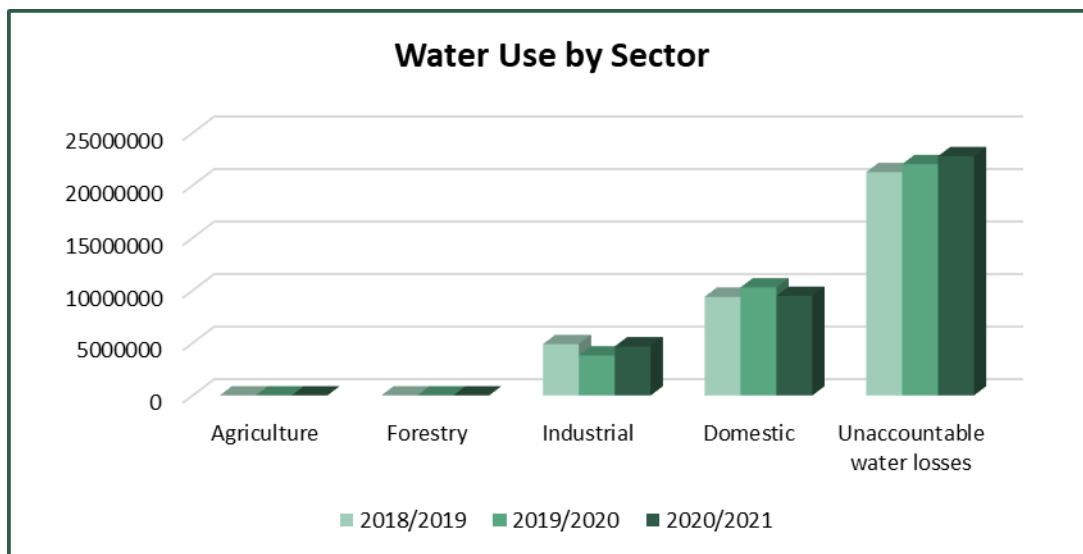
Total Use of Water by Sector (cubic meters)					
Period	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2018/19	0	0	4 887 417	9 393 713	21 256 425
2019/20	0	0	3 808 950	10 287 968	22 013 158
2020/21	0	0	4 670 884	9 474 668	22 777 978

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Table 49: Total Use of Water by Sector

Total per Customer Group			
Period	Domestic Use %	Industrial Use %	% Unaccounted Water
2018/19	26.43%	13.75%	59.81%
2019/20	28.49%	10.55%	60.96%
2020/21	25.66%	12.65%	61.69%

Table 50: Total per Customer Group



Graph 10: Water Use by Sector

The above figures and charts considered purified water as the System Input Volume (SIV), as per International Water Association (IWA) best practice. Volume of unbilled water consumption, apparent losses and a calculation methodology are regarded as the effective causes of high and unrealistic non-revenue water. Real losses represent a significant defect in water infrastructure such as pipe burst and leakages. The municipality has intensified meter replacement project by prioritizing billing queries in order to improve billing data. Meter reading deficiencies also contribute significantly to these challenges.

The municipality is also struggling to improve response times when attending water reticulation leakages due to a number of reasons. The primary reason is a shortage of personnel and inability to manage maintenance crews. The municipality is aware of this challenge and interventions are in place to address this matter. Secondly, the condition (aged) of infrastructure also contributes to high water leaks in water reticulation network. The network still comprises of old asbestos pipes. The pipe replacement project meant to replace aged infrastructure was not realised successfully due to financial constraints.

### 3.2.3 Water Service Delivery Levels



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Below is a table that specifies the different water service delivery levels per household for the financial years 2017/18 to 2020/21.

Description	2017/18	2018/19	2019/20	2020/21
	Actual			
	Household			
<b>Water: (above minimum level)</b>				
Piped water inside dwelling	43 577	43 577	43 612	48 656
Piped water inside yard (but not in dwelling)	22 582	22 654	23 689	20 391
Using public tap (within 200m from dwelling)	n/a	4 799	3 764	2 070
Other water supply (within 200m)	n/a	365	1 292	1 240
<b>Minimum service level and above sub-total</b>	<b>66 159</b>	<b>72 012</b>	<b>72 357</b>	<b>72 357</b>
<b>Minimum service level and above percentage</b>	<b>92.0%</b>	<b>98.5%</b>	<b>99%</b>	<b>99.6%</b>
<b>Water: (below minimum level)</b>				
Using a public tap (more than 200m from dwelling)	5 272	0	0	0
Other water supply (more than 200m from the dwelling)	160	0	0	0
No water supply	349	617	223	223
<b>Below minimum service level sub-total</b>	<b>5 781</b>	<b>617</b>	<b>223</b>	<b>223</b>
<b>Below minimum service level percentage</b>	<b>8.0%</b>	<b>0.9%</b>	<b>0.4%</b>	<b>0.3%</b>
<b>Total number of households</b>	<b>71 940</b>	<b>72 012</b>	<b>72 580</b>	<b>72 580</b>
<i>Total number of households including informal settlements</i>				

Table 51: Water Service Delivery Levels

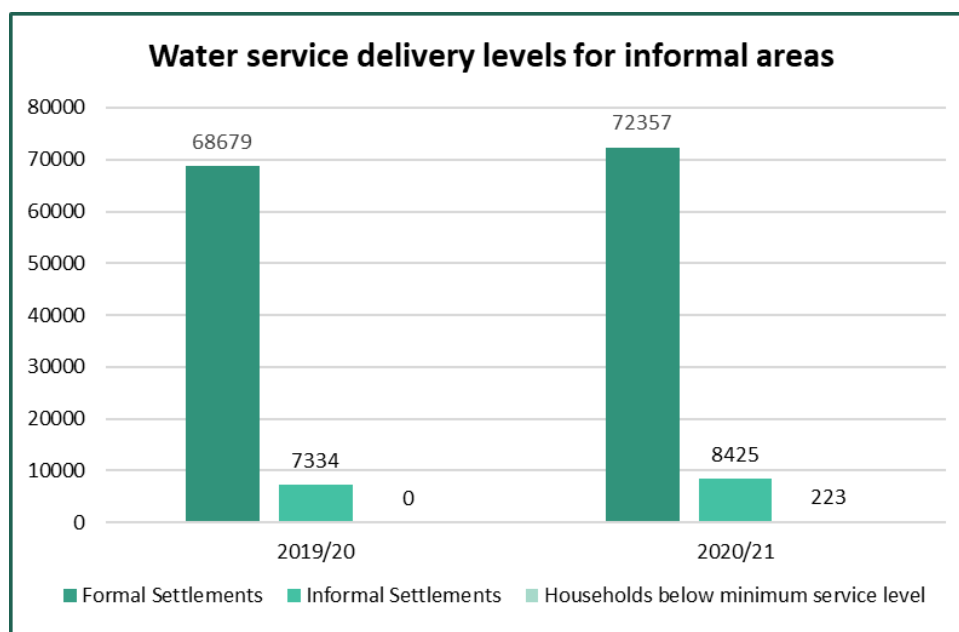
### 3.2.4 Water Service Delivery Levels Below the Minimum

Description	Households			
	2017/18	2018/19	2019/20	2020/21
	Actual			
<b>Formal Settlements</b>				
Total households	61 793	65 713	68 679	72 357
Households below minimum service level	5 781	617	0	223
Proportion of households below minimum service level	9.4%	0.9%	0%	0.3%
<b>Informal Settlements</b>				
Total households	10 146	6 299	7 334	8 425
Households below the minimum service level	5 781	0	0	223
Proportion of households below the minimum service level	57.0%	0%	0%	0.3%

Table 52: Water Service Delivery Levels Below the Minimum

### 3.2.5 Access to Water

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE



Graph 11: Access to Water

Formal areas have 100% access to water services and the informal areas are henceforth defined as all areas used for human settlement while the process of formalisation is or not proceeding. These households put a lot of pressure in the municipality because the majority of these community members are perceived to be indigent although the majority have not officially declared that status.

### 3.2.6 Water Service Objectives included in the IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	Decrease water losses to 50% by 30 June 2021	50%	62.30%	50%	61.69%	50%
To ensure management of the quality of the drinking water and waste water through compliance with the applicable legislation	To ensure through effective monitoring that a 97% Blue Drop Status on quality compliance is achieved by 30 June 2021	97%	98.78%	98%	98%	98%
To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To replace 1 500 water meters by 30 June 2021	2 500	3 724	1 500	4 551	Not a Target
To ensure a basic standard of living for all through the provision of basic sanitation,	To complete the construction 2 out of the 4 elevated water tanks with a combined	10%	0	2	2	2

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
water, electricity and refuse delivery services	capacity of 720kl for critical areas by 30 June 2021					

Table 53: Water Service Objectives included in the IDP

### 3.2.7 Employees: Water Services

The table below indicates the number of employees for water services:

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	0	1	0	1	100
Other Managers	2	14	9	5	35.7
Professionals	2	2	0	2	100
Technicians & Trade Workers	35	35	35	0	0
Clerks & Administrative Workers	6	7	6	1	14.3
Community and Personal Workers	14	15	14	1	6.7
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	21	56	21	35	62.5
Elementary Occupations	154	196	154	42	21.4
<b>Total</b>	<b>234</b>	<b>326</b>	<b>239</b>	<b>87</b>	<b>26.7</b>

Table 54: Employees: Water Services

Note: New Job Level definitions were received from the LGSETA and the database has been adjusted according. This has resulted in changes to some of the "Employee" statistics. This will be reflected throughout the tables reflecting employee statistics.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.2.8 Financial Performance: Water Services

Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>294 031</b>	<b>311 226</b>	<b>311 226</b>	<b>286 254</b>	<b>-8%</b>
<b>Expenditure:</b>					
Employees	37 645	47 210	46 210	39 796	-14%
Repairs and Maintenance	29 754	35 979	35 979	35 384	-2%
Other	197 694	195 309	221 809	238 960	8%
<b>Total Operational Expenditure</b>	<b>265 093</b>	<b>278 498</b>	<b>303 998</b>	<b>314 140</b>	<b>3%</b>
<b>Net Operational Expenditure</b>	<b>(28 938)</b>	<b>(32 728)</b>	<b>(7 228)</b>	<b>27 886</b>	<b>-486%</b>

Table 55: Financial Performance: Water Services

### 3.2.9 Capital Expenditure: Water Services

The table below indicates the amount that was actually spent on water services projects for the 2020/21 financial year:

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Variance from adjustment budget
(R)					
Replacement of water meters	3 000	3 000	0.00	-100%	-100%
Water Pipe Replacement	5 000	5 000	0.00	-100%	-100%
Lerato Park Water	26 455	21 055	21 320	-19%	100%
<b>Total all</b>	<b>34 455</b>	<b>29 055</b>	<b>21 320</b>	<b>-38%</b>	<b>-27%</b>

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

Table 56: Capital Expenditure 2020/21: Water Services

### 3.2.10 Comment on Water Services Performance Overall

The Sub Directorate Water and Sanitations' key objective is to primarily ensure that bulk, reticulation and supply facilities have the required capacity to meet the current and future demand. The key objective was to ensure that the requirements of bulk have been met by the implementation of the Construction of the new pump station in Riverton as well as the Ritchie bulk water augmentation project phase 1.

The bulk projects have met the intended objectives, however concurrent reticulation projects have not yet unfolded. Water pipe replacement projects have been implemented through operational budget to ensure sustainable provision of water supply. Lastly, the water teams work full time to attending to burst pipes and leaking meters.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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Even though the objectives have been met, there is still extensive planning that needs to be undertaken to meet the required needs such as implementing the replacement of the bulk pipelines from Riverton to Kimberley. Furthermore, refurbishment is required at Riverton purification plant as well as the refurbishment of the Pump Station at the Newton Reservoir complex.

### 3.3 SANITATION SERVICES

#### 3.3.1 Introduction to Sanitation Provision

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Provision of waste-water services is an ongoing concern and a well renowned challenge for the municipality due to the lack of service provision in informal areas. The ever-increasing demand of waste-water services due to mushrooming of informal human settlements is posing a serious risk and failure to implement sustainable mitigating measure will worsen the situation. Although the Corporate Governance, Human Settlement and Traditional Affairs (CoGHSTA) is the custodian of waste water provision for newly established areas, and thus declaring it a non-core function by the municipality, overall performance of sanitation services is affected negatively by this condition.

The completion of Homevale WWTW has affirmed the sustainability of sanitation bulk services in the municipality. Currently there is no doubt about the treatment capacity of raw sewerage in the municipality. Though this project has signified great improvement in terms of sanitation services, challenges relating to sewer collector system or reticulation and services of informal areas remains a huge challenge. The municipality has effectively started to address sanitation provision to informal areas in the current year. Provision of basic sanitation to informal areas will improve significantly in the years to come because a lot of time and resources to plan for this objective was done in the current year.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.3.2 Sanitation Service Delivery Levels

The table below specifies the different sanitation service delivery levels per household for the financial years 2017/18 to 2020/21.

Description	2017/18	2018/19	2019/20	2020/21
	Actual			
	Household			
<b>Sanitation/sewerage: (above minimum level)</b>				
Flush toilet (connected to sewerage)	63 359	63 431	64 466	64 623
Flush toilet (with septic tank)	1 816	1 816	1 816	1 816
Chemical toilet	22	2 886	3 431	3 750
Pit toilet (ventilated)	1 235	1 235	1 235	1 235
Other toilet provisions (below minimum service level)	342	342	342	342
<b>Minimum service level and above sub-total</b>	66 774	69 710	71 290	71 766
<b>Minimum service level and above percentage</b>	92.8%	96.8%	98.2%	98.8%
<b>Sanitation/sewerage: (below minimum level)</b>				
Bucket toilet	4 352	820	453	453
Other toilet provisions (below minimum service level)	0	0	0	0
No toilet provisions	812	1 482	837	361
<b>Below minimum service level sub-total</b>	5 164	2 302	1 290	814
<b>Below minimum service level percentage</b>	7.2%	3.2%	1.8%	1.2%
<b>Total number of households</b>	<b>71 938</b>	<b>72 012</b>	<b>72 580</b>	<b>72 580</b>
<i>Total number of households including informal settlements</i>				

Table 57: Sanitation Service Delivery Levels

The provision of sanitation services by means of buckets/pails is no longer considered as an acceptable level of service by sector department (DWS). By implementing a chemical toilet system, the municipality has improved access of this service by gradually reducing bucket sanitation services with minimum acceptable form of sanitation (chemical toilets).

### 3.3.3 Sanitation Service Delivery Levels Below the Minimum

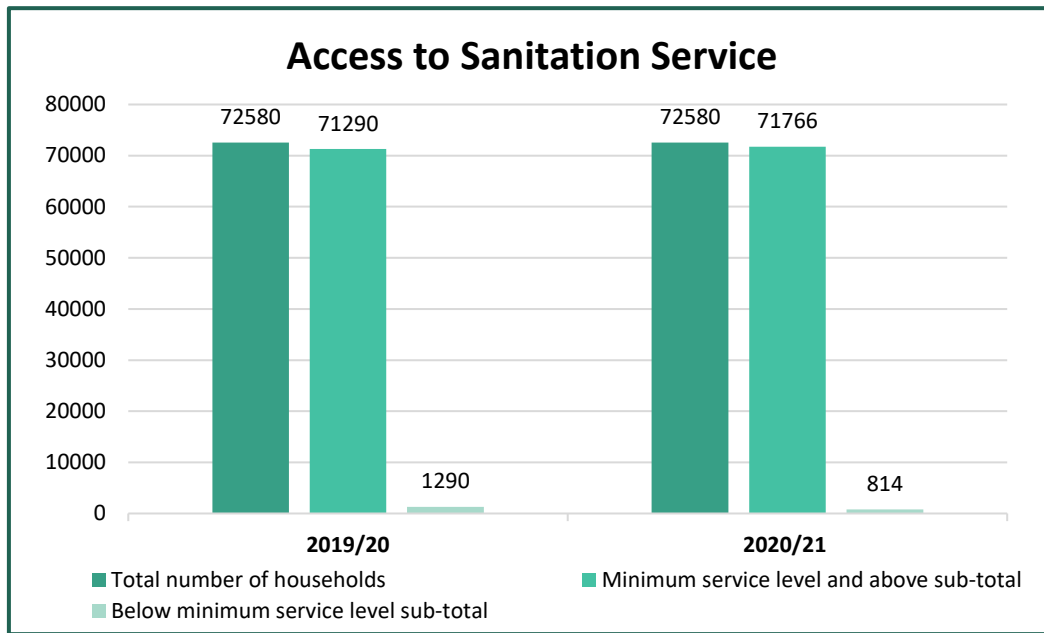
Description	Households			
	2017/18	2018/19	2019/20	2020/21
	Actual			
<b>Formal Settlements</b>				
Total households	61 793	65 713	71 290	71 766
Households below minimum service level	5 164	617	1 290	814
Proportion of households below the minimum service level	8.4%	0.93%	1.8%	1.2%
<b>Informal Settlements</b>				
Total households	10 146	6 299	3 973	814

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Description	Households			
	2017/18	2018/19	2019/20	2020/21
	Actual			
Households below minimum service level	5 164	2 302	1 290	814
Proportion of households below the minimum service level	50.9%	36.5%	1.8%	1.2%

Table 58: Sanitation Service Delivery Levels Below the Minimum

### 3.3.4 Access to Sanitation



Graph 12: Access to Sanitation Services

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.3.5 Sanitation Service Objectives included in the IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 100% procurement phase only for the appointment of a contractor which is 10% of the overall project weighting for the repair of Faulty Electrical and Mechanical equipment at Homevale WWTW by 30 June 2021	60%	35%	60%	32%	60%
To ensure management of the quality of the drinking water and wastewater through compliance with the applicable legislation	To ensure through effective monitoring that a 60% Green Drop Status on effluent quality compliance is achieved by 30 June 2021	50%	95%	100%	98%	Not a Target
To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 100% work for the bulk sewer infrastructure for the Lerato Park development by 30 June 2021	n/a	n/a	25%	15%	100%
To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	Complete 25% of the installation of electrical and mechanical components in Lerato Park pump station (Eagle Str and Lerato Park) by 30 June 2021	10%	0%	70%	58%	100%
To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	Construction of at least 70% of the new sewer outfall mains for Carters Ridge sewer pump station by 30 June 2021	n/a	n/a	10%	0%	75%
To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete the 100% procurement phase only for the appointment of the contractor which is 10% of the overall project weighting for the construction of Carters Ridge sewer pump station building with all electrical and mechanical equipment by 30 June 2021	10%	10%	50%	38%	100%

Table 59: Sanitation Service Objectives included in the IDP



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.3.6 Financial Performance: Sanitation Services

Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>84 025</b>	<b>82 175</b>	<b>82 175</b>	<b>86 142</b>	<b>5%</b>
<b>Expenditure:</b>					
Employees	43 132	44 774	44 774	42 787	-4%
Repairs and Maintenance	9 610	16 986	18 086	15 699	-8%
Other	17 136	17 254	28 254	33 266	93%
<b>Total Operational Expenditure</b>	<b>69 878</b>	<b>79 014</b>	<b>91 114</b>	<b>91 753</b>	<b>16%</b>
<b>Net Operational Expenditure</b>	<b>(14 147)</b>	<b>(3 162)</b>	<b>8 938</b>	<b>5 610</b>	<b>-277%</b>

Table 60: Financial Performance: Sanitation Services

### 3.3.7 Capital Expenditure: Sanitation Services

The table below indicates the amount that was actually spent on sanitation services projects for the 2020/21 financial year:

Capital projects	2020/21					
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Variance from adjustment budget	Total project value
	(R)					
Lerato Park Sewer	26 455	21 055	21 320	-19%	100%	49 285
Carters Glen Pump Station	20 000	12 972	19 291	-4%	48%	31 969
Reconstruction of sink toilets	14 443	12 000	7 807	-46%	-35%	12 000
<b>Total all</b>	<b>60 898</b>	<b>46 027</b>	<b>48 418</b>	<b>-20%</b>	<b>5%</b>	<b>93 254</b>

Table 61: Capital Expenditure 2020/21: Sanitation Services

### 3.3.8 Comment on Sanitation Services Performance Overall

The Sub Directorate Water and Sanitation's key objective is to primarily ensure that bulk, reticulation and supply facilities have the required capacity to meet the current and future demand. The key objective was to ensure that the requirements of bulk have been met by the implementation of the Upgrading of the Homevale WWTW by 15ML.

The bulk projects have met the intended objectives, however concurrent reticulation projects have also unfolded such as the upgrading of the Gogga outfall sewer line from Galeshewe to Homevale WWTW as well as the Lerato Park link sanitation project. Sanitation operational teams work full time to ensure that blockages are minimised and that the

provision of quality services is maintained. The construction of the Carters Ridge sewer pump station commenced with construction.

Even though the objectives have been met in terms of bulk services, there is still extensive planning that needs to be undertaken to meet the required needs of the reticulation network such as there are sewer pipe replacement projects that need to unfold to meet the current demand and maintenance projects to extend the operational life of the existing infrastructure.

### 3.4 ELECTRICITY

#### 3.4.1 Introduction To Electricity

Sol Plaatje Local Municipality is licensed to purchase electricity from Eskom and then distribute the electricity via the 66kV, 11kV and 400V/230V low-voltage electrical network.

There are three bulk 66kV electricity supply points from Eskom namely: Herlear and HA Morris Substations supplying the Kimberley area and Riverton Substation which supplies the water purification plant of Kimberley. Although Ritchie is demarcated into the Sol Plaatje municipal area, Eskom is licensed to distribute electricity in that area.

Over and above electricity supply management, the section is also responsible for the following functions:

- Occupational Health and Safety
- Fleet Management
- Mechanical and Workshop Services

Over the past eight years, great progress has been made on the Electrification Programme under the Integrated National Electrification Programme (INEP), duly funded by the Department of Mineral Resources and Energy (DMRE). Approximately 8,000 households have been supplied with reliable and secure electricity supply over the past eight years. For the financial year period 2019/20, approximately 1,200 households have been supplied with electricity under the Electrification Programme.

Challenges do however impact on the implementation progress of this programme due to continuous growth of informal settlements on vacant land. Electrical infrastructure and electrification of houses cannot be installed in informal settlements prior to township establishment processes being completed.

Other major challenges regarding electricity are vandalism and copper theft that led to equipment damage, electrical supply interruptions and possible fatalities to municipal employees or members of the public. This puts a strain on the maintenance and management of the electrical infrastructure and thus responding to faults and providing mitigation remedies as a result may take longer than anticipated.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.4.2 Electricity Service Delivery Levels

The table below indicates the different service delivery level standards for electricity within the urban edge area of the Municipality:

Description	2017/18	2018/19	2019/20
	Actual		
	Household		
<b>Energy: (above minimum level)</b>			
Electricity (at least minimum service level)	9 116	1 060	4 234
Electricity - prepaid (minimum service level)	57 780	58 840	60 583
<b>Minimum service level and above sub-total</b>	<b>66 896</b>	<b>67 956</b>	<b>69 699</b>
<b>Minimum service level and above percentage</b>	<b>93.0%</b>	<b>98%</b>	<b>86%</b>
<b>Energy: (below minimum level)</b>			
No access to electricity (< minimum service level)	3 685	2 625	1 882
Other energy sources	1 357	1 357	1 377
<b>Below minimum service level sub-total</b>	<b>5 042</b>	<b>3 982</b>	<b>3 239</b>
<b>Below minimum service level percentage</b>	<b>7.0%</b>	<b>2%</b>	<b>3%</b>
<b>Total number of households</b>	<b>71 938</b>	<b>72 938</b>	<b>74 681</b>

Table 62: Electricity Service Delivery Levels

### 3.4.3 Electricity Service Delivery Levels Below Minimum

SPM installs a 60 Amp electrical connection in all low-cost houses as per a Council resolution, whereas the DMRE makes provision for a supply of 20 Amp per household. However, to allow for growth of areas and longer lasting networks, a 40 Amp per household is provided with new settlement developments. Top-up funding is normally provided by the municipality. SPM does not install electricity in informal settlements or houses. The area must be formalised, and a Surveyor General Layout must be available before any electrification can be done.

#### Houses Not Connected to Electricity (Below Minimum Service Level)

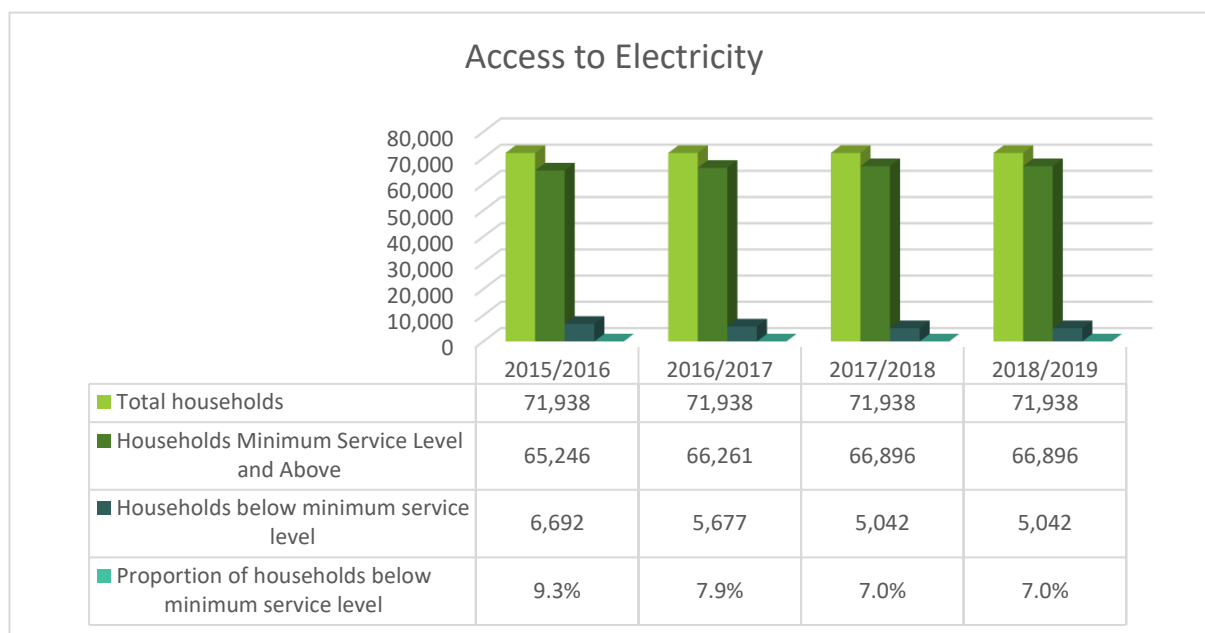
The major electricity connection backlogs are in the informal settlements that have not been formalised in terms of surveying and township establishment. The backlog decreased from 6,692 in 2015/16 to 5,677 as a result of 1,015 households being electrified during 2016/17. From 2016/17 to 2017/18, a further 635 households in Ivory Park were connected to electricity.

In 2018/19 a further 1,060 households in Ivory Park and Snake Park were connected to electricity. In 2019/20 a total of 1,743 households were added into the network from informal areas Ivory Park, Snake Park, Platfontein, Kutlwanong and Ramorwa. A total of 750 households were added to the formal settlement of SPLM

The SPM Electrical Department, together with the DMRE, proactively ensures that as soon as an area has been formalised, the funding application from the DMRE is fast-tracked and the provision of electricity is completed.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.4.4 Access to Electricity



The totals for 2015/16 is based on the outcomes of the Community Survey 2016. For 2016/17, a total of 1 015 households were connected to electricity, whilst 635 electrical connections were achieved for 2017/18. In 2018/19 1 060 electricity connections were achieved. In 2019/20 a total of 1 743 households were added into the network from informal areas being Ivory Park, Snake Park, Platfontein, Kutlwanong and Ramorwa. A total of 750 households were added into the formal settlement of SPLM.

As at the end of June 2020, Households below the minimum service level amounted to 3 239 resulting in a 3% proportion of households below the minimum service level.

The Electricity Distribution Section attended to supply interruptions according to NERSA requirements. The following table below indicates the restoration times and percentages of power interruptions for the 2019/20 financial year.

Date	Total No of forced interruptions after which supply was restored	Supply restored within									
		1.5 hours		3.5 hours		7.5 hours		24 hours		24 hours	
		Target 30%		Target 60%		Target 90%		Target 98%		Target 100%	
		Actual	%	Actual	%	Actual	%	Actual	%	Actual	%
July	451	218	48.34	387	85.81	432	95.79	451	100	451	100
August	368	180	48.91	334	90.76	362	98.37	368	100	368	100
September	481	304	63.20	432	89.81	473	98.34	480	99.79	481	100
October	392	186	47.45	331	84.44	378	96.43	392	100	392	100
November	611	237	38.79	474	77.58	552	90.34	605	99.02	611	100
December	456	151	33.11	355	77.85	429	94.08	456	100	456	100
January	464	199	42.89	385	82.97	445	95.91	464	100	464	100

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Date	Total No of forced interruptions after which supply was restored	Supply restored within									
		1.5 hours		3.5 hours		7.5 hours		24 hours		24 hours	
		Target 30%		Target 60%		Target 90%		Target 98%		Target 100%	
		Actual	%	Actual	%	Actual	%	Actual	%	Actual	%
February	253	114	45.06	210	83.00	241	95.26	252	99.60	253	100
March	662	302	45.62	529	79.91	630	95.17	656	99.09	662	100
April	317	128	40.38	264	83.28	297	93.69	317	100	317	100
May	313	148	47.28	277	88.50	299	95.53	313	100	313	100
June	354	168	47.46	319	90.11	341	96.33	354	100	354	100
<b>Total</b>	<b>5 122</b>	<b>2 335</b>	<b>45.59</b>	<b>4 297</b>	<b>83.89</b>	<b>4 879</b>	<b>95.26</b>	<b>5 108</b>	<b>99.73</b>	<b>5 122</b>	<b>100</b>

Table 63: Electrical Restoration Times

### 3.4.5 Electricity Service Objectives included in the IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	Decrease electricity losses to 16% by 30 June 2021	18%	19.91%	16%	No actual	16%
To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the electrification of 200 households by 30 June 2021	200	106	200	103	Not a target
To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To complete 100% of the procurement phase only for the replacement of the 11 kV Circuit Breakers at the Herlear Substation by 30 June 2021	100%	10%	100%	50%	Not a target
To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	Complete 50% of the Lerato Park bulk electrification project by 30 June 2021	0%	0%	50%	30%	Not a target
To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To replace at least 1550 prepaid electricity meters by 30 June 2021	1 550	852	1 550	1 614	Not a target

Table 64: Electricity Service Objectives included in the IDP

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.4.6 Employees: Electricity Services

The table below indicates the number of employees for electricity services:

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	6	9	5	4	44.4
Professionals	6	13	4	9	69.2
Technicians & Trade Workers	147	150	164	4	2.7
Clerks & Administrative Workers	22	28	22	6	21.4
Community & Personal Workers	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	2	2	2	0	0
Elementary Occupations	16	22	16	6	27.3
<b>Total</b>	<b>200</b>	<b>225</b>	<b>196</b>	<b>29</b>	<b>12.9</b>

Table 65: Employees: Electricity Services

### 3.4.7 Financial Performance: Electricity services

Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>680 359</b>	<b>781 232</b>	<b>781 232</b>	<b>671 706</b>	<b>-14%</b>
<b>Expenditure:</b>					
Employees	43 837	51 683	50 683	47 075	-9%
Repairs and Maintenance	26 494	29 016	29 016	29 895	3%
Other	627 982	682 135	682 635	672 863	-1%
<b>Total Operational Expenditure</b>	<b>698 314</b>	<b>762 833</b>	<b>762 333</b>	<b>749 833</b>	<b>-2%</b>
<b>Net Operational Expenditure</b>	<b>17 955</b>	<b>(18 399)</b>	<b>(18 899)</b>	<b>78 127</b>	<b>-525%</b>

Table 66: Financial Performance: Electricity Services

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### 3.4.8 Capital Expenditure: Electricity Services

The table below indicates the amount that was actually spent on electricity services projects for the 2020/21 financial year:

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Herlear 11kv Circuit Breakers	3 000 000	1 000 000	0	0.00%	0
Electrify Lerato Park Link Service Network	6 008 000	0	0	0.00%	0
Electrification Lerato Park	0	17 206 400	16 469 017	95.71%	11 976 427
Networks ACQ - Electricity Mathibe	12 150 000	0	0	0.00%	0
Upgrade Hadison Park 66/11 KV Substation	1 500 000	0	0	0.00%	0
Capital Spares-ACQ-Prepaid Meters	3 000 000	1 000 000	0	0.00%	0
<b>Total all</b>	<b>25 658 000</b>	<b>36 412800</b>	<b>32 938 033</b>	<b>90.46%</b>	<b>11 976 427</b>

Table 67: Capital Expenditure 2020/21: Electricity Services

### 3.4.9 Comment on Electricity Services Performance Overall

The Electricity Department has supplied a reliable and secure electricity supply to numerous households of all sectors, within the jurisdiction of Sol Plaatje Local Municipality in the previous and current year. The Electrical Department has further embarked on bulk upgrade substation to strengthen the 66kV/11kV network in order to cater for expansion and growth within the electrical network. There are two types of projects which are of significance impact to service delivery and Sol Plaatje Local Municipality in general. These capital projects are Electrification and Substation 66/11kV Bulk Upgrades.

Electrification is the erection of 11kV/400V/230V electrical network and electrical infrastructure and auxiliary equipment to supply households with a secure and reliable source of electricity. Over the past two financial year periods, Sol Plaatje Local Municipality has electrified 1 743 households in Township Establishments and 750 households in suburban establishments. The Department of Mineral Resources & Energy caters to funding for electrification in the township area, whilst private Developers cater for funding for electrical reticulation in the suburban area.

Over the years, this has resulted in an imbalance in terms addressing the backlog of households without access to electricity in both areas, being township and suburban developments. However, the mitigation strategies have been set in place to cater for upcoming growth and developments, which may arise.

We have registered projects under the IDP and have implemented bulk upgrades in our substations to ensure we can accommodate growth in our network. Revenue generated from electrical supply to our customers and residents is

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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inherently utilised to maintain electrical infrastructure and network, so a secure, protected and reliable point of supply is provided to all households and customers within Sol Plaatje Local Municipality.

Bulk Substation upgrades are the installation, upgrade, testing and commissioning of 66kV/11kV electrical infrastructure for our 66kV main substations and 11kV switching substation. These upgrades are implemented to cater for the growth of the electrical network, due to the advancement and expansion of Kimberley.

Over the recent years, the following upgrades have been implemented:

- 11kV bulk upgrade in Terbic Switching Station to cater for the expansion of the New SPLM University
- NMD bulk upgrade to cater for overall total growth
- There is currently an ongoing project of Carters Glen Substation and Riverton Substation to cater for electrification and water purification treatment, respectively

Future projects are registered on the IDP and implementation shall be done in relation need and growth of areas.

### 3.4.10 Occupational Health and Safety

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The City Electrical Engineer is also appointed as GMR 2(1) under the Occupational Health and Safety Act (OHS Act), Act No. 85 of 1993, to oversee the safe operation of machinery.

A full-time Occupational Health and Safety Practitioner was appointed in July 2016, under Infrastructure and Services Directorate, to assist and advise all Managers and Line Managers on Occupational Health and Safety matters. Her appointment ensures legal compliance with OHS Act and provides support to Managers and Line Managers to fulfil their duties in terms of the Act.

By means of the NOSA Miracles software application procured as a Health and Safety system management tool, controls were set up in such a manner that the software application enables Executive Management, Managers and Line Manager to actively manage their Risks identified in their respective areas of responsibility.



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

The main objective of this section is to provide an effective and efficient refuse removal and solid waste disposal for all the residents within the Sol Plaatje Municipal Area.

#### 3.5.1 Waste Management Service Delivery Levels

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

Description	2017/18	2018/19	2019/20	2020/21
	Actual			
	Household			
<b>Refuse removal: (Minimum level)</b>				
Removed at least once a week	59 526	59 526	59 526	63 014
<b>Minimum service level and above sub-total</b>	59 526	59 526	59 526	63 014
<b>Minimum service level and above percentage</b>	92.9%	92.9%	92.9%	86.7%
<b>Refuse removal: (Below minimum level)</b>				
Removed less frequently than once a week	0	0	0	0
Using communal refuse dump	0	0	0	0
Using own refuse dump	0	0	0	0
Other rubbish disposal	0	0	0	0
No rubbish disposal	4 526	4 526	4 526	9 615
<b>Below minimum service level sub-total</b>	4 526	4 526	4 526	9 615
<b>Below minimum service level percentage</b>	7.1%	7.1%	7.1%	13.3%
<b>Total number of households</b>	<b>64 052</b>	<b>64 052</b>	<b>64 052</b>	<b>72 629</b>

Table 68: Refuse Removal Service Delivery Levels

#### 3.5.2 Waste Management Service Delivery Levels Below the Minimum

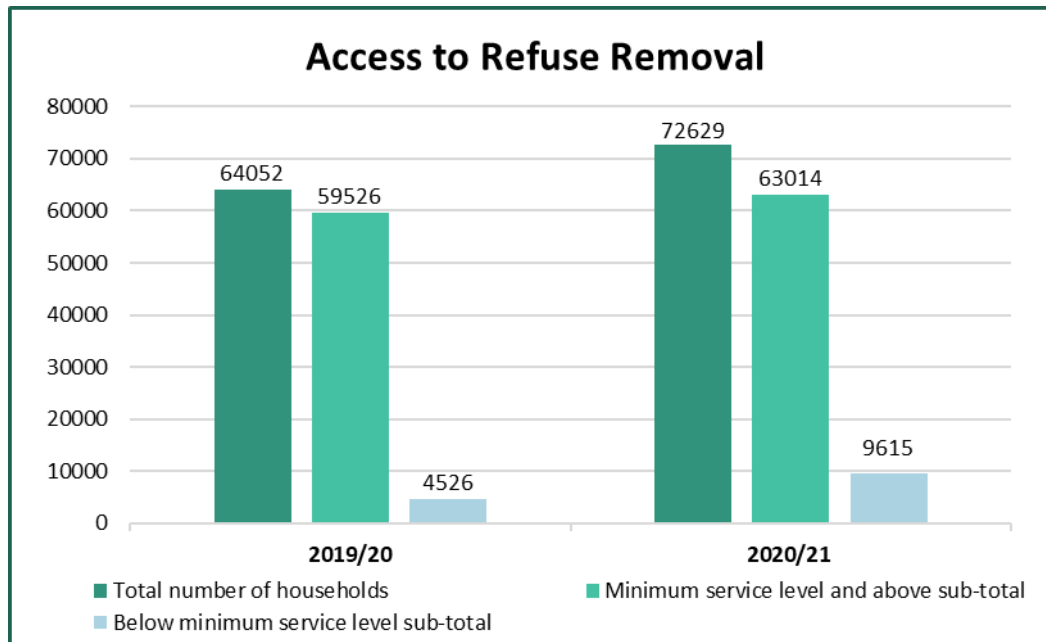
Description	Households			
	2017/18	2018/19	2019/20	2020/21
	Actual			
<b>Formal Settlements</b>				
Total households	61 793	61 793	61 793	72 629
Households below minimum service level	4 526	4 526	4 526	9 615
Proportion of households below the minimum service level	7.3%	7.3%	7.3%	13.2%
<b>Informal Settlements</b>				
Total households	10 146	10 146	10 146	9 615
Households below minimum service level	4 526	4 526	4 526	5 089

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Description	Households			
	2017/18	2018/19	2019/20	2020/21
	Actual			
Proportion of households below minimum service level	44.6%	44.6%	44.6%	52.92%

Table 69: Solid Waste Service Delivery Levels

### 3.5.3 Access to Refuse Removal



Graph 13: Access to Refuse Removal

### 3.5.4 Waste Management Service Objectives included in the IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM	Provide a weekly refuse collection service (according to the revised collection route) to all formal households	59 500	59 500	59 500	59 500	59 500

Table 70: Waste Management Service Objectives included in the IDP

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### 3.5.5 Employees: Waste Management

The table below indicates the number of employees for waste management (refuse collections, waste disposal, street cleaning and recycling):

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	0	0	0	0	0
Other Managers	2	7	2	5	71.4
Professionals	0	0	0	0	0
Technicians & Trade Workers	0	0	0	0	0
Clerks & Administrative Workers	7	9	7	2	22.2
Community and Personal Workers	1	5	2	3	60
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	39	75	41	34	45.3
Elementary Occupations	123	253	123	130	51.4
<b>Total</b>	<b>172</b>	<b>349</b>	<b>175</b>	<b>174</b>	<b>49.9</b>

Table 71: Employees: Waste Management (Refuse Collections, Waste Disposal, Street Cleaning and Recycling)

### 3.5.6 Financial Performance: Waste Management

Details	2019/20	2020/21			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	<b>61 211</b>	<b>66 004</b>	<b>66 004</b>	<b>62 577</b>	<b>-5%</b>
<b>Expenditure:</b>					
Employees	39 921	43 174	43 174	42 027	-3%
Repairs and Maintenance	13 141	21 108	21 108	13 877	-34%
Other	2 336	2 622	2 622	2 609	0%
<b>Total Operational Expenditure</b>	<b>55 398</b>	<b>66 904</b>	<b>66 904</b>	<b>58 513</b>	<b>-13%</b>
<b>Net Operational Expenditure</b>	<b>(5 813)</b>	<b>900</b>	<b>900</b>	<b>(4 064)</b>	<b>-552%</b>

Table 72: Financial Performance: Waste Management

### 3.5.7 Capital Expenditure: Waste Management

There was no capital expenditure during the period under review.

### 3.5.8 Comments on Performance Overall

A refuse compactor was procured although it didn't change the status quo of the section because only one replacement was done irrespective of the mileage of the older vehicles. One refuse compactor truck had to operate three times the kilometres per day. The resultant strain on the fleet meant that a large portion of the fleet continuously suffered mechanical breakages major portion of the budget was in the operational environment.

Due to vehicle and equipment shortages, it was necessary to continue the hiring of heavy motor machinery and vehicles within the cleaning and waste disposal environments. Littering and illegal dumping remains a major problem throughout the city.

EPWP teams assist with the cleaning of the CBD and residential areas. However, the operational budget was stretched to the limit and in some cases inadequate. This increased the strain experienced on the planned cleaning programs.

Even facing these challenges, a weekly refuse collection service was delivered to residential areas and an effective commercial collection service was provided. Some newly developed residential areas are serviced through communal waste collections. (6m<sup>3</sup> skip bins)

During 2018 the Integrated Waste Management Plan (IWMP) was reviewed to align the plan with the current and continuously changing demands relating to waste, which need to be reviewed after every five (5) years approved by Council and adopted by MEC. The IWMP has never been approved nor adopted.

The IDP (as defined in the Municipal Structures Act) requires that SPM develops and implements an IDP to give strategic direction to the SPM. Waste management through the IWMP is an integral part of the IDP and must be allocated the priority it deserves as an essential service.

The landfill is operating on an autopilot mode. This is because of the non-filling of vacant positions; the site is basically being operated by EPWP workers who are not guided by professionals.

There are four critical elements in a secure landfill: a bottom liner, a leachate (filtering) collection system, a cover, and the natural hydrogeologic setting (formation of underground water). The natural setting can be selected to minimize the possibility of wastes escaping to groundwater (water table) beneath a landfill.

The vacant manager, administrative and general workers posts need to be filled urgently to eliminate and avoid annual negative audit findings.

## 3.6 HOUSING

### 3.6.1 Introduction to Housing

Housing provision is a provincial government function administered by the Department of Corporative Governance, Human Settlement and Traditional Affairs (CoGHSTA). However, SPM is accredited, at level 2, to implement subsidy administration and housing development. SPM is primarily responsible for ensuring housing development readiness

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

status in accordance with CoGHSTA housing strategy. This includes identification of projects as prioritized on the IDP which must then be budgeted for under the Division of Revenue Act (DoRA).

The municipality has taken steps to ensure that the following activities are in place:

- Credible IDP
- Land use management that supports human settlement
- Township establishment
- Integrated Human-Settlements Policies
- Beneficiary database maintenance (linked to National)
- Land invasion control

During the financial year under review CoGHSTA, as the custodian of human settlement in the province, took a decision to reinforce project management capacity in housing delivery. This development resulted in CoGHSTA establishing its internal Project Management unit (PMU) to accelerate housing development. This decision also affected the Municipality and some of the projects were taken over from the Municipality.

### The National Upgrading Support Programme (NUSP)

The programme was initiated by the National Department of Human Settlements, and Sol Plaatje Municipality was identified to be one of the participants in the programme. The mandate of the NUSP programme is to support Municipalities with formalisation and infrastructure upgrading of informal settlements in their municipal area.

The total number of sites is 10 393 and there are 31 settlements mentioned, of which 18 have been upgraded to a level of Formalised Settlements. The remainder to be formalised is now thirteen.

Area	Number of Sites	State of Progress
Snake Park	1 660 sites	Electrified with 99% services
Ivory Park	1 174 sites	Electrified 60% services
Diamant Park	892 sites	300+100 Houses with all services
Jacksonville Ext	339 sites	72 Houses formalized and 339 electrified with services
Kutlwanong	48 sites	Formalised and electrified
Colville	130 sites	Formalised phases 1 & 3
Santa Centre	139 sites	Formalised 65 services and ready for electrification
Phomolong Ext	269 sites	Electrified without services on all sites
Greenpoint	155 sites	None
Waterloo	240 sites	None
Riemvasmaak	260 sites (plus/minus)	Electrified without services
Soul City	112 sites (64 sites Forest View & 48 sites King Senare)	Electrified without services

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Area	Number of Sites	State of Progress
Beaconsfield	28 sites	Infills connecting services
Donkerhoek	111 sites	Formalised Catalytic Project in terms of National Priority, electrification done without services
Ramorwa	98 sites	Formalised and electrified
Witdam	138 sites	100% Formalised and electrified
Lerato Park	4 600 sites	Catalytic Project in terms of National Priority

*Table 73: NUSP Sites in Progress*

The NUSP has enabled the municipality to integrate human settlement interventions.

### **Integrated Residential Development Programme (IRDP)**

The IRDP is a housing delivery programme that deals with the individual housing subsidy as well as rectification of post-1994 housing stock. Under this programme Sol Plaatje Local Municipality benefited 469 housing units, delivered under shared efforts by SPM and CoGHSTA.

### **Community Residential Units (CRUs)**

The Community Residential Unit programme was designed to cater accommodation for families who could not afford market-related rental units. Currently there is a CRU project being implemented by Province which consists of 481 rental units of different sizes. The first phase of this project consists of approximately 142 units to be completed towards end of April 2021.

The Municipality has a rental stock of 936 units. The demand for these units is very high due to the high demand for the Gap Housing Market. However, sustainability of CRUs maintenance is compromised due to high default in rental payment. In order to address this challenge, the municipality is currently exploring more effective methods of enhancing revenue collection strategies, by looking at appointing a management company, for the leasing and maintenance of the rental stock starting with Lerato Park.

### **Challenges in housing provision**

The demand for housing is fast outpacing the rate at which CoGHSTA can provide funding for development. Although the Municipality has tried to plan and avail land for future housing developments, these efforts worked against the Municipality where the illegal occupation of land became a norm. This condition has also compromised the housing readiness status.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.6.2 Percentage of Households with Access to Basic Housing

Year-end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2016/17	63 297	49 214	81.6%
2017/18	65 297	49 589	82.2%
2018/19	67 297	50 111	83.1%
2019/20	69 297	50 123	81.2%
2020/21	69 369	49 255	82.3%

Table 74: Households with Access to Basic Housing

### 3.6.3 Housing Services Objectives included in the IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development.

There is no KPI's for Housing in the IDP

### 3.6.4 Employees: Housing

The table below indicates the number of employees for housing:

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	2	2	1	1	50
Professionals	0	0	0	0	0
Technicians & Trade Workers	2	2	2	0	0
Clerks & Administrative Workers	4	4	4	0	0
Community and Personal Workers	6	20	6	14	70
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	42	48	42	6	12.5
<b>Total</b>	<b>57</b>	<b>77</b>	<b>56</b>	<b>21</b>	<b>27.3</b>

Table 75: Employees: Housing

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### 3.6.5 Financial Performance: Housing

Details	2019/20	2020/21			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	<b>10 884</b>	<b>11 601</b>	<b>11 601</b>	<b>11 967</b>	<b>3%</b>
<b>Expenditure:</b>					
Employees	18 970	20 620	20 620	20 083	-3%
Repairs and Maintenance	1 165	1 592	1 592	1 318	-21%
Other	344	655	655	539	-22%
<b>Total Operational Expenditure</b>	<b>20 479</b>	<b>22 866</b>	<b>22 866</b>	<b>21 940</b>	<b>-4%</b>
<b>Net Operational Expenditure</b>	<b>9 595</b>	<b>11 265</b>	<b>11 265</b>	<b>9 973</b>	<b>-13%</b>

Table 76: Financial Performance: Housing

### 3.6.6 Capital Expenditure: Housing

There was no capital expenditure during the period under review.

### 3.6.7 Comment on the Performance of the Housing Service Overall

The Municipality targeted to construct 500 households with BNG (Breaking New Grounds) houses in the financial year. COGHSTA through its Project Management Unit (PMU) constructed 300 of the 500 houses in Diamond Park. Therefore, the total number of houses constructed for the financial year was 133 units under these Covid-19 conditions/circumstances.

Project Area	Number of Houses Built
Ivory Park (1,175)	1 175 Services Installation
Santa Centre (139)	65 Services designs
Rectification of houses (84)	54 Rectification stopped 11 Outstanding
Jacksonville Ext (339)	71 Units were built of which the remaining services are complete. Awaiting further allocation for 267 top-structures
Individual rectification (disaster houses) (10)	8 Done through emergency services funding
<b>Total number of houses built</b>	<b>133</b>

Table 77: Number of Houses Built

As indicated above, insufficient funding to eradicate all housing backlogs remains a challenge for Sol Plaatje Municipality. The current housing backlog in terms of Census 2011 statistics is 7 846 households. At the rate at which funding is provided, backlogs relating to housing delivery will take much longer to eradicate the current and future demand.



### 3.7 FREE BASIC SERVICES AND INDIGENT SUPPORT

#### 3.7.1 Introduction to Free Basic Services and Indigent Support

The Indigent Policy of the municipality recognises indigent households as households with the following distinct characteristics that are also criteria to qualify and receive free basic services:

##### **Income Indigent**

- Full-time occupant of the property
- Account holder (municipal account)
- Use of municipal services
- Total household income must not exceed R3 750 per month
- Child-headed households
- Beneficiaries of low cost-free basic houses funded through subsidies and grants
- Certain geographic areas
- Exceptional circumstances

It is expected that the account holder will complete an application form to register as an indigent. If the applicant meets all the criteria, they will be entitled to free basic services on a monthly basis. A site verification visit will be performed, and the applicant will be interviewed within a two-year period to confirm their declarations in the application. Thereafter, site verifications will be conducted at least every two years.

As an exception to the above criteria and process, the Municipality has determined certain geographical areas as indigent. The households within these areas will be registered as indigent by reason of their location within a designated area but will also be individually verified within a two-year period.

The municipality installs a prepaid electricity meter at own cost to all qualifying households to ensure that the electricity bill is easily managed and to enable the customer to claim free units per month. The municipality provides the following services to indigent households who qualify:

- 50Kwh of electricity per month
- 6Kl of water per month
- Refuse removal (full subsidisation)
- Sanitation (full subsidisation)

It is incumbent upon the indigent household to declare any change in their status that will necessitate review of the allocation.

One of the most important provisions in the Policy recognises and defines the incidence of Child-headed households. It was recognised that this is quite a prolific circumstance in the Sol Plaatje municipal area and that these types of

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

households were at risk as the policy did not make express allowance for them. An extract from section 5 of the Indigent Management Policy expounds on this category below:

*Child-headed households shall qualify automatically for subsidisation in line with this policy. A child shall be any person who is 18 years and younger. Such applicants shall be assisted by the ward councillor and all documentary proof shall serve as evidence prior to qualification.*

Distribution of households by age group of household head and district municipality, CS 2016:

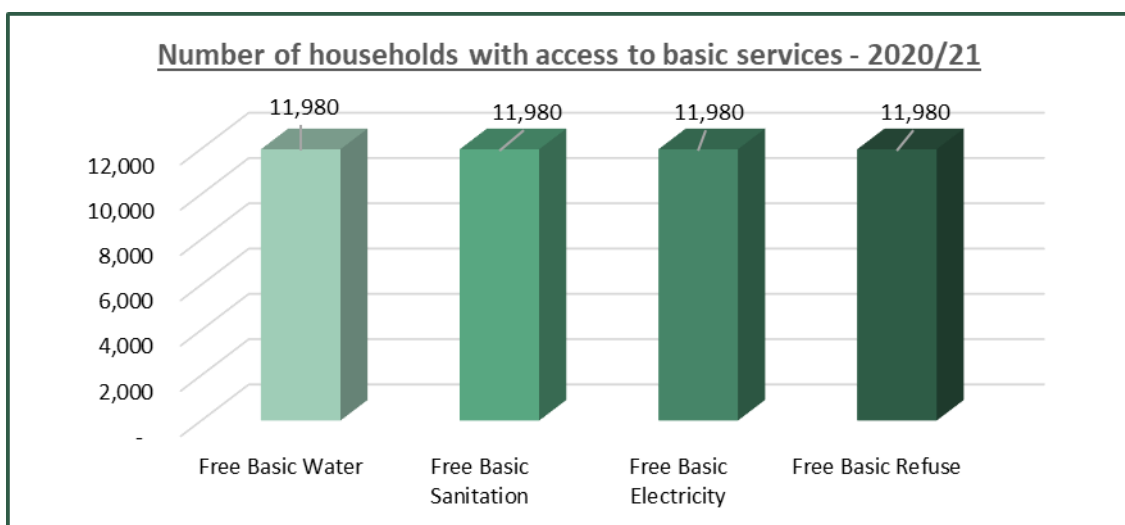
Age group	DC45: John Taolo Gaetsewe	DC6: Namakwa	DC7: Pixley Ka Seme	DC8: ZF Mgcawu	DC9: Frances Baard	Northern Cape
10–14	66	0	21	0	0	86
15–19	900	93	657	581	687	2 918
<b>Total</b>	<b>966</b>	<b>93</b>	<b>678</b>	<b>581</b>	<b>687</b>	<b>3 004</b>
Total Households	72 310	37 669	56 309	74 091	113 330	353 709
<b>Child-headed households</b>	<b>1.3%</b>	<b>0.2%</b>	<b>1.2%</b>	<b>0.8%</b>	<b>0.6%</b>	<b>0.8%</b>

Table 78: Households by Age Group

The table above shows statistics on household headship by age of household head and district within the Northern Cape. In the Northern Cape there are 3 004 child-headed households. In the Frances Baard District, there are 687 child-headed households. None of the households had children below the age of fifteen years heading households. Unfortunately, the statistics per district per municipality are not included in CS 2016 and are only summarised per district.

### 3.7.2 Free Basic Household Services

Bar chart depicting Number of Households with Access to Basic Services



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### 3.7.3 Free Basic Services to Low Income Households

Period	Number of households											
	Total [1]	Households earning less than R3,750 per month [2]										
		Total	Target	Revised	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
					Access	%	Access	%	Access	%	Access	%
2017/18	71 939	24 541	14 000	14 000	13 712	98%	13 712	98%	13 712	98%	13 712	98%
2018/19	71 939	24 541	15 500	15 500	14 647	94%	14 647	94%	14 647	94%	14 647	94%
2019/20	71 939	24 541	16 000	14 800	11 509	78%	11 509	78%	11 509	78%	11 509	78%
2020/21	71 939	24 541	12 000	12 000	11 980	99%	11 980	99%	11 980	99%	11 980	99%

Table 79: Free Basic Services to Low Income Households

It is noted that there has been a decline in the number of registrations on the indigent register. This is mainly attributable to the audit outcome, where a number of indigents for example did not have ID numbers and unfortunately had to be removed from the indigent totals. The municipality is committed to ensuring that it increases its efforts to meet the targets set in terms of its KPI for the Indigent Register.

### 3.7.4 Free Basic Service Policy Objectives included in the IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	12 000 Indigent households to receive free basic services (water, electricity, sanitation and waste removal according to national guidelines) by 30 June 2022	14 800	11 509	12 000	11 980	12 000

Table 80: Free Basic Service Policy Objectives included in the IDP

### 3.7.5 Comment on the Performance of Free Basic Service Overall

The income threshold of R3 750 per month per household is substantially higher than the national norm. Because of the level of unemployment and the migration of labor to other cities, it is submitted that households in the Sol Plaatje Municipal area have far more occupants than the national average where multiple generations and extended family all reside in one property. To illustrate, one household may contain ten residents with a collective income of no more than R3 750 (subsistence of R375 per person) versus a national income threshold of e.g. R2 500 where the national norm

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for residents in a household may be five (subsistence of R500 per person). Consider also the levels of basic services provided where a household of ten must get by with 50kWH of electricity and 6KL of water per month compared with a household of five sharing the same level of service.

Our challenge is that we lack more accurate statistics to conduct a proper analysis of the level of basic services that are needed by our municipal community, and we also contend that we have not yet reached all our indigent households as the number may be as great at 25 000. This information is required to increase the levels of, and the funding for, basic services. With the establishment of the Sol Plaatje University, it is intended to approach them for assistance in the conducting of various polls and research with a view to better understand our indigent community's needs.

We are experiencing a high incidence of water wasting by indigent households. This is mainly attributed to leaks through leaking pipes and broken/damaged toilet cisterns and, in some cases, the irresponsible use of water. As a result, the indigent debt on average is increasing and it is necessary to consider the use of technology to better regulate water consumption and reduce losses.

Cost to Municipality of Free Basic Services Delivered						
Services Delivered	2019/20	2020/21				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Original Budget	Variance to Adjustment Budget
Water	5 823 959	8 125 115	8 125 115	4 366 113	-46%	-46%
Waste Water (Sanitation)	17 764 356	21 867 186	21 867 186	18 007 954	-18%	-18%
Electricity	7 179 526	12 000 000	12 000 000	9 970 540	-17%	-17%
Waste Management (Refuse removal)	12 263 393	13 200 000	13 200 000	12 444 943	-6%	-6%
<b>Total (FBS)</b>	<b>43 031 235</b>	<b>55 192 301</b>	<b>55 192 301</b>	<b>44 789 549</b>	<b>-19%</b>	<b>-19%</b>

Table 81: Cost to Municipality of Free Basic Services Delivered

### COMPONENT B: ROAD TRANSPORT

The White Paper on National Transport Policy (1996) spells out the following vision for South African transport: “provide safe, reliable, effective, efficient and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at improving levels of service and cost in a fashion which supports government strategies for economic and social development whilst being environmentally and economically sustainable.” This component includes roads and waste water (stormwater drainage).

### 3.8 ROADS

#### 3.8.1 Introduction to Roads

Roads and Storm Water section provides an effective, competitive and responsive infrastructure by ensuring continuous maintenance, refurbishment, upgrade and replacement of existing roads and storm water infrastructure assets in order to sustain service delivery and infrastructure development in the municipality.

By ensuring effective Roads and Storm Water systems, this section contributes towards facilitating economic growth and social development, improving traffic flow and traffic safety by alleviating traffic congestion.

#### Roads Status Quo, Challenges and Mitigation Strategies

The level of access to road infrastructure in Sol Plaatje Municipality is still at a satisfactory level, although the level of service as well as the overall condition of the road infrastructure may not be where it needs to be. With the Rural Road Assessment Management System programme underway, early indications already signal that the overall standards of roads range between fair and poor, with a very small percentage falling into good and very poor respectively.

Among all road classes and surface types, tarred roads are the most deteriorated, with potholes, rutting and aggregate loss highly visible. This is mainly due to the routine maintenance carried out over the past fifteen to twenty years being less than the minimum maintenance required to sustain and conserve an intact infrastructure. This has caused a great backlog in the maintenance of tarred roads, resulting in the level of deterioration that we experience, leading to the municipality being unable to implement preventative maintenance but forced to catch up with reactive maintenance.

Due to financial constraints that the municipality has found itself in in recent years, the resealing of roads has not been budgeted for under the capital budget programme. Therefore, the Road and Storm Water Section has to rely on its operational budget to maintain and reseal its roads, which can basically only be patching of potholes, thus further setting back the efforts of focusing on preventative maintenance.

Only a little over 30% of municipal streets are dirt and gravel roads and are thus not a great concern in terms of quality and maintenance requirements as other types of surfaces. Although the municipality may not have the sufficient yellow fleet to match our extent of gravel roads network, great efforts are made to maintain gravel roads network in a drivable state under all weather conditions. The municipality is also continuously upgrading these gravel roads into blocked

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

paved surface, which is more durable and is of higher level of service. The gravel road backlog has decreased from 208 to 202.7 after approximately km of gravel roads were paved in the year under review.

### Stormwater Status Quo, Challenges and Mitigation Strategies

The management of stormwater in Sol Plaatje Municipality remains a major challenge; especially in low-lying areas as well as old developments where no consideration whatsoever was made for stormwater management. The city has grown exponentially over the years, resulting in additional surface runoff, thus requiring upgrading of storm water infrastructure to accommodate additional discharge.

The compromised structural integrity and inadequate capacity of Tlhageng Retention Dam remains the biggest storm water threat, as it forms an integral part of the stormwater network in Galeshewe. In order to address this risk, the upgrading of the retention dam is planned for construction in the 2020/21 financial year under the Neighbourhood Development Partnership Grand (NDPG) Upgrading of Storm Water in the Galeshewe Project.

Maintenance of storm water infrastructure also remains a great challenge as available personnel resources and yellow fleet machinery at our disposal is inadequate to deal with the maintenance of stormwater infrastructure, specifically the cleaning of major storm water canals and unblocking of catch pits.

### 3.8.2 Gravel Road Infrastructure

Period	Kilometres			
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2017/18	223	0	5.7	77
2018/19	216.7	0	6.3	0
2019/20	208	0	8.7	20.6
2020/21	202.7	0	5.3	0

Table 82: Gravel Road Infrastructure

### 3.8.3 Tarred Road Infrastructure

Period	Kilometres			
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted
2017/18	589	3.7	0	0
2018/19	589	0	0	0
2019/20	589	0	0	1.2
2020/21	589	0	0	0

Table 83: Tarred Road Infrastructure

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### 3.8.4 Cost of Construction/Maintenance

Period	Gravel			Tar		
	New	Gravel – Tar	Maintained	New	Re-worked	Maintained
	R'000					
2017/18	0	23 622	1 860	0	0	11 741
2018/19	0	23 181	0	0	0	9 825
2019/20	0	18 532	1 100	0	2 950	9 368
2020/21	0	9	750	0	0	9

Table 84: Cost of Construction/Maintenance

### 3.8.5 Roads and Storm Water Service Objectives included in the IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	To upgrade at least 4.9 km of Galeshewe access roads to a paved surface by 30 June 2021 (Wards to be determined)	6.7	8.7	4.9 km	5.3 km	3 km
To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	To complete 8,830 km of stormwater pipes of Priority 2, Ph 2A for the upgrading of storm water infrastructure in Galeshewe by 30 June 2021	60%	60%	8,830 km	8,830 km	Not a target
To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	Patching and resealing of 65 000 square metres of roads in various wards of Sol Plaatje Municipality by 30 June 2021	0	0	65 000 square metres	56 500 square meters	86 000 square metres

Table 85: Roads and Storm Water Service Objectives included in the IDP

### 3.8.6 Employees: Roads and Stormwater

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	0	1	1	0	0
Other Managers	1	1	1	0	0
Professionals	2	2	2	0	0

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Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Technicians & Trade Workers	6	6	6	0	0
Clerks & Administrative Workers	2	2	2	0	0
Community and Personal Workers	1	1	1	0	0
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	15	22	15	7	31.8
Elementary Occupations	86	126	86	40	31.7
<b>Total</b>	<b>113</b>	<b>161</b>	<b>114</b>	<b>47</b>	<b>29.2</b>

Table 86: Employees: Roads and Stormwater

### 3.8.7 Financial Performance: Roads and Stormwater

Details	2019/20	2020/21			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	<b>307</b>	<b>0</b>	<b>0</b>	<b>715</b>	<b>0%</b>
<b>Expenditure:</b>					
Employees	22 435	26 156	25 154	24 142	-4%
Repairs and Maintenance	18 337	15 145	18 245	17 613	-4%
Other	492	943	943	790	-19%
<b>Total Operational Expenditure</b>	<b>41 263</b>	<b>42 244</b>	<b>44 343</b>	<b>42 545</b>	<b>-4%</b>
<b>Net Operational Expenditure</b>	<b>40 956</b>	<b>42 244</b>	<b>44 343</b>	<b>41 830</b>	<b>-6%</b>

Table 87: Financial Performance: Roads and Stormwater

### 3.8.8 Capital Expenditure: Roads and Stormwater

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
R'000					
Galeshewe Stormwater Projects	20 000	27 912	19 897	28.72%	20 000
Upgrade Gravel Roads	8 000	12 000	12 000	0%	12 000
Distribution FB District Grant	750	750	750	0%	750
<b>Total</b>	<b>28 750</b>	<b>40 662</b>	<b>32 647</b>	<b>19.71%</b>	<b>32 750</b>

Table 88: Capital Expenditure: Roads and Stormwater



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### 3.8.9 Comment on the Performance of Roads and Stormwater Services Overall

Notwithstanding the above scenario, the Municipality has in the past financial year 2020/21 managed to make some strides into improving the roads and stormwater conditions in the Municipality.

The Municipality has over the past year been able to perform minor routine maintenance on some of the major arterial roads with funds allocated from the district municipality, as well as to upgrade residential roads from gravel to a paved standard from funds allocated through grant funding. These methods have proven to be more effective with a much longer life cycle than patching repairs and re-gravelling, and the Municipality intends adopting these methods of asset management strategy in order to prolong and preserve our road infrastructure.

Some of the wards that benefitted from the paving of roads are wards 6, 7, 9, 10, 12, 15 and 17. These two programmes saw approximately 5.3km of roads being paved.

Very little was done in the 2020/21 financial year in regard to the actual upgrading of stormwater infrastructure, although a number of major stormwater canals and catch pits were maintained in order to sustain the network and maintain an adequate level of stormwater management.

Funding for the construction of Priority 2, phase 2A for the upgrading of stormwater infrastructure in Galeshewe through the National Development Programme Grant funding was rolled over and the project was completed by end of February 2021. A contractor was appointed to start with Priority 2, Phase 2B and the contract was terminated before the actual construction work started. The internal team reinforced the existing dam wall to avoid flooding of properties adjacent to the dam during the rainy season. Funding of this project was suspended until procurement issues raised by National Treasury for Priority 2, Phase 2B have been addressed.

### COMPONENT C: PLANNING AND DEVELOPMENT

#### 3.9 STRATEGIC ECONOMIC DEVELOPMENT AND PLANNING (SEDP)

##### 3.9.1 Introduction

The Directorate Strategy, Economic Development and Planning (SEDP) is mandated with the economic growth through developing spatial strategies, which will ultimately comprehensively develop the municipal jurisdiction. Covid-19 had a severe economic impact as a result the world over economic sectors have contracted, and Sol Plaatje Municipality is no exception to such realities. The road to economic recovery is placed solemnly on the doorstep of the directorate of SEDP and myriad of strategies has to be explored to resuscitate the local economy.

The directorate is made up of five critical sub-directorates:

- Local Economic Development (LED)
- Fresh Produce Market
- Property Services
- Urban Renewal Programme
- Town Planning Services

The Local Economic Development sub-directorate is the lifeblood of the Sol Plaatje Municipality, and it has been tasked with the responsibility of socio-economic development to foster broader economic growth and creation of employment opportunities. To achieve this insurmountable task, it has been broken down in strategy business units which includes

- Small, Medium and Micro Enterprise support
- Investment Promotions
- Tourism
- Area Based Management

Linking spatial development strategies with economic opportunities is the cornerstone of advocating for transformation within the jurisdiction of Sol Plaatje Municipality.

The Urban Planning Section is central to developing and promoting an integrated town committed to addressing spatial injustices and guides development towards vibrant, resilient and sustainable urban and rural areas. In response to spatial transformation, the Urban Planning Section acknowledges that spatial restructuring is necessary to accelerate investment and create opportunities that will enhance the economy and achieve strategic goals of the municipality.

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### SEDP Vision

Creation of quality urban spaces for sustained development and growth.

### SEDP Mission Statement

Promote sustainable local socio-economic and environmental development through sound urban planning and land use management.

### 3.9.2 Employees: SEDP

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	8	21	15	6	28.6
Professionals	10	19	10	9	47.4
Technicians & Trade Workers	19	29	19	10	34.5
Clerks & Administrative Workers	53	61	53	8	13.1
Community and Personal Workers	3	5	3	2	40
Service and Sales Workers	4	7	4	3	42
Plant & Machine Operators	0	2	0	2	100
Elementary Occupations	27	34	27	7	20.6
<b>Total</b>	<b>125</b>	<b>179</b>	<b>132</b>	<b>47</b>	<b>26.3</b>

Table 89: Employees: SEDP

The Strategic Planning and Economic Development Directorate include the following sections:

- Urban Planning
- Property Services
- LED
- Fresh Produce Market
- URP

### 3.10 URBAN PLANNING

The Urban Planning Division is a strategic division within the Sol Plaatje Municipality that focuses on the development and implementation of strategic tools to guide decision-making in land development and investment; those that will steer the city towards spatial transformation as well as set the municipality on a path of sustainability and resilience.

The Urban Planning Division is a strategic division within the Sol Plaatje Municipality that focuses on the development and implementation of strategic tools to guide decision making in land development and investment; those that will steer the city towards spatial transformation as well as set the municipality on a path of sustainability and resilience.

The division is a sub-directorate within the Directorate: Strategy, Economic Development and Planning; and it has two main sub-sections namely: Town Planning and Building Control Sections. The Urban Planning Division oversees:

- Urban Planning Services, i.e. provision of zoning information and processing of various land use applications (rezoning, subdivision, consent use, consolidation, etc.).
- Building Control, i.e. building plans' submission, inspections, and approval / disapproval of building plans.
- Development Control, i.e. enforcement of town planning scheme rules, prosecution of illegal land uses, e.g., tuckshop i.e., Tuck-shops.
- Maintenance of municipal-owned buildings.

The Urban Planning Section is central in developing and promoting an integrated town committed to addressing spatial injustices and guides development towards vibrant, resilient and sustainable urban and rural areas. In response to spatial transformation, the Urban Planning Section acknowledges that spatial restructuring is necessary to accelerate investment and create opportunities that will enhance the economy and achieve strategic goals of the municipality.

#### **Success In 2020/21**

##### ***Integrated Urban Development Framework (IUDF)***

The municipality completed the compilation of Capital Expenditure Framework (CEF) which aim of the IUDF is to spatially align public infrastructure with investment, where its primary aim is to lead to functional and efficient urban space and to ultimately unlock urban growth.

As a result, the municipality migrated from MIG to IUDG grant funding which foster collaboration in terms of adjudication of programme/projects.

##### ***Priority Housing Development Areas (PHDAs)***

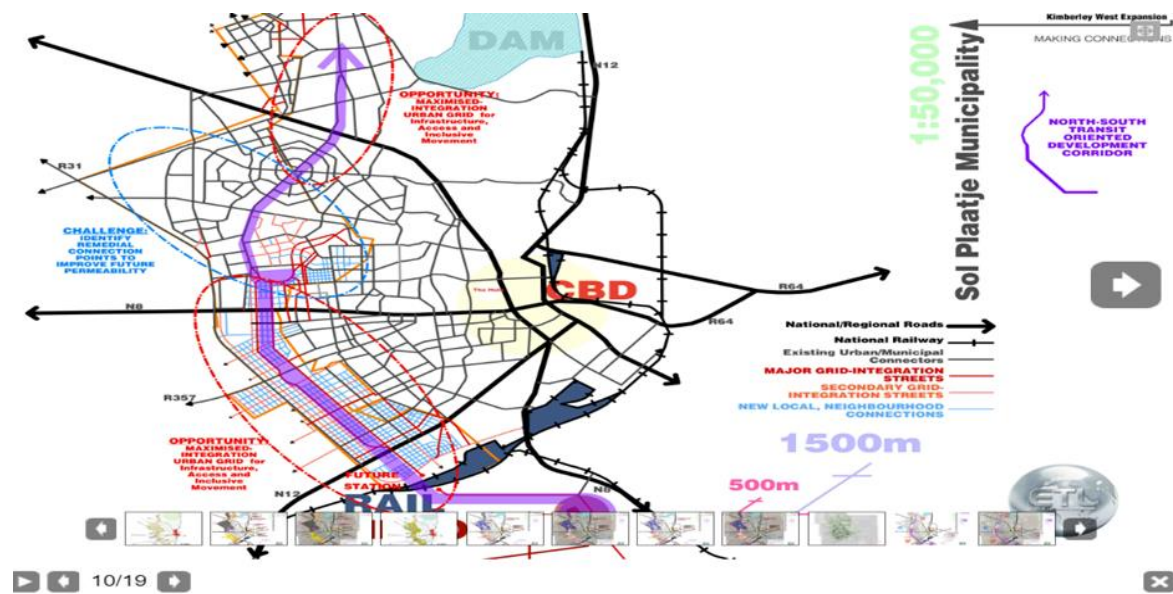
The PHDAs are intended to advance Human Settlements Spatial Transformation and consolidation by ensuring that the delivery of housing. Furthermore, below are the key objectives of the programme:

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The objectives of the PHDAs are as follows:

- Transform entrenched spatial patterns which have historically exacerbated social inequality and economic inefficiency - Revitalise, Renew and Redevelop area post-apartheid spatial legacy.
- Achieve a balance between spatial equity, economic competitiveness and environmental sustainability.
- Implement spatially targeted projects to achieve spatial transformation.

The Urban Planning Division managed to complete urban planning processes for Lerato Park in year 2020/21 which is Priority Housing Development Areas (PHDAs 01). In the next financial year, the municipality will embark on out rolling other services such as electricity provision for various phases subject to the budget provision.



The identified PHDA areas are located within a 5km radius from the primary node (CBD). Through assistance of COGHTA (province) the realisation of the FLISP programme and Social Housing at various restructuring zones will assist to achieve Spatial Transformation i.e., Proposed Social Housing in Colville will yield plus/minus 300 units.

Moreover, the two PHDAs identified have been approved by National Department of Human Settlements and were gazetted in the Government Gazette No. 43316 dated 15 May 2020.

### **Carters Glen (PHDA 2)**

The proposed PHDA 2 is within the proposed mixed-use corridor that provides a framework for new development strategies. The corridor is located near major transit routes which are R31 R357 and N8. The proposed buildings will however vary in height and density. New development should maximize development opportunities yet be compatible with surrounding land uses and built form. In the financial year 2021/22 and the follow-on financial year, the municipality will start with planning and implementation of PHDA 2 (Carters Glen).

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### Intergovernmental Project

Airports Company South Africa in collaboration with the Sol Plaatje Local Municipality, National and Provincial Departments of Social Department assisted Kutlwano Day Care Centre, which is located in Greenpoint, Kimberley with the development of a state-of-the-art crèche in Woodburne Street. The overall investment value of the development project is projected to be at approximately R3 000 000.

ACSA through its Socio-Economic Development (SED) initiatives seeks to improve quality of life by facilitation and access to sustainable social and economic opportunities. ACSA's Socio-Economic Development strategy focuses on Education, Youth and Women Development, Persons with Disabilities, Environmental Sustainability, Employee Volunteerism and Philanthropic Donations.

In the next financial year 2021/22 the project will be at construction phase and is targeted for completion.

### Kimberley Public Works Precinct

The building is lower than the DOJ & CD and more articulated so as to minimize the height impact to the immediate context. The proposed building 'steps up' to the neighbouring building in an effort to mediate it with the surrounding urban built form. Canopies and vegetation are used to provide a sense of human scale.



The proposed planning and development of a government precinct in the Kimberley CBD is underway in terms of the planning and assessment phase. If all pending deliverables are met timeously by stakeholders, the construction of the development is expected to commence at the beginning of the 2021/22 financial year.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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The project will revitalise the inner city which will lead to the creation of efficiencies by bringing services closer to the public. The project is expected to contribute investment value of R528 463 200 from the National Department of Public Works and Infrastructure.

### ***SPLUMA (Municipal Planning Tribunal)***

Urban Planning prides itself on achievements, despite the sudden impact of the Covid-19 pandemic and the national lockdown affect in 2020 – these necessitated a transition from the normal way of submitting applications.

A minimum of seven MPT meetings took place in the financial year 2019/20 with the last quarter being virtual meetings – this enabled 75% of the received applications to be processed. A transition from face-to-face meetings to virtual meetings proved to be effective; this assisted in the adherence and compliance with the set Covid-19 regulations, inclusive of the observation of social distancing.

In the quest to minimise paper-based administration, the Urban Planning Division has been in consultation with ESRI for preparation of moving from manual applications' submission of land use to digital submission by means of implementing the TPAMS (Town Planning Application Management System) more effectively in the financial year 2020/21.

The turnaround time for the submission of applications was also managed to the best of our ability, and in compliance with the Covid-19 regulations.

### ***SPLUMA (Municipal Appeals Tribunal)***

The appeals lodged against the Municipal Planning Tribunal's decision in the financial year 2020/21 were dealt with and only 01 appeal was received.

### **Formulation of the Land Use Management Scheme**

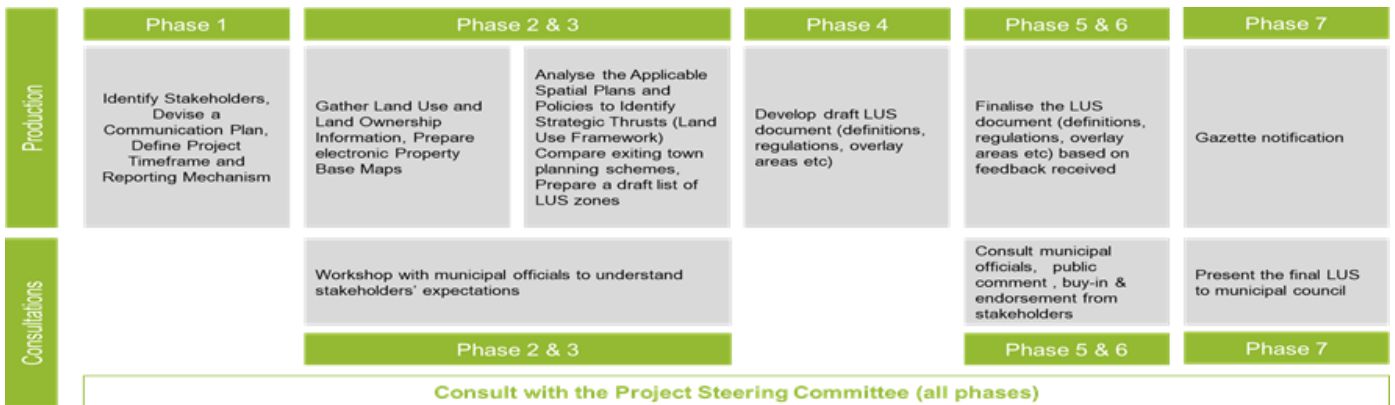
The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) Section 24(1) requires municipalities to develop single Land Use Schemes (LUS) that cover the entire extent of municipalities' areas of jurisdiction. The LUS should be in line with the principles of the SPLUMA. The SPLUMA stipulates that the LUS should be developed and implemented within five years of the SPLUMA coming into effect.

The proposed planning and development of a government precinct in the Kimberley CBD is underway in terms of the planning and assessment phase. If all pending deliverables are met timeously by stakeholders, the construction of the development is expected to commence at the beginning of the 2021/22 financial year.

The project will revitalise the inner city which will lead to the creation of efficiencies by bringing services closer to the public. The project is expected to contribute an investment value of R528 463 200 from the National Department of Public Works and Infrastructure.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### *The process to be followed*



The Department of Agriculture, Land Reform and Rural Development appointed service providers to develop Land Use Schemes (LUS) for the Sol Plaatje Local Municipality within the next 12 months which will commence in July 2021 and end in July 2022. The service provider is managed by both the Department and the Northern Cape Office of the Premier.

### **Township Establishment (Planning & Surveying)**

In order to ensure that the Municipality successfully addresses the need of delivering security of tenure to the community, the Urban Planning Division has managed to complete the following human project in the 2020/21 financial Year:

#### **Planning and Surveying of China Square**

China square is an informal settlement situated in Galeshewe abutting Seochareng Street, Barkly Rd, Royal Street and Ethel Street. The areas originated years ago wherein formal and informal structures were established prior formalisation of the area (Township Establishment). The area constitutes of the following erven, portion of erf 1318 Galeshewe, portion of 4830 Kimberley, Erf 20434 Galeshewe, a portion of Erf 6373 Galeshewe.

In the effort of formalising China Square, the Municipality in collaboration with COGHSTA aim to rectify cadastral boundaries and formalise 544 erven to be able to receive title deeds and the project is envisaged to be completed in the next financial year 2021/22 due to delays of COVID 19 restrictions.

#### **Ritchie**

In the financial year 2020/21 the municipality managed to finalise the feasibility studies for settlement area Geo-tech and Environmental Impact Assessment and will only proceed to the next phases of planning and surveying once adequate financial resource have been allocated. Moreover, the Municipality will prepare a business plan and submit it to COGHSTA to source funding for project area in the financial year 2021/22.

#### **Lethabo Park – plus/minus 1 844 Erven**

Although there were challenges in the financial 2019/20, the municipality managed to complete the Lethabo Park Project in the year 2020/21.



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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### Maintenance of Properties

The maintenance of properties managed was highly affected by Covid-19 and the majority of projects were affected, however the division managed to repair the Ritchie Hall as well as the Recreational Hall in the year 2020/21. Moreover, the section also renovated the ablution facilities in the main civic centre building.

### Building Control Section

The Building Control Section ensures that all applicable legislation and other relevant standards are conformed within relation to processing of building plans. Moreover, Covid-19 had a major impact on the various catalytic projects in the city including the University Student Accommodation and Recreational Facilities (Phase 02) project.

However, in terms of the enforcement of SANS10400 standards as outlined in the National Building Regulations Act (Act No. 103 of 1977). The successful implementation of as-built fees has seen an improvement in terms of compliance towards the National Building Regulations Act. The Building Control Department serves to regulate the erection of all buildings to ensure compliance with the National Building Regulations and related SANS10400 standards.

### Challenges

- Covid-19 had an impact on the processing of building plans as two months were lost due to non-processing of Building Plans as a result of restrictions.
- High vacancy rate and moratorium on posts impact on service delivery (Building Control Section in particular).
- Illegal land uses i.e., mushrooming of Tuck-Shops.

### Proposed Solutions to the Challenges

- Council should consider increasing the internal budget of the Urban Planning Section to affect the agenda of spatial transformation in the municipality.
- Strengthen external partner relationship to address structural impediments and improve on service delivery (e.g., DBSA, National Department of COGTA, Office of The Premier (Northern Cape), National Department of Public Works & Infrastructure, National Department of Rural Development and Land Reform).
- Municipality to provide funding for the Growth and Development Strategy and the 07 Precinct plan to unlock investment opportunity and diversify the economy.
- Fill in the critical vacancies within the Unit especially the Building Control section i.e., Building Control Officer and Building Inspectors

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.10.1 Planning Objectives included in the IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development/Local Economic Development

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
Develop suitably located and affordable housing (shelter) and decent human settlements	To conduct feasibility studies for Ritchie (Draft EIA & Geo Technical report, Phase 1) and Fluffy Park (Layout Plan and Draft SG Diagram) by 30 June 2021	100%	25%	100%	100%	Not a Target
To ensure effective spatial planning and development in order to establish a competitive economic position	Ensuring a response time of ten weeks for building plan submissions received in the current financial year for buildings or architectural buildings less than 500 <sup>2</sup> m annually	6 wks	9.5 wks	10 wks	11.75 wks	11 wks
To ensure effective spatial planning and development in order to establish a competitive economic position	Ensuring a response time of ten weeks for building plan submissions received in the current financial year for buildings or architectural buildings greater than 500 <sup>2</sup> m annually	10 wks	12.25 wks	10 wks	10 wks	11 wks
To ensure effective spatial planning and development in order to establish a competitive economic position	To process at least 200 buildings plans that were received before 1 July 2020 by the end of the current financial year (30 June 2021)	200	199	200	57	200
	To process all category 1 land use applications received until 30 April of the current financial year through MPT (Municipal Planning Tribunal) by 30 June 2021 in terms of the SPLUMA by-law (2015)	100%	72.90%	100%	64.50%	100%

Table 90: Planning Objectives included in the IDP

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.10.2 Financial Performance: Urban Planning

Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Expenditure:</b>					
Employees	2 970	3 717	3 717	2 913	-28%
Repairs and Maintenance	2	10	10	0	0%
Other	13	159	159	19	-738%
<b>Total Operational Expenditure</b>	<b>2 986</b>	<b>3 885</b>	<b>3 885</b>	<b>2 932</b>	<b>-33%</b>
<b>Net Operational Expenditure</b>	<b>2 986</b>	<b>3 885</b>	<b>3 885</b>	<b>2 932</b>	<b>-33%</b>

*Table 91: Financial Performance: Urban Planning*

### 3.10.3 Capital Expenditure: Planning Services

The following were capital budgets for Planning Services

Capital projects	2020/21					
	Budget	Adjustment budget	Actual expenditure	Variance from the original budget	Variance from adjustment budget	Total project value
	(R)					
Township Establishment	1 500	5 000	1 437	-4%	-71%	Per Line Item
<b>Total</b>	<b>1 500</b>	<b>5 000</b>	<b>1 437</b>	<b>-4%</b>	<b>-71%</b>	<b>Per Line Item</b>

*Table 92: Capital Expenditure: Planning Services*

### 3.10.4 Comment on the Performance of Physical Planning Overall

Sol Plaatje Municipality has successfully implemented the Integrated Urban Development Framework (IUDF) programme and currently receives an IUDF grant. Furthermore, the programmes envisaged for 2020/21 were equally affected due to the Covid-19 pandemic. It is anticipated that in the financial year 2021/22 progress will materialise pertaining to the China Square project as well as the Review of the Land Use Scheme.

### 3.11 PROPERTY SERVICES

#### 3.11.1 Introduction to Property Services

The Property Section is a sub-directorate within the Directorate Strategy, Economic Development and Planning and oversees the sale as well as leasing of the various properties of municipality. Amongst other roles the property section deals with are the following:

- Leasing of Property
- Alienation of municipal land to both public and private sector
- Administration of temporary use of municipal land i.e., Church Crusades and Awareness Campaigns by various public and private entities.

Moreover, the property section ensures that the council's property portfolio is managed and administered in an efficient manner.

#### Success in 2020/21

##### *Alienation Of Municipal Land*

The new Sol Plaatje University development is still in process to be finalised and is not completed as mentioned in the previous financial year report, due to the outstanding subdivision and rezoning application. Several other developments were approved by Council, but the same processes (subdivision and rezoning) are hampering these developments. There is also a delay in the allocation of tenders which problems are currently attended to.

##### *Leasing Of Municipal Land*

In the financial year, 2020/21 there were twenty-eight (28) renewals for the existing leases. The importance of the lease agreements is to enable the municipality to claim possession of the property once the lease period has expired. Furthermore, this also provides the municipality with an opportunity to set some clear boundaries in terms of use of the property.

#### Challenges In 2020/21

##### *Servicing of Erven*

Provision of serviced land as a form of service delivery by the Sol Plaatje Municipality is quite a challenge due to the limitation of bulk infrastructure available. This is clear in an area such as South Ridge and other smaller areas in the Sol Plaatje jurisdictional area whereby the municipality have land planned and surveyed the area, however only few erven are situated in an area where there is bulk availability, and many erven still require bulk services.

There is a growing backlog of requests for serviced land in the municipality and because of members of the public who cannot afford bonds from major retail banks and do not qualify for the BNG (Breaking New Ground) houses. The availability of serviced land will shorten the time of acquisition of land and address the growing number of service delivery protests.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

The tender processes are currently problematic as well as the MPT approvals for subdivision and rezoning. These two problems have a significant impact on the revenue of the municipality.

### 3.1.1.2 Property Services Objectives included in the IDP

Municipal Key Performance Area: Local Economic Development

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure effective spatial planning and development in order to establish a competitive economic position	Administration of lease agreements	8	44	8	53	8
	Process alienation/lease applications for SPELUM recommendation and council decision within four months after receipt of all relevant comments from internal municipal departments	60	73	60	62	60

Table 93: Property Services Objectives included in the IDP

### 3.1.1.3 Comment on the Performance of Property Services Overall

Several macro developments were approved, but due to the subdivision and rezoning applications it is not possible to proceed with these developments. The new tender template for municipal owned land were recently approved and several tenders were advertised which tenders must be adjudicated. The lease income has significantly improved during the previous twelve months.

## 3.12 LOCAL ECONOMIC DEVELOPMENT (LED)

### 3.12.1 Introduction to Economic Development

The Constitution of South Africa (Act 108 of 1996) specifies the third of five objectives of local government as the promotion of social and economic development. The White Paper on Local Government (1998) specifies the four characteristics of a developmental local government:

*"maximising social and economic growth; integrating and coordinating government/business non-profit sector activities; democratising development through empowerment and redistribution; and fostering 'social capital' at the local level via a leadership approach committed to learning".*

LED becomes the collaborative efforts of government, non-government or private sector actors to promote and expand economic activity in a locality, thereby enhancing economic development and improving the welfare of residents.

Despite the challenges, the need for LED is too great to ignore. It falls to the promoters and implementers of LED in SPM to accept this challenge as much can be achieved, even in relatively remote, poorly resourced locality such as the Municipality's LED Unit.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Despite the challenges, the need for LED is too great to ignore. It falls to the promoters and implementers of LED in SPM to accept this challenge as much can be achieved, even in relatively remote, poorly resourced locality such as SPMs LED unit.

### 3.12.2 Comment on Local Job Opportunities

#### Total Employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.

Total employment consists of employment in the formal sector and employment in the informal sector.

Year	Sol Plaatje	Frances Baard	Northern Cape	National Total
2010	58 300	80 600	273 000	13 600 000
2011	59 300	81 200	278 000	13 800 000
2012	62 900	85 500	288 000	14 000 000
2013	66 100	89 600	300 000	14 500 000
2014	68 200	92 400	311 000	15 100 000
2015	67 600	91 600	314 000	15 500 000
2016	67 100	90 900	314 000	15 700 000
2017	66 500	90 300	317 000	15 900 000
2018	70 500	95 700	344 000	16 300 000
2019	72 800	99 400	351 000	16 300 000
2020	74 300	101 000	339 000	15 700 000
<b>Average Annual growth</b>				
<b>2010-2020</b>	<b>1.75%</b>	<b>1.57%</b>	<b>1.71%</b>	<b>1.48%</b>

*Source: IHS Markit Regional eXplorer version 2112*

Table 94: Total Employment - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2007-2017

In 2020, Sol Plaatje employed 74 300 people which is 73.82% of the total employment in Frances Baard District Municipality (101 000), 21.88% of total employment in Northern Cape Province (339 000), and 0.47% of the total employment of 15.7 million in South Africa. Employment within Sol Plaatje increased annually at an average rate of 1.75% from 2010 to 2020.

Sector	Sol Plaatje	Dikgatlong	Magareng	Phokwane
Agriculture	1 290	546	313	1 090
Mining	4 080	1 230	319	1 090
Manufacturing	3 050	494	120	557
Electricity	500	33	46	108

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

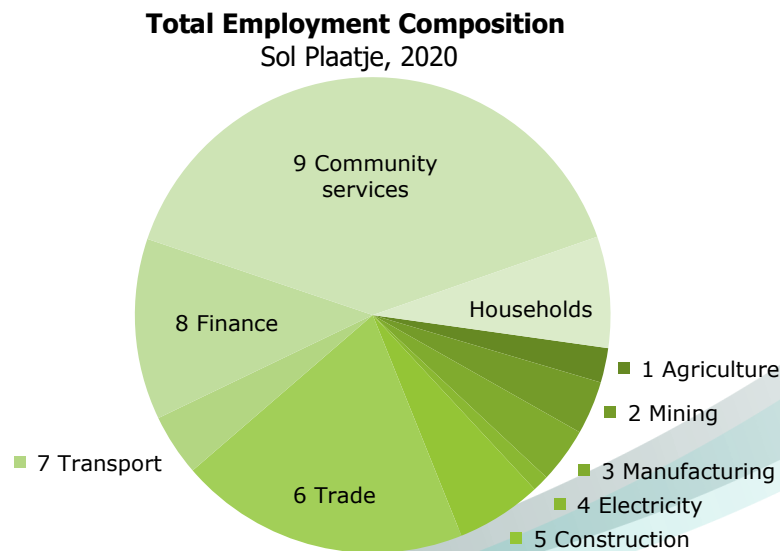
Sector	Sol Plaatje	Dikgatlong	Magareng	Phokwane
Construction	2 940	355	210	623
Trade	15 700	1 840	782	3 130
Transport	2 140	247	109	255
Finance	9 840	766	318	1 190
Community services	30 000	2 670	1 460	4 220
Households	4 760	781	282	1 150
<b>Total</b>	<b>74 300</b>	<b>8 960</b>	<b>3 960</b>	<b>13 400</b>

*Source: IHS Markit Regional eXplorer version 2112*

Table 95: Total Employment per Broad Economic Sector - Sol Plaatje and the rest of Frances Baard, 2020

Sol Plaatje municipal area employs a total number of 74 300 people within its local municipality. Sol Plaatje municipal area is also employing the highest number of people within Frances Baard District Municipality. The local municipality that employs the lowest number of people relative to the other regions within Frances Baard District Municipality is Magareng Local Municipality with a total number of 3 960 employed people.

In Sol Plaatje municipal area the economic sectors that recorded the largest number of employments in 2020 were the community services sector with a total of 30 000 employed people or 40.4% of total employment in the local municipal area. The trade sector with a total of 15 700 (21.1%) employs the second highest number of people relative to the rest of the sectors. The electricity sector with 500 (0,7%) is the sector that employs the least number of people in the Sol Plaatje municipal area, followed by the agriculture sector with 1 290 (1,7%) people employed.



Source: IHS Markit Regional eXplorer version 2112

Graph 14: Total Employment Composition

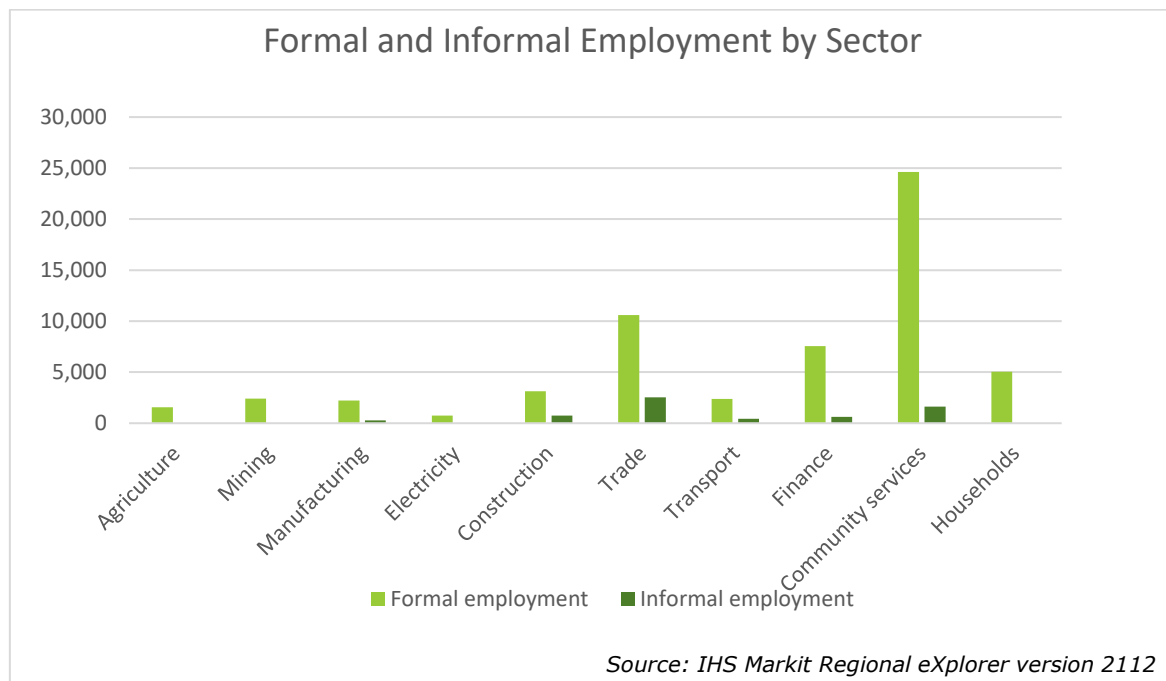
## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### Formal and Informal Employment

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in Sol Plaatje Local Municipality counted 68 900 in 2020, which is about 92,720% of total employment, while the number of people employed in the informal sector counted 5 410 or 7.28% of the total employment. Informal employment in Sol Plaatje increased from 5 180 in 2010 to an estimated 5 410 in 2020.



Graph 15: Formal and Informal Employment by Broad Economic Sector

Some of the economic sectors have little or no informal employment:

Mining Industry, due to well-regulated mining safety policies, and the strict registration of a mine, has little or no informal employment. The Electricity Sector is also well regulated, making it difficult to get information on informal employment. Domestic Workers and employment in the Agriculture Sector is typically counted under a separate heading.

In 2020 the Trade Sector recorded the highest number of informally employed, with a total of 1 860 employees or 34.36% of the total informal employment. This can be expected as the barriers to enter the Trade Sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing Sector has the lowest informal employment with 264 and only contributes 4.88% to total informal employment.



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Sector	Formal employment	Informal employment
Agriculture	1 290	n/a
Mining	4 080	n/a
Manufacturing	2 780	264
Electricity	500	n/a
Construction	2 360	583
Trade	13 800	1 860
Transport	1 640	494
Finance	9 000	842
Community services	28 600	1 370
Households	4 760	n/a

Table 96: Formal and Informal Employment by Broad Economic Sector - Sol Plaatje Local Municipality, 2020

The informal sector is vital for the areas with very high unemployment and very low labour participation rates. Unemployed people see participating in the informal sector as a survival strategy. The most desirable situation would be to get a stable formal job. But because the formal economy is not growing fast enough to generate adequate jobs, the informal sector is used as a survival mechanism.

### 3.12.3 Job Creation through EPWP\* Projects

Details	EPWP Projects	Jobs created through EPWP projects
	No.	*FTEs
2016/17	4	366
2017/18	14	407
2018/19	13	478
2019/20	8	325
2020/21	8	437

\* "Full-Time Equivalent Job (FTE)" means 230 days per person day of work created by an EPWP project within a financial year.

Table 97: Job Creation through EPWP Projects

### Inner City Revitalisation 2020/21

The Area Based Unit received R625 000 in external funding from the Department of Economic Development and Tourism. This money was only used for EPWP-related purposes. These programs were implemented as a part of Inner-City Revitalization.

The Area Based Unit received R625 000: EPWP Project

#### Budget

Sol Plaatje Municipality: R140 000

Funding: R625 000

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### Jobs Created

80 Temporary jobs

### EPWP Project

The aim of this project is to protect the environmental integrity of the Sol Plaatje Municipality. Focus on the main hazards, threats, and advancements, such as cutting down plants and cleaning up trash. The Municipality support city centre revitalization programs by improving the quality of city management related to maintaining clean streets and sidewalks. During this project, the Municipality was able to successfully recruit 80 employees. The Department of Economic Development and Tourism provided funding to support this initiative.

### 3.12.4 Local Economic Development Objectives included in the IDP

Municipal Key Performance Area: Local Economic Development

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Achieve annual revenue for the TRAM that exceeds R40'000	R19 773	R30 000	R0	R10 000	Not a target
	Implement or attend marketing programmes for tourism promotion which may be in a form of exhibitions, tourism roads shows or tourism events	3	3	0	1	1
	Host and attend the functioning of the LED Forum	4	2	5	4	4
	Submit applications for external funding to implement the CBD framework (two for each manager per annum)	3	8	7	8	8
	Hold workshops to train and develop SMME's	4	4	0	4	4
	Enter into a twinning agreement with other municipalities with regard to LED in general and investment promotion in particular	1	0	0	1	1
	Enter into twinning agreement with other municipalities/Departments or private organisations for tourism promotion	1	2	0	2	1
Marketing the Municipality as a premier destination for tourism and investment	Submit an UDZ item for council approval regarding demarcation changes and extensions by the end June 2021	1	1	1	1	1

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Development and creation of marketing platforms for local crafters and guest houses	2	7	1	1	Not a Target
To capacitate SMME's and local entrepreneurs	Review existing plan for informal trading infrastructure by end of June 2021	1	1	1	1	1
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Implementation of the Developmental Programme that supports SMME's through business incubation for at least 10 businesses annually	2	10	8	10	10
To capacitate SMME's and local entrepreneurs	Secure one letter of commitment with potential investors for the establishment of renewable energy development and training facility in Kimberley by end June 2021	0	1	0	1	1
	Enhancing Sol Plaatje Municipality's economic governance and infrastructure for Business Expansion Attraction and Retention (BEAR) by 30 June 2021	0%	0%	79%	100%	100%
	Complete the review of the LED Strategy by 30 June 2021	0%	0%	90%	100%	Not a target
Marketing the Municipality as a premier destination for tourism and investment	Complete the Terms of Reference for hosting an LED Investment summit by SPM by end of March 2021	0	1	0	1	1
	Facilitate of functioning of a bus waiting area	50%	100%	100%	100%	Not a target
	Design and content for tourism event loyalty application	100%	100%	80%	100%	Not a target
	Complete a web-based value proposition that can be used as a marketing tool for Kimberley as an investment destination	1	1	0	1	1

*Table 98: Local Economic Development Objectives included in the IDP*

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.12.5 Financial Performance: Local Economic Development

Details	2019/20	2020/21			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	<b>1 032</b>	<b>15 400</b>	<b>15 400</b>	<b>3 587</b>	<b>-77%</b>
<b>Expenditure:</b>					
Employees	7 601	6 922	6 922	7 797	13%
Repairs and Maintenance	165	810	1 435	908	-37%
Other	185	280	280	54	-81%
<b>Total Operational Expenditure</b>	<b>7 951</b>	<b>8 013</b>	<b>8 638</b>	<b>8 759</b>	<b>1%</b>
<b>Net Operational Expenditure</b>	<b>6 919</b>	<b>(7 387)</b>	<b>(6 762)</b>	<b>5 172</b>	<b>-176%</b>

Table 99: Financial Performance: Local Economic Development

### 3.12.6 Capital Expenditure

There was no capital expenditure during the period under review.

### 3.12.7 LED Highlights

LED Unit is pleased to report that mLab delivered on its all of its KPIs in 2019/20 despite the challenges caused by the national lockdowns due to the Covid-19 pandemic. mLab Northern Cape (mLab NC) incubated five start-ups under the Enterprise Development programme, supported 39 Skills Development Trainees, and hosted numerous Ecosystem Development programmes which positively impact the youth.

The following are five start-ups at mLab NC:

- NC Dev (Leandro Klein, Keenan) Online education academy
- Verification (Joseph Dlamini) Identity verification
- USTAC (Peter Michael Salo) Building management
- I-Check (Palesa Malefane) Price comparison application for retail
- Uncut - (Boitumelo Thekiso) Online marketplace for artisans to display and sell products

These accomplishments were achieved with a reduced budget due to the redeployment of public funds towards other Covid-19-related initiatives.

One challenge is the CodeTribe employment evidence following graduation of trainees. This had been adversely affected due to a number of organisations opting to put a hold on recruitment of talent as a result of uncertainty experienced in the past year, and the dire economic outlook in terms of business performance.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

In response, mLab NC is exploring offering up to 60% of graduates' temporary employment opportunities by facilitating a CodeUp programme to enable these graduates to assist start-ups in developing their digital solutions.

### Skills Development

#### *Codetribe Academy Skills Accelerator*

Sixteen learners were recruited instead of twenty due to limited workstations available at the location of mLab NC which was communicated at the inception of CodeTribe programme in Kimberley in 2019.

A total of six students have submitted their proof of employment letters. The global pandemic brought about reduced opportunities for CodeTribe graduates to gain employment. mLab will however, be offering graduates temporary employment opportunities to develop solutions for the start-ups within the Enterprise Development programme.

#### *Facility Management at mLab NC*

The Department of Economic Development and Tourism – Northern Cape, the Sol Plaatje Municipality and the Mobile Applications Laboratory NPC, in collaboration with the Department of Science and Innovation (DSI) established mLab Northern Cape (NC), modeled on the basis of the mLab, a Non-Profit Organisation (NPO), with the aim of developing skills and new start-ups to propel mobile applications development for a knowledge-based economy.

The Sol Plaatje Municipality has, as part of its strategic intent, the need to revitalise and modernise the township economy of Galeshewe, to which extent they have availed the SMME Village to locate mLab NC.

Given the challenges experienced in the previous financial year with respect to management of the SMME Village facility, these mLab NC partners entered into an agreement with Diamond Creative Vision to manage and maintain the building. Below is an outline of the responsibilities of the Facilities Manager.

### 3.12.8 Comment on Local Economic Development Performance Overall

With a GDP of R25.5 billion in 2020 (up from R16.9 billion in 2010), the Sol Plaatje Local Municipality contributed 78.30% to the Frances Baard District Municipality GDP of R32.6 billion in 2020 increasing in the share of the Frances Baard from 78.37% in 2010. The Sol Plaatje Local Municipality contributes 25.33% to the GDP of Northern Cape Province and 0.51% to the GDP of South Africa which had a total GDP of R 4.97 trillion in 2020 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2010 when it contributed 0.61% to South Africa, but it is lower than the peak of 0.61% in 2010.

Year	Sol Plaatje	Frances Baard	Northern Cape	National Total	% of District Municipality	% of Province	% of National
2010	16.5	21.1	60.1	2 748.0	78.1%	27.5%	0.60%
2011	17.6	22.4	64.0	3 023.7	78.5%	27.4%	0.58%
2012	18.9	24.0	68.2	3 253.9	78.7%	27.7%	0.58%
2013	19.9	25.3	72.6	3 540.0	78.5%	27.4%	0.56%
2014	23.7	30.0	83.5	3 805.3	78.9%	28.4%	0.62%

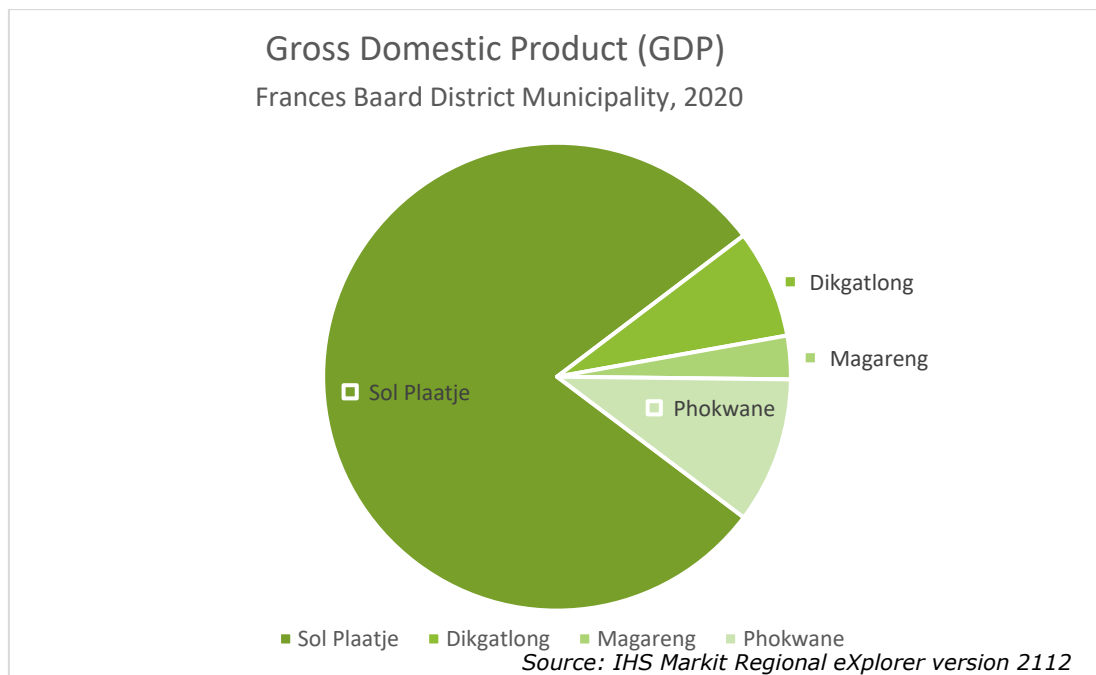
## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Year	Sol Plaatje	Frances Baard	Northern Cape	National Total	% of District Municipality	% of Province	% of National
2015	24.9	31.4	85.7	4 051.4	79.3%	29.0%	0.61%
2016	26.0	32.8	90.9	4 350.3	79.4%	28.6%	0.60%
2017	28.5	35.9	100.1	4 651.8	79.4%	28.5%	0.61%
2018	25.8	32.8	100.1	4 873.9	78.7%	25.8%	0.53%
2019	25.9	33.1	103.4	5 077.6	78.2%	25.1%	0.51%
2020	25.5	32.6	100.8	4 974.0	78.3%	25.3%	0.51%

*Source: IHS Markit Regional Explorer version 2112*

Table 100: GDP - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2010-2020

In 2020, the Sol Plaatje Local Municipality achieved an annual growth rate of -2.07% which is a significantly higher GDP growth than the Northern Cape Province's -8.53%, but is higher than that of South Africa, where the 2020 GDP growth rate was -6.96%. Contrary to the short-term growth rate of 2020, the longer-term average growth rate for Sol Plaatje (-0.95%) is significantly lower than that of South Africa (0.64%). The economic growth in Sol Plaatje peaked in 2017 at 2.47%.



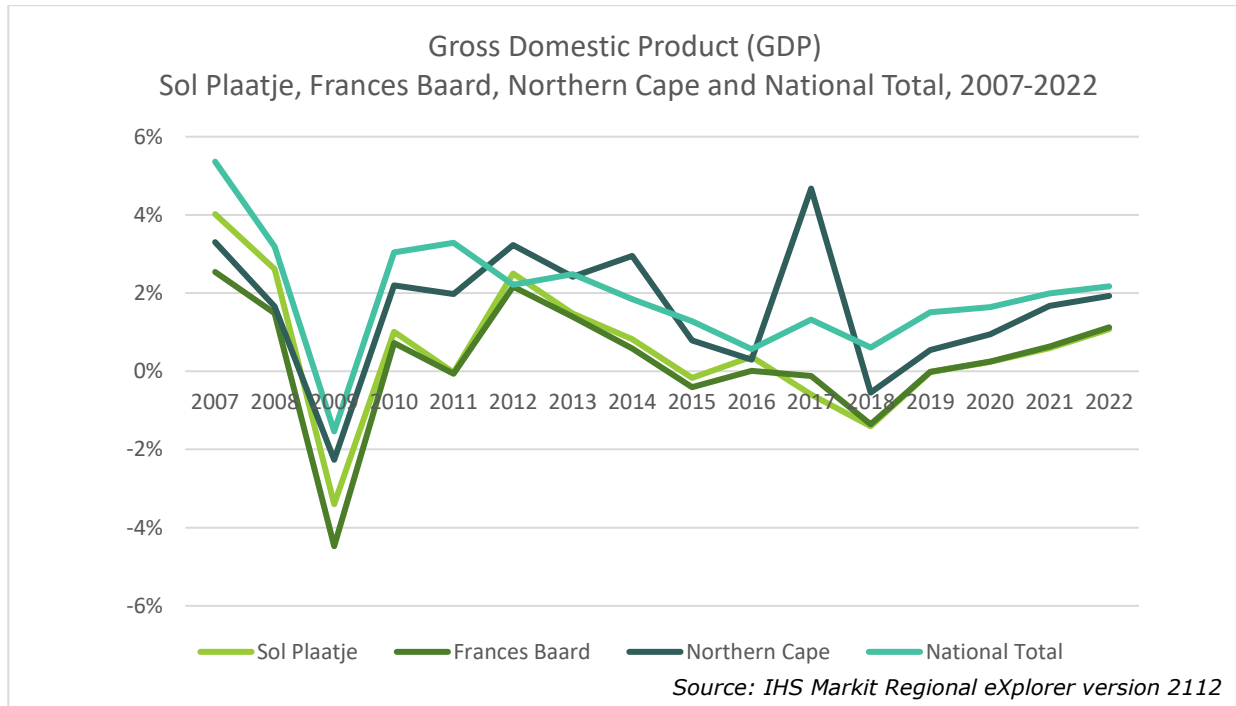
Graph 16: GDP - Sol Plaatje Local Municipality and the rest of Frances Baard, 2020

The Sol Plaatje Local Municipality had a total GDP of R25.5 billion and in terms of total contribution towards Frances Baard District Municipality the Sol Plaatje Local Municipality ranked highest relative to all the regional economies to total Frances Baard District Municipality GDP. This ranking in terms of size compared to other regions of Sol Plaatje remained the same since 2010. In terms of its share, it was in 2020 (78.3%) very similar compared to what it was in 2010 (78.4%). For the period 2010 to 2020, the average annual growth rate of -0.9% of Sol Plaatje was the second relative to its peers in terms of growth in constant 2010 prices.

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### Economic Growth Forecast

It is expected that Sol Plaatje Local Municipality will grow at an average annual rate of 0.09% from 2017 to 2022. The average annual growth rate in the GDP of Frances Baard District Municipality and Northern Cape Province is expected to be 0.12% and 0.90% respectively. South Africa is forecasted to grow at an average annual growth rate of 1.58%, which is higher than that of the Sol Plaatje Local Municipality.



Graph 17: GDP - Sol Plaatje, Frances Baard, Northern Cape and National Total, 2007-2022 [Average annual growth rate, constant 2010 prices]

In 2022, Sol Plaatje's forecasted GDP will be an estimated R17.4 billion (constant 2010 prices) or 78.8% of the total GDP of Frances Baard District Municipality. The ranking in terms of size of the Sol Plaatje Local Municipality will remain the same between 2017 and 2022, with a contribution to the Frances Baard District Municipality GDP of 78.8% in 2022 compared to 78.9% in 2017. At a 0.09% average annual GDP growth rate between 2017 and 2022, Sol Plaatje ranked the second compared to the other regional economies.

### Gross Value Added by Region (GVA-R)

The Sol Plaatje Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value-added* produced in the local economy.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

The following summary table puts the Gross Value Added (GVA) of all the regions in perspective to that of the Sol Plaatje Local Municipality.

Year	Sol Plaatje	Frances Baard	Northern Cape	National Total	% of District Municipality	% of Province	% of National
Agriculture	0.3	0.9	6.7	119.6	35.2%	4.7%	0.27%
Mining	0.8	1.2	20.9	372.9	68.4%	4.0%	0.22%
Manufacturing	0.8	1.3	3.1	573.4	57.3%	24.1%	0.13%
Electricity	1.0	1.5	3.4	167.2	65.0%	28.8%	0.58%
Construction	0.6	0.7	2.0	140.2	77.5%	27.3%	0.39%
Trade	3.1	4.0	9.9	655.2	79.1%	31.7%	0.48%
Transport	3.8	4.5	9.8	396.4	85.3%	39.0%	0.96%
Finance	4.7	5.6	12.7	879.5	84.9%	37.2%	0.54%
Community Services	7.8	9.5	22.7	1,125.3	82.2%	34.3%	0.69%
Total Industries	22.9	29.2	91.2	4,429.7	78.6%	25.1%	0.52%

*Source: IHS Markit Regional eXplorer version 2112*

Table 101: GVA by Broad Economic Sector - Sol Plaatje Local Municipality, 2020

In 2020, the community services sector is the largest within Sol Plaatje Local Municipality accounting for R7.8 billion or 34.0% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Sol Plaatje Local Municipality is the finance sector at 20.7%, followed by the transport sector with 16.7%. The sector that contributes the least to the economy of Sol Plaatje Local Municipality is the agriculture sector with a contribution of R318 million or 1.39% of the total GVA.

### Historical Economic Growth

For the period 2020 and 2010, the GVA in the finance sector had the highest average annual growth rate in Sol Plaatje at 0.71%. The industry with the second highest average annual growth rate is the community services sector averaging at 0.42% per year. The construction sector had an average annual growth rate of -3.15%, while the mining sector had the lowest average annual growth of -5.61%. Overall, a negative growth existed for all the industries in 2020 with an annual growth rate of -1.33% since 2019.

Sector	2010	2015	2020	Average Annual growth
Agriculture	0.23	0.21	0.21	-1.18%
Mining	1.72	1.02	0.97	-5.61%
Manufacturing	0.52	0.47	0.40	-2.44%
Electricity	0.48	0.45	0.48	0.00%
Construction	0.45	0.43	0.33	-3.15%



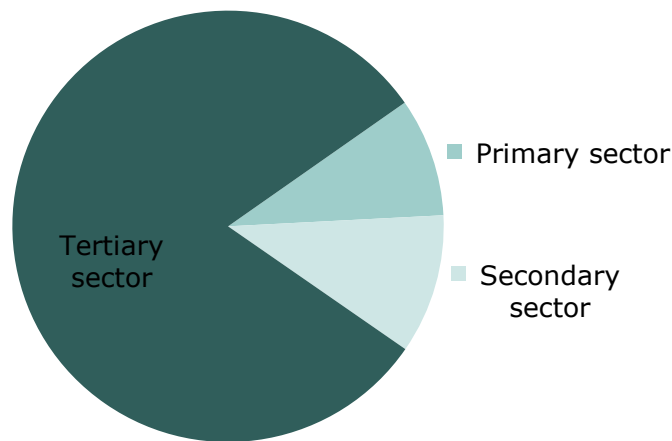
## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Sector	2010	2015	2020	Average Annual growth
Trade	2.37	2.29	2.04	-1.47%
Transport	2.31	2.30	1.97	-1.58%
Finance	2.93	3.02	3.14	0.71%
Community Services	4.14	4.21	4.32	0.42%
Total Industries	15.15	14.40	13.86	-0.89%

Table 102: Historical Economic Growth

The tertiary sector contributes the most to the Gross Value Added within the Sol Plaatje Local Municipality at 85.0%. This is significantly higher than the national economy (69.0%). The secondary sector contributed a total of 10.0% (ranking second), while the primary sector contributed the least at 5.0%.

### Gross Value Added (GVA) by Aggregate Sector



Source: IHS Markit Regional eXplorer version 2112

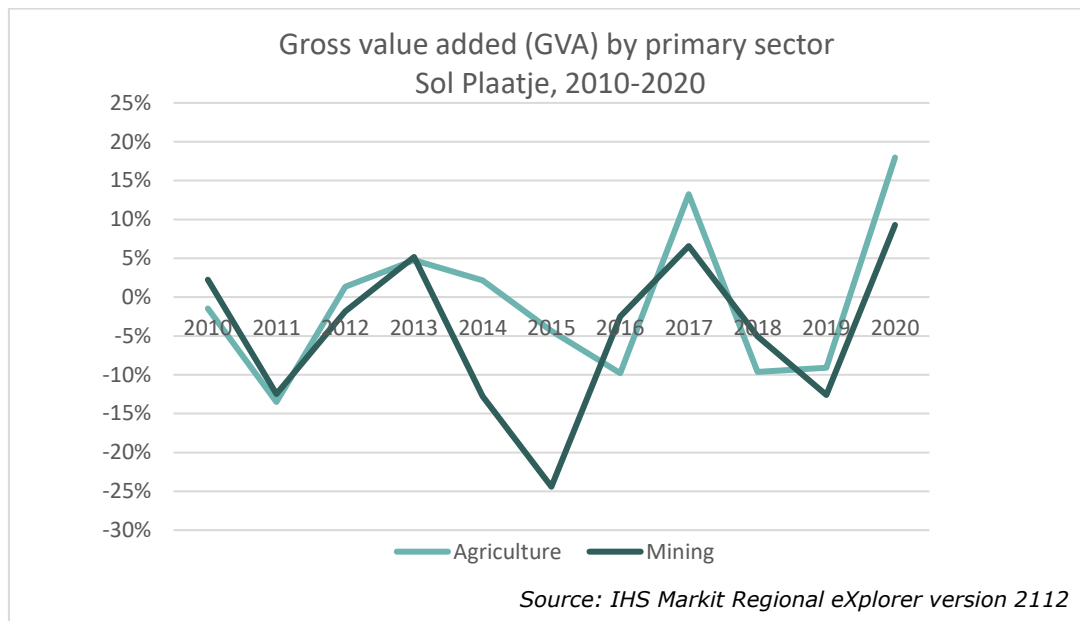
Graph 18: GVA by Aggregate Economic Sector - Sol Plaatje Local Municipality, 2017

The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

#### Primary Sector

The Primary Sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both sectors in Sol Plaatje Local Municipality from 2010 to 2020.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE



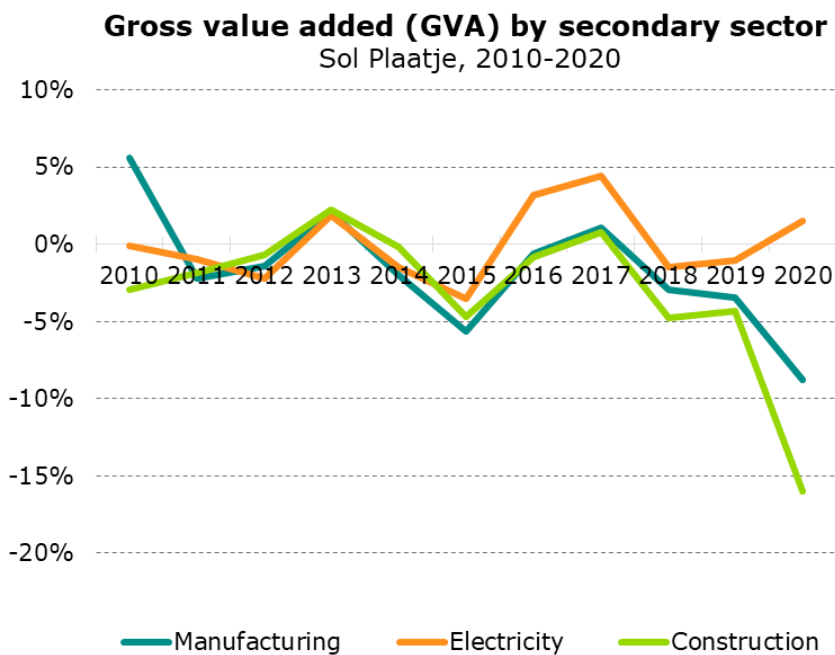
Graph 19: GVA by Primary Sector - Sol Plaatje, 2010-2020

Between 2010 and 2020, the agriculture sector experienced the highest positive growth in 2020 with an average growth rate of 18.0%. It is evident for the mining sector that the highest positive growth rate also existed in 2020 and it experienced a growth rate of 9.3% which is lower than that of the agricultural sector. The agricultural sector experienced the lowest growth for the period during 2011 at -13.5%, while the mining sector reached its lowest point of growth in 2015 at -24.4%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

### Secondary Sector

The Secondary Sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Sol Plaatje Local Municipality from 2010 to 2020.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE



Source: IHS Markit Regional eXplorer version 2112

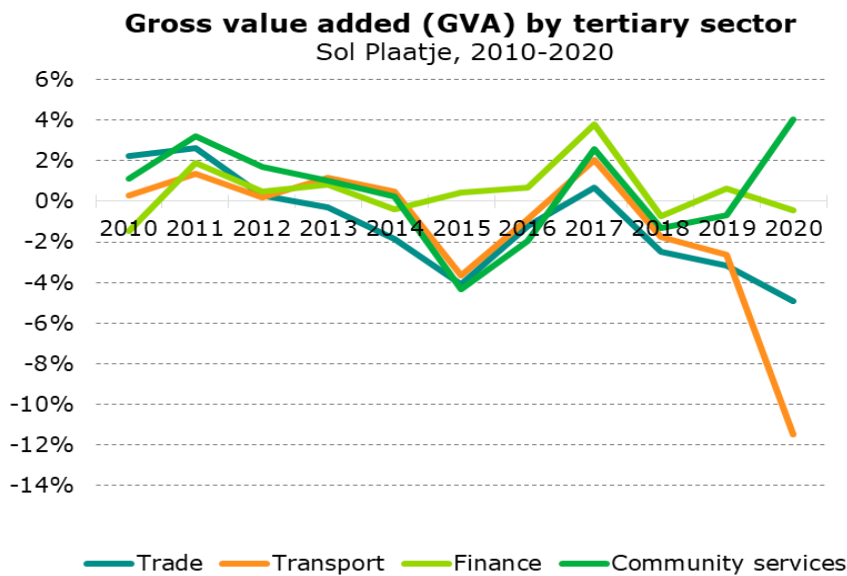
Graph 20: GVA by Secondary Sector - Sol Plaatje, 2010-2020 [Annual percentage change]

Between 2010 and 2020, the Manufacturing Sector experienced the highest positive growth in 2010 with a growth rate of 5.6%. The Construction Sector reached its highest growth in 2013 at 2.3%. The Manufacturing Sector experienced its lowest growth in 2020 of -8.8%, while Construction Sector also had the lowest growth rate in 2020 and it experiences a negative growth rate of -16.0% which is higher growth rate than that of the Manufacturing Sector. The Electricity Sector experienced the highest growth in 2017 at 4.5%, while it recorded the lowest growth of -3.5% in 2015.

### Tertiary Sector

The Tertiary Sector consists of four broad economic sectors namely the Trade, Transport, Finance and the Community Services Sector. The following chart represents the average growth rates in the GVA for these sectors in Sol Plaatje Local Municipality from 2010 to 2020.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE



*Source: IHS Markit Regional eXplorer version 2112*

*Graph 21: GVA by Tertiary Sector - Sol Plaatje, 2007-2017*

The Trade Sector experienced the highest positive growth in 2011 with a growth rate of 2.6%. The Transport Sector reached its highest point of growth in 2017 at 2.1%. The Finance Sector experienced the highest growth rate in 2017 when it grew by 3.8% and recorded the lowest growth rate in 2010 at -1.4%. The Trade Sector had the lowest growth rate in 2020 at -4.9%. The Community Services Sector, which largely consists of government, experienced its highest positive growth in 2020 at 4.0% and the lowest growth rate in 2015 with -4.3%.

### Sector Growth Forecast

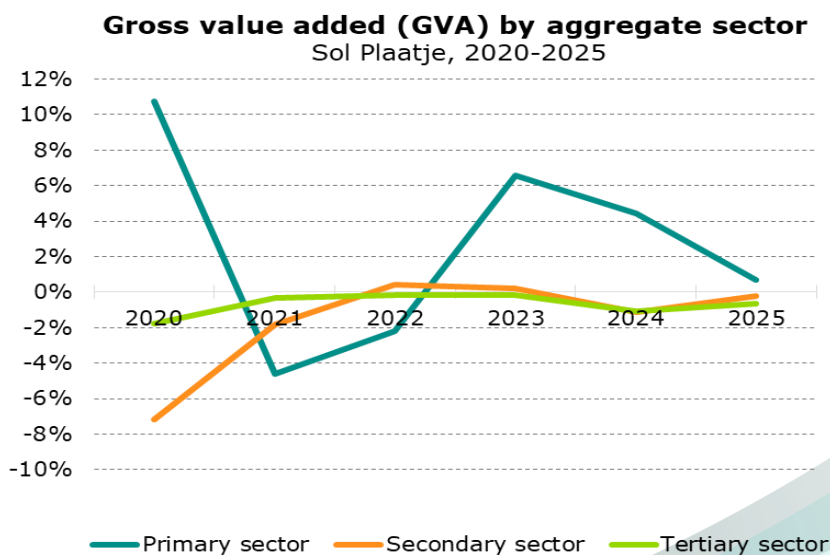
The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g., finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

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Sector	2020	2021	2022	2023	2024	2025	Average Annual growth
Agriculture	0.21	0.20	0.18	0.17	0.17	0.16	-4.91%
Mining	0.97	0.92	0.92	1.00	1.05	1.07	1.99%
Manufacturing	0.40	0.40	0.40	0.39	0.38	0.38	-1.29%
Electricity	0.48	0.48	0.49	0.49	0.49	0.50	0.65%
Construction	0.33	0.31	0.31	0.31	0.31	0.30	-1.34%
Trade	2.04	2.07	2.07	2.08	2.04	2.01	-0.29%
Transport	1.97	2.01	2.03	2.03	2.01	2.00	0.32%
Finance	3.14	3.08	3.12	3.14	3.14	3.16	0.09%
Community Services	4.32	4.27	4.19	4.15	4.07	4.03	-1.37%
<b>Total Industries</b>	<b>13.85</b>	<b>13.74</b>	<b>13.70</b>	<b>13.76</b>	<b>13.67</b>	<b>13.61</b>	<b>-0.36%</b>

Table 103: GVA by Broad Economic Sector - Sol Plaatje Local Municipality, 2020-2025

The mining sector is expected to grow fastest at an average of 1.99% annually from R965 million in Sol Plaatje Local Municipality to R1.07 billion in 2025. The community services sector is estimated to be the largest sector within the Sol Plaatje Local Municipality in 2025, with a total share of 29.6% of the total GVA (as measured in current prices), growing at an average annual rate of -1.4%. The sector that is estimated to grow the slowest is the agriculture sector with an average annual growth rate of -4.91%.



Source: IHS Markit Regional eXplorer version 2112

Graph 22: GVA by Aggregate Economic Sector - Sol Plaatje Local Municipality, 2020-2025 [Annual Growth Rate, Constant 2010 Prices]

The Primary Sector is expected to grow at an average annual rate of 0.90% between 2020 and 2025, with the Secondary Sector growing at -0.51% on average annually. The Tertiary Sector is expected to grow at an average annual rate of -0.48% for the same period.

### 3.13 FRESH PRODUCE MARKET

#### 3.13.1 Introduction

The South African Fresh Produce Market system is unique from the rest of the world because it functions on a commission basis. The system provides the ideal inclusive and transparent trading environment to all fresh produce market be it commercial, small scale or emerging farmers to sell the products directly to the buyers.

The market uses market agents to sell fresh produce products and pay agents a commission fee. The market agents negotiate the price with farmers and the accepted agent commission is between 5-7,5% while a further 5% commission is added which goes to the municipality for the upkeep of the infrastructure and facilities.

This system is governed by legislation that protects the farmers and the Agricultural Produce Agents Council (APAC). APAC ensure that the farmers are more of a price maker rather than being price takers, and provide training, licensing and even disciplining market agents when necessary.

Sol Plaatje Fresh Produce Market is the sole national fresh produce market in the Northern Cape and falls under the Directorate of Strategic Economic Development & Planning. The market currently hosts two market agents namely, Subtropico and Kimberley Varsprodukte Agentskap.

#### Top service delivery

To create a platform for business, hawkers and emerging farmers with a market for their produce either locally or internationally and give retailers and distributors access to fresh fruit and vegetables at their doorstep.

To ensure we comply with Health & Safety Act (Act No. 85 of 1993) and promote food safety and quality assurance.

The role of Sol Plaatje Fresh Produce Market is to provide the necessary facilities as well as to:

- Ensure Sol Plaatje Fresh Produce Market remains preferred channel of distribution of fresh produce in the Northern Cape
- Create a platform to allow anyone to engage in trade without discrimination
- To render a cost effective and efficient service.

#### Measures taken to improve the performance of the market

- Benchmarking and liaising with other fresh produce markets
- Implementation of recommendations from Business Plan
- Farmers and buyers' visits.
- Attract more agents on the trading floor

#### The support given to communities that are living in poverty

- School and Crèche children tour, the children receive fruit packet after the market tour.
- With support of the agents the market is giving food and vegetables to the needy and soup kitchen

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### Major achievements

- Implementation of the Business plan
- Installation of surveillance camera
- Painting of market hall
- Maintenance of cold-rooms

### Challenges

- One of our major challenges in the section is the aging of the infrastructure, this affects our maintenance budget most of the budget is going towards the ripening complex
- Security is one of the major challenges, due to no workforce we are experiencing break in daily, and this compromises the safety of the employees and the buyers
- Vandalism of market assets (ripening and cold room complex).

### 3.13.2 Policy Objectives included in the IDP

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To position the market as a productive and profitable section of the municipality	Report quarterly on the monitoring of tonnage and condemned produce	4	4	4	5	4
To provide a basis for sustainable municipal performance improvement	Implement the recommendations of the business plan	4	4	4	5	4
To position the market as a productive and profitable section of the municipality	Report quarterly on the turnover marketing and advertising of the market	4	4	2	4	4
	To perform an assessment of the completed business plan in relation to the profitability of the fresh produce market of the municipality and implement a decision by 30 June 2021	0	0	1	1	Not a target

Table 104: Fresh Produce Objectives included in the IDP

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### 3.13.3 Financial Performance: Fresh Produce Market

Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>2 091</b>	<b>2 950</b>	<b>2 950</b>	<b>956</b>	<b>-68%</b>
<b>Expenditure:</b>					
Employees	5 085	5 158	5 158	5 423	5%
Repairs and Maintenance	479	569	569	402	-29%
Other	303	444	444	369	-17%
<b>Total Operational Expenditure</b>	<b>5 868</b>	<b>6 170</b>	<b>6 170</b>	<b>6 194</b>	<b>0%</b>
<b>Net Operational Expenditure</b>	<b>3 777</b>	<b>3 220</b>	<b>3 220</b>	<b>5 238</b>	<b>63%</b>

Table 105: Financial Performance: Fresh Produce Market

### 3.13.4 Capital Expenditure

There was no capital expenditure during the period under review.

### 3.13.5 Comment on the performance overall

Sol Plaatje Fresh Produce Market had no capital projects.

In the absence of capital budget, it is difficult to implement recommendations from the business plan.

### Proposed Solution

- Council should invest in the Fresh Produce Market by prioritising market infrastructure
- Council should invest in security
- Market needs to source funding from private investors
- Market needs a permanent health inspector on the trading floor (health and safety)

## 3.14 URBAN RENEWAL PROGRAMME (URP)

### 3.14.1 Introduction

The major drive behind the Urban Renewal Programme is to utilize public sector investment as a strategic vehicle to lobby private sector investment and to sustain spending and income generation in the townships as well as sustainable jobs creation thus developing a new township strategy known as the Urban Network Strategy UNS funded through NDPG.

Galeshewe is one of the national urban nodes earmarked for development and support from national treasury's Neighbourhood Development Partnership Grant (NDPG) which is technical and financial support.



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The local economic development opportunities and social infrastructure development are as a direct result of initiatives such as UNS, NDPG through the URP due to the direct impact of public spending, job creation, SMME development, support and economic growth. These are the immediate financial and non-financial impacts of the URP.

### Opportunities

- Through Neighbourhood Development Partnership Grant, the Urban Renewal Programme can forge more inclusive planning and sectoral collaborations
- Readily available Neighbourhood Development Partnership Grant
- Implementation of the Urban Network Strategy to enhance commercialisation within the Kimberley CBD and attracting investment into the City
- Utilisation of the proposed Government development precinct in Roper parking as a catalyst of the Urban Network Strategy and synergies of plans with the National Department of Public Works
- Sol Plaatje University as a growth point for potential investments opportunities
- Positioning Kimberley as bulk mining consumables hub in the province
- Asset base of De Beers, Eskom and Transnet
- Strategic parcels of available land

### Challenges

- Lack of internal budget allocation to fund URP initiatives limits URP scope of work
- Operational budgetary constraints hamper the implementation of URP projects as URP has limited technical expertise
- Absence of a political champion a strategi risk
- Failure of the Municipality to use URP for the intended objectives as envisioned by the Cabinet Lekgotla of 200
- No strategic and technical support from the provincial government
- URP has an unfunded mandate

### *Status of the Neighbourhood Partnership Grant*

Throughout the aforesaid financial year NDPG related projects were implemented by the Infrastructure Department thus no progress account can be provided from SEDP, and no funding allocation was made available for URP new projects.

### Mitigation

- To resuscitate the Neighbourhood Development Partnership relationship with National Treasury (NDG Unit).
- To review past submitted projects for possible funding.
- Implementation of the Urban Network Strategy through a Medium-Term Revenue and Expenditure Framework period between the primary and secondary hub

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

- Submission of UNS capital projects to National Treasury (NDPG) for sourcing of funding for implementation and to lobby National Treasury to fund our capital projects through unlocking technical assistance for detailed designs and costing.
- To lobby the Executive Mayor to be a political champion for the URP

### **Primary Hub (Kimberley CBD) Services Master Plan**

The commissioning of a services master plan for the CBD will focus on the status of infrastructure in the CBD which comprises of roads & stormwater, water, sewer and electricity before the actual projects commences within the epicentre.

- Feasibility study for Public Intermodal Transport Precinct (Craven Taxi rank).
- Detail designs for all identified projects within the realm of the Urban Network Strategy. (Heritage Footprint project, SMME Activation Hubs etc).
- City Hall redevelopment project
- And infrastructural projects such as roads and storm water).

### **NDPG (Capital Grant)**

- Capital projects implementation
- Public Transport Network Project
- Resuscitation, continuation, and implementation of the following elements
- Taxi lay-bys
- Stormwater upgrade
- Sidewalks and bicycle lanes

### ***SMME Activation Marketing Hubs***

The project seeks to create an enabling space for SMMEs to operate by attracting feed to these flea markets and Exhibition spaces which will be operational mainly on weekends. This finds resonance and forms part of the overall Transport Development oriented plan and to picky bag on the Sol Plaatje University investment.

### ***Heritage Footprint Project***

The project has two elements, that of local economic development and tourism promotion of Kimberley as the City of Firsts. The project seeks to highlight and package all heritage resources within the secondary hub (Kimberley) in the process of promoting tourism. The project has an element of infrastructure as it seeks to plot color-coded paving on the sideways linking one heritage asset to the other. Along the pavement SMMEs will be allocated trading space to exhibit their wares or services. There will also be a running and cycling track along the activity spine to promote healthy living and non-motorized movement.

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### City Hall Redevelopment Project

The project will entail the redevelopment of the City Hall which has been characterised as the epicenter in the primary hub, it will further explore non-motorised movement within the precinct.

#### 3.14.2 Galeshewe Urban Renewal Programme Objectives included in the IDP

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To facilitate and promote inter-governmental relations programmes and projects on a continuous basis	Facilitate meetings with other spheres of government to strengthen IGR Relations	0	0	4	4	4
Enhance revenue through leveraging alternate sources of funding and identifying new revenue streams	Submission of business plans to external funders	0	0	4	4	4

Table 106: Galeshewe Urban Renewal Programme Objectives included in the IDP

#### 3.14.3 Financial Performance: Urban Renewal Programme

Details	2019/20	2020/21			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Expenditure:</b>					
Employees	2 970	3 717	3 717	2 913	-22%
Repairs and Maintenance	2	10	10	0	0%
Other	13	159	159	19	-88%
<b>Total Operational Expenditure</b>	<b>2 986</b>	<b>3 885</b>	<b>3 885</b>	<b>2 932</b>	<b>-25%</b>
<b>Net Operational Expenditure</b>	<b>2 986</b>	<b>3 885</b>	<b>3 885</b>	<b>2 932</b>	<b>-25%</b>

Table 107: Financial Performance: Urban Renewal Programme

#### 3.14.4 Capital Expenditure 2020/21

There was no capital expenditure during the period under review.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.14.5 Comment on performance overall

The overall performance of all URP Key Performance indicators was met according to our performance agreement in Service Delivery and Budget and Implementation Plan targets.

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

The mandate for the Directorate: Community and Social Development Services is derived from the Constitution of the Republic of South Africa (Act No. 108 of 1996) which provides that local government must, as part of its objectives, ensure the provision of services to communities in a sustainable manner; the promotion of a safe and healthy environment and the achievement of social development imperatives. The Directorate performs functions that are dedicated to the social and environmental well-being of the community. Part of the matters listed in Schedule 4(b) and 5(b) of the Constitution are the primary responsibility of this Directorate. These include firefighting services, municipal health services, cemeteries, cleansing services, municipal parks amongst others.

The functional responsibilities of the Directorate are Parks and Recreation:

- Library Services
- Waste Management and Environmental Health
- Emergency Services and Disaster Management
- Traffic Law Enforcement Services
- Motor Licensing and Registration Services
- Social Development Services and
- Primary Health Care Services (Clinics)

## 3.15 MOTOR VEHICLE LICENSING AND REGISTRATION

### 3.15.1 Introduction

The primary sections residing under this Department are:

- Motor Registration Section
- Vehicle Testing Station
- Drivers' Licence Section.

The Drivers' Licensing Section is based on issuing legal, valid and authentic Learners' Licences, Drivers' Licences and Professional Drivers' Permits (PDP).

The function of the Vehicle Testing Station is to ensure that all vehicles going through the Vehicle Testing Station (VTS) undergo roadworthiness to determine whether they are in a good condition and that they are roadworthy. In doing so, they are tested according to the compliance standards of the South African Bureau of Standards (SABS).

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Registration of vehicles must be in-line with Road Traffic Act (Act No. 93 of 1996). All relevant registration documents must be submitted and comply with the requirements of the Act.

All spheres of government must comply with the requirements of the National Road Traffic Act (Act 93 of 1996) and the Provincial Standards.

The targets that we set in this regard were to address service delivery objectives and the administrative efficiency of the Department in delivering an effective service to every individual who requires the service of the Department.

Targets and actuals were adapted during the period under review due to:

- Staff component. We have one vacant post and two officials that are suspended to perform their duties under driver's license section.
- The challenge at Vehicle Testing Centre is that we have three vacant posts, two examiners of vehicles and one pit assistant.
- Drivers testing officers remain a problem, as the staff shortage has not been addressed and posts were not filled.
- There has been an increase in the number of renewals due to an influx of people in and around Sol Plaatje municipal area.

### 3.15.2 Motor Vehicle Licensing Objectives included in the the IDP

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM	Process learner driver license applications	6 000	2 597	6 000	4 091	6 000
	Process driver license applications	3 600	2 408	3 600	4 579	3 600
	Test vehicles for roadworthiness to comply with the Act and SANS specifications	960	662	960	932	960
	Process of renewal applications of driver licenses of existing drivers and bi-annual renewal of PRDP (professional driving permit)	12 000	10 465	12 000	13 681	12 000

Table 108: Motor Vehicle Licensing Policy Objectives included in the IDP

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### 3.15.3 Employees: Motor Vehicle Licensing and Registration

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	2	2	2	0	0
Professionals	1	1	1	0	0
Technicians & Trade Workers	5	6	0	6	100
Clerks & Administrative Workers	11	14	11	3	21.4
Community and Personal Workers	6	15	6	9	60
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	1	3	1	2	66.7
Elementary Occupations	3	6	3	3	50
<b>Total</b>	<b>30</b>	<b>48</b>	<b>25</b>	<b>23</b>	<b>47.9</b>

Table 109: Employees: Motor Vehicle Licensing and Registration

### 3.15.4 Financial Performance: Motor Vehicle Licensing and Registration

Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>6 573</b>	<b>6 375</b>	<b>6 375</b>	<b>6 606</b>	<b>4%</b>
<b>Expenditure:</b>					
Employees	11 279	13 540	13 540	12 059	-11%
Repairs and Maintenance	94	448	448	221	-51%
Other	349	411	411	132	-68%
<b>Total Operational Expenditure</b>	<b>11 722</b>	<b>14 400</b>	<b>14 400</b>	<b>12 413</b>	<b>-14%</b>
<b>Net Operational Expenditure</b>	<b>5 149</b>	<b>8 025</b>	<b>8 025</b>	<b>5 807</b>	<b>-28%</b>

Table 110: Financial Performance: Motor Vehicle Licensing and Registration

### 3.15.5 Capital Expenditure

There were no capital projects for the period under review.

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### 3.15.6 Comment on Performance Overall

The department has been able to achieve the set performance objectives with limited resource availability. This achievement is largely due to the filling of critical vacancies and the improvement of staff morale due to innovative team building exercises implemented during the period under review.

### 3.16 LIBRARY SERVICES

#### 3.16.1 Introduction to Libraries

During May 2021 the Library Services Department held a virtual strategic planning session via MS TEAMS to plan for the next 5 years: 2022-2026. We reviewed our mission and vision statements:

##### **Vision:**

Kimberley Libraries: Dynamic, Welcoming, Safe, Easily Accessible Community Beacons - fulfilling informational and recreational needs of all.

##### **Our Mission:**

Uplifting the community and enriching their lives through the power of information, literacy and recreation through collaboration, partnerships, emerging technologies, current and relevant library collections and a well-skilled, efficient workforce.

##### **Strategic Objectives**

In order to fulfil our mission and realise our vision, we value and promote:

- Lifelong Learning
- Literacy
- Sufficient Collection Development
- Accessibility
- Partnerships
- Outreach and Marketing
- Efficient Operations
- Excellent Workforce
- Libraries as safe spaces

Service points: 9 (Excluding schools and old age homes)

- Kimberley Public Library
- Beaconsfield Public Library
- Hadison Park Public Library
- Greenpoint Public Library

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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- Judy Scott Public Library (Florianville)
- Sonny Leon Public Library (Roodepan)
- Ubuntu Public Library (Homevale)
- Galeshewe Public Library
- Africana Research Library

Full time staff complements: 38 (Four vacant and funded positions) Manager: Library Services, Librarian (KPL), Library Assistant (JSL), Cleaner (BCF). Temporary staff complement: 12 (2 vacant and funded positions)

### **Total 50 (6 vacant and funded positions)**

A new library was built in Greenpoint by the Department of Sport, Arts and Culture during the 2019/20 book year. The opening of the library was planned for April 2020, but as a result of the National Covid-19 Pandemic and lockdown, the opening of the new library was put on hold. The Department is currently busy with the recruitment process for 3 staff members: librarian, library assistant and a general worker. When the library starts operating, the current Library in Greenpoint that is managed by Sol Plaatje Municipality will be closed and all the books will be transferred to the new library. The Department of Arts and Culture will inform us in due course when the library becomes operational.

### **Key Performance Areas**

- To establish a reading culture
- To provide a research service
- To provide an information service Key Performance Areas

### **Highlights of the Year**

Due to the Covid-19 National Lockdown the libraries could not do all their usual activities and outreach programs, but the following events took place during the year:

- Various displays were made at the different libraries. Topics included: Springtime, Reading Time, 365 Days of Activism, Christmas, World Book & Copyright Day, Fall into A Good Book; World Day for Cultural Diversity; Winter - Warm Up with A Book; Reading Is My Superpower; Fairy Tales & Indigenous Languages; Winter, Easter; Mandalas; Pride Month; and Autism Awareness.
- An all-new reality show, The *Markmywords* competition presenter search held its Auditions at the Africana Library on 8 August 2020
- 8 staff members attended the Virtual LIASA Indaba with the theme: *LIASA: Disrupted*, from 3-5 November 2020.
- Library staff attended online training courses throughout the week of 15-19 February 2021. Training was presented by Universal Knowledge Software which specializes in Library related training to ensure that staff is confident and competent.



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- South African Library Week with the theme *#librariesmatter* from 15-21 March 2021 was launched virtually on Monday, 15 March 2021. This is a commemorative period where all types of libraries across the country use it to market their services and create awareness.
- Library staff interviewed various library users throughout the week on video, where users expressed their views on why libraries matter to them and society at large. Videos were uploaded on the Library's Facebook page to create awareness.
- *Markmywords* presenter search auditions, first of its kind in the Northern Cape and South Africa at large, was filmed at the Africana library on 20 March 2021. The objective of this initiative is to promote reading, writing and positive lifestyles among the youth of Kimberley and the Northern Cape. 46 people attended.
- During May 2021 the Library Services Department held a virtual strategic planning session via MS TEAMS to plan for the next 5 years: 2022-2026. We revised our mission and vision statements.
- Northern Cape Motion Pictures used Beaconsfield Library for the recording of a few scenes for their film about deaf children: *Actions Speak Louder Than Words* during June 2021.
- The Office of the Vice-Chancellor at the Sol Plaatje University donated a book, Sol Plaatje University. The book is about the University's achievement, how it came into being and what it now does. The author is Brian Willan, an Extraordinary Professor at the University.

### Grant Funding from the Department of Sport, Arts and Culture

The Library Services Conditional Grant Funding from the Department of Sport, Arts and Culture for the year 2020/21 stayed the same on R 7 800 000. A total of twelve temporary staff members were also appointed from the grant funding. The libraries will not be able to deliver a continuous outstanding service to the public without the extra personnel. The rest of the Grant funding was used for current awareness, collection development, security services, Hadison Park Library Lease Agreement, consumables and stationery as well as random maintenance. Staff members were also sponsored to attend library-related courses and workshops: Two staff members attended online digital and marketing skills courses, 8 staff members attended the Virtual LIASA Conference, and 1 staff member was enrolled for the Library Assistant Level 5 Accredited Course through Universal Knowledge Software.

#### 3.16.2 Service Statistics for Libraries

Description	2019/20	2020/21
Book circulation	128 632	67 903
Internet searches done by users	12 276	3 114
Photocopies made	302 263	94 370
Research completed successfully at Africana	892	1 071
Magazine circulation	4 535	1 649
Videos/cd's/art prints/puzzles circulated	784	365
Faxes sent	6	0
Enquiries handled	11 583	4 089

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Description	2019/20	2020/21
Use of library halls	334	132

Table 111: Service Statistics for Libraries

### 3.16.3 Library Services Policy Objectives included in the IDP

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of library services to all residents of Sol Plaatje Local Municipality						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Conduct awareness programmes through monthly displays	120	117	60	38	60
	Respond to inquiries received regarding general information within seven working days	90%	99.5%	90%	50%	90%
	Conduct outreach programmes at all service points to inculcate a reading culture	120	286	60	70	60
	Respond to enquiries received regarding research at Africana Library within seven working days	90%	90%	90%	58.33%	90%
	Spend approved library grant (actual expenditure divided by the approved grant)	100%	100%	100%	100%	100%
	Submit reports to the Portfolio Committee on new library activities	12	6	10	4	10

Table 112: Library Services Policy Objectives included in the IDP

### 3.16.4 Employees: Library Services

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	0	1	0	1	100
Other Managers	3	3	3	0	0
Professionals	6	8	7	1	63.6
Technicians & Trade Workers	0	1	1	0	0
Clerks & Administrative Workers	1	1	1	0	0

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Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Community and Personal Workers	32	17 (+12 contract)	16	1 (+2 contract)	3
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	1	0	0	0	0
Elementary Occupations	6	7	6	1	14.3
<b>Total</b>	<b>49</b>	<b>38</b>	<b>34</b>	<b>4</b>	<b>25.8</b>

Table 113: Employees: Library Services

### 3.16.5 Financial Performance: Library Services

Details	2019/20	2020/21			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	<b>8 023</b>	<b>8 350</b>	<b>8 150</b>	<b>7 891</b>	<b>-3%</b>
<b>Expenditure:</b>					
Employees	13 521	15 829	15 629	14 190	-9%
Repairs and Maintenance	108	364	364	228	-37%
Other	955	699	699	255	-63%
<b>Total Operational Expenditure</b>	<b>14 584</b>	<b>16 892</b>	<b>16 692</b>	<b>14 673</b>	<b>-12%</b>
<b>Net Operational Expenditure</b>	<b>6 561</b>	<b>8 542</b>	<b>8 542</b>	<b>6 783</b>	<b>-21%</b>

Table 114: Financial Performance: Library Services

### 3.16.6 Capital Expenditure

There was no capital expenditure for the period under review.

### 3.16.7 Comment on the Performance Overall

The Covid-19 pandemic and the ensuing restrictions have had, and still have, a negative impact on both the opening hours and circulation statistics for all libraries in the Sol Plaatje Municipal area.

Since the National Lockdown started in March 2020 the libraries were completely closed for the public and no services could be rendered (research, outreach programmes, book circulation etc) until July/August 2020. When the libraries eventually opened again for the public, the operating hours were shortened, and the libraries were again closed for extended periods according to the different Lockdown Levels.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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Students used the study facilities, although fewer than usual could be accommodated because of social distancing etc. Despite the restrictions, quite a few new members joined our libraries.

Library staff were not allowed to visit Ons Huis, Belgrave Lodge, Sally Aucamp Home, and Stillerwee to protect the vulnerable residents from possible Covid-19 infections.

The National Lockdown and restrictions also had a huge impact on our budget since we did not generate any income during the periods that we were closed. We usually receive an income from photocopies made, library halls used, faxes sent, fines for late items etc. This income was lost for extended periods during 2020/21.

Cable theft and vandalism increased at Galeshewe, Judy Scott and Ubuntu Libraries. The ICT services are still being impacted because of this. This also influenced the overall operational statistics.

Due to ICT developments the fax services at the libraries are no longer in demand.

During the lockdown period we still kept in touch with our library users. Africana Research Library continued with online research and attended to enquiries from overseas and local researchers via e-mail. They attended 179 more research enquiries than in 2019/20. Beaconsfield and Kimberley Public Libraries continued to post videos of storytelling and book reading sessions on their Facebook pages to inculcate a reading culture.

### 3.17 SOCIAL DEVELOPMENT (HIV/AIDS)

#### 3.17.1 Introduction to Social Development (HIV/Aids)

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The Sol Plaatje Local Municipality must be a meaningful and effective partner in a sustainable TB/STI/HIV/AIDS Prevention and Treatment Programme while at the same time

#### 3.17.2 Service Statistics for Social Development (HIV/Aids)

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- To provide TB/STI/HIV/AIDS, Youth and Poverty Alleviation services within the Sol Plaatje Municipality as well as provide the employees of Sol Plaatje Municipality with a sustainable prevention and treatment intervention of TB/STI/HIV/AIDS in a professional and respectful manner.
- Also ensuring the widespread knowledge and understanding of HIV and AIDS, to reduce infections and improve the lives of those infected. This is done by promoting innovative approaches, partnerships and action to inform and empower.
- To promote awareness campaigns and commemorate special awareness days according to the National Department of Health Activity Calendar.
- To always ensure the availability of condoms (male & female) in the workplace and the community. By distribution of condoms, demonstration to ensure correct usage thereof.
- To encourage the employees to know their HIV status by providing HST in the workplace and in the community.
- Provision of support by Peer Educators and all relevant partner NGOs to infected and affected employees.
- Aid with burials of indigent community members.
- Improve the living conditions of the community, where possible through poverty alleviation programmes.



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.17.3 Social Development (HIV/Aids) Objectives included in the IDP

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of social development (HIV/Aids) to all residents of Sol Plaatje Local Municipality						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Distribute condoms to employees on a monthly basis	24 000	35 610	6 000	26 790	24 000
	Train Peer Educators to provide support to HIV positive employees and their families	12	19	2	8	6
	Conduct quarterly awareness campaigns for HIV, STI and TB	4	2	12	30	12
	Assist indigent families with burials	84	124	4	3	4
	Test employees for HIV/AIDS	84	44	84	118	84

Table 115: Social Development (HIV/Aids) Objectives included in the IDP

### 3.17.4 Employees: Social Development (HIV/Aids)

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	0	0	0	0	0
Professionals	0	0	0	0	0
Technicians & Trade Workers	0	0	0	0	0
Clerks & Administrative Workers	2	2	2	0	0
Community and Personal Workers	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>

Table 116: Employees: Social Development (HIV/Aids)

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.17.5 Financial Performance: Social Development (HIV/Aids)

Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenditure:</b>					
Employees	1 119	2 806	2 806	2 840	1%
Repairs and Maintenance	0	216	216	78	-64%
Other	200	435	535	327	-39%
<b>Total Operational Expenditure</b>	<b>1 319</b>	<b>3 457</b>	<b>3 557</b>	<b>3 245</b>	<b>-9%</b>
<b>Net Operational Expenditure</b>	<b>1 319</b>	<b>3 457</b>	<b>3 557</b>	<b>3 245</b>	<b>-9%</b>

Table 117: Financial Performance: Social Development (HIV/Aids)

### 3.17.6 Capital Expenditure

There was no capital expenditure for the period under review.

### 3.17.7 Comment on the Performance Overall

This unit plays an important function in assisting and supporting Municipal employees with TB/STI/HIV/Aids Prevention and Treatment Programmes as well assist communities with the indigent burials and alleviating poverty as much as possible.

The HIV Counselling and Testing is mostly conducted with the assistance of NGOs, especially during awareness campaigns. Clients are constantly counselled on healthy living and treatment adherence. In terms of HIV-related deaths, it is still a challenge to get such information as it is not disclosed to this unit.

All targets were met for the 2020/21 period.

## COMPONENT E: ENVIRONMENTAL PROTECTION

According to Section 156(2) of the Constitution, a municipality may make and administer bylaws for the effective administration of matters that it has the right to administer. Air pollution is listed as a matter in which local government has authority and national and provincial government may not compromise or impede a municipality's right to exercise its powers or perform its functions.

### 3.18 SUSTAINABLE ENERGY AND CLIMATE CHANGE UNIT (SECCU)

#### 3.18.1 Introduction

The SECCU unit was moved to the Electricity Sub-directorate at the beginning of 2015. The two leading positions in SECCU are vacant now. This unit champions energy efficiency and climate change and facilitates the integration of the SPECCS within the Municipality.

This unit is currently not functioning. There is no budget allocation for this unit.

#### 3.18.2 SECCU Objectives taken from IDP

There were no key performance indicators for the period under review.

#### 3.18.3 Comment on performance overall

This unit is not functional. Currently all SSEG applications are being processed by the Electrical Department.

### 3.19 BIODIVERSITY

#### 3.19.1 Introduction

Biodiversity is the totality of life on earth, all living organisms are connected to the circle of life for survival. Hence the Sol Plaatje Municipality supports the initiative, through its Integrated Environmental Management Programme (IEMP) as far as the National Environmental Management Act (NEMA), Act No. 107 of 1998, (NEMA) and the National Environmental Management Biodiversity Act (NEMBA), Act No. 10 of 2004, (NEMBA) is concerned i.e., for the protection and sustainable development use of the ecosystems and its' natural resources for the future generations to come.

The Biodiversity Section work with different stakeholders i.e., Government departments, local municipalities, NPOs, NGOs, Religious organisations etc. to ensure the environment and the natural resources within the Sol Plaatje Municipal jurisdiction are not harmed through illegal dumping, fire, air pollution etc., by raising awareness and educational campaigns to the broader communities of Kimberley, Galeshewe and surrounding areas through social media, i.e. Radio, flyers, banners, pamphlets etc.

#### Achievements

Covid-19 preparedness, assessment and raising educational health awareness every Wednesday and Friday through the Environmental Health office, to the different taxi ranks within the CBD and the broader community of Kimberley, Galeshewe and surrounding areas, regarding the pandemic and what dangers it will impose on their general well-being if not prevented, through the sanitizing and washing of hands at all times, keeping a social distance of 1,5 metres social distancing and the wearing of face masks in public and confined spaces.

- Distribution of (65ml) lifebuoy hand pocket sanitisers, through the Provincial Health Departments' patronage to the different taxi ranks, their respective associations and the general public at large.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

- More focus was shifted on the Covid-19 pandemic as there was not many activities during that period and the National State Disaster was only lifted from the 5 April 2022. It is only then when operations started unfolding gradually to date.

### Challenges

Financial constraints and lack of a fully-fledged biodiversity office to have its own budget and run its own programmes.

## COMPONENT F: HEALTH

This component includes clinics and environmental health. Health is a state of complete physical, mental and social well-being and not merely the absence of disease.

The Integrated Chronic Disease Management model (ICDM) is a public health approach to achieve an optimal clinical outcome for patients with chronic communicable and non-communicable diseases

### 3.20 CLINICS

#### 3.20.1 Introduction

The Integrated Chronic Disease Management model (ICDM) is based on a public health approach to empower the individual to take responsibility for their own health, whilst simultaneously intervening in a community/population on health service level e.g., own clinics.

Total number of patients seen for the year: 170 226.

Attendance numbers dropped due to the hesitance of patients to attend health facilities due to the Covid-pandemic. Even when Covid numbers has dropped, patients are still cautious to attend clinics. Therefore, the attendance numbers at all 6 facilities tend to fluctuate all the time.

Chronic diseases and curative ailments increase to 69% of the services offered at the six Sol Plaatje Clinics, due to patients who visited the facility with Covid-related illnesses.

Other services rendered to the community are Child Care, Reproductive Health, Maternal-, Mental Health, Prevention of Mother-to-child Transmission (PMTCT), Oral Health, Dispensing, Communicable Diseases, Anti-Retroviral Therapy and Health Education, which forms the other 31% of the services offered.

### Challenges

- Infrastructure not adequate - need more consultation rooms, a larger pharmacy & extra storage space for bulk medication
- Redundant furniture took up extra space
- Low maintenance of buildings, equipment due to budget
- No regular doctors' services (rotation)



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

- Patient loads increases due to the Covid-19 pandemic
- Nurses work outside scope of practice – packing and distribution of medication
- Staff morale low/high absenteeism due to staff shortages
- Pre-packing, labelling of medication done by Prof nurse, as there is no Pharmacist to assist
- Out of stock medication
- No computer services with linkages from one clinic to another
- Budget constraints: Purchasing of cleaning material & stationary for 6 facilities
- Lack of proper equipment – no budget for purchasing
- No Sol Plaatje security services at six facilities
- Servicing of fire equipment and maintenance of alarm systems done by outside companies – budget constraints
- Violent behaviour of patients
- Occupational hazards, e.g., Tuberculosis, Extensively Drug Resistant TB, etc.
- Lack of support from Department of Health (DOH)

### 3.20.2 Service Data for Clinics

Description	2019/20	2020/21	2021/22
	Actual		Estimate
The average number of patients visits on an average day	850	865	1 300
Total Medical Staff available on an average day	48	40	77
Average Patient waiting time (in minutes)	45-60	60-65	60-65
Number of HIV/Aids tests undertaken in the year	11 291	4 995	2 200
Number of tests in 4 above that proved positive	635	350	30
Number of children that are immunised at under one year of age	1 447	1 304	1 000
Child immunisations above compared with the child population under one year of age	<i>No statistics available for the number of children in the population under one year of age.</i>		

Table 118: Service Data for Clinics

Due to the fear of contracting Covid-19, the attendance at facilities reduces drastically.

### 3.20.3 Clinics Policy Objectives included in the IDP

There were no key performance indicators for the period under review. Clinics report directly to the Department of Health, and all reports are submitted to this department.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.20.4 Employees: Clinics

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	1	1	0	0	0
Other Managers	0	1	0	0	0
Professionals	2	71	2	69	97.2
Technicians & Trade Workers	0	0	0	0	0
Clerks & Administrative Workers	7	11	6	4	36.4
Community and Personal Workers	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	1	2	1	1	50
Elementary Occupations	9	12	11	3	25
<b>Total</b>	<b>20</b>	<b>98</b>	<b>20</b>	<b>77</b>	<b>78.6</b>

Table 119: Employees: Clinics

### 3.20.5 Financial Performance: Clinics

Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenditure:</b>					
Employees	6 853	5 198	5 198	4 848	-7%
Repairs and Maintenance	115	220	220	76	-65%
Other	517	197	197	56	-72%
<b>Total Operational Expenditure</b>	<b>7 485</b>	<b>5 615</b>	<b>5 615</b>	<b>4 980</b>	<b>-11%</b>
<b>Net Operational Expenditure</b>	<b>7 485</b>	<b>5 615</b>	<b>5 615</b>	<b>4980</b>	<b>-11%</b>

Table 120: Financial Performance: Clinics

### 3.20.6 Capital Expenditure

There was no capital expenditure for the period under review.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.21 ENVIRONMENTAL HEALTH

#### 3.21.1 Introduction to Environmental Health

Municipal Health Services (MHS) are entrenched in the Constitution of South Africa and is set out in various legislation. The MHS is a highly regulated environment with the following functions:

- Food Safety
- Disease Control
- Environmental Assessments and Investigations
- Waste Management
- Pollution Control
- Occupational Health and Safety
- Chemical Safety
- Vector Control
- Water Quality Management

As is well known, the country was engulfed in a Covid-19 pandemic. Prior to March 2020, the focus was on Food Safety, Pollution Control and Environmental Assessments and Investigations. The primary approach within Environmental Health Services is the prevention and limitation of negative and adverse impacts on the health of our communities and the environment.

This all changed suddenly with the implementation of the nationwide lockdown and proclamation of strict Covid-19 preventative measures. The Environmental Health Services were thrust into the front line with contact tracing, awareness in communities, water safety and handling of human remains as the initial protocols. This then later expanded to include funeral parlours, funerals and Covid-19 compliance. Schools, Early Childhood Development (ECD) centres, homeless shelters and homes for the aged were also focus points.

This section has seven (7) Environmental Health Practitioners (EHPs) responsible for all the tasks and duties as per the scope of practice, as well as the additional workload. Should the national norm of one EHP per 10,000 of the population be achieved, this will entail a staff component of twenty-eight EHPs. Thus, there is a huge staff shortage. The function of Municipal Health Services (MHS) has been allocated to C municipalities, thus District Municipalities, however, due to similar lack of capacity, the Frances Baard District Municipality has entered into a Service Level Agreement with Sol Plaatje Local Municipality.

#### 3.21.2 Service Statistics for Environmental Health

Description	2019/20	2020/21
Persons given health/hygiene awareness – training in food safety	743	803
Inspection/investigations of food premises to ensure compliance with legislation	1 132	1 084

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Description	2019/20	2020/21
Environmental pollution control investigations	5	6
Water samples taken	212	370
Food samples taken	71	5
Inspections of complaints attended to ensure effective hygiene control	193	159
Vector control complaints attended to	2 818	2 662
Foodstuff condemned (unfit for human consumption)	20 690.54 kg	1 340 kg
Certificates of acceptability applications – Inspections new food premises	749	302
Inspections/investigations of general businesses	3 219	3 255
Building plan inspections approved	38	55

Table 121: Service Statistics for Environmental Health

### 3.21.3 Environmental Health Objectives included in the IDP

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of environmental health to all residents of Sol Plaatje Local Municipality						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Conduct health/hygiene awareness training sessions	240	84	240	743	240
	Conduct routine inspections and investigations to ensure compliance to legislation	1 200	1 311	1 200	1 132	1 200
	Conduct surveys, inspections and attend to complaints to ensure effective vector control	2 160	4 530	2 160	2 812	2 160
	Conduct investigations and inspections of food premises	1 800	2 268	1 800	3 219	1 800

Table 122: Environmental Health Objectives included in the IDP

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### 3.21.4 Employees: Environmental Health

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	3	4	4	0	0
Professionals	8	24	8	16	66.7
Technicians & Trade Workers	0	0	0	0	0
Clerks & Administrative Workers	5	5	5	0	0
Community and Personal Workers	0	1	0	1	100
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	0	0	0	0	0
<b>Total</b>	<b>17</b>	<b>35</b>	<b>18</b>	<b>17</b>	<b>48.6</b>

Table 123: Employees: Environmental Health

### 3.21.5 Financial Performance: Environmental Health

Details	2019/20	2020/21			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	<b>453</b>	<b>95</b>	<b>95</b>	<b>69</b>	<b>-27%</b>
<b>Expenditure:</b>					
Employees	7 415	8 283	8 283	8 316	0%
Repairs and Maintenance	393	240	2 240	716	-68%
Other	125	211	211	110	-48%
<b>Total Operational Expenditure</b>	<b>7 933</b>	<b>8 734</b>	<b>10 734</b>	<b>9 142</b>	<b>-15%</b>
<b>Net Operational Expenditure</b>	<b>7 480</b>	<b>8 639</b>	<b>10 639</b>	<b>9 073</b>	<b>-15%</b>

Table 124: Financial Performance: Environmental Health

### 3.21.6 Capital Expenditure

There was no capital expenditure for the period under review.

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### 3.21.7 Comment on the Performance Overall

During the past year, the strain on personnel and resources due to the Covid 19 epidemic has been immense, while trying to ensure compliance with the National Norms and Standards. Due to the limitations on personnel, it was necessary to prioritize tasks and functions. The priority was food safety, water quality monitoring and compliance due to complaints and/or transgressions. A huge challenge was to ensure compliance of food premises (especially tuckshops) to requirements (R 638). with many undocumented tuckshops opening daily.

To mitigate the extreme workload this Section appointed three (3) qualified Environmental Health Practitioners on an intern basis. This did relieve the pressure on personnel to a degree.

The Service Level Agreement between Sol Plaatje Municipality and the Frances Baard District Municipality expired during July 2021 but has since been renewed for a further period of three years.

## COMPONENT G: SECURITY AND SAFETY

This component includes Traffic Law Enforcement; emergency services; disaster management, licensing and control of animals, and control of public nuisances, etc.

### 3.22 TRAFFIC LAW ENFORCEMENT

#### 3.22.1 Introduction to Traffic Law Enforcement

The Traffic Section is responsible to ensure a safe road environment by providing efficient and effective law enforcement resulting in the reduction in the loss of life as well as the number of persons injured on our roads and creating public awareness with emphasis to educate all road users.

The main function of traffic services is to ensure the free flow of traffic and for all road users to arrive alive. For us to be successful in this objective one needs to ensure as a priority that:

- All vehicles that make use of the road are roadworthy
- The person in control of the vehicle must be driving fit
- Pedestrians are safe
- There is no overloading
- There is no drinking and driving
- Safety belts are worn

In order to achieve this our emphasis is placed on:

- Roadblocks
- Stopping and checking
- Speed and red traffic light law enforcement
- Hawkers

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- Overloading of vehicles
- Taxis
- Parking offences in the CBD
- Drunk driving
- Escort of abnormal loads/processions
- Arrangements and policing of special events
- Execution of warrants of arrest
- Traffic related complaints
- Road signage and markings
- Traffic law administration
  - cashier services (payment of fines and miscellaneous payments)
  - data capturing
  - reporting and capturing of accidents
  - preparation of court dates
  - collecting and filing warrants of arrest
  - filing and safekeeping of all traffic court documents
  - representations
- Accidents
- Transportation of dangerous goods
- The Gatherings Act (Act No. 203 of 1993)
- Building Plans
- AARTO Awareness

### 3.22.2 Service Statistics for Traffic Law Enforcement

Description	2019/20	2020/21		2021/22
	Actual	Estimate	Actual	Estimate
Number of road traffic accidents during the year	2 249	n/a	2 597	n/a
Number of by-law infringements attended	22 547	n/a	18 095	n/a
Number of police officers in the field on an average day	34	35	34	34
Number of police officers on duty on an average day	42	53	41	41

Table 125: Service Statistics for Traffic Law Enforcement

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### 3.2.2.3 Traffic Law Enforcement Objectives included in the IDP

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of traffic services to all residents of Sol Plaatje Local Municipality						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Facilitate regular stop and check points to improve road safety	108 000	60 378	72 000	12 569	40 000
	Conduct regular roadblocks to test the roadworthiness of vehicles conducted successfully in line with national initiatives	8	21	8	9	8
	Maintain road traffic signs and road markings in accordance with standards determined for SADC countries	90%	52.92%	90.00%	44.5%	90.00%
	Monitoring and collection of outstanding fines on a monthly basis	50%	22.12%	40.00%	33.5%	40.00%
	Report monthly on accidents in Sol Plaatje municipal area to the ED and the Safety and Security Committee	12	11	12	9	12
	Conduct bi-annual Firearm Training in terms of Regulation 21	2	0	2	0	2
	Conduct public awareness programmes for the implementation of AARTO	6	5	6	0	3

Table 126: Traffic Law Enforcement Objectives included in the IDP

### 3.2.2.4 Employees: Traffic Law Enforcement

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	5	5	5	0	0
Professionals	0	0	0	0	0
Technicians & Trade Workers	8	9	8	1	11.1
Clerks & Administrative Workers	5	18	5	13	72.2



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Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Community and Personal Workers	0	0	0	0	0
Service and Sales Workers	53	53	52	1	1.9
Plant & Machine Operators	1	1	1	0	0
Elementary Occupations	16	18	16	2	11.1
<b>Total</b>	<b>89</b>	<b>105</b>	<b>88</b>	<b>17</b>	<b>16.2</b>

Table 127: Employees: Traffic Law Enforcement

### 3.22.5 Financial Performance: Traffic Law Enforcement

Details	2019/20	2020/21			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	<b>2 861</b>	<b>17 255</b>	<b>17 255</b>	<b>9 202</b>	<b>-47%</b>
<b>Expenditure:</b>					
Employees	34 848	42 666	41 266	38 662	-6%
Repairs and Maintenance	506	1 925	1 925	326	-83%
Other	902	1 430	1 430	845	-41%
<b>Total Operational Expenditure</b>	<b>36 256</b>	<b>46 022</b>	<b>44 622</b>	<b>39 833</b>	<b>-11%</b>
<b>Net Operational Expenditure</b>	<b>33 395</b>	<b>28 767</b>	<b>27 367</b>	<b>30 631</b>	<b>12%</b>

Table 128: Financial Performance: Traffic Law Enforcement

### 3.22.6 Capital Expenditure

There was no capital expenditure for the period under review.

### 3.22.7 Comment on the Performance Overall

Covid-19 had a heavy impact on our performance on the whole.

The vacant positions across the Traffic and Road marking Technical Section continues to be a challenge.

The compulsory firearm grading shoot for the instructor did unfortunately not take place due to Covid-19 and therefore no training was scheduled for the traffic officers.

The implementation of AARTO is still in abeyance and we are awaiting the outcome of the Constitutional Court regarding the pending court case. Mr K L Louw is still the custodian for AARTO representing this department.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.23 EMERGENCY SERVICES (INCLUSIVE OF DISASTER MANAGEMENT)

#### 3.23.1 Introduction to Emergency Services

Rendering of an all-inclusive effective emergency service (fire, rescue and disaster management activities) through the following sections Operational, Public Safety and Training and Logistical to the residents of Sol Plaatje Municipal Area.

#### 3.23.2 Service Statistics for Emergency Services

Description	2019/20	2020/21
	Actual	Actual
Total fires attended in the year	368	870
Total of other incidents attended in the year	431	193
Average turnout time - urban areas	3 min (minimum 85% according to the SANS 10090, Community safety against fires)	
Average turnout time - rural areas		
Firefighters in post at year end	36	33
Total fire appliances at year-end	6	6
The average number of appliances off the road during the year	3	3

Table 129: Service Statistics for Emergency Services

#### 3.23.3 Emergency Services Objectives included in the IDP

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services to all residents in Sol Plaatje Local Municipality)						
To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM To ensure sustainable delivery of community services (personal including environmental health, library, emergency and traffic services) to all residents of SPM	Conduct monthly fire safety/prevention inspections	720	498	720	775	720
	Present Fire safety/ prevention programmes per annum	24	13	24	9	24
	Respond to 85% of emergency callouts within time limits as prescribed in table 1 and table 2 of SANS 10090 by 30 June 2021	85%	67.50%	85%	85%	85%
	Ensure 70% compliance with the National Disaster Management Tool by 30 June 2021	70%	75%	70%	77%	70%
	Manage commonage farms and offer support to emerging farmers	12	14	12	13	12

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Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
	Respond to all queries from community, SAPS and Traffic about free-roaming animals within the community	12	29	12	30	12

Table 130: Emergency Services Objectives included in the IDP

### 3.23.4 Employees: Emergency Services

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	2	15	2	13	86.7
Professionals	4	7	3	4	57.1
Technicians & Trade Workers	2	2	2	0	0
Clerks & Administrative Workers	4	10	4	6	60
Community and Personal Workers	0	10	0	10	100
Service and Sales Workers	56	79	56	23	29.1
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	12	16	12	4	25
<b>Total</b>	<b>81</b>	<b>140</b>	<b>80</b>	<b>60</b>	<b>42.9</b>

Table 131: Employees: Emergency Services

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### 3.23.5 Financial Performance: Emergency Services

Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>624</b>	<b>600</b>	<b>600</b>	<b>138</b>	<b>-77%</b>
<b>Expenditure:</b>					
Employees	35 007	35 889	35 889	33 823	-6%
Repairs and Maintenance	1 029	2 716	2 716	2 328	-14%
Other	1 979	1 789	1 789	1 301	-27%
<b>Total Operational Expenditure</b>	<b>38 015</b>	<b>40 393</b>	<b>40 393</b>	<b>37 451</b>	<b>-7%</b>
<b>Net Operational Expenditure</b>	<b>37 391</b>	<b>39 793</b>	<b>39 793</b>	<b>37 313</b>	<b>-6%</b>

Table 132: Financial Performance: Emergency Services

### 3.23.6 Capital Expenditure

There was no capital expenditure for the period under review.

### 3.23.7 Comment on the Performance Overall

#### Highlights

Some highlights for the Emergency Services through the financial year under review are:

- The re-establishment of the Sol Plaatje Municipal Disaster Management Advisory Forum. It collapses during COVID 19.
- We manage to create a Fire Protection Association under the umbrella of Frances Baard District Municipality.
- The Emergency Services took part in the international evaluation of the Kimberley Airport Emergency plan through the simulation of a full-scale air disaster. This evaluation is done bi-annually and is evaluated on International Civil Aviation norms and standards.
- The Homevale Satellite Fire Station is completed on sewer is not connected.

#### Challenges

Some challenges for the Emergency Services through the financial year under review are:

- The vehicle fleet and equipment are old and need replacement. The average age of the firefighting vehicles in service are sixteen years, and the maintenance costs on the vehicles are escalating at an alarming rate. Due to the fact that most vehicles are imported, the availability of critical parts is a huge challenge causing extended downtime of vehicles and equipment.

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- Resources for the Homevale Satellite Fire Station. We have appointed 10 firefighters and the tender for the new fire engine was awarded and the delivery will be in 2023 if things go according to the plan. It must be stressed that the current resources will not be sufficient to serve all the fire stations and the new station.
- The shift system worked by the Emergency Services operational personnel needs to be changed. The current 24-hour shift system is not only an inhuman system, but the municipality has come to a point where the claims for standby, overtime and night allowances are not only unrealistic, but also escalating out of control. The current allowances for operational personnel, paid monthly are 89% of the person's monthly salary.
- The senior personnel and firefighter went on pension and creating a shortage of manpower in the section.

### COMPONENT H: SPORT AND RECREATION

This component includes community Parks; Sports Fields; Sports Halls; Stadiums; Swimming Pools; Cemeteries and Campsites.

#### 3.24 PARKS AND RECREATION

The provision of sport and recreational facilities, pleasure resort, parks and gardens and other horticultural services, community halls and to provide quality cemetery facilities and services to the residents of Sol Plaatje Municipal area.

##### 3.24.1 Service Statistics for Parks and Recreation

The nature and extent of facilities provided are

Description	Number
Other community halls/facilities	10
Cemeteries and crematoriums (crematorium private)	12
Sporting facilities – Stadiums	2
Sports fields (Community facility)	8
Caravan Park	1
Swimming pools	4
Parks, gardens, islands	83 (60 ha)

Table 133: Service Statistics for Parks and Recreation

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### 3.24.2 Parks and Recreation Objectives included in the IDP

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of community services parks and recreation services to all residents of SPM						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Conduct monthly inspections of the cemeteries according to the templates	132	99	132	132	132
	Conduct monthly inspections of parks according to the templates	792	594	95%	95.42%	95%
	Remove alien vegetation trees as part of the maintenance and administration of parks, sports and recreational centres	312	407	312	640	312
	Maintain community halls monthly	120	86	84	92	84
	Maintain swimming pools monthly according to specific standards	48	36	48	48	48
	Maintain stadia monthly according to specific standards	24	19	24	24	24
	Conduct monthly inspections of the resorts (Riverton, Langleg, Transka and Rekaofela)	48	49	48	51	48

Table 134: Parks and Recreation Objectives included in the IDP

### 3.24.3 Employees: Parks and Recreation

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	3	3	3	0	0
Professionals	2	2	2	0	0
Technicians & Trade Workers	16	16	16	0	0
Clerks & Administrative Workers	15	18	15	3	16.7
Community and Personal Workers	4	7	4	3	42.9
Service and Sales Workers	14	33	14	19	57.6

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Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Plant & Machine Operators	13	39	13	26	66.7
Elementary Occupations	194	200	195	5	2.5
<b>Total</b>	<b>262</b>	<b>319</b>	<b>263</b>	<b>56</b>	<b>17.6</b>

Table 135: Employees: Parks and Recreation

### 3.24.4 Financial Performance: Parks and Recreation

Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>2 025</b>	<b>6 460</b>	<b>6 460</b>	<b>4 025</b>	<b>-38%</b>
<b>Expenditure:</b>					
Employees	31 298	71 313	70 713	65 576	-7%
Repairs and Maintenance	1 251	7 497	7 497	5 098	-32%
Other	3 134	2 178	2 178	2 488	14%
<b>Total Operational Expenditure</b>	<b>35 683</b>	<b>80 988</b>	<b>80 388</b>	<b>73 161</b>	<b>-9%</b>
<b>Net Operational Expenditure</b>	<b>33 658</b>	<b>74 528</b>	<b>73 928</b>	<b>69 137</b>	<b>-6%</b>

Table 136: Financial Performance: Parks and Recreation

### 3.24.5 Capital Expenditure

There was no capital expenditure for the period under review.

### 3.24.6 Comment on the Performance Overall

The country being placed on Covid-19 lockdown in 2020 had a major impact on the section where everybody, except essential workers, were expected to stay at home to control the spread of the Covid-19 virus. All sports and recreational facilities such as stadia, swimming pools, community halls, caravan park, community parks and pleasure resorts had to close down, and the section lost on revenue generation as a result.

Cemeteries are the only sub-section that was operational when the country was placed under hard lockdown because service had to be delivered to the community to ensure that the families that lost their loved ones are afforded with an opportunity to lay their loved ones to rest with dignity. The Municipality is grateful to the cemeteries personnel for their bravery and commitment in service delivery albeit the circumstances the whole country and world were in because the burials increased at an alarming rate and were taking place on a daily basis which an enormous pressure on the section, however, the revenue generated by cemeteries escalated tremendously.

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The Municipality ran at a loss following the rampant theft and vandalism of municipal property that took place at various sports and recreational facilities during the hard lockdown. The affected facilities included the Rekaofela and Transka Pleasure Resorts, Caravan Park, De Beers Stadium, Social Centre, Abantu, Floors, Motswedimosa Community Hall, and all four (4) swimming pools were broken into and vandalized. It is for this reason that drastic action to secure and safeguard these facilities had to be taken. Entry points that were used to access the buildings were sealed using steel plates, alarm systems installed, etc and unfortunately these did not stop the burglaries and vandalism.

Approval was granted in 2021 by the Municipal Manager for workers who met the necessary qualifications to be appointed internally as access controllers/security on a contractual basis. Due to lack of funds an agreement was reached that vacant and funded positions be utilized to fund the appointments of these access controllers/security because it was apparent that the municipal security did not have the capacity to safeguard our sports and recreational facilities.

The section is grateful for the continued support received from the maintenance sections in repairing the sports and recreational facilities that were vandalized. The recreation hall that was vandalized during the 2018 protest was repaired by the maintenance section and the hall was officially opened by the Executive Mayor Ald. Patrick Mabilo in September 2020. Numerous facilities were also repaired to have them operational as and when various activities and gatherings were allowed in terms of the Covid-19 lockdown regulations.

Sol Plaatje Municipality was nominated by the Department of the Forestry, Fisheries and Environment (DFFE) for a development of a park as part of Arbour Week celebrations. An illegal dumping site in Mathibe Street was cleared and developed into a community park by the parks section and community members. A plaque was erected and officially opened in September 2020 by the Executive Mayor and the Deputy Minister of the DFFE to commemorate those who succumbed to Covid-19 and to honour all frontline workers for working right through the Covid-19 lockdown to save lives. The Department of Sport, Arts and Culture nominated the Municipality as a beneficiary where outdoor gym and playground equipment were supply and installed by the department at the existing Bambanani and Homestead Parks. The R250 000 cash prize that was won by the Parks Division at the Arbour City Awards, hosted by the DFFE, the Institute of Environment and Recreation Management and Total South Africa was utilized to finance the contract appointments of workers needed for the cleaning, greening and beautification project.

### COMPONENT I: CORPORATE POLICY, OFFICES AND OTHER SERVICES

This component includes Communications, Human Resource and Employment Equity, Recruitment and Selection, Training and Organisational Development, Gender and Special Programmes, Research and Efficiency, Employee Relations, Risk Management, Security, Councillor Support, Administration and Committee Services.

#### 3.25 CORPORATE SERVICES

Corporate Services provides support services to all departments, employees, as well as political offices, i.e., the Office of the Speaker and Office of the Executive Mayor.



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It provides needed support services based on specialised knowledge, best practices, to advise and serve internal directorates on issues of governance and external clients.

### 3.25.1 Employees: Corporate Services

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	17	19	17	2	10.5
Professionals	8	8	8	0	0
Technicians & Trade Workers	0	0	0	0	0
Clerks & Administrative Workers	55	93	55	38	40.9
Community and Personal Workers	0	0	0	0	0
Service and Sales Workers	46	48	46	2	4.2
Plant & Machine Operators	7	12	7	5	41.7
Elementary Occupations	32	39	32	7	17.9
<b>Total</b>	<b>166</b>	<b>220</b>	<b>166</b>	<b>54</b>	<b>24.5</b>

Table 137: Employees: Corporate Services

The Corporate Services Directorate includes the following sections:

- Administration
- Security
- Risk Management
- Mayor's Office
- Committee Services
- Research & Efficiency
- Communication
- Gender & Special Projects
- Employee Relations
- Speaker's Office
- Human Resource
- Organisational Development & Training
- EAP & Selection
- Financial

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### 3.25.2 Financial Performance: Corporate Services

Details	2019/20	2020/21			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	<b>2 286</b>	<b>6 177</b>	<b>6 177</b>	<b>6 247</b>	<b>1%</b>
<b>Expenditure:</b>					
Employees	59 694	63 278	63 278	60 380	-5%
Repairs and Maintenance	765	2 885	2 885	55	-98%
Other	5 549	3 361	3 432	2 576	-25%
<b>Total Operational Expenditure</b>	<b>66 008</b>	<b>69 524</b>	<b>69 595</b>	<b>63 012</b>	<b>-9%</b>
<b>Net Operational Expenditure</b>	<b>63 722</b>	<b>63 347</b>	<b>63 418</b>	<b>56 764</b>	<b>-10%</b>

Table 138: Financial Performance: Corporate Services

### 3.25.3 Capital Expenditure

There was no capital expenditure for the period under review.

### 3.25.4 Comment on the Performance Overall

Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working.

The municipality must also develop strategic plans and allocate resources for their implementation, which must be monitored on an ongoing basis and results must be reported on during the financial year to various role players to enable timeously corrective measures where required.

## 3.26 HUMAN RESOURCE SERVICES

### 3.26.1 Introduction to Human Resource Services

Dedicated and competent staff are fundamental for the municipality in achieving its goals and objectives. The municipality's biggest, and most important asset is its human capital; therefore, the municipality is committed to acquire, retain and developing the best human capital available in the market, and to make diligent efforts to develop and motivate all human capital towards a higher standard of performance. The municipality provides its employees with opportunities to attain their full potential and to serve at the highest level of responsibility consistent with his/her own interests, skills and abilities.

Human Resource at a strategic level provides management with effective and efficient strategic advice and support with reference to new and amended legislation, interpretation of policies, organisational change and sound labour relation practices.

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### 3.26.2 Human Resource Services Objectives included in the IDP

Municipal Key Performance Area: Municipal Institutional Development and Transformation

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To improve effective human resource development for staff and councillors	Monitor the implementation of the Human Resource Management Plan through conducting at least one review meeting annually	1	1	1	1	1
	Achieve 72% compliance with the EAP Plan of the municipality by ensuring representation of the racial profile of the local authority on municipal level by 30 June 2021	72%	65%	72%	72%	72%
To provide a basis for sustainable municipal performance improvement	Evaluate all identified personnel in terms of the performance management system	2	2	2	2	2
	Co-ordinate bi-annual performance assessments of the municipal manager and managers reporting directly to the municipal manager by 30 June 2021	1	1	2	2	2
	Submit quarterly organisational performance reports to the Executive Mayor by the 20 <sup>th</sup> of the month following the end of each quarter for 2020/2021	4	4	4	4	4
	Develop and sign performance agreements and performance development plans with all identified personnel before 31 August	2	2	100%	100%	100%
	On a quarterly basis communicate the funded vacant positions in each directorate to the relevant Executive Director	1	1	4	4	4
To improve effective human resource development to staff and councillors	Review the organisational structure of the municipality on an annual basis with the aim of optimising efficiency and make	72%	65%	100%	100%	100%

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Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
	recommendations by 30 June 2021					

Table 139: Human Resource Services Objectives included in the IDP

### 3.26.3 Risk Management Resource Services Objectives included in the IDP

Municipal Key Performance Area: Municipal Institutional Development and Transformation

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls.	To report quarterly on the progress of risk mitigation to the Accounting Officer and Executive Management Team (EMT)	4	6	4	4	4
	Submit an Annual Report on risk management maturity level op SPM to National Treasury by 30 June each year	1	1	1	1	1

Table 140: Risk Management Resource Objectives included in the IDP

### 3.26.4 Financial Performance: Human Resource Services

Details	2019/20	2020/21			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	<b>1 311</b>	<b>6 150</b>	<b>6 150</b>	<b>6 178</b>	<b>0%</b>
<b>Expenditure:</b>					
Employees	17 383	21 182	21 182	17 551	-17%
Repairs and Maintenance	7	371	371	141	-62%
Other	1 910	2 664	2 666	952	-64%
<b>Total Operational Expenditure</b>	<b>19 300</b>	<b>24 218</b>	<b>24 219</b>	<b>18 644</b>	<b>-23%</b>
<b>Net Operational Expenditure</b>	<b>17 989</b>	<b>18 068</b>	<b>18 069</b>	<b>12 466</b>	<b>-31%</b>

Table 141: Financial Performance: Human Resource Services

### 3.26.5 Comment on the Performance Overall

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Performance management is a process that measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficient, effectiveness and the impact of service delivery by the municipality. At local government level performance management is institutionalised through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets meet the strategic goals, set by the organisation.

The Municipal Systems Act (MSA), Act No. 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 inform the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that

*"A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players."*

Performance management is not only relevant to the organisation, but also to the individuals employed in the organisation as well as the external service providers. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP, individual and service provider performance.

Bearing this in mind, the need for local government service is forever increasing whilst the affordability of services is declining. However, the municipality has managed to achieve a targeted ratio of employee costs against total expenditure in the table below.

Operating Ratio		
Description	2020	2021
Employee costs as a % of total expenditure	33.74%	33.52%

Table 142: Employee Operating Ratio

### 3.27 FINANCIAL SERVICES

#### 3.27.1 Introduction to Financial Services

The Chief Financial Officer heads the Financial Services Directorate, with seven divisions in the directorate. The divisions are as follows:

- Revenue Management and Billing
- Expenditure Management and Payroll
- Supply Chain Management
- Assets Management
- Budget and Treasury Office

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- Information Communication and Technology
- Debtors Management.

The financial services directorate is responsible for the implementation and compliance with Municipal Finance Management Act, Act No. 56 of 2003, the Municipal Property Rates Act, Act No. 6 of 2004, as amended, the Municipal Systems Act, Act No. 32 of 2000, as amended, Fiscal Powers and Functions Act, Act No. 12 of 2007, the Division of Revenue Act, to mention but a few.

During the 2020/21 financial year, there were 225 employees against staff establishment with 247 positions in the directorate, with cashiers and other services operating at eight service centres for the convenience of the public.

The directorate is responsible for ensuring general compliance with supply chain management policy of the municipality, whilst the expenditure section identifies any irregular expenditure that may have been incurred as a result of non-compliance.

The directorate submitted the General Valuation Roll 2019 in term of section 49 (1) of the Local Government: Municipal Property Rates Act 6 of 2004 (as amended Act 29 of 2014) on 30 January 2019 that became effective 1 July 2019. All objections were processed, and notifications were sent out according to sections 52 and 53 of the MPRA. Appeal process proposed for September 2021. The general valuation roll for 2019 shall remain valid for a four-year period ending 30 June 2023, except for amendments to existing properties or new developments, whereby supplementary valuations are conducted throughout each financial year.

Supply chain management division provides secretariat function for all the bid committees as set-up by the Municipal Manager. The Municipal Manager also appointed an ICT Steering Committee, the Asset Disposal Committee and the Insurance Committee all chaired by the Chief Financial Officer or his/her delegate. These committees have terms of reference and report to the Executive Management Team and Council, through various committees that exercise oversight on these issues.

The municipality implements consolidated billing and our key billing objectives are as follows:

- Customer information management to ensure accuracy of information and billing
- Timely billing to ensure improved payment levels
- Efficient bill notification procedures, reaching the customer
- Proper and accurate billing for rates based on the category and land use
- Proper tariff for each property category
- Accessibility through properly resourced service centres
- And fast and friendly customer interface (Cashiers, Indigents, and Debt Collection)

The table below represents revenue billed during the 2020/21 financial year:

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Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjust. Budget	Actual	Original Budget	Adjust. Budget
	Rand				Percentage	
Property rates	555 073	584 108	584 108	571 075	-2.2%	-2.2%
Service Charges - electricity revenue	664 828	766 232	766 232	659 307	-14%	-14%
Service Charges - water revenue	258 618	278 626	278 626	259 156	-7%	-7%
Service Charges - sanitation revenue	73 119	71 175	71 175	78 186	10%	9.8%
Service Charges - refuse revenue	52 564	53 984	53 984	56 401	4%	4%
Service Charges – other	0	0	0	0	0%	0%
Rentals of facilities and equipment	11 427	12 440	12 440	12 018	-3%	-3%
Interest earned - external investments	5 503	10 000	4 000	2 835	-72%	-29%
Interest earned - outstanding debtors	145 492	154 000	144 000	105 983	-31%	-26%
Dividends received	0	0	0	0	0%	0%
Fines	31 614	33 345	33 345	29 477	-12%	-12%
Licenses and permits	5 863	6 100	6 100	6 383	5%	5%
Agency services	0	0	0	0	0%	0%
Transfers recognised – operational	210 548	224 542	260 137	242 442	8%	-7%
Other revenue	18 108	18 008	18 008	17 354	-3.6%	-4%
Gains on disposal of PPE	375	0	22 000	5 727	0%	0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 033 132</b>	<b>2 212 561</b>	<b>2 254 156</b>	<b>2 046 343</b>	<b>-8%</b>	<b>-9%</b>
Capital Grants	147 511	116 556	109 046	130 547	12.0%	20%
<b>Total Revenue</b>	<b>2 180 643</b>	<b>2 329 117</b>	<b>2 363 202</b>	<b>2 176 889</b>	<b>-7%</b>	<b>-8%</b>

Table 143: Revenue Billed

### 3.27.2 Debt Recovery

Details of the types of accounts raised and recovered	2019/20		2020/21				2021/22	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year	Budgeted Billed for the Year	Actual for accounts billed in year	Actual Receipts	Proportion of accounts value billed that were collected	Estimated outturn for accounts billed in the year	Estimated Proportion of accounts billed that were collected
	R'000	%	R'000			%	R'000	%
Property Rates	555 073	73%	584 108	571 075	407 759	71%	627 646	85.0%
Electricity – B	3 473	135%	3 689	8 658	5 067	59%	9 403	85.0%
Electricity – C	423 433	84%	519 484	396 452	366 686	92%	626 101	85.0%
Electricity Prepaid	237 921	100%	243 059	254 197	254 197	100%	284 350	100%
Water – B	3 983	20%	4 222	2 588	528	20%	2 692	85.0%

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Details of the types of accounts raised and recovered	2019/20		2020/21				2021/22	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year	Budgeted Billed for the Year	Actual for accounts billed in year	Actual Receipts	Proportion of accounts value billed that were collected	Estimated outturn for accounts billed in the year	Estimated Proportion of accounts billed that were collected
	R'000	%	R'000		%	R'000	%	
Water – C	254 635	66%	274 404	256 568	164 617	64%	308 025	85.0%
Sanitation	73 119	59%	71 175	78 186	44 059	56%	81 700	85.0%
Refuse	52 564	65%	53 984	56 401	34 820	62%	60 940	85.0%
Other	197 959	54%	209 837	147 661	147 738	100%	153 568	85.0%

*B- Basic; C= Consumption. See chapter 6 for the Auditor-General's rating of the quality of the financial Accounts and the systems behind them. For 2020/21 financial year the average collection rate is budgeted at 85%.*

Table 144: Debt Recovery

### 3.27.3 Financial Services Objectives included in the IDP

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Submit an audit action plan to the Municipal Manager to address findings raised by the Audit General by 31 January annually	1	1	1	1	1
Promote sound financial management and financial sustainability of Sol Plaatje Local Municipality through prudent fiscal management	Ensure that the actual spending on employee-related costs does not exceed 37% of the total expenditure by 30 June 2021	32%	42.59%	37%	41.14%	33%
Enhance revenue through leveraging alternate sources of funding and identifying new revenue streams	Improve revenue enhancement by ensure a collection rate of 85% after debt write off by 30 June 2021	89.40%	76%	85%	76.13%	85%
Promote sound financial management and financial sustainability of Sol Plaatje Local Municipality through prudent fiscal management	Maintain the cost coverage ratio of at least one month annually	3	-0.14	1	-0.95	1
	Maintain the debt coverage ratio of at least 2:1 against net assets of the municipality by 30 June 2021	2:1	4.62	2:1	4.25	2.1



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Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
	Reduce net debtor days to 300 days by 30 June 2021	200 days	602.87 days	300 days	671.25 days	300 days
	To spend and least 92% of the Operational budget annually (30 June)	90%	93.17%	92%	79.41%	90%
	To spend at least 85% of the Capital budget (including VAT) on capital projects identified in the IDP by 30 June 2021	95%	72.25%	85%	73.66%	85%
	Ensure through regular communication and submission of data streams monthly that mSCOA compliance is maintained throughout the financial year	12	12	12	12	12

Table 145: Financial Services Objectives included in the IDP

### 3.27.4 Employees: Financial Services

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	12	16	11	5	31.3
Professionals	16	17	16	1	5.9
Technicians & Trade Workers	9	10	9	1	10
Clerks & Administrative Workers	129	141	129	12	8.5
Community and Personal Workers	25	26	25	1	3.8
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	26	36	26	10	27.8
<b>Total</b>	<b>218</b>	<b>247</b>	<b>217</b>	<b>30</b>	<b>12.1</b>

Table 146: Employees: Financial Services

### 3.27.5 Financial Performance: Financial Services

Details	2019/20	2020/21
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	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>577 269</b>	<b>603 759</b>	<b>603 159</b>	<b>594 906</b>	<b>-1%</b>
<b>Expenditure:</b>					
Employees	102 893	127 699	124 699	108 202	-13%
Repairs and Maintenance	2 005	2 862	2 279	2 616	15%
Other	12 663	18 455	18 437	15 563	-16%
<b>Total Operational Expenditure</b>	<b>117 561</b>	<b>149 015</b>	<b>145 415</b>	<b>126 380</b>	<b>-13%</b>
<b>Net Operational Expenditure</b>	<b>(459 708)</b>	<b>(454 743)</b>	<b>(457 743)</b>	<b>(468 526)</b>	<b>2%</b>

Table 147: Financial Performance: Financial Services

### 3.27.6 Capital Expenditure

The following were capital budgets for Financial Services

Capital projects	2020/21					
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Variance from adj budget	Total project value
	R'000			%		R'000
Replacement Programme IT Hardware	5 000	2 500	1 101	-78%	-56%	2 500
<b>Total</b>	<b>5 000</b>	<b>2 500</b>	<b>1 101</b>	<b>-78%</b>	<b>-56%</b>	<b>2 500</b>

Table 148: Capital Expenditure: Financial Services

### 3.27.7 Capital Expenditure Other

"Other" refers to projects that were budgeted for under Capex, but which were not specifically linked to a service but rather broadly beneficial to the municipality.

Capital projects	2020/21					
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Variance from adj budget	Total project value
	R'000			%		R'000
Replacement Furniture and Office Equipment	3 000	1 700	115	-96%	-93%	1,700
Satellite Fire Station	12 668	14 421	4 534	-64%	-69%	14 421
Other Machinery and Equipment	0	0	875	0	0	0
<b>Total</b>	<b>15 668</b>	<b>16 121</b>	<b>5 524</b>	<b>-65%</b>	<b>-66%</b>	<b>16 121</b>

Table 149: Capital Expenditure: Other

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Current Ratio	30 June 2019	30 June 2020	30 June 2021
Current assets	1 527 983 170	1 765 953 482	1 859 331 524
Current liabilities	423 116 584	578 995 042	699 912 273
Ratio 1:2 (Ideal)	3.61	3.05	2.66

Table 150: Current Ratio

The liquidity ratio reflects the relationship between the current assets less inventory and current liabilities of the municipality.

Liquidity Ratio	30 June 2019	30 June 2020	30 June 2021
Current assets	1 527 983 170	1 765 953 482	1 859 331 524
Inventory	39 015 193	35 601 166	39 322 785
Current liabilities	423 116 584	578 995 042	699 912 273
Ratio 1:2 (Ideal)	3.52	2.99	2.60

Table 151: Liquidity Ratio

### 3.28 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

#### 3.28.1 Introduction to ICT

The ICT Unit provides a comprehensive range of services to the Municipality. Such services include but are not limited to the following:

- Network Services – Local and Wide area network services using wired and wireless technologies.
- Email Services – sending and receiving of email, use of electronic diary and calendar functions.
- Information Sharing – sharing of restricted and public folders based on necessary folder permissions.
- Logon Services – Providing desktop and specific system logon services for enhanced PC security and traceable network and system use.
- Internet Services – Provisioning of safe internet access including managing of bandwidth and firewalls.
- File Storage Services – Provisioning of common file storage to enable secure backups and access of files when required.
- Computer Services – Provisioning of desktop computers and thin clients for the delivery of municipal services.
- User Support Services – Help desk services to support users in their day-to-day computer tasks and operations
- Hosting Services – Provisioning of a secure and stable redundant environment for the hosting of departmental and transversal software systems such as Solar, Payday and NOSA.
- Archiving Backup and Business Continuity Services – Ensuring business continuity by providing a fire-resistant secure environment for hardware and network services.
- GIS Services – Provisioning of an integrated Geographic Information System, that promotes community-based technology solutions.

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- Software Maintenance and Development Services – Development and enhancements to software systems such as GIS Web Portal and Solar.
- Software Support Services – Providing a central port of call for user support and interacting with system suppliers/vendors in the municipality such as suppliers for Solar, Payday, and the Prepaid Electricity System, etc.
- Installing and Accrediting Services – Evaluating and installing of upgrades and new systems on the technical infrastructure.

Hardware Implementation Services – Provisioning the hardware infrastructure necessary for the management and the maintenance of the networks and systems within the municipality.

### 3.28.2 Service Statistics for ICT

The nature and extent of facilities provided are

Description	2019/20	2020/21
Service Requests handled	3 054	4 492
Average network uptime	99.5	99.6
Mission-critical production server uptime	99.83	99.93

Table 152: Service Statistics for ICT

### 3.28.3 ICT Objectives included in the IDP

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure continuous maintenance and replacement of furniture, office and computer equipment and create a secure environment within the municipality	Ensure an agile, customer-orientated ICT service desk that maintains an MTTR of eight hours or less, for at least 90% of service requests logged by 30 June annually	90%	77.59%	90%	90.92%	90%
	Ensure that all identified information technology related needs as per the procurement plan have been addressed by 30 June 2021	100%	100%	100%	76%	100%
	To ensure that the ICT Strategic Plan vision to connect, collaborate and communicate with employees, council and the community of Kimberley is realized by 30 June 2021	10%	0%	100%	80%	Not a target

Table 153: ICT Objectives included in the IDP

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### 3.28.4 Employees: ICT

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	2	2	2	0	0
Professionals	3	4	4	0	0
Technicians & Trade Workers	8	8	6	2	25
Clerks & Administrative Workers	2	5	3	2	4
Community and Personal Workers	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	0	0	0	0	0
<b>Total</b>	<b>6</b>	<b>20</b>	<b>16</b>	<b>4</b>	<b>20</b>

Table 154: Employees: ICT

(Note) ICT is part of Finance, however the above figures are not included in Finance Employee figures.

### 3.28.5 Financial Performance: ICT

Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Expenditure:</b>					
Employees	7 407	8 836	8 836	8 594	-3%
Repairs and Maintenance	253	360	360	411	14%
Other	3 818	5 201	5 201	8 012	54%
<b>Total Operational Expenditure</b>	<b>11 478</b>	<b>14 397</b>	<b>14 397</b>	<b>17 017</b>	<b>18%</b>
<b>Net Operational Expenditure</b>	<b>11 478</b>	<b>14 397</b>	<b>14 397</b>	<b>17 017</b>	<b>18%</b>

Table 155: Financial Performance: ICT

### 3.28.6 Comment on the Performance Overall

For the year 2020/2021 ICT has honoured its commitment to service excellence and was pushed to the forefront of service delivery given the Covid-19 requirements for responders and considering all Covid-19 restrictions.

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The 2020/21 fiscal year was challenging for the section given that the ICT Helpdesk attended to 47% more incident and service requests than the year prior, despite one of its members being off sick for a large portion of the year and many others being absent from work due to Covid-19 infection. This is unsustainable going forward and ICT definitely needs more skilled personnel in key positions to prevent burnout and loss of key personnel due to an ever-deteriorating working environment.

The following activities are highlights that attest to progress made in the following manner:

- Replacement of the following ICT-related infrastructure to improve network security and continuity management by:
  - Upgrading its firewall and acquiring log retention services for same
  - Replacing one production server
  - Replacing 50 ageing desktop computers
  - Procuring spare switches and radios to ensure that the municipality's local and wide area networks can be maintained
  - Installing a fire-suppression system for the municipality's offsite backup server room
- Updated the aerial pictometry for the Geographical Information system to ensure that accurate valuations can be performed on properties.

With the continuous changes and advancements in technology, ICT aims to be part of the race through the continuous development of its staff members and the services it provides from year to year. The below paragraph provides an overview of the sections' goal and planning for the 2021/22 fiscal year.

### 3.28.7 Objectives for the 2021/22 Financial Year

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The sectional objectives for the 2021/22 fiscal year are as follows:

- Implementation of the Employee Self-Service leave application system.
- Implementation of a new telephony system that will decrease related operational expenditure by approximately 80% in the following year, whilst empowering a mobile workforce during lockdowns and improving the customer care experience through added features like live chat with call centre attendants.
- Implementation of the TPAMS, PBAMS and AFLA systems that we developed during the 2019/2020 financial year.
- Upgrading of its backup software and the acquisition of an LTO tape drive to provide extra redundancy for backups made to Network Attached Storage at the offsite server room.
- Replacement of an additional 150 aging desktop computers
- Acquisition and implementation of conferencing facilities for two municipal board rooms to ensure that hybrid online-offline meetings can be held.

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- The improvement of the Corporate Governance and Governance of Information and Communication Technology services at the municipality through the development and approval of the following and the implementation thereof in the 2022/23 financial year:
  - A Corporate Governance of Information and Communications Technology Policy and Charter.
  - A Governance of Information and Communications Technology Framework.
  - An Information and Communications Technology Management Framework.
  - A 5-year ICT Strategic plan that will be aligned to the IDP but requires the restructuring and capacitation of the ICT Section.
  - Information and Communications Technology Access Management Policy.
  - Information and Communications Technology Acceptable Use Policy.
  - Information and Communications Technology Backups and Backups Restore Policy.
  - Information and Communication Technology Change Management Policy and Change Control Form.
  - Information and Communication Technology Incident Response Procedure.
  - Information and Communications Technology Planning, Process and Controls.
  - Information and Communication Technology Project Management Methodology and Business Case Template.
  - Information and Communications Technology Supplier Management Methodology and accompanying draft Master and Service Level Agreement Templates.
  - Information and Communication Technology System Development Life-Cycle Methodology.
  - Information and Communications Technology User Tools of Trade Policy.
  - Information and Communications Technology Work from Home Policy.
  - Updated Risk Register to accommodate all of the above.
- The improvement and enablement of information and Communication Technology Continuity Management at the municipality through the development and approval of the following and the implementation thereof in the 2022/23 financial year:
  - An Information and Communication Technology Strategy and Roadmap but requires the restructuring and capacitation of the ICT Section and the establishment of an ICT Continuity Management Committee and Team.
  - An Information and Communication Technology Continuity Management Plan.

### 3.29 SUPPLY CHAIN MANAGEMENT SERVICES

#### 3.29.1 Priorities and Achievements

Supply Chain Management (SCM) is the management of all links and interfaces in the supply chain. However, all these links and interfaces are not of equal importance and therefore the management task of various needs or interfaces in the supply chain will differ accordingly to impact on the relevant supply chain processes on the creation and delivery of consumer value.

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SCM implies optimised performance from all supply chain members across all processes and activities and ultimately the development of consumer-driven performance measures aimed at ensuring the continuous improvement of the supply chain.

Priorities set by the Supply Chain Management unit of this Municipality were to actively promote the new PPPF Regulation. All efforts were made to advance the designated groups pertained in Section 4 of the Regulation. A total amount of R219,256,210 was paid out to Supply Chain Management suppliers of which R156,403,450 was paid to local black SMMEs. This reflects 72% of our procurement and exceeds our target of 60%.

Other priorities include working towards a clean audit report and meeting our target of less than 4% stock losses during our annual stock take. All processes are in place to achieve this, and a total net shortfall during stock take amounted to R70,421.14 which is 0,241% of the total value of stock, R26,108,744.98.

### 3.29.2 Measures to Improve Performance and Achievements

Achieving a Supply Chain distinction is getting more difficult by the day. For good results to be achieved in Supply Chain Management, a comprehensive control system is necessary to ensure effective and efficient performance measurement right through the Supply Chain Unit, but care should be exercised not to limit the authority of managers. Tighter cross-functional co-operation can now be the best tool to improve performance and achievements. Key performance indicators for Supply Chain Performance Measurements should be included in all cross-functional Managers' Performance Contracts.

There is a great need for our Information Technology function to support SCM with platforms and applications. At this stage, human error is playing a far too big role. To eliminate this kind of risk, the municipality should seriously and urgently look at procuring an electronic system. The electronic system will also assist in achieving real-time reports, which will provide valuable insight and will allow management to improve the critical decision-making process and reduce human error. Currently part of the process is done electronically, and requisitions of orders are generated electronically. Contracts are captured on the system and can be viewed with ease.

### 3.29.3 Supply Chain Management Objectives included in the IDP

Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to twelve weeks for annual contracts from closing date to date of award	12 wks	9 wks	12 wks	0	12 wks
	To improve the SCM turnaround time to six weeks for once-off contracts from closing date, to date of award	6 wks	4.5 wks	6 wks	0	6 wks



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Strategic Objectives	Key Performance Indicator	2019/20		2020/21		2021/22
		Revised Target	Actual	Revised Target	Actual	Target
To capacitate SMMEs and local entrepreneurs	To successfully implement the PPPFA Regulations to achieve BBBEE and Radical Economic Transformation through local procurement by ensuring at least 60% of the municipality's tenders are awarded to EMEs, OSEs and from businesses in the rural areas within the municipal jurisdiction by 30 June 2021	60%	60%	60%	0	20%
To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To implement an effective and efficient Supply Chain Management System by ensuring that successful appeals are not more than 5% of tenders awarded by 30 June 2021	5%	1.25%	5%	0	5%

Table 156: Supply Chain Management Objectives included in the IDP

### 3.29.4 Employees: Supply Chain Management

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	0	1	1	0	0
Other Managers	4	5	2	3	60
Professionals	0	0	0	0	0
Technicians & Trade Workers	0	0	0	0	6.3
Clerks & Administrative Workers	28	32	30	2	0
Community and Personal Workers	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	1	1	1	0	0
<b>Total</b>	<b>33</b>	<b>39</b>	<b>34</b>	<b>5</b>	<b>12.8</b>

Table 157: Employees: Supply Chain Management

(Note: Supply Chain is part of Finance. The above figures are not included in Finance Employee figures).

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.29.5 Financial Performance: Supply Chain Management

Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Expenditure:</b>					
Employees	12 581	16 084	16 084	12 865	-20%
Repairs and Maintenance	218	302	302	169	-44%
Other	173	438	438	239	-45%
<b>Total Operational Expenditure</b>	<b>12 973</b>	<b>16 824</b>	<b>16 824</b>	<b>13 274</b>	<b>-21%</b>
<b>Net Operational Expenditure</b>	<b>12 973</b>	<b>16 824</b>	<b>16 824</b>	<b>13 274</b>	<b>-21%</b>

Table 158: Financial Performance: Supply Chain Management

### 3.29.6 Capital Expenditure

There was no capital expenditure during the period under review.

## 3.30 FLEET MANAGEMENT SECTION

The Fleet Management Section is the custodian of the municipal vehicle and machinery fleet, which consists of 218 petrol and diesel vehicles (excluding earthmoving machinery, fire engines & other miscellaneous equipment). The core responsibility of the section is to manage and ensure that the vehicle fleet and drivers/operators follow the relevant legislation of the National Road Traffic Act (Act No. 93 of 1996, as amended) and OHS. (Load testing and inspection of lifting equipment, testing and certification of pressure vessels, working at heights, relevant training, vehicle licensing, COFs, correct driving license codes, etc.). It is also the responsibility of the section to manage traffic fines and municipal motor vehicle accidents.

The responsibility of vehicle fleet replacement exists in this section. Due to the substantial percentage of specialised vehicles and machinery, the Fleet Manager must ensure that the correct technical specifications are stipulated for the application and operation of these units.

Despite the achievements made, there are still major challenges relating to the replacement of the aged fleet due to insufficient capital funding. This situation affects negatively on service delivery, as vehicles and machinery are critical service delivery tools.

The allocation of funds for vehicle fleet replacement has drastically decreased, resulting in units being run on what is termed, a Graveyard Policy, that is, operating vehicles until they are dead and past their economic life span. Consequently, inadequate provision for capital replacement leads to truck re-building. Trucks do not last forever, and

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

re-building should be a temporary measure to bridge financial challenges. The older the fleet becomes, the more down time and the non-availability of spare parts increases.

A modest amount of R2m was made available for vehicle fleet replacement during the 2020/21 financial year. Translated in tangible vehicle terms, this is equivalent to the cost of two and a half refuse compactor vehicles. The issue of vehicle fleet replacement must take top priority, amongst others, on the IDP and funding be aligned, as far as reasonably possible, with the vehicle fleet replacement plan. Currently our vehicle needs far outstrip the funds made available for vehicle fleet replacement and ultimately the objective of improving service delivery will remain a pipedream, due to a serious lack of critical service delivery resources.

*"Transportation is one of the tools required by civilized man to bring order in chaos. It reaches into every phase and facet of our existence. Viewed from every standpoint, economic, political and military, it is unquestionably the most important industry in the world."* (Gavinato, JL et al 1982)

### 3.30.1 Capital Expenditure: Fleet Management

Capital projects	2020/21					
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Variance from adjustment budget	Total project value
	(R'000)					
Fleet Replacement Programme	2 000	2 000	809	-60%	-60%	930
<b>Total all</b>	<b>2 000</b>	<b>2 000</b>	<b>809</b>	<b>-60%</b>	<b>-60%</b>	<b>930</b>

Table 159: Capital Expenditure: Fleet Management

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### 3.31 MECHANICAL ENGINEERING AND WORKSHOPS

The core function of the mechanical engineering section is to provide an efficient and cost-effective Mechanical Engineering Support service to Sol Plaatje Local Municipality. This includes the corrective and scheduled maintenance of our Fleet, Water Purification Plants, Sewage Treatment Plants, Water and Sewer Reticulation Systems. Furthermore, the section is also responsible for the maintenance of the sewer pump stations, pools, machinery and other mechanical-related services.

#### 3.31.1 Safety

The Department is accountable for certain aspects regarding the safety of our fleet. This includes the maintenance of our fleet to ensure that it is in a roadworthy condition. The former is coupled with repair work that needs to be done to ensure that the vehicles obtain certificates of fitness in order to be licenced as stipulated in the National Road Traffic Act.

Additionally, the Department is responsible for the maintenance of the upkeep of the Municipal Workshop Complex in Ashburnham. Here, where safety is concerned, we ascribe to the Occupational Health and Safety Act (OHS Act), Act No. 85 of 1993.

Thus, we ensure that pressure vessels and lifting equipment is tested according to the said Act. Also, we ensure that the Mechanical Engineering Department meets the requirements as set out in the Occupational Health and Safety Act (OHS Act), Act No. 85 of 1993. Hereby the Department supports the Deputy Director - Electrical Engineering, who is appointed as GMR 2(1) under the Occupational Health and Safety Act (OHS Act) to ensure compliance to the Act.

#### 3.31.2 Employees: Mechanical Engineering and Workshops

Below follows a list of employees in the section.

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
Municipal Manager and Senior Managers	1	1	1	0	0
Other Managers	2	2	2	0	0
Professionals	0	0	0	0	0
Technicians & Trade Workers	18	18	18	0	0
Clerks & Administrative Workers	2	3	2	1	33.3
Community & Personal Workers	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0
Plant & Machine Operators	0	0	0	0	0
Elementary Occupations	18	18	18	0	0

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Occupational Level	2019/20	2020/21			
		Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number				%
<b>Total</b>	<b>41</b>	<b>42</b>	<b>41</b>	<b>1</b>	<b>2.4</b>

Table 160: Employees: Mechanical Engineering and Workshops

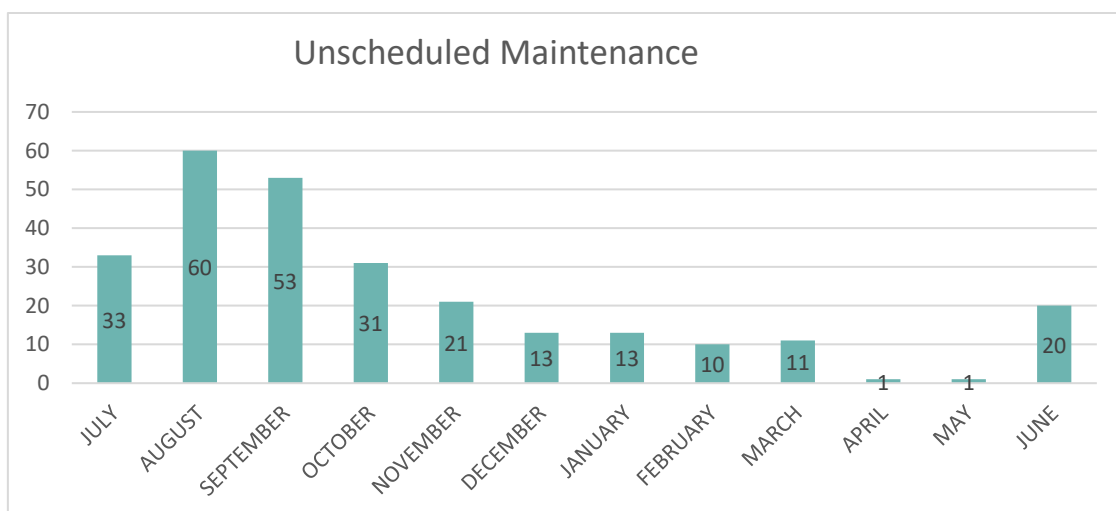
### 3.31.3 Financial Performance: Mechanical Engineering and Workshops

Details	2019/20	2020/21			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Expenditure:</b>					
Employees	17 437	19 351	19 351	18 512	-4%
Repairs and Maintenance	1 836	2 435	2 435	1 840	-24%
Other	347	584	584	282	-52%
<b>Total Operational Expenditure</b>	<b>19 620</b>	<b>22 370</b>	<b>22 370</b>	<b>20 634</b>	<b>-8%</b>
<b>Net Operational Expenditure</b>	<b>19 620</b>	<b>22 370</b>	<b>22 370</b>	<b>20 634</b>	<b>-8%</b>

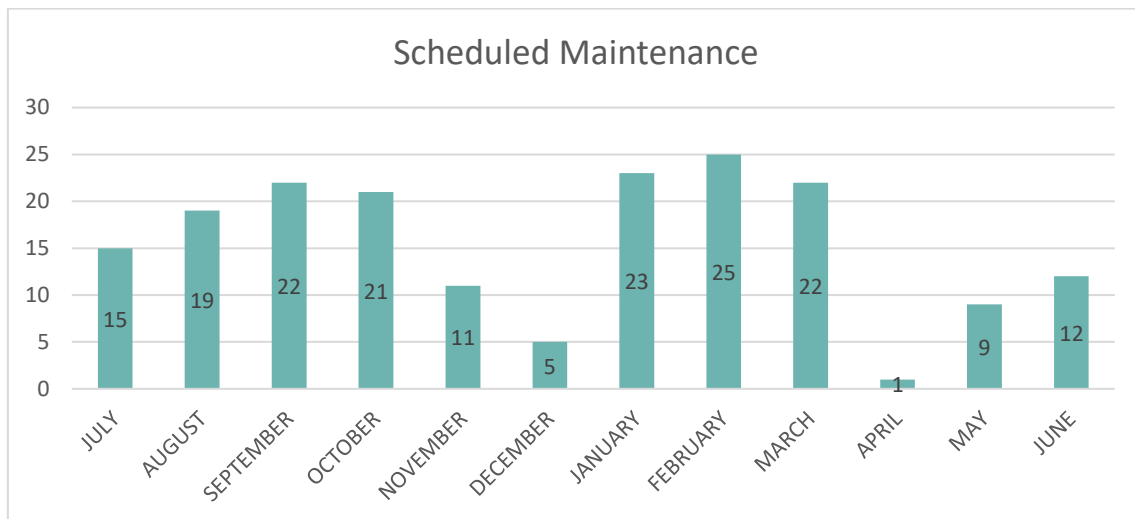
Table 161: Financial Performance: Mechanical Engineering and Workshops

### 3.31.4 Scheduled and unscheduled maintenance on fleet and pumps

The following graphs depicts the unscheduled and scheduled maintenance done on our fleet and pumps for the period 2020/21



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE



Graph 23: *Unscheduled and Scheduled Maintenance on Fleet and Pumps*

### 3.31.5 Challenges

One of the major challenges that the department faces is the age of our fleet. This challenge affects almost every section within the municipality and thus jeopardises service delivery. Another challenge is the vandalising of our Pump Stations. The former puts a huge strain on scarce resources and also affects the dignity of the community in general.

## 3.32 AUDITED ANNUAL PERFORMANCE REPORT

### 3.32.1 Legislative and Other Mandates

The Constitution of the Republic of South Africa gives credence to the establishment of municipalities for the whole territory of the Republic. In terms of Section 151 (2), the executive and legislative authority of a municipality is vested in its Municipal Council. Section 151 (3) legislates that municipalities have the right to govern on its own initiative, the local government affairs of its community, subject to national and provincial legislation.

The objects of local government are determined in terms of Constitutional Law of the Republic, Section 152 (1) and are:

- to provide a democratic and accountable government for local communities.
- to ensure the provision of services to communities in a sustainable manner.
- to promote social and economic development.
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community organisations in matters of local government.

The Constitution further categorises municipality in terms of Section 155, and in terms of this paragraph, Sol Plaatje is Category B. There is various other legislation that categorises municipality such as the Upper Limits Gazette for the payment of salaries and benefits of both Councillors and Senior Management, as well as for the purposes of MFMA

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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Implementation which classifies the municipality as a high-capacity municipality, and in terms of mSCOA Regulations, Sol Plaatje is Category B1, Secondary City.

The powers and functions of the municipality are assigned in terms of the Constitution's Schedules A and B. An activity or function performed by the municipality that are not listed in the schedule are referred to as unfunded mandate, and such in the case of Sol Plaatje includes, provision of primary health care, the operation and maintenance of Rekaofela and Transka Resorts and operation of Libraries.

The municipality receives unconditional grants from the respective provincial departments in this regard, funds which have not been forthcoming for the last 5 (five) years at least. This means that these functions are now 100% funded from rates revenue and impact on determination of cent in the rand rate to ensure funding of all functions under this category.

### 3.32.2 Organisation Structure

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To perform the functions and fulfil its mandate as alluded above, the municipality approved an organogram that meets the criteria in terms of Local Government Systems Act 32 of 2000 as amended, Regulations No.37245, on the Appointment and Conditions of Employment of Senior Managers, Notice 21 of 17 January 2014 which refers to the staff establishment.

In accordance with these regulations, the staff establishment falls under the following departments as per Section 4 of the regulations referred to supra, to perform the following duties

- To provide development and town planning – Strategy, Economic Development and Planning
- To provide public works and basic services to communities – Infrastructure and Services
- To provide community services – Community Services
- To manage the finances of the municipality – Financial Services
- To render corporate support services – Corporate Services

The Senior Managers are referred to as Executive Directors, with the exception of the Senior Manager for Finance, as the head is referred to Chief Financial Officer in line with MFMA.

Executive Directors are appointed in terms of the Municipal Systems Act, Section 56 and as such report to the Municipal Manager. There are line managers in the Office of the Municipal Manager assigned with specific responsibilities, and some of these managers, for efficiency purposes, have dual reporting responsibilities, to the Corporate Services Executive Director. These managers are:

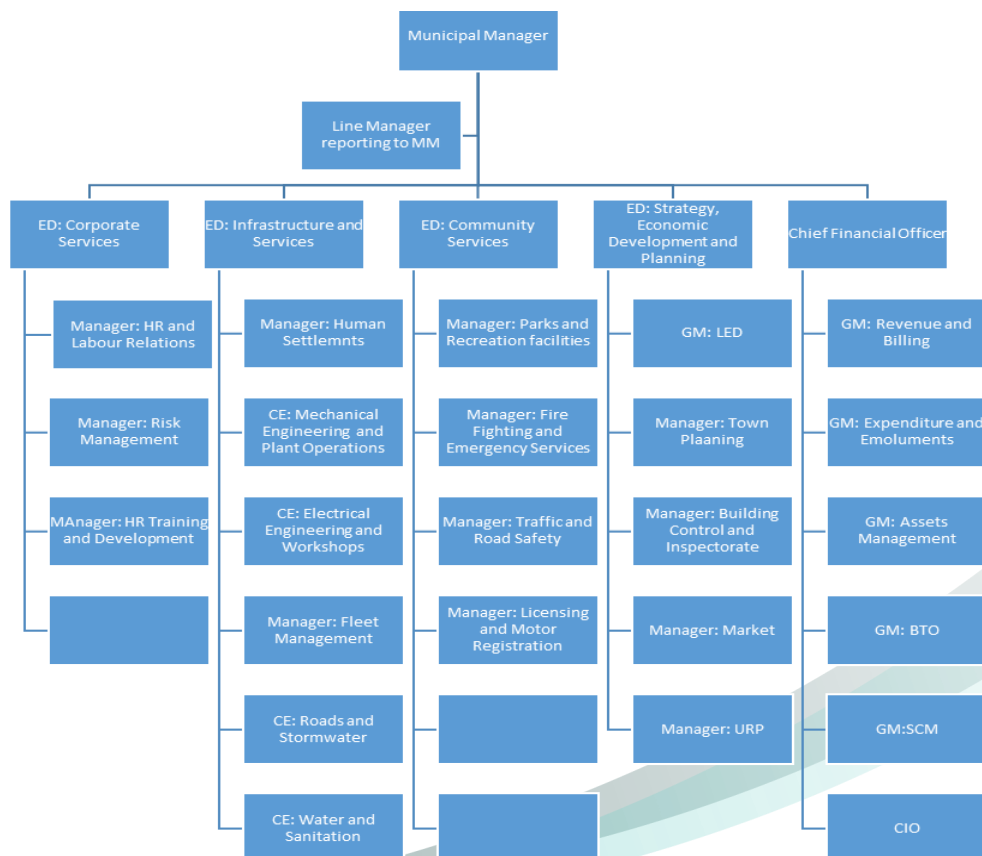
- PMU Manager oversees the successful planning, execution and completion of projects in the municipality and reports to the Municipal Manager for him, to have a bird's eye view on project implementation.
- Policy Manager drives the research and development of suitable policies to avoid a void in the organisation. The absence of policy may lead to jeopardy and confusion; it is better to regulate than create a laissez faire situation.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

- IDP Manager is responsible for long-term planning in the organisation as well as annual review of all plans in the municipality for the purposes of developing an achievable IDP.
- Legal Services, this section provides guidance across the organisation on all legal matters including provision of legal opinions on various matters and policies.
- Communications Management is established under Municipal Manager’s Office to ensure a coordinated approach to external communication and management of public relations and social media.
- Internal Audit reports administratively to the Municipal Manager.

Each department and Line Manager reporting to the Municipal Manager have Key Performance Indicators they are responsible for in terms of this Annual Performance Report. The structure for the preparation of the Annual Report is headed by the Executive Director, and as such, the ultimate responsibility and accountability vests with each Senior Manager or Manager in the office of the Municipal Manager.

The layout of the Sol Plaatje Organogram is presented below:



### 3.32.3 Municipal Systems of Governance

The Council operates with a mayoral system and as such, has committees established in terms of the Municipal Structures Act, section 80, and these committees are chaired by a Member of the Mayoral Committee as follows:



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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- Community Services and Public Safety Committee
- Utility and Trading Services Committee
- Budget and IDP Committee
- Finance Committee
- Corporate Services Committee
- Roads and Transport Committee
- IGR Committee
- LED Committee
- Safety and Security Committee
- Human Settlements Committee

The following Committees have been established in terms of MSA Section 79

- SPELUM Committee
- MPAC
- Rules Committee
- Disciplinary Committee

The Chairperson of Section 80 Committees are full-time and those of Section 79 Committees are part-time and are remunerated as such, in terms of the upper limits gazette as they apply to Sol Plaatje Municipality.

Each Committee has its own terms of reference (ToR) adopted and these terms of reference are reviewed for every term of office of councillors.

### **3.32.4 Legislative Requirements: Performance Management in Local Authorities**

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Outlined in Section 40 of the Municipal Systems Act 32 of 2000 (MSA), Municipalities must establish mechanisms to monitor and review its Performance Management System (PMS) to measure, monitor, review, evaluate and improve performance at organisational-, departmental- and employee levels. Section 34 of the MSA furthermore points out that the Integrated Development Plan (IDP) must be reviewed on an annual basis and that during the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets be reviewed and this review will form the basis for the review of the Organisational Performance Management and Performance Contracts of Senior Managers.

The Municipal Planning and Performance Management Regulations (2001) stipulates 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, organised and managed, including determining the roles of the different role-players" (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Section 46 of the Municipal Systems Act (Act 32 of 2000) inter alia stipulates the following: - "Annual reports 46. (1) A municipality must prepare for each financial year an annual report consisting of –

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

(a) a performance report reflecting -

- (i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year.
- (ii) the development and service delivery priorities and the performance targets set by the municipality for the following financial year.
- (iii) measures that were or are to be taken to improve performance

The Annual Performance Report aid to measure 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. The effective implementation of this monitoring tool promotes the following:

- Efficient, economic and effective use of resources,
- Accountable public administration
- Transparent by providing information,
- Responsive to the needs of the community, and
- Facilitate a culture of public service and accountability among staff

(1) A municipality must prepare for each financial year a performance report reflecting:

- a. the performance of the Municipality and each external service provider during that financial year.
- b. a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
- c. measures taken to improve performance.

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations (No R796 of 24 August 2001) states that:

"A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players."

Performance management is not only relevant to the organisation, but also to the individuals employed in the organisation as well as the external service providers and the Municipal Entities where applicable. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

This Annual Performance Report covers the performance information from 01 July 2020 to 30 June 2021 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP).

The report reflects the actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2020/21. The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area.

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Each Key Municipal KPA have number of Municipal Key Performance Indicators (KPI's) which were deliberately designed by the Sol Plaatje Municipality to focus its development initiatives in a more coherent and organised manner. This report will also endeavour to report to Council the Municipality's performance in terms of the five (5) National Government's Strategic Key Performance Areas for local government, which are:

- (1) Basic and Sustainable Service Delivery and Infrastructure Development.
- (2) Local Economic Development.
- (3) Municipal Institutional Transformation and Development.
- (4) Municipal Financial Viability and Management and
- (5) Good Governance and Public Participation.

### 3.32.5 Performance Management Overview and Performance

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In order to improve on performance planning, implementation, measurement and reporting, the institution implemented the following actions: Departmental operational plans were developed for monitoring and reporting operational programmes; An electronic performance management system is operational within the Municipality.

The same system forms the basis of performance evaluations of the Executive Managers and Municipal Manager. The Municipality endeavored during the development of the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) as well as with the development of the Departmental SDBIP that the "SMART" principle be adhered to in the setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific, and time bound, thus making it measurable. The Integrated Development Plan (IDP) was developed for 2017- 2022 and is reviewed annually. The Top Layer SDBIP in the IDP was also revised in May 2020 respectively for 2020/21 period.

### 3.32.6 Performance Evaluation Panels

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Performance Evaluation Panels have initially been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager per Council Resolution. The membership of Performance Evaluation Panels is amended over time and re-affirmed subsequently again for every generation of IDP and the audit committee. Performance Assessment Panels for the assessment of Section 57 employees were established as follows:

A) For purposes of evaluating the annual performance of the Municipal Manager (section 54A), an Evaluation Panel constituting of the following persons was established

- (i) Executive Mayor or Mayor.
- (ii) Chairperson of the Performance Audit Committee.
- (iii) Member of the Mayoral or another member of Council.
- (iv) Mayor and/or Municipal Manager from another Municipality; and
- (v) Member of a Ward Committee as nominated by the Executive Mayor or Mayor.

B) For purposes of evaluating the annual performance of managers directly accountable to the Municipal Manager, an Evaluation Panel constituted of the following persons was established:

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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- (i) Municipal Manager.
- (ii) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee.
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type of Municipality, another member of Council; and
- (iv) Municipal Manager from another Municipality

Performance Evaluation sessions are conducted quarterly. The first and the third quarter assessment are informal assessments. Formal assessments are conducted for the mid-year (quarter two) and Full year (quarter four).

The final (fourth quarter) and formal performance evaluation sessions of the Municipal Manager and Managers Directly accountable to the Municipal Manager covering the 2020/21 financial year will be performed once the Auditing of the Annual Financial Statements and the Predetermined Objective has been finalised by the Auditor General. The minutes of all meetings are available on the GroupWise electronic document management system.

The final performance evaluation will commence once the Annual Report 2020/21 has been adopted by the Council.

### 3.32.7 Auditing of Performance Information

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The MFMA and the Municipal Planning and Performance Management Regulations require that the Municipal Council establish an audit committee consisting of a minimum of three members, where most members are not employees of the municipality. No Councillor may be a member of an audit committee. The council shall also appoint a chairperson who is not an employee.

The Regulations give municipalities the option to establish a separate performance audit committee whereas the MFMA provides for a single audit committee as further being recommended by National Treasury in terms of their MFMA Circular no. 65 of November 2012.

The Audit Committee relies on the work done by the Internal Audit in terms of the Internal Audit Charter and receives and considers reports and minutes of meetings presented to it at its scheduled meetings. In carrying out its mandate, the Audit Committee must have a good understanding of the strategic goals of the Municipality, strategic focus areas as outlined in the Integrated Development Plan (IDP) and the Service Delivery Budget Implementation Plan (SDBIP) and should perform the following functions:

Review and comment on compliance with statutory requirements and performance management best practices and standards.

- Review and comment on the alignment of the Integrated Development Plan, the Budget, Service Delivery and Budget Implementation Plan and performance agreements.
- Review and comment on the relevance of indicators to ensure they are measurable and relate to services performed by the Municipality.
- Review compliance with in-year reporting requirements.
- Review the quarterly performance reports submitted by internal audit.

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- Review and comment on the Municipality's annual reports within the stipulated timeframes. Review and comment on the Municipality's performance management system and make recommendations for its improvement at least twice a year.
- At least twice during a financial year submit an audit report to the municipal council concerned.

In reviewing the municipality's performance management system, the Audit Committee focuses on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned. The Internal Audit function within the municipality is co-ordinated and managed by an Internal Audit Executive within the office of the Municipal Manager. A Panel of service providers

List of companies that were appointed during the year to execute some audits that were on the plan or requested.

### 3.32.8 Strategic Overview of Sol Plaatje Municipality

#### IDP Vision

**“Towards a leading and a Modern City”**

#### Strategic Objectives to Realise the Vision

- Spatial Transformation
- Inclusive Growth
- Service Provision
- Good Governance

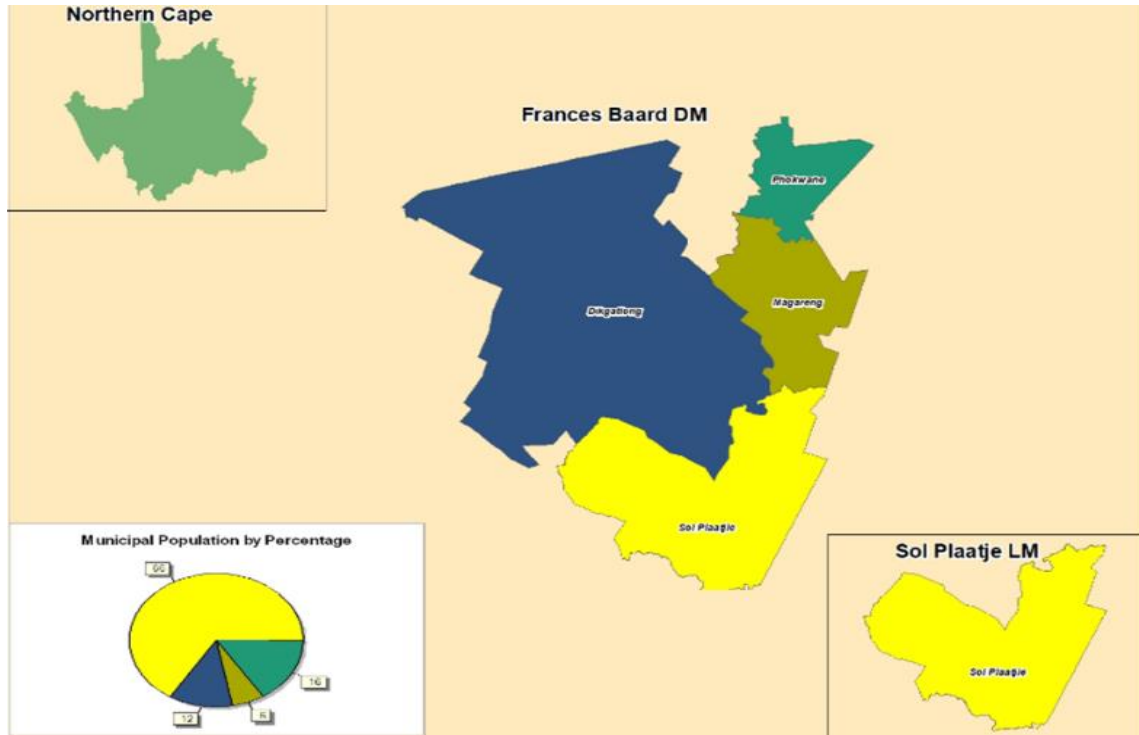


### 3.32.9 Statistical Background of the Municipality

Sol Plaatje Municipality, which includes Kimberley, is the only secondary city in the Northern Cape. The municipality houses 66% of the population of the province in a relatively small area, the extent. This makes Sol Plaatje Municipality the urban centre of the province.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Kimberley is approximately 110 km east of the confluence of the Vaal and Orange Rivers. The Sol Plaatje municipality is the seat of the Northern Cape Provincial Government and the Frances Baard District Council. Kimberley is the seat of the Northern Cape Division of the High Court of South Africa, which exercises jurisdiction over the province.



### 3.32.10 Executive Summary: Performance Management and Reporting

In order to improve on performance planning, implementation, reporting and measurement, the institution implemented the following actions.

There has been a decrease in the number of KPIs that the Municipality is reporting on. The decrease afforded the institution the opportunity to focus on strategic issues, which are well defined, outcome based and not operational in nature. Each Directorate prepares operational plans, which are reported on, on a monthly basis and are considered during performance assessments as well, in addition to Top Layer Targets linked to performance contracts of the relevant incumbents.

There is a column in the SDBIP for each KPI to ensure that the portfolio of evidence was populated correctly.

An electronic performance management system is operational within the Municipality. The same systems form the basis for performance evaluations of the Executive Directors. The Municipality endeavoured during the development of the Top Layer as well as with the development of the Directorate SDBIP that the "SMART" principle was adhered to. Emphasis was placed on ensuring that targets were specific, and time-bound, thus making it measurable.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

The new 5-year IDP 2017/18 to 2021/22 was approved at a Special Council meeting on 31 May 2017 and has been developed after having considered the inputs of management and the public in general. It is aimed at addressing the needs of the people, which in the forefront is security of land tenure and access to basic services.

The Top Layer SDBIP in the IDP was also revised in February 2021. An Adjustment Budget and Adjusted SDBIP were done for the 2020/21 Medium Term Revenue and Expenditure Framework (MTREF) in terms of Section 28 of the Municipal Finance Management Act (Act 56 of 2003) for the year ending 30 June 2021. The Adjusted Budget and SDBIP were approved during a Virtua Special Council meeting held on 25 February 2021.

The 2020/21 MTREF was approved by Council on the 30<sup>th</sup> of May 2020 in accordance with MFMA Section 24 (1). Section 28 of MFMA requires a municipality to revise an approved annual budget through an adjustment, and section 28 (4) requires that only the mayor may table an adjustment budget in the municipal council.

The municipality adopted a performance management framework, all MSA Section 56 and 57 appointees signed performance agreements accordingly, except where the appointee is in the Acting capacity. The Audit Committee has been in place and functional and considered performance management reports as submitted by management. Quarterly performance reports in terms of the Performance Regulations and MFMA Section 52(d). The Annual Report is also prepared and submitted to Council accordingly.

The Audit Committee took place on these dates and the quarterly performance reports were presented:

- Meeting 1: 14 September 2020
- Meeting 2: 18 December 2020
- Meeting 3: 22 February 2021
- Meeting 4: 26 February 2021 Special
- Meeting 5: 28 June 2021

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the Service Delivery Budget Implementation Plan (SDBIP) at the Directorate levels. The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.

MFMA Circular No.13 prescribes that:

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

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The SDBIP were prepared as described in the paragraphs below and approved by the Executive Mayor. The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:



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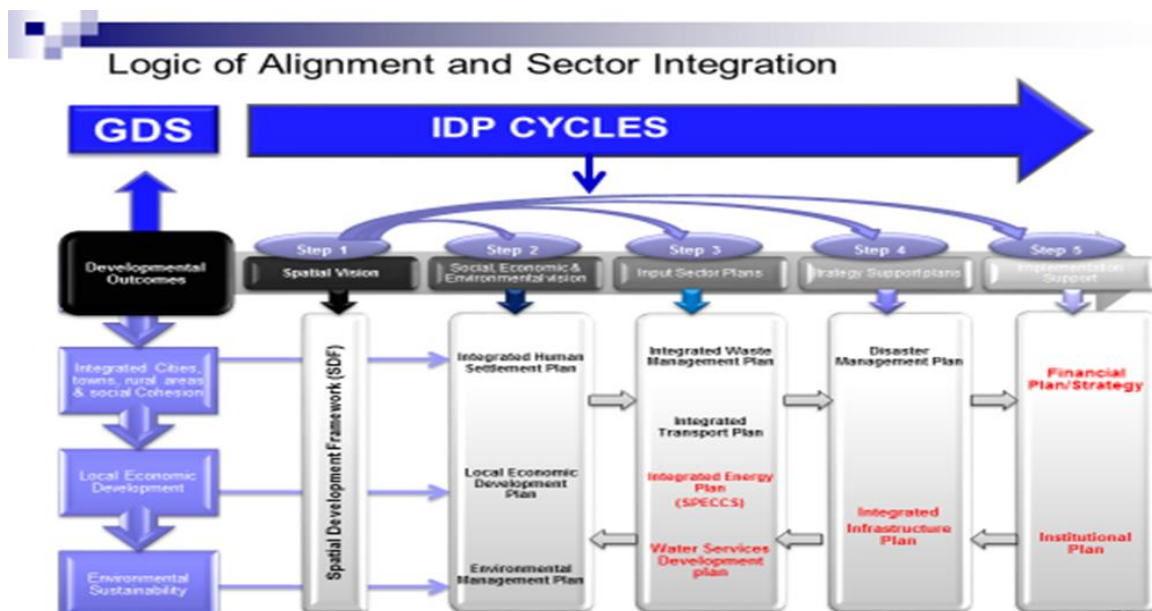
Category	Colour	Explanation
KPI Not Yet Measured	NA	KPIs with no targets or actuals in the selected period
KPI Not Met	R	0% > = Actual/Target < 75%
KPI Almost Met	O	75% > = Actual/Target < 100%
KPI Met	G	Actual/Target = 100%
KPI Well Met	G2	100% > Actual/Target < 150%
KPI Extremely Well Met	B	Actual/Target > = 150%

The municipal scorecard (Top Layer SDBIP) consolidates service delivery targets set by Council/ Senior Management and provide an overall picture of performance for the municipality, reflecting performance on its strategic priorities. Components of the Top Layer SDBIP include:

One-year detailed plan, but should include a three-year capital plan, the necessary components include:

- Monthly projections of revenue to be collected for each source.
- Expected revenue to be billed and collected
- Monthly projections of expenditure (operating and capital) and revenue for each vote.
- Quarterly projections of service delivery targets and performance indicators for each vote.
- Non-financial measurable performance objectives in the form of targets and indicators.
- And detailed capital project plan broken down by ward over three years.

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



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### 3.32.11 SDBIP Link to Strategic Issues in the IDP

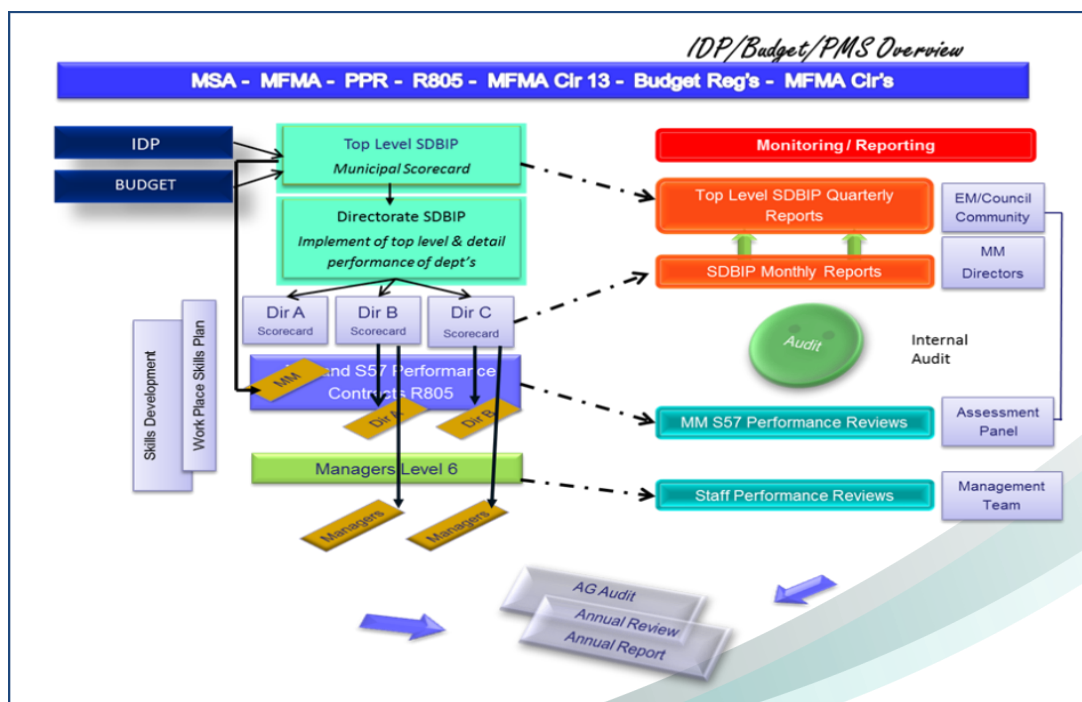
The Municipality endeavors to have a seamless link between IDP, as the strategic plan, the SDBIP, which operationalises the IDP and the Budget and the performance agreements of top and middle management – as well as to all levels of staff. This is illustrated in the diagram below:

The new 5-year IDP 2017/18 to 2021/22 has been developed after having considered the inputs of management and the public in general. It is aimed at addressing the needs of the people, which in the forefront is the security of land tenure and access to basic services.

The 5-year IDP reviewing the strategic objectives of the 5-year IDP in relation to both the present contextual issues relating to development in SPM and the latest national and provincial strategies and plans it was found that the current strategic focus of the IDP remains sound and correct and that focus for this MTREF should be on implementation.

Sol Plaatje Municipality must, during the remainder of this IDP cycle, concentrate on an action-oriented development programme that will see the fruition of the present strategic objectives.

It should also be emphasized that the implementation of this development programme is also dependent on creating the correct preconditions for delivery, including institutional alignment, securing financial resources and creating optimal stakeholder configurations.



The vision set out for the Sol Plaatje Municipality to work towards a leading and modern city was announced by the Executive Mayor in August 2016 post elections. The strategic path to be forged is presented in this IDP. It is a programme to unlock the value of land to create economic opportunities and liveable human settlements with the foundation of quality and reliable infrastructure to deliver access to basic services.

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Sol Plaatje is a pilot for the “new deal” - the Integrated Urban Development Framework, this is a unique opportunity for the municipality and the residents of Sol Plaatje. To achieve spatial integration, alignment prioritisation of projects a “Capital Expenditure Framework” (CEF) became a municipal mandate with the promulgation of the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA) section (21)(n).

However, the concept of a Capital Investment- or Capital Expenditure Framework has been alluded to in several other preceding legislative and policy instruments such as Section 153 of the Constitution of South Africa that states, **a municipality must structure and manage its administration, budgeting and planning process to prioritise basic needs and to promote social and economic development.** The Municipality has successfully implemented the IUDF and CEF has assisted in terms of the allocation of budget for IUDG for financial year 2020/21. Furthermore, the CEF has enabled the National Department of COGTA to approve the PHDA’s (Priority Housing Development Areas). This will inter-alia assist with the following:

- Transform entrenched spatial patterns which have historically exacerbated social inequality and economic inefficiency - Revitalise, Renew and Redevelop area post-apartheid spatial legacy.
- Achieve a balance between spatial equity, economic competitiveness and environmental sustainability.
- Implement spatially targeted projects to achieve spatial transformation.

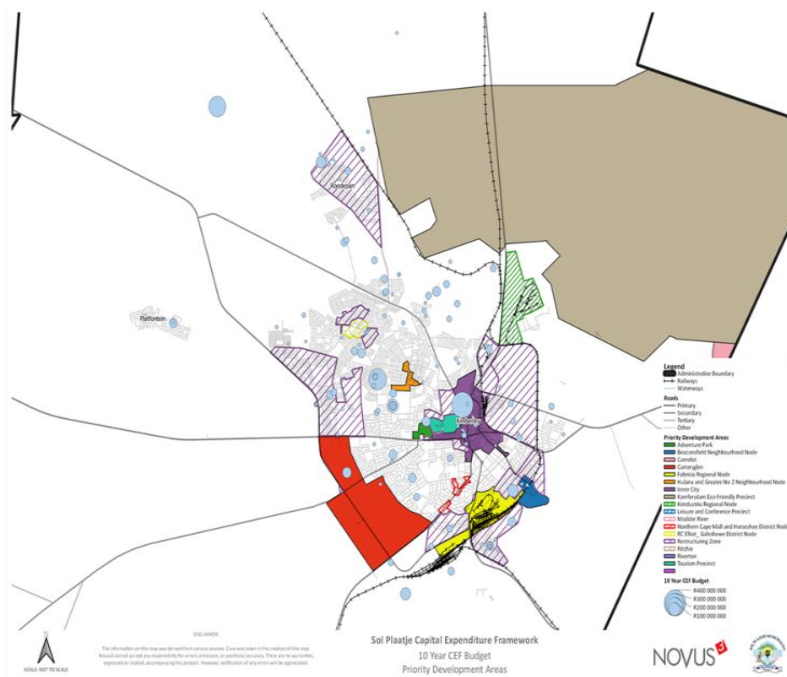


Figure 2: Capital Expenditure Framework

While making the “Back to Basics” programme of local government a reality, a new vision “Towards a leading and modern city” is presented in this IDP. The Future is a new deal wherein all stakeholders will work towards developing a:

- Clean city

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- City that attracts investment, manufacturers and tourists
- City with good infrastructure
- Safe and secure City - A city that cares
- City where there is security- jobs, shelter
- City that facilitates the creation of jobs
- City that houses people
- City with youth involved productively
- City that harnesses integrated development
- City that facilitates skills development
- City that invests in public participation, relates to the people
- City that works together
- City with good IGR harnessed to build integrated human settlements

### 3.32.12 Data Definitions

Data definition is a set of facts and statistics collected for reference and analysis purposes. These explain the meaning of data which is information that has been translated into a form that supports the manner and methodology used to measure performance and provides guidance on information that must be used as part of the portfolio of evidence.

The table below gives explanation of performance measurement indicators and explains how each indicator is being measured. Please note that all these indicators are reported on for the financial year ended 30 June 2021 and as such relate to the performance for this specific year unless stated otherwise in the definitions set out below.

### Basic and Sustainable Service Delivery and Infrastructure Development

Ref	Directorate	Strategic Objective	KPI Name	Data Definition
TL10	Finance	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	12 000 Indigent households to receive free basic services (water, electricity, sanitation and waste removal according to national guidelines) by 30 June 2021	This indicator refers to the number of indigent households receiving free basic services from the municipality. There are two categories of indigents - income poor (R<3750) and households who are beneficiaries of subsidised houses. The number reported will be determined by the total number of households as per the indigent register.
TL31	Community and Social Development	To ensure sustainable delivery of community services (environmental health, library, emergency and traffic services) to all residents of SPM	To achieve at least 70% compliance with the National Disaster Management Tool by 30 June 2021	The Municipal Disaster Management Programme Evaluation Tool is completed by Emergency Services. The document is submitted to the National Treasury in compliance with the Disaster Management Act No.57 of 2002, section 21. An average percentage is calculated and reported at year-end.
TL39	Infrastructure and Services	To ensure sustainable delivery of community services (environmental health, library,	To complete the construction of the Homevale Fire Station by 30 June 2021	This is a roll over the project from FY 2020/21. The project entails the construction of a two-bay fire station. The evidence for the reported progress in terms of completion will

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Ref	Directorate	Strategic Objective	KPI Name	Data Definition
		emergency and traffic services) to all residents of SPM		be the progress report signed by the service provider and minutes of meetings held.
TL40	Infrastructure and Services	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	To upgrade at least 4.9 km of Galeshewe access roads to a paved surface by 30 June 2021 (Wards to be determined)	This indicator refers to the length of road paved during the period under review. It should be measured by signed-off reports from engineers/project managers detailing the roads paved. Paving - output = km. Roads in Galeshewe area were earmarked for paving during the 2020/21 financial year.
TL41	Infrastructure and Services	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	To complete 8 830 Km of stormwater pipes of Priority 2, Ph 2A for the upgstormwatertorm water infrastructure in Galeshewe by 30 June 2021	The project entails the construction of sub and super structure related to the upgrading of storm water infrastructure in various wards in Galeshewe. Progress reports, minutes of meetings and site inspections are evidence to the progress of this project. The upgrading of storm water channels is funded by the NDPG and is the largest grant-funded capital project for the financial year 2020/21.
TL42	Infrastructure and Services	To ensure the availability of critical service delivery tools at all times (fleet management)	Ensure that all identified fleet items to be procured for the year, are delivered by 30 June 2021	This indicator measures the delivery and inspection of all identified critical fleet assets as per the Fleet Replacement Programme for the financial year. The evidence is signed invoices and delivery documentation for replacement of critical fleet as per the replacement programme.
TL43	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of electrical services infrastructure	To complete the 100% procurement phase only for the replacement of the 11KV Circuit Breakers at the Herlear Substation by 30 June 2021	Roll over project from FY 2019/20. Due to the complexity of the nature of work and to ensure better planning a roll over budget was approved to appoint a specialist to implement the work. The project entails the appointment of a Professional Electrical Consulting Engineer through tendering processes to replace the Herlear 11kV Circuit Breakers. Evidence regarding the supply chain management process would be the minutes of the Bid Specification, Bid Evaluation and Bid Adjudication Committees as well the as Appointment Letter of the consultant.
TL44	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	Complete 50% of the Lerato Park bulk electrification project by 30 June 2021	Project entails the installation of bulk electricity to provide electricity for new development in Lerato Park. Evidence will be minutes of site meetings and progress reports.
TL45	Infrastructure and Services	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the electrification of 200 households by 30 June 2021 (Wards to be determined)	Project entails connecting 200 households to the electricity network. Evidence progress reports and minutes of site meetings.

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Ref	Directorate	Strategic Objective	KPI Name	Data Definition
TL46	Infrastructure and Services	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To replace at least 1550 prepaid electricity meters by 30 June 2021	This is part of the action plan to address the electricity losses at the municipality. The supporting documentation for this is the listing of meters replaced, detailing the meter numbers, location and date of replacement. Additional evidence is the payment information pertaining to replaced meters.
TL47	Infrastructure and Services	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	Decrease electricity losses to 16% by 30 June 2021	This indicator refers to the electricity loss realised by the municipality. It is calculated by determining the difference between the number of units purchased and the number of unities sold and reporting that as a percentage.
TL48	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 100% procurement phase only for the appointment of the contractor which is 10% of the overall project weighting for the repair of Faulty Electrical and Mechanical equipment at Homevale WWTW by 30 June 2021	The project entails the appointment of a service provider to repair the Faulty Electrical and Mechanical equipment at Homevale WWTW in order to comply with legislative requirements. Evidence regarding the supply chain management process would be the minutes of the Bid Specification, Bid Evaluation and Bid Adjudication Committees as well as the Appointment Letter of service provider.
TL49	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	Complete 25% of the installation of electrical and mechanical components in Lerato Park pump station (Eagle Str and Lerato Park) by 30 June 2021	The project entails the upgrade of the pump stations to have adequate capacity for the Lerato Park Housing development. Evidence will be signed monthly progress reports and minutes of meetings held to monitor progress.
TL50	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 100% work for the bulk sewer infrastructure for the Lerato Park development by 30 June 2021	This is a roll-over project from FY 2019/20. The project entails the construction of two sewer rising mains and the construction of two gravity outfall sewer lines. The civil works of the pump stations have been moved to the mechanical and electrical contract. The evidence for the reported progress in terms of completion will be the progress report signed by the service provider and minutes of meetings held.
TL53	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	Construction of at least 70% of the new sewer outfall mains for Carters Ridge sewer pump station by 30 June 2021	Roll over the project from FY 2019/2020. Construction of new outfall sewer main to proposed pump station in Carters Glen to relieve existing Hillcrest and Carters Glen sewer pump stations which are operating over design capacity and design life as well as to allow for new development in the Carters Ridge Area (extension of Carters Glen). The evidence for the reported progress in terms of completion will be the progress report signed by the service provider and minutes of meetings held.

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Ref	Directorate	Strategic Objective	KPI Name	Data Definition
TL54	Infrastructure and Services	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To replace 1500 water meters by 30 June 2021	The replacement of faulty/stuck/old water meters is part of an action plan to address water losses. The supporting documentation for this is the listing of meters replaced, detailing the meter numbers, location and date of replacement. Additional evidence is the payment information pertaining to replaced meters.
TL55	Infrastructure and Services	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	Decrease water losses to 50% by 30 June 2021	The water losses are calculated by comparing the amount of water purchased from the department of Water Affairs to the amount of water sold to consumers. The difference between the amount purchased and the amount sold will be reported as a loss.
TL56	Infrastructure and Services	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete 50% of the reconstruction work of 320 aged sink toilets in Kagisho, Kutlwanong and Phomolong by 30 June 2021	Roll over the project from FY 2019/20. Evidence will be project progress reports. The toilets will not be constructed individually before the next toilet can be constructed. The construction process will unfold starting with foundations and brickwork for all toilets, etc. So, the project will be 50% completed however it would not mean that a toilet has been fully constructed)
TL57	Infrastructure and Services	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the construction 2 out of the 4 elevated water tanks with a combined capacity of 720 kl for critical areas by 30 June 2021	Roll over project from FY 2019/20. The project entails the construction of elevated reservoirs for provision of water. The evidence for the reported progress in terms of completion will be the progress report signed by the service provider and minutes of meetings held.
TL58	Infrastructure and Services	To ensure management of the quality of the drinking water and waste water through compliance with the applicable legislation	To ensure through effective monitoring that a 98% Blue Drop Status on quality compliance is achieved by 30 June 2021	This is the status allocated to the municipality by the Department of Water Affairs, based on the quality of drinking water and supporting systems within the municipal area. This is measured by obtaining the latest Blue Drop reports from the Blue Drop System (BDS) managed by the Department of Water Affairs. The reports measure different criteria at each Waterworks (Riverton and Ritchie). An overall average for the year is calculated and reported in the APR.
TL59	Infrastructure and Services	To ensure management of the quality of the drinking water and waste water through compliance with the applicable legislation	To ensure through effective monitoring that a 60% Green Drop Status on effluent quality compliance is achieved by 30 June 2021	This is the status allocated to the municipality by the Department of Water Affairs, based on the quality of drinking water and supporting systems within the municipal area. This is measured by obtaining the latest Green Drop report from the Green Drop System (GDS) managed by the Department of Water Affairs. The reports measure different criteria at each of the Wastewater Treatment works (Homevale, Beaconsfield and Riverton). An overall average for the year is calculated and reported in the APR.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Directorate	Strategic Objective	KPI Name	Data Definition
TL60	Infrastructure and Services	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	Patching and resealing of 65 000 square meters of roads in various wards of Sol Plaatje Municipality by 30 June 2021	This project entails the repair of road by the filling of the pothole, base repair, milling off of the damaged road surface and the application of a new road surface. The focus was to curb the development of potholes on the road which would be best to receive a new surface and is fatigued by the load it is carrying. These are road suffering of stress crack which has high traffic volume, and which be very expensive to rehabilitate structurally. The source of evidence will be a list of street name with the square metres of work concluded.
TL61	Infrastructure and Services	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete the 100% procurement phase only for the appointment of the contractor which is 10% of the overall project weighting for the construction of Carters Ridge sewer pump station building with all electrical and mechanical equipment by 30 June 2021	Project entails the appointment of a suitable service provider for the construction of the Carters Ridge sewer pump station building with all electrical and mechanical equipment to cater for the new developments as the existing pump station is at capacity. Evidence regarding the supply chain management process would be the minutes of the Bid Specification, Bid Evaluation and Bid Adjudication Committees. Appointment letter of Contractor.
TL133	Strategy, Economic Development and Planning	To ensure effective spatial planning and development in order to establish a competitive economic position	To conduct feasibility studies for Ritchie (Draft EIA & Geo-technical Report, Phase1) and Fluffy Park (Layout Plan and Draft SG Diagramme) by 30 June 2020	The feasibility studies for Ritchie (Draft EIA & Geo-tech Phase 01) are done to assess the environmental impact as well as the soil condition in Ritchie before the survey and planning can unfold. Fluffy Park (Layout and Draft SG Diagramme) in order to promote the security of tenure for the community. Evidence provided for Ritchie (Draft EIA & Geo-tech Phase 01). Fluffy Park (Layout and Draft SG Diagram).

Table 162: Basic and Sustainable Service Delivery and Infrastructure Development

### Local Economic Development

Ref	Responsible Directorate	Strategic Objective	KPI Name	Data Definition
TL1	Office of the Municipal Manager	To develop sustainable living through job creation (EPWP and other initiatives)	Create 400 FTE jobs through EPWP initiatives of the SPM by 30 June 2021	The municipality is a beneficiary of an EPWP Incentive grant. There is a system used to capture the number of jobs created and days worked per month by the contract workers. The reporting requirements under EPWP require the conversion of the total days worked per month (accumulated for the period) into days equivalent to a full-time person doing similar work, and the system has the formula. The responsibility for the collection of information and reporting lies with the PMU.
TL32	Strategy, Economic	To ensure effective spatial planning and development in order to establish a	Ensuring a response time of 10 weeks for building plan submissions received	The activities in the Building Industry of any economy are an indicator that there is improvement in the economic lifecycle. This



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Responsible Directorate	Strategic Objective	KPI Name	Data Definition
	Development and Planning	competitive economic position	in the current financial year for buildings or architectural buildings greater than 500 m <sup>2</sup> annually	sector absorbs unskilled labour and as such create opportunities and alleviates poverty. A register of building plan submissions (<500 m <sup>2</sup> ) responded to for each month of the financial year is kept by the town planning section. Average weeks is calculated by dividing the average days by 7. An overall average is then calculated for the year. A response received may be in the form of an approval, disapproval, or referral for additional information.
TL33	Strategy, Economic Development and Planning	To ensure effective spatial planning and development in order to establish a competitive economic position	Ensuring a response time of 10 weeks for building plan submissions received in the current financial year for buildings or architectural buildings less than 500 m <sup>2</sup> annually	A register of building plan submissions (>500 m <sup>2</sup> ) responded to for each month of the financial year is kept by the town planning section. Average weeks are calculated by dividing the average days by 7. An overall average is then calculated for the year. A response received may be in the form of an approval, disapproval, or referral for additional information.
TL34	Strategy, Economic Development and Planning	To ensure effective spatial planning and development in order to establish a competitive economic position	To process all category 1 land use applications received until 30 April of the current financial year through MPT (Municipal Planning Tribunal) by 30 June 2021 in terms of the SPLUMA by-law (2015)	The process to establish a Municipal Planning Tribunal (MPT) has completed and it has been set up in the previous financial year. All category 1 applications for land use shall be directed to the MPT, and no longer through Council Section 79 Committee of SPELUM. A list of applications received and dealt with at this forum during the current financial year is available.
TL35	Strategy, Economic Development and Planning	To ensure effective spatial planning and development in order to establish a competitive economic position	To process at least 200 buildings plans that were received before 1 July 2020 by the end of the current financial year (30 June 2021)	The Building Inspectorate had accumulated backlogs as a result of (amongst other things) the moratorium that was placed on development by the council a number of years ago. It is the intention to clear this backlog within the next three years. As such, a target has been set to deal with at least 200 backlog plans in the current financial year. A register of plans processed in this regard is available.
TL36	Strategy, Economic Development and Planning	To capacitate SMME's and local entrepreneurs	Implementation of the Developmental Programme that supports SMME's through business incubation for at least 10 businesses annually	The municipality has two SMME Villages with more than 10 incubation spaces available. Municipality serve as a unit of measurement to perform in this indicator. The type of developmental programme for the identified business or individual, would depend on the needs and requirements of that specific business or individual. It can vary from a business plan development to financial analysis and cash flow forecasts to entrepreneurial training and development. The focus is on supporting SMME's. This can be in the form of developing existing businesses or supporting aspiring business owners to develop new businesses.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Responsible Directorate	Strategic Objective	KPI Name	Data Definition
TL37	Strategy, Economic Development and Planning	To capacitate SMME's and local entrepreneurs	Complete the review of the LED Strategy by 30 June 2021	The project entails the review for effective LED strategy in order to establish a competitive economic position. Evidence will be the final LED Strategy
TL38	Strategy, Economic Development and Planning	To capacitate SMME's and local entrepreneurs	Enhancing Sol Plaatje Municipality's economic governance and infrastructure for Business Expansion Attraction and Retention (BEAR) by 30 June 2021	Project entails the implementation of various projects over a three-year period Evidence will be Capacity and Capability Enhancement Program, Ease of Doing Business
TL7	Finance	To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to 12 weeks for annual contracts from closing date to date of award by June 2021	This indicator refers to the time that lapses between the closing date of a once-off tender and the award of annual contract. This can be measured by taking the difference between the closing date of the tender as per the tender advert (signed off MBD1) and the date of the final award as per the minutes of the BAC. The average turnaround around time per quarter/annum is reported.
TL8	Finance	To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to 6 weeks for once-off contracts from closing date to date of award by June 2021	This indicator refers to the time that lapses between the closing date of a once-off tender until the award of annual contract. This can be measured by taking the difference between the closing date of the tender as per the tender advert (signed off MBD1) and the date of the final award as per the minutes of the BAC. The average turnaround time per quarter/annum is reported.
TL9	Finance	To capacitate SMME's and local entrepreneurs	To successfully implement the PPPFA Regulations to achieve BBBEE and radical economic transformation through local procurement by ensuring at least 60% of the municipality's tenders are awarded to EMEs, OSE's and from the businesses in the	This indicator refers to the goods/services procured by the municipal stores. It is measured by calculating the percentage of total payments (excl. bulk purchases ESKOM, DWA) that were made to BBEE companies. The report from SCM is used to calculate this. Report detailing the BBBEE levels per creditor.

*Table 163: Local Economic Development*

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### Good Governance and Public Participation

Ref	Responsible Directorate	Strategic Objective	KPI Name	Data Definition
TL6	Office of the Municipal Manager	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Internal audit to assess the internal control environment and other risk areas within the municipality and issue at least 10 internal audit reports to the audit committee during the financial year	Internal Control environment includes the presence of necessary and prescribed by-laws, approved policies and procedures as well as job description of staff performing duties within the municipal legislative framework and policy prescripts. The Internal Audit is guided by the audit plan. Progress reports as per the Audit Committee quarterly reports are used as a base to verify the effectiveness of internal controls as per internal audit reports.
TL19	Finance	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To implement an effective and efficient Supply Chain Management System by ensuring that successful appeals is not more than 5% of tenders awarded by 30 June 2020	This is calculated by dividing the number of successful appeals by the total number of tenders received for the year. The aim is to minimise the number of successful appeals as that is an indication of the appropriateness and fairness of the supply chain management procedures followed.
TL20	Finance	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Submit an Audit Action Plan to the Municipal Manager to address issues raised by the Auditor General within thirty (30) days after the end of the audit annually	This indicator refers to the audit action plan that is based on the findings received from the Auditor General during the previous year audit. This document is submitted to the Municipal Manager and the National Treasury on an annual basis. The indicator is measured by confirming the compilation and submission of the Audit Action Plan to Management, MPAC and Audit Committee.
TL27	Corporate Services	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To report quarterly on the progress of risk mitigation to the Accounting Officer and Executive Management Team (EMT)	It is further required that progress in the implementation of the risk control measures is reported on to the EMT and to the Audit Committee. Quarterly reports are compiled by CRO and presented at these meetings.
TL28	Corporate Services	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Submit an Annual Report on the risk management maturity level of SPM to NT by 30 June each year	An overall report on risk maturity must be compiled annually and submitted to Municipal Manager. This report gives a sense of how serious risk management is taken in the organisation and assist in the development of tactics to institutionalise risk management and necessary intervention required. This indicator refers to the implementation of an annual report on the risk management maturity level of the municipality. The indicator will be evidenced by the Enterprise risk management framework document.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Responsible Directorate	Strategic Objective	KPI Name	Data Definition
TL29	Corporate Services	Promote community participation and communication	To communicate to the public (established residential areas) by issuing monthly newsletters	This indicator will be based on perceptions rather than the outcomes of community surveys or other formal means. On a random basis people may be asked to give their views of the municipality in as far as service delivery, responsiveness, quality of service and service offering excellence.
TL30	Corporate Services	Promote community participation and communication	To respond to all media enquiries and issue media statement within 24 hours after an occurrence	This can be measured by analysing response time to the media enquiries received.

Table 164: Good Governance and Public Participation

### Municipal Financial Viability and Management

Ref	Responsible Directorate	Strategic Objective	KPI Name	Data Definition
TL12	Finance	Enhance revenue through leveraging alternate sources of funding and identifying new revenue streams	Improve revenue enhancement by ensuring a collection rate of 85% after debt write-off by 30 June 2021	The debt collection rate is calculated by adding the opening debtors balance to the billed revenue and deducting the bad debts written off and closing balance/ divided by the billed revenue for the period; after distorting factors have been taken into account. Circular 72
TL13	Finance	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	To spend at least 85% of the Capital Budget (including VAT) on capital projects identified in terms of the IDP by 30 June 2021	The percentage is calculated dividing the total amount of capital spending by the total capital budget for the period.
TL14	Finance	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	To spend at least 92% of the Operational Budget annually (30 June)	The percentage is calculated by dividing the total amount of operational spending by the total operational expenditure budget for the period.
TL15	Finance	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Maintain the debt coverage ratio of at least 2:1 against net assets of the municipality by 30 June 2021	The debt coverage ratio is calculated by dividing the total liabilities for the period by the total own operating revenue
TL16	Finance	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Reduce net debtor days to 300 days by 30 June 2021	The debt coverage ratio is calculated by dividing the total liabilities for the period by the total own operating revenue

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Responsible Directorate	Strategic Objective	KPI Name	Data Definition
TL17	Finance	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Maintain the cost coverage ratio of at least 1 month (annually)	The cost coverage ratio is calculated by dividing the total liabilities for the period by the total own operating revenue.
TL18	Finance	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Ensure that the actual spending on employee related costs does not exceed 37% of the total expenditure by 30 June 2021	The percentage is calculated by dividing the total employee related cost by the total operating expenditure budgeted for the period.

Table 165: Municipal Financial Viability and Management

### Municipal Institutional Development and Transformation

Ref	Responsible Directorate	Strategic Objective	KPI Name	Data Definition
TL2	Office of the Municipal Manager	To provide a basis for sustainable municipal performance improvement	Monitor the implementation of the Integrated Performance Management Policy by conducting at least one review meeting annually	This indicator refers to the review of the Performance Management Policy on an annual basis. The review will be evidenced by the minutes of meeting held to review and documented changes (if applicable).
TL3	Office of the Municipal Manager	To provide a basis for sustainable municipal performance improvement	Submit quarterly organisational performance reports to the Executive Mayor by the 20th of the month following the end of each Quarter for 2020/21	The signed-off quarterly reports will be evidence that this indicator has been achieved.
TL4	Office of the Municipal Manager	To provide a basis for sustainable municipal performance improvement	Submit the Final IDP document for adoption to Council by 31 May annually	Approval of IDP is a critical milestone in terms of Municipal Systems Act. The IDP informs the budget and there must be a clear linkage between what has been identified as critical and that which is funded. Adoption is by Council resolution.
TL5	Office of the Municipal Manager	To provide a basis for sustainable municipal performance improvement	Submit the Final SDBIP document to the Executive Mayor by 30 June annually	It is important to operationalise the IDP and Budget in an SDBIP with clear monthly and quarterly targets that must be achieved. The SDBIP also serves as a basis for the development of performance agreements of the MM and Senior Managers. In terms of Circular 13, it must be submitted to the Executive Mayor 28 days after the approval of IDP and Budget. the SDBIP was approved together with the Budget, and there is a Council Resolution to this effect.

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Ref	Responsible Directorate	Strategic Objective	KPI Name	Data Definition
TL11	Office of the Municipal Manager	To ensure continuous maintenance and replacement of furniture, office and computer equipment and create a secure environment within the municipality	To ensure that the ICT Strategic Plan vision to connect, collaborate and communicate with employees, council and the community of Kimberley is realized by 30 June 2021	Project entails that all necessary needs regards ICT are addressed. Evidence A report that all IT needs for the organisation have been addressed.
TL21	Corporate Services	To enable effective training and skills development through various initiatives and partnering with the private sector	Equip staff to implement efficiency, monitoring and productivity through the following improvement interventions by 30 June 2021: Leadership and management development training. Learning/competency and development programme	The evidence for this indicator would be the list of staff attending various training and development courses/programmes during the year under review. Evidence in the form of registration documents, attendance registers etc. is available.
TL22	Corporate Services	To improve effective human resource development for staff and councillors	Review the organisational structure of the municipality on an annual basis with the aim of optimising efficiency and make recommendations by 30 June 2021	The review of the organizational structure is evidenced by minutes of meetings, recommendation for amendment and a reviewed organogram.
TL23	Corporate Services	To improve effective human resource development for staff and councillors	Monitor the implementation of the Human Resource Management Plan by conducting at least one review meeting annually	This indicator refers to the content of the approved HR Management plan. The evidence for this will be contained in the HR Plan. A strong work team is required to implement the SDBIP and service delivery obligations of the municipality. There is a strategy in place for the management of Human Resources. The strategy must be received annually and be approved by Council after every review. It becomes important that the review process is documented in this regard as part of portfolio of evidence that it indeed took place.
TL24	Corporate Services	To improve effective human resource development to staff and councillors	Achieve 72% compliance with the EAP plan of the municipality by ensuring representation of the racial profile of the local authority on the municipal level by 30 June 2021	The municipality must develop an Employee Assistance Plan which must be approved by Executive Management Team by recommendation of the ED. It is anticipated that due to inadequate funding and changes in a year only 70% of the plan approved would be executed. This indicator relates to the compliance of the organogram with the EAP Plan of the municipality. This is measured by comparing the current staff establishment of the municipality.
TL26	Corporate Services	To provide a basis for sustainable municipal performance improvement	Co-ordinate bi-annual performance assessments of the municipal manager and managers reporting directly to the municipal manager by 30 June 2021	This indicator refers to the legislated performance assessments of section 57 employees. The bi-annual assessments will be substantiated by signed-off documentation detailing the outcomes of these assessments.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Table 166: Municipal Institutional Development and Transformation

### 3.32.13 Financial Performance Overview

The Statement of Financial Performance is prepared on a similar basis to the prescribed budget format, detailing Revenue by source and Expenditure by type. The consolidated summary of the financial performance is indicated in Tables 1 and 2 below:

Summary Statement of Financial Performance: YTD Budget					
Description	YTD Budget June 2021	YTD Actual June 2021	Variance Favourable (Unfavourable)	YTD Actual vs YTD Budget	Variance Favourable (Unfavourable)
	(R'000)			%	
Total Revenue (excluding capital transfers and contributions)	2 254 156	2 096 586	(157 570)	93.0%	-7.0%
Total Revenue (including capital transfers and contributions)	2 377 602	2 096 586	(281 016)	88.2%	-11.8%
Total Operational Expenditure	2 241 373	1 779 887	(461 486)	79.4%	-20.6%

Table 167: Consolidated Summary: Statement of Financial Performance

As indicated in Table 1 above, as of 30 June 2021, the billed revenue excluding capital grants amounted to R2,096,586 billion which resulted in a negative variance of minus 7% when compared to the YTD budget of R2,254,156 billion. The billed revenue including capital resulted in a negative variance of minus 11.3% when compared to the YTD budget of R2,377,602 billion.

Capital grants must still be recognised in the Statement of Financial Performance, once all conditions of the grant have been met and this will be finalised as part of year-end procedures. The Total Operational Expenditure resulted in a negative variance of minus 20.6%.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Consolidated summary: Statement of Financial Performance: Adjustment Budget

Summary Statement of Financial Performance: Adjustment Budget					
Description	Adjustment Budget	YTD Actual June 2021	Variance Favourable (Unfavourable)	% YTD Actual vs Adjustment Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 91.67%
	(R'000)			%	
Total Revenue (excluding capital transfers and contributions)	2 254 156	2 096 586	1 908 740	93.0%	-7.0%
Total Revenue (including capital transfers and contributions)	2 377 602	2 096 586	1 898 452	88.2%	-11.8%
Total Operational Expenditure	2 241 373	1 779 887	1 593 105	79.4%	-20.6%

*Table 168: Consolidated Summary: Statement of Financial Performance: Adjustment Budget*

Indicated in the table above is the YTD actual compared to the Adjustment Budget. When calculating the ideal In-Year-Monitoring percentage of 100% [calculated as follow:  $(100/12 \text{ months} \times 12 \text{ months of the year})$ ] as at the end of June 2021, the Total operational revenue excluding capital grants versus the Adjustment Budget resulted in an unsatisfactory variance of minus 7%. The Total operational revenue including capital grants versus the Adjustment Budget resulted in an unsatisfactory variance of minus 11.8%. Capital grants must still be recognised in the Statement of Financial Performance, once all conditions of the grant have been met and this will be finalised as part of year-end procedures. The Total Operational Expenditure resulted in a negative variance of minus 20.6%.

Please note that certain Revenue by source and Expenditure by type categories are showing excessive negative and/or positive variances. This is due to fact that the YTD budgets were all systematically determined on a straight-line basis by dividing the total budget per category by 12. The capital projections were also done in the same fashion. Please note that variances within a 5% range are acceptable and need not necessarily be explained



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.32.14 Performance of Revenue by Source

#### Financial Performance Summary: Revenue

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - June 2021										
Revenue by Source	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Variance IYM % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Property rates	584,108	42,945	590,792	584,108	101.1%	6,684	1.1%	101.1%	6,684	1.1%
Service charges - electricity revenue	766,232	75,742	663,389	766,232	86.6%	(102,844)	-13.4%	86.6%	(102,844)	-13.4%
Service charges - water revenue	278,626	16,506	269,879	278,626	96.9%	(8,747)	-3.1%	96.9%	(8,747)	-3.1%
Service charges - sanitation revenue	71,175	6,897	80,837	71,175	113.6%	9,661	13.6%	113.6%	9,661	13.6%
Service charges - refuse revenue	53,984	4,968	58,655	53,984	108.7%	4,671	8.7%	108.7%	4,671	8.7%
Rental of facilities and equipment	12,440	1,010	12,018	12,440	96.6%	(422)	-3.4%	96.6%	(422)	-3.4%
Interest earned - external investments	4,000	852	1,792	4,000	44.8%	(2,208)	-55.2%	44.8%	(2,208)	-55.2%
Interest earned - outstanding debtors	144,000	113,178	109,408	144,000	76.0%	(34,592)	-24.0%	76.0%	(34,592)	-24.0%
Fines, penalties and forfeits	33,345	1,619	21,808	33,345	65.4%	(11,537)	-34.6%	65.4%	(11,537)	-34.6%
Licences and permits	6,100	(315)	7,299	6,100	119.7%	1,199	19.7%	119.7%	1,199	19.7%
Agency services	-	-	-	-						
Transfers and subsidies	260,137	23,233	256,526	260,137	98.6%	(3,611)	-1.4%	98.6%	(3,611)	-1.4%
Other revenue	18,008	1,118	18,407	18,008	102.2%	399	2.2%	102.2%	399	2.2%
Gains on disposal of PPE	22,000	934	5,776	22,000		(16,224)			(16,224)	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,254,156</b>	<b>288,688</b>	<b>2,096,586</b>	<b>2,254,156</b>	<b>93.0%</b>	<b>(157,570)</b>	<b>-7.0%</b>	<b>93.0%</b>	<b>(157,570)</b>	<b>-7.0%</b>
Transfers and subsidies - capital	123,446	-	-	123,446	0.0%	(123,446)	-100.0%	0.0%	(123,446)	-100.0%
<b>Total Revenue (including capital transfers and contributions)</b>	<b>2,377,602</b>	<b>288,688</b>	<b>2,096,586</b>	<b>2,377,602</b>	<b>88.2%</b>	<b>(281,016)</b>	<b>-11.8%</b>	<b>88.2%</b>	<b>(281,016)</b>	<b>-11.8%</b>

Table 169: Financial Performance Summary: Revenue

#### Comparison against the YTD Budget

- Property Rates are showing a positive variance of 1.1%.
- Service charges are performing satisfactorily for the month under review, however Service charges: Electricity is showing a negative variance of 13.4% because the actual billing is lower than anticipated. The Billing section should conduct a detailed analysis on the under-recovery. Refuse removal and Sanitation charges is showing an over-recovery as result of increased billing. The contributing factors to this, should also be analysed by the Billing section.
- Interest earned – External investments show a negative variance of minus 55.2%, as a result of accrued interest revenue that was recognised in the 2019/20 financial year. It should be noted that investments have been declining year-on-year, however for the YTD per investment have remained relatively constant. However, due to financial constraints the municipality could not increase its investments which largely contributes to the lower interest earned.
- The reduced interest rate by the Reserve bank, also has a negative impact on Interest earned. The bulk of the interest will be recognised at year-end.
- Interest earned on outstanding debtors is showing a negative variance of minus 24%. The preliminary investigation determined that interest was written-off directly against the income vote. The Billing section

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completed this investigation, and the corrections was affected during June 2021. A further post-investigation will have to be done to ascertain why the interest earned is lower than anticipated.

- Fines, penalties and forfeits is showing a negative variance of 34.6% as a result of the under-recovery of Law enforcements fines with an 8.62% achieved versus a target of R17 million. The unit is experiencing various challenges in terms of capacity and the process of the reconciliation of fines with the Department of Justice needs to improve. Penalties: Disconnection fees were performing poorly as a result of the Covid-19 pandemic, but this has since improved compared to previous months with an actual percentage achieved of 126.62% against an annual target of R16 million. There was a substantial increase in the blocking of prepaid meters, however the municipality must remain cognisant of adhering to the Covid-19 regulations.
- Licences and permits are showing a positive variance of 19.7%, however there are possible outstanding payments due to the Department of Transport, Safety and Liaison. There is sometimes a delay in the timing of receipts and eventual transfers, especially towards month-end.
- Capital grants are recognised in the Statement of Financial Performance at year-end, once all conditions of the grant have been met. The municipality is busy finalising year-end procedures.

### Comparison against Adjustment Budget

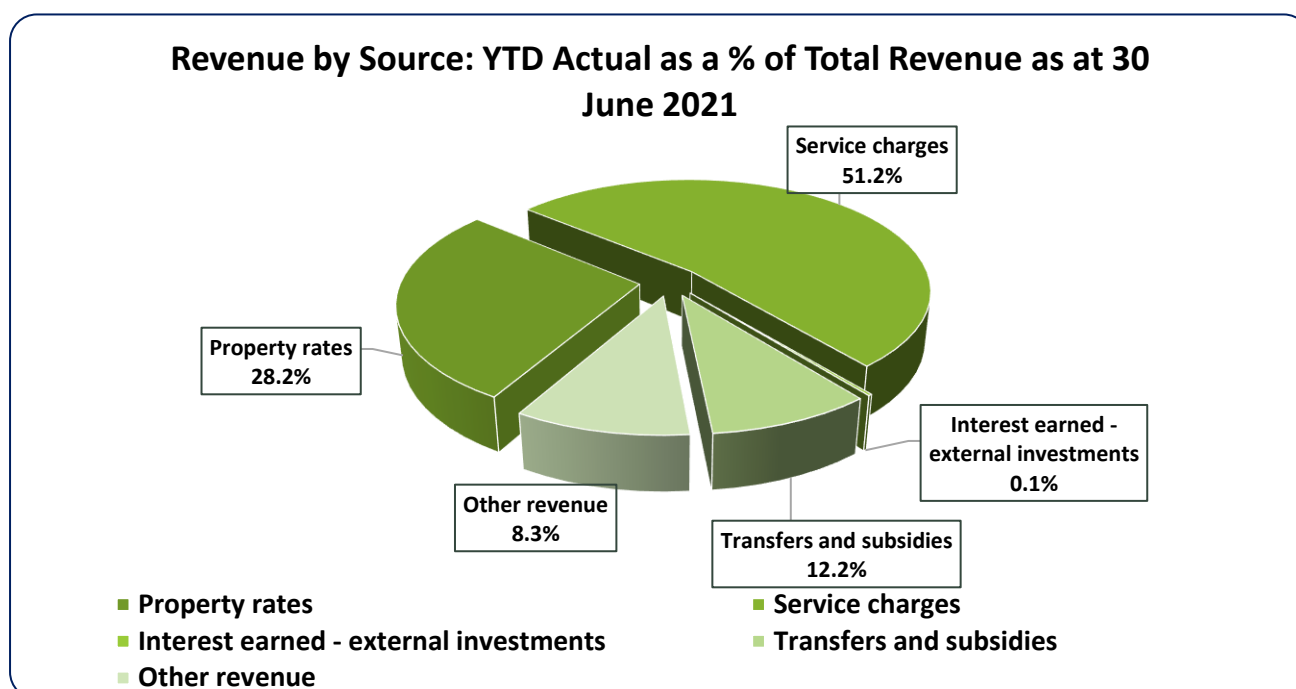
Based on the IYM percentage of 100%, most revenue sources are performing satisfactorily.

- Property rates and Service charges. The same factors are applicable as described in the paragraph above.
- Interest from External Investments shows an unsatisfactory variance of 55.2%. Same factors are applicable as described in the paragraph above.
- Interest on outstanding debtors is showing a negative variance of 24%. The same factors are applicable as described in the paragraph above
- Fines, penalties and forfeits is showing a negative variance of 34.6%. The same factors are applicable as described in the paragraph above.
- Licences and permits are showing a positive variance of 19.7%. Same factors are applicable as described in the paragraph above.
- Transfers – recognised capital will be recognised in the Statement of Financial Performance at year-end, once all conditions of the grant have been met.

Also indicated in Chart 1 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as of 30 June 2021. The main contributors to the municipality's revenue are Service Charges (51.2%), Property Rates (28.2%) and Transfers and subsidies (12.2%).

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### Revenue by Source: YTD Actual as a percentage of Total Revenue



### 3.32.15 Operating Expenditure by Type

#### Financial Performance Summary: Expenditure

**Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - June 2021**

Expenditure By Type	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Variance IYM % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Employee related costs	800,080	59,776	702,118	800,080	87.8%	(97,962)	-12.2%	87.8%	(97,962)	-12.2%
Remuneration of councillors	33,023	2,508	30,178	33,023	91.4%	(2,845)	-8.6%	91.4%	(2,845)	-8.6%
Debt impairment	252,000	127,501	252,005	252,000	100.0%	5	0.0%	100.0%	5	0.0%
Depreciation & asset impairment	73,550	-	-	73,550	0.0%	(73,550)	-100.0%	0.0%	(73,550)	-100.0%
Finance charges	35,542	11,838	25,527	35,542	71.8%	(10,015)	-28.2%	71.8%	(10,015)	-28.2%
Bulk purchases	554,500	13,686	404,402	554,500	72.9%	(150,098)	-27.1%	72.9%	(150,098)	-27.1%
Other materials	298,169	26,282	196,463	298,169	65.9%	(101,706)	-34.1%	65.9%	(101,706)	-34.1%
Contracted services	49,548	7,189	33,984	49,548	68.6%	(15,564)	-31.4%	68.6%	(15,564)	-31.4%
Transfers and subsidies	4,280	544	2,528	4,280	59.1%	(1,752)	-40.9%	59.1%	(1,752)	-40.9%
Other expenditure	140,681	12,204	132,593	140,681	94.3%	(8,088)	-5.7%	94.3%	(8,088)	-5.7%
<b>Total Expenditure</b>	<b>2,241,373</b>	<b>261,527</b>	<b>1,779,887</b>	<b>2,241,373</b>	<b>79.4%</b>	<b>(461,486)</b>	<b>-20.6%</b>	<b>79.4%</b>	<b>(461,486)</b>	<b>-20.6%</b>

Table 170: Monthly Budget Statement - Financial Performance (Expenditure)

#### Comparison against YTD Budget (SDBIP Target)

As indicated in the Table 4 above, as at 30 June 2021 current expenditure shows an unsatisfactory variance of minus 20.6%, the YTD actual which amounted to R1,779,887 billion against the YTD budgeted SDBIP target of R2,241,373 billion.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

- Employee related costs show an unsatisfactory variance of minus 12.2%. Post-retirement benefit obligations are not yet factored in and will only be finalised as part of year-end procedures. There is also a soft lock on the filling of vacancies for the past few months.
- Remuneration of councillors is showing an under-expenditure of 8.6%. It should be noted that the gazette on the Determination of upper limits of salaries, allowances and benefits of different members of municipal councils has not been issued. The gazette is normally issued in December of each year.
- Depreciation was projected for on a straight-line basis but will only be provided for, as part of year-end procedures.
- Debt impairment is provided for quarterly. The journal for the third and fourth quarter was processed in June 2021.
- Expenditure on Contracted services is lower than anticipated, especially pertaining to Legal Cost Advice & Litigation which is 61.84% spent versus a budget of R6,875 million. Prepaid Electricity Vendors is 81.57% spent versus a budget of R25 million. It should be noted that the May and June 2021 invoices for Ontec (prepaid electricity vendor) is still unpaid, due to cash flow constraints. The total amount due to Ontec is R4,801 million.
- Bulk purchases are showing unsatisfactory variance of minus 27.1%. Due to cash flow constraints the municipality defaulted on the April and May 2021 Eskom invoices. The municipality intends on doing partial settlements during the month as and when sufficient cash becomes available. The June 2021 account amounting to R79 million is due on 31 July 2021.
- Transfers and subsidies show a negative variance of 59.1%. This is due to the municipality's effort to curb expenditure due to the cash flow issues.
- Finance charges are paid bi-annually and the final installment on the annuity loan for the 2020/21 financial year was settled at the end of June 2021. Finance charges show a variance of 28.1%. Corrections on the actuals about interest paid on overdue accounts must be journalized on the system. All interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the AFS.
- The expenditure on Other Materials shows an unsatisfactory variance of 34.1%. Water inventory resorts under other materials as per GRAP 12. The municipality has unsettled bulk water invoices to the Department of Water and Sanitation from December 2020 to March 2021. It has been reiterated monthly that expenditure on other materials must be checked closely and remedial action taken to ensure that funds are spent effectively and that funds will be fully spent at year-end.
- During the 2019/20 Mid-year Budget Assessment the following factors were identified by the municipality that negatively affect the expenditure on other materials

The possible root causes can vary from poor preventative maintenance strategies, poor planning, vehicles being at the Workshop for longer periods which is hampered by the availability of suitable parts, procurement processes exacerbated by a lack of valid tenders being in place for which the user departments are responsible for, clamping down on deviations and major works still outstanding for which proper procurement processes needs to be adhered to, and then prioritisation as a result of the cash flow constraints.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

It is advised that management finalise maintenance plans and implement these plans within the current financial constraints, ensure that remedial action be taken to improve on preventative maintenance and spend funds cost-effectively and efficiently to address service delivery issues and ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage is curbed, overall personnel performance and productivity be monitored and improved.

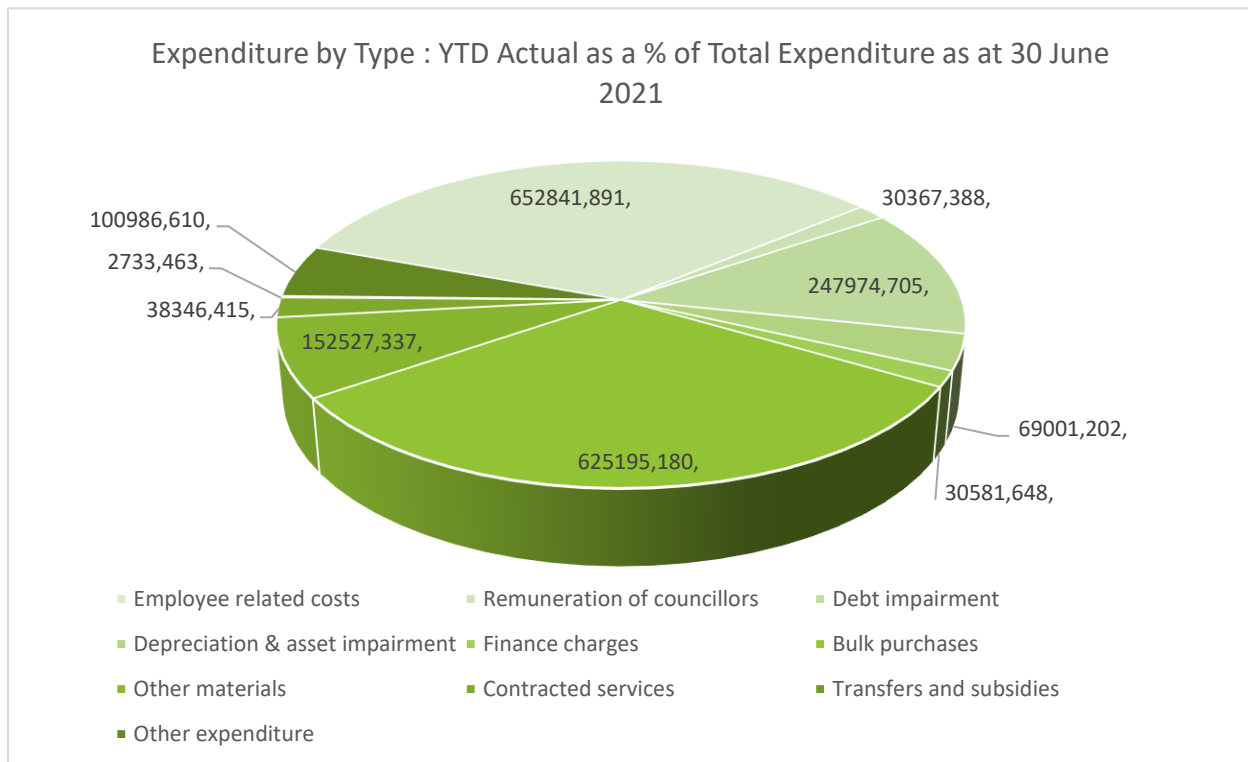
### **Operating Expenditure by Type: Comparison against Adjustment Budget**

Indicated in Table 14 above, is the YTD actual compared to the Adjustment Budget. The ideal In-Year-Monitoring percentage as at the end of June 2021 is 100%. The total operational expenditure against the Adjustment Budget is 79.4% spent, resulting in a variance of minus 20.6%.

- Employee costs is showing a negative variance of 12.2% and Councillors remuneration is showing a negative variance of 8.6%, same factors are applicable as explained above.
- Depreciation will be provided for at year-end.
- Finance charges are paid bi-annually and show an unsatisfactory variance of minus 28.1%, same factors are applicable as explained above.
- Debt impairment is provided for every quarter.
- Expenditure on Contracted services is lower than anticipated, the same factors are applicable as explained above.
- Transfers and grants are unsatisfactory with a variance of minus 59.1%. The same factors are applicable as explained in the paragraph above.

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### Expenditure by Type: YTD Actual as a percentage of Total Expenditure



Also indicated in Chart 2 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 30 June 2021. The main cost drivers of the municipality are Employee Related Costs, Debt Impairment and Bulk Purchases. It should be noted that these percentages are slightly distorted as a result of the following:

- The Post-retirement benefit obligations under Employee related costs that have not been provided for as yet. This will be finalized as part of the year-end procedures. The soft lock on filling of vacancies also plays a role.
- Depreciation is not provided for and will only be finalized at year-end.
- Debt impairment is provided for quarterly.
- Interest on external borrowing is paid bi-annually.
- Non-capturing of electricity bulk purchases for April, May and June 2021.
- Non-payment of the bulk water account from December 2020 to March 2021.

#### Bulk Purchases and Inventory - Water

- Indicated in Table 5 below, is the YTD expenditure on Bulk Purchases Electricity and Inventory: Water. When compared to the IYM percentage of 100% as at end of June 2021, Bulk Purchases Electricity is showing a negative variance of 27.1% as a result of the April and May 2021 bulk electricity accounts not being timeously captured on the system, due to cash flow constraints. The June 2021 invoice is due for payment on the 31 July 2021 and has not been captured on the system as well.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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- Inventory – Water is showing a negative variance of 65.8% when compared to the ideal percentage of 100%. It should be noted that the YTD Actual is understated, due to the fact that the December 2020 to March 2021 invoices, are still outstanding and have not been captured on the system, due to cash flow constraints. The municipality is awaiting the June 2021 invoice from DWS.

### 3.32.16 Capital Expenditure

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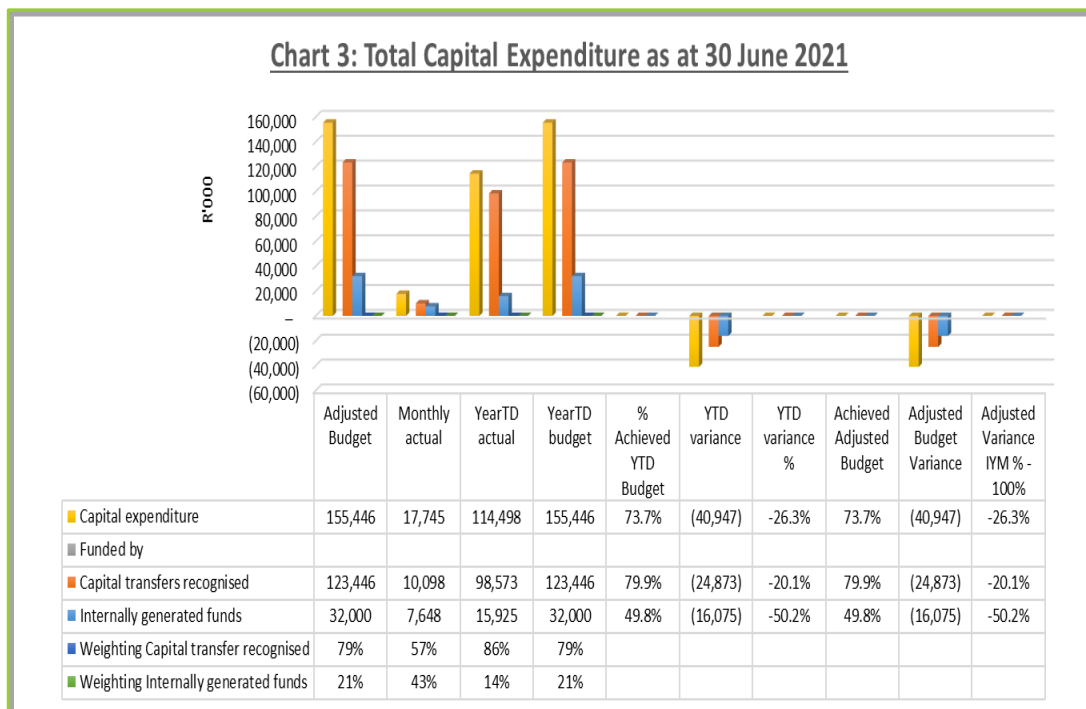
As indicated in the Table 5 and Chart 3 below, the YTD Actual on capital expenditure as at end of June 2021 amounted to R114,498 million and 73.7% spent when compared to the YTD budget of R155,446 million and 73.7% spent when compared to the Adjustment Budget of R155,446 million. The total YTD capex is funded from capital transfers of R98,573 million (86%) and internally generated funds R15,925 million (14%).

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### High Level Summary: Capital Expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - June 2021										
Capital expenditure	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Variance IYM % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	155,446	17,745	114,498	155,446	73.7%	(40,947)	-26.3%	73.7%	(40,947)	-26.3%
Funded by										
Capital transfers recognised	123,446	10,098	98,573	123,446	79.9%	(24,873)	-20.1%	79.9%	(24,873)	-20.1%
Internally generated funds	32,000	7,648	15,925	32,000	49.8%	(16,075)	-50.2%	49.8%	(16,075)	-50.2%
Weighting Capital transfer recognised	79%	57%	86%	79%						
Weighting Internally generated funds	21%	43%	14%	21%						

### Total Capital Expenditure: Actual vs Budget



The planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes. Most capital projects are based on functionality criteria. Bidders either do not meet the functionality criteria or give incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids must be re-advertised. The municipality has been implementing more compulsory site meetings to sensitize service providers on compliance issues about bid documents. Secondly, project managers need to realistically predict challenges and at once address delays to ensure projects are completed within the specified timeframe. Contract management also needs to be checked more closely, placing emphasis on the performance of appointed service providers, and addressing issues of non-performance at once. The



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Project Management Unit (PMU) is not staffed, resulting in a lack of qualified permanently appointed project managers. Lastly, it is advised that disputes if any are addressed and resolved expeditiously.

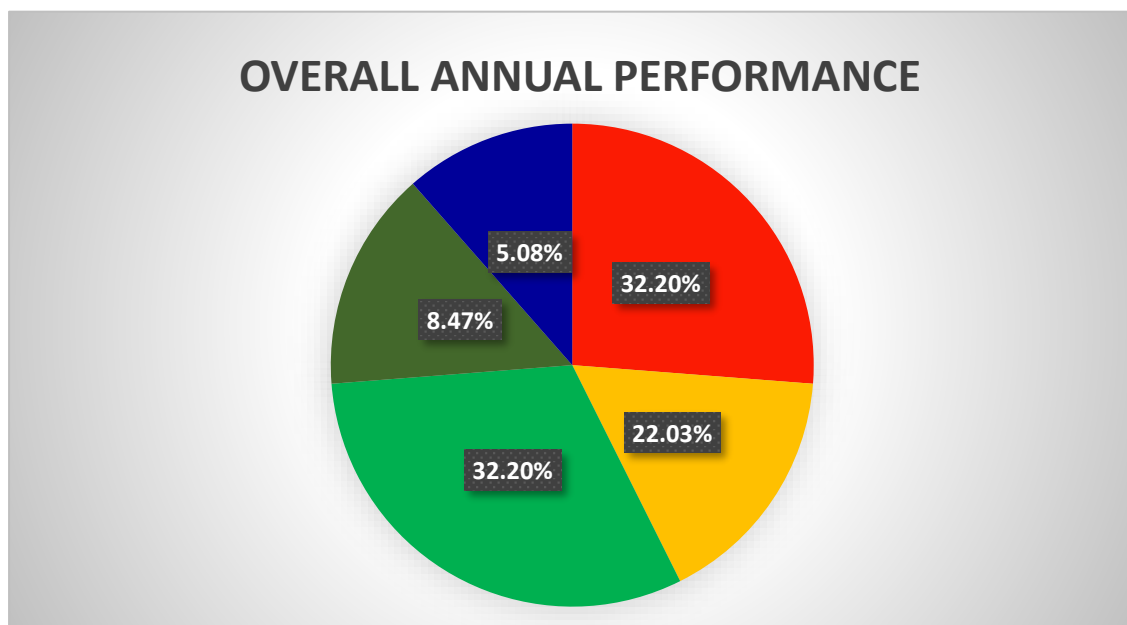
The capital expenditure is slow and overall capital expenditure remains a major concern. Remedial action will have to be taken going forward to ensure improvement on capex. It should be noted that capital expenditure excludes VAT and commitments.

### 3.32.17 Top Layer SDBIP

The top layer Service Delivery and Budget Implementation Plan is an all-encompassing organisational scorecard used to measure overall an individual's performance. Twice a year, the Municipal Manager and Senior Managers are assessed on their performance based on targets set against the achievements as reported.

The overall performance of the organisation is acceptable, however, due to Covid-19, unconducive economic conditions and an increase in the unemployment rate the financial indicators did not perform well. Cash flow problems and financial constraints force the institution to take remedial action by centralising the Supply Chain Unit and the, implementation of a Cost Containment and Overtime Policy. The focal point was to improve the debt collection rate by encouraging residents to register as indigents (if they qualify) and to enforce our Debt Collection Policy.

It is only 54.24% of KPI's set that were not met, whilst 45.76% of KPI's were either met to extremely well met. It should be emphasised that the category of "almost met" includes all achievement between 76% - 99% of targets met. The diagram below indicates an overall summary of the organisational performance for the period 1 July 2020 to 30 June 2021.



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Summary of Overall Performance: Sol Plaatje Municipality		
	KPI Not Met	<b>19</b>
	KPI Almost Met	<b>13</b>
	KPI Met	<b>19</b>
	KPI Well Met	<b>5</b>
	KPI Extremely Well Met	<b>3</b>
	<b>Total KPIs</b>	<b>59</b>

### 3.32.18 Organisational Performance per Key Performance Area

The organisational scorecard is based on the key performance areas as guided in the Performance Regulations of 2001. Each of the KPIs within the KPA are assigned to an individual who is the KPI owner, and the Senior Manager responsible for that function takes overall responsibility of performance and delivery. All these form part of the performance agreements and are assessed half yearly.

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### Summary Of Performance Per Key Performance Area

#### *Basic and Sustainable Service Delivery and Infrastructure Development*

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021		
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL10	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	12 000 Indigent households to receive free basic services (water, electricity, sanitation and waste removal according to national guidelines) by 30 June 2021	No of indigents per the Indigent Register	12 000	11 980	O	[D143] GM: Revenue: Annual target of 12000 almost reached. (June 2021)	[D143] GM: Revenue: Annual target of 12000 almost reached. Indigent verification and registration processes are being evaluated and improved. Implementation will be closely monitored. (June 2021)	12 000	11 980	O
TL133	Develop suitable located and affordable housing (shelter) and decent human settlements	To conduct feasibility studies for Ritchie (Draft EIA & Geo-technical Report, Phase 1) and Fluffy Park (Layout Plan and Draft SG Diagramme) by 30 June 2021	Layout Plan and Draft SG diagram (Fluffy Park) and Geo-technical study Phase 1 and Draft EIA (Ritchie)	100.00%	100.00%	G	[0] Manager: Urban Planning: Draft EIA & Geo Technical report, Phase 1) and Fluffy Park (Layout Plan and Draft SG Diagramme have been achieved. (June 2021)	[0] Manager: Urban Planning: None (June 2021)	100.00%	100.00%	G
TL31	To ensure sustainable delivery of community services (personal including environmental health, waste management, biodiversity, motor registration and licensing, library, emergency and traffic services) to all residents of SPM	To achieve at least 70% compliance with the National Disaster Management Tool by 30 June 2021	% Compliance with the National Disaster Management Tool	70.00%	77.00%	G2	[D266] Chief Emergency Services: Achieve (June 2021)	[D266] Chief Emergency Services: None (June 2021)	70.00%	77.00%	G2



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021			
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R	
TL39	To ensure sustainable delivery of community services (personal including environmental health, waste management, biodiversity, motor registration and licensing, library, emergency and traffic services) to all residents of SPM	To complete the construction of the Homevale Fire Station by 30 June 2021	Percentage completion as per project progress report	100.00%	0.00%	R	Not Updated			100.00%	80.00%	O
TL40	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	To upgrade at least 4.9 km of Galeshewe access roads to a paved surface by 30 June 2021 (Wards to be determined)	Distance of km paved	4.9	5.3	G2	[D407] City Engineer: Roads and Storm water: Progress reports submitted (June 2021)			4.9	5.3	G2
TL41	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	To complete 8 830 Km of storm water pipes of Priority 2, Ph 2A for the upgrading of storm water infrastructure in Galeshewe by 30 June 2021	Km of storm water pipes installed	8 830	8 830	G	[D427] City Engineer: Roads and Stormwater: Progress report submitted (June 2021)			8 830	8 830	G
TL42	To ensure the availability of critical service delivery tools at all times (fleet management)	Ensure that all identified fleet items to be procured for the year, are delivered by 30 June 2021	Percentage of identified fleet items delivered at year end	100.00%	100.00%	G	[D408] Manager: Fleet: Awaiting delivery of one last vehicle (May 2021) [D408] Manager: Fleet: All vehicles for 20/21 vehicle fleet replacement project received and in operation. (June 2021)			100.00%	100.00%	G



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021			
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R	
TL43	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To complete 100% procurement phase only for the replacement of the 11KV Circuit Breakers at the Herlear Substation by 30 June 2021	Percentage completion of the process as per tender document, appointment letter and minutes	100.00%	0.00%	R	Not Updated			100.00%	50.00%	R
TL44	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	Complete 50% of the Lerato Park bulk electrification project by 30 June 2021	Percentage completion as per project progress report	50.00%	0.00%	R	Not Updated			50.00%	30.00%	R
TL45	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the electrification of 200 households by 30 June 2021 (Wards to be determined)	Number of houses connected to electricity network	200	0	R	Not Updated			200	103	R
TL46	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To replace at least 1550 prepaid electricity meters by 30 June 2021	Number of electricity meters replaced	550	1 054	B	[D412] Chief Superintendent Test and Metering: About 750 prepaid meters were installed both internally and externally. (April 2021) [D412] Chief Superintendent Test and Metering: Progress report submitted (June 2021)	[D412] Chief Superintendent Test and Metering: Employ more electricians so that more meters can be installed to increase municipality revenue. (April 2021)		1 550	1 614	G2
TL47	To ensure a basic standard of living for all through the provision of basic	Decrease electricity losses to 16% by 30 June 2021	Percentage electricity loss	16.00%	0.00%	R	[D413] City Engineer: Electricity: Not updated (June 2021)	[D413] City Engineer: Electricity: Not updated (June 2021)		16.00%	0.00%	R



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021			
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R	
	sanitation, water, electricity and refuse delivery services											
TL48	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 100% procurement phase only for the appointment of the contractor which is 10% of the overall project weighting for the repair of Faulty Electrical and Mechanical equipment at Homevale WWTW by 30 June 2021	% Completion of the process as per the tender document, appointment letter and minutes	10.00%	0.00%	R	[D425] City Engineer: Water and Sanitation: Not achieved. (June 2021)	[D425] City Engineer: Water and Sanitation: Project was not implemented due to lack of budget. Beef Master has offered support, and the project is underway. (June 2021)	10.00%	15.00%	B	
TL49	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	Complete 25% of the installation of electrical and mechanical components in Lerato Park pump station (Eagle Str and Lerato Park) by 30 June 2021	Percentage completion as per project progress report	25.00%	15.00%	R	[D424] City Engineer: Water and Sanitation: The bid is currently at Bid Adjudication Committee (June 2021)	[D424] City Engineer: Water and Sanitation: The award must be finalized. (June 2021)	25.00%	15.00%	R	
TL50	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 100% work for the bulk sewer infrastructure for the Lerato Park development by 30 June 2021	Percentage completion as per project progress report	100.00%	98.00%	O	[D414] City Engineer: Water and Sanitation: Achieved (June 2021)	[D414] City Engineer: Water and Sanitation: None, only tie-in done in July 2021 (June 2021)	100.00%	98.00%	O	
TL53	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	Construction of at least 70% of the new sewer outfall mains for Carters Ridge sewer pump station by 30 June 2021	Percentage completion as per project progress report	70.00%	58.00%	O	[D417] City Engineer: Water and Sanitation: Ground water has delayed the project on site (June 2021)	[D417] City Engineer: Water and Sanitation: Ground water issue has been addressed. The contractor to submit a revised construction programme. (June 2021)	70.00%	58.00%	O	



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021		
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL54	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To replace 1500 water meters by 30 June 2021	Number of water meters replaced	500	4 551	B	[D418] City Engineer: Water and Sanitation: Achieved (June 2021)	[D418] City Engineer: Water and Sanitation: None, otherwise adjust the target accordingly to avoid understatement of target. (June 2021)	500	4 551	B
TL55	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	Decrease water losses to 50% by 30 June 2021	Percentage water loss	50.00%	59.40%	R	[D419] Compliance Man: Water and Sanitation: Target not achieved. Enabling programs were not implemented due to financial constraints. These have been prioritised in the coming financial year. (June 2021)	[D419] Compliance Man: Water and Sanitation: Enabling programs were not implemented due to financial constraints. These have been prioritised in the coming financial year. (June 2021)	50.00%	59.40%	R
TL56	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete 50% of the reconstruction work of 320 aged sink toilets in Kagisho, Kutlwanong and Phomolong by 30 June 2021	Percentage completion as per project progress report (the toilets will not be constructed individually before the next toilet can be constructed. The construction process will unfold starting with foundations and brickwork for all toilets, etc. So, the project will be 50% completed however it would not mean that a toilet has been fully constructed)	50.00%	38.00%	O	[D421] City Engineer: Water and Sanitation: Sourcing of the materials has delayed the contractor (June 2021)	[D421] City Engineer: Water and Sanitation: The SPM has entered into a cession agreement to procure materials on behalf of the contractor (June 2021)	50.00%	38.00%	O



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021		
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL57	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the construction 2 out of the 4 elevated water tanks with a combined capacity of 720 kl for critical areas by 30 June 2021	Number of water tanks constructed	2	0	R	[D420] City Engineer: Water and Sanitation: To be attached (June 2021)	[D420] City Engineer: Water and Sanitation: To be updated (June 2021)	2	0	R
TL58	To ensure management of the quality of the drinking water and waste water through compliance with the applicable legislation	To ensure through effective monitoring that a 98% Blue Drop Status on quality compliance is achieved by 30 June 2021	% Compliance of water quality	98.00%	98.00%	G	[D422] Compliance Man: Water and Sanitation: Achieved (June 2021)	[D422] Compliance Man: Water and Sanitation: None (June 2021)	98.00%	98.00%	G
TL59	To ensure management of the quality of the drinking water and waste water through compliance with the applicable legislation	To ensure through effective monitoring that a 60% Green Drop Status on effluent quality compliance is achieved by 30 June 2021	% Compliance of effluent quality	60.00%	32.00%	R	[D423] Compliance Man: Water and Sanitation: Target not achieved. Homevale and Ritchie WWTW were vandalized and are still out of operation. (June 2021)	[D423] Compliance Man: Water and Sanitation: Both WWTW shall be repaired and refurbished and put back to operation. (June 2021)	60.00%	32.00%	R
TL60	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	Patching and resealing of 65 000 square metres of roads in various wards of Sol Plaatje Municipality by 30 June 2021	Square metres of roads	65 000	56 500	O	[D923] City Engineer: Roads and Storm water: Could only achieve 85% of the target due to erratic supply of hot mix asphalt. (June 2021)	[D923] City Engineer: Roads and Stormwater: Cold mix asphalt to be used when plan cannot supply. (June 2021)	65 000	56 500	O
TL61	To ensure the adequate provision, upgrading and maintenance of water and sanitation services infrastructure	To complete 100% procurement phase only for the appointment of the contractor which is 10% of the overall project weighting for the	Percentage completion of the process as per tender document, appointment letter and minutes	10.00%	0.00%	R	[D922] City Engineer: Water and Sanitation: Procurement has been delayed due to funding constraints (June 2021)	[D922] City Engineer: Water and Sanitation: Revised business plan to be submitted (June 2021)	10.00%	0.00%	R





## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021		
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
		construction of Carters Ridge sewer pump station building with all electrical and mechanical equipment by 30 June 2021									

### *Municipal Financial Viability and Management*

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021		
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL12	Enhance revenue through leveraging alternate sources of funding and identifying new revenue streams	Improve revenue enhancement by ensuring a collection rate of 85% after debt write-off by 30 June 2021	Percentage of collection rate ensured after debt write off by 30 June 2021	85.00%	74.91%	○	[D145] GM: Revenue: Collection rate has improved due to Establishment of revenue enhancement committee. (June 2021)	[D145] GM: Revenue: Collection rate has improved due to Establishment of revenue enhancement committee. Further revenue enhancement strategies have been explored and implemented; These will be closely monitored. (June 2021)	85.00%	76.13%	○
TL13	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	To spend at least 85% of the Capital Budget (including VAT) on capital projects identified in terms of the IDP by 30 June 2021	Percentage capital spending	85.00%	73.66%	○	[D146] ED: Financial Services: Only 73.66% of the Capital Budget has been spent on the initial closure of the system, however it should be noted that time are being given for year-end creditors to be raised as	[D146] ED: Financial Services: All sundry creditors relating to capital projects should be accrued for during the process for the compilation of the Annual Financial statements to reflect the true spending. (June 2021)	85.00%	73.66%	○



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021		
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
							part of the AFS preparation which could still improve this %. Due to cash flow problems, suppliers have not always been paid within 30 days during the financial period under review. (June 2021)				
TL14	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	To spend at least 92% of the Operational Budget annually (30 June)	Percentage operational spending	92.00%	79.41%	O	[D147] ED: Financial Services: Due to cost containment as well as the COVID 19 pandemic management have not been able to spend all operating expenditure. The municipality also face major cash flow problems which result in the municipality not being able to spend as and when goods are required, due to the fact that management is aware that cash funds are not available to pay suppliers. (June 2021)	[D147] ED: Financial Services: All sundries' creditors need to be accounted for to ensure that all expenditure which has been incurred in the previous financial year have been accounted for in the correct financial period. (June 2021)	92.00%	79.41%	O
TL15	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Maintain the debt coverage ratio of at least 2:1 against net assets of the municipality by 30 June 2021	Debt coverage ratio	2.1	4.66	B	[D148] ED: Financial Services: The municipality has a high debt coverage ratio, due to the low amount of current liabilities and the extremely high amount of debtors. This ratio will however also be affected	[D148] ED: Financial Services: No corrective action is required, however for this ratio to be more realist bad debts need to be written off and only debt the municipality is expecting to recover should be taken into account for calculation purposes. (June 2021)	2.1	4.25	B



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021			
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R	
							by year end sundry payments which have not been accounted for and Debtors written off during the financial period under review. (June 2021)					
TL16	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Reduce net debtor days to 300 days by 30 June 2021	Net debtor days	300	486	R	[D149] ED: Financial Services: Due to the current economic conditions the municipality has been unable to reduce debtors' days to below 300 during the current financial period. (June 2021)	[D149] ED: Financial Services: Debtors collection should implement the debtor's collection policy without political interference and apply the policy strictly. (June 2021)	300	671.25	R	
TL17	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Maintain the cost coverage ratio of at least 1 month (annually)	Cost coverage ratio	1	-0.32	R	[D150] ED: Financial Services: As indicated by the ratio below it is clear that the municipality is having cash flow issues during the financial year and is unable to pay creditors when they are due. (June 2021)	[D150] ED: Financial Services: Government Debt need to be persuaded aggressively to ensure that the cash flow of the municipality can be improved. (June 2021)	1	-0.95	R	
TL18	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Ensure that the actual spending on employee-related costs does not exceed 37% of the total expenditure by 30 June 2021	Employee cost as a percentage of total operating cost	37.00%	41.14%	R	[D151] ED: Financial Services: The ever-growing salary bill of the municipality has been an increasing issue faced by the municipality and has become an even bigger issue due to the cash flow issues of the municipality. The underspending on	[D151] ED: Financial Services: The municipality should limit salary increases and the filling of vacancies as much as possible to reduce the ratio to an expectable level. (June 2021)	37.00%	41.14%	R	



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021			
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R	
						R	expenditure also affect this ratio and it will be affected by sundry creditors which still need to be accounted for. (June 2021)					

### Local Economic Development

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021		
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL1	To develop sustainable living through job creation (EPWP and other initiatives)	Create 400 FTE jobs through EPWP initiatives of the SPM by 30 June 2021	Number of jobs created	400	439	G2	[D32] PMU Manager: Report on job creation captured on EPWP system based on information received from various project managers (June 2021)	[D32] PMU Manager: None (June 2021)	400	439	G2
TL32	To ensure effective spatial planning and development in order to establish a competitive economic position	Ensuring a response time of 10 weeks for building plan submissions received in the current financial year for buildings or architectural buildings greater than 500 m <sup>2</sup> annually	Average response time in weeks to approve building plans	10	13	R	[D315] Manager: Urban Planning: Covid 19 had severe impacts on turnaround times in relation of processing of B/Plans. (June 2021)	[D315] Manager: Urban Planning: The matter is beyond our control. National Government must speedy up vaccination programme. (June 2021)	10	10	G



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021		
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL33	To ensure effective spatial planning and development in order to establish a competitive economic position	Ensuring a response time of 10 weeks for building plan submissions received in the current financial year for buildings or architectural buildings less than 500 m <sup>2</sup> annually	Average response time in weeks to approve building plans	10	10	G	[D316] Manager: Urban Planning: Target Met (June 2021)	[D316] Manager: Urban Planning: None (June 2021)	10	11.75	R
TL34	To ensure effective spatial planning and development in order to establish a competitive economic position	To process all category 1 land use applications received until 30 April of the current financial year through MPT (Municipal Planning Tribunal) by 30 June 2021 in terms of the SPLUMA by-law (2015)	Percentage of land use applications approved	100.00%	64.50%	R	[D317] Manager: Urban Planning: Covid 19 had severe impact on the processing of Land Use Applications due to Positive Covid 19 cases from Urban Planning staff as well as the Infrastructure Department. (June 2021)	[D317] Manager: Urban Planning: Matter beyond the Urban Planning Division. The National Government must prioritize the vaccination of non-essential staff members at municipal level in order to stabilize service delivery. (June 2021)	100.00%	64.50%	R
TL35	To ensure effective spatial planning and development in order to establish a competitive economic position	To process at least 200 buildings plans that were received before 1 July 2020 by the end of the current financial year (30 June 2021)	Number of building plans approved	200	57	R	[D318] Manager: Urban Planning: Due to COVID 19 the comments from Infrastructure Department affected i.e Assistant Engineer Roads as well as Water & Sanitation were severely affected by Positive COVID 19 cases (June 2021)	[D318] Manager: Urban Planning: The matter is beyond our control as the Pandemic affects the entire country (June 2021)	200	57	R



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021		
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL36	To capacitate SMME's and local entrepreneurs	Implementation of the Developmental Programme that supports SMME's through business incubation for at least 10 businesses annually	Number of SMME businesses provided with skills	3	4	G2	[D319] Manager: SMME: No target set for April 2021 (April 2021) [D319] Manager: SMME: No target set for May 2021 (May 2021) [D319] Manager: SMME: In collaboration with the Galeshewe SMME village, 4 sessions were conducted for June (June 2021)		10	8	0
TL37	To capacitate SMME's and local entrepreneurs	Complete the review of the LED Strategy by 30 June 2021	Percentage on completion of the LED Strategy	100.00%	90.00%	0	[D320] Manager: LED: The reason why there is 90% completion on the LED Strategy it is because the UJ still wants to ensure that there is alignment with BEAR project. The 10% is to incorporate the BEAR initiatives. (June 2021)	[D320] Manager: LED: The 10% is to incorporate the BEAR initiatives. (June 2021)	100.00%	90.00%	0
TL38	To capacitate SMME's and local entrepreneurs	Enhancing Sol Plaatje Municipality's economic governance and infrastructure for Business Expansion Attraction and Retention (BEAR) by 30 June 2021	Percentage use components output deliveries	100.00%	79.00%	0	[D321] Manager: LED: We were able to spend the 79% of the first year (2020/21) tranche payment of R3,6 million. We were able to complete the terms of reference for both PSC (Project Steering Committee) and PTWG (Project Technical working Group). The BEAR project also started with	[D321] Manager: LED: The details of delays are captured on the risk register attached. (June 2021)	100.00%	79.00%	0



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021		
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
							implementation of components. (June 2021)				
TL7	To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to 12 weeks for annual contracts from closing date to date of award by June 2021	Average time in weeks to award tender	12	0	R	Not Updated		12	0	R
TL8	To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to 6 weeks for once-off contracts from closing date to date of award by June 2021	Average time in weeks to award tender	6	0	R	Not Updated		6	0	R
TL9	To capacitate SMME's and local entrepreneurs	To successfully implement the PPPFA Regulations to achieve BBBEE and radical economic transformation through local procurement by ensuring at least 60% of the municipality's tenders are awarded to EME's, OSE and from the businesses in the	Percentage of tenders and value thereof awarded to EME, OSE, local and from business in the rural areas within the municipal jurisdiction	60.00%	0.00%	R	Not Updated		60.00%	0.00%	R



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### *Municipal Institutional Development and Transformation*

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021		
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL11	To ensure continuous maintenance and replacement of furniture, office and computer equipment and create a secure environment within the municipality	To ensure that the ICT Strategic Plan vision to connect, collaborate and communicate with employees, council and the community of Kimberley is realized by 30 June 2021	Number of ICT Projects successfully completed	100.00%	70.00%	R	[D144] Chief Information Officer: Target not fully achieved. (June 2021)	[D144] Chief Information Officer: Wi-Fi hotspots established and continue to be established in different areas throughout Kimberley. System integration will be achieved via mSCOA. Communication apps in testing for integration with infrastructure service system. Biometric system go-live delayed due to Covid. (June 2021)	100.00%	80.00%	O
TL2	To provide a basis for sustainable municipal performance improvement	Monitor the implementation of the Integrated Performance Management Policy by conducting at least one review meeting annually	Minutes of meeting conducted. Item on policy review tabled to council	1	1	G	[D33] IDP Manager: Policy Manager busy with review. The draft has been finalized awaiting inputs from Coghsta and to be presented to EMT, IDP Portfolio Committee and then to Council for approval. (June 2021)		1	1	G
TL21	To enable effective training and skills development through various initiatives and partnering with the private sector	Equip staff to implement efficiency, monitoring and productivity through the following improvement interventions by 30 June 2021: Leadership and management development training. Learning/competency and development programme	Number of interventions performed	1	1	G	[D201] Manager: Training and Organisational Development: Submitted for the Mussa requirements (June 2021)	[D201] Manager: Training and Organisational Development: None. (June 2021)	2	2	G





## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021		
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL22	To improve effective human resource development to staff and councillors	Review the organisational structure of the municipality on an annual basis with the aim of optimising efficiency and make recommendations by 30 June 2021	Record of review and recommendations made, and review performed	100.00%	100.00%	G	[D202] Manager: Human Resources: reviewed (June 2021)		<b>100.00%</b>	<b>100.00%</b>	G
TL23	To improve effective human resource development to staff and councillors	Monitor the implementation of the Human Resource Management Plan through conducting at least one review meeting annually	Number of review meetings held	1	0	R	Not Updated		<b>1</b>	<b>1</b>	G
TL24	To improve effective human resource development to staff and councillors	Achieve 72% compliance with the EAP plan of the municipality by ensuring representation of the racial profile of the local authority on municipal level by 30 June 2021	% compliance to the EAP	72.00%	72.00%	G	[D204] ED: Corporate Services: Compliance achieved accordingly (April 2021)		<b>72.00%</b>	<b>72.00%</b>	G
TL26	To provide a basis for sustainable municipal performance improvement	Co-ordinate bi-annual performance assessments of the municipal manager and managers reporting directly to the municipal manager by 30 June 2021	Number of assessments conducted	0	0	N/A			<b>2</b>	<b>2</b>	G
TL3	To provide a basis for sustainable municipal performance improvement	Submit quarterly organisational performance reports to the Executive Mayor by the 20th of the month following the end of each Quarter for 2020/21	No of reports submitted	1	1	G	[D34] IDP Manager: Report submitted to Executive Mayor and to be tabled to next IDP Portfolio Committee in May 2021. (April 2021)		<b>4</b>	<b>4</b>	G



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021		
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL4	To provide a basis for sustainable municipal performance improvement	Submit the Final IDP document for adoption to Council by 31 May annually	Tabled IDP for Council adoption	1	1	G	[D35] IDP Manager: Final IDP adopted by Council on 26 May 2021. (June 2021)		1	1	G
TL5	To provide a basis for sustainable municipal performance improvement	Submit the Final SDBIP document to the Executive Mayor by 30 June annually	SDBIP approved by Executive Mayor	1	1	G	[D36] IDP Manager: Final SDBIP for FY 2021/22 approved during a Special Council meeting held on 26/5/2021. (June 2021)		1	1	G

### *Good Governance and Public Participation*

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021					Overall Performance as at 30 June 2021		
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R
TL19	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To implement an effective and efficient Supply Chain Management System by ensuring that successful appeals are not more than 5% of tenders awarded by 30 June 2021	Percentage successful appeals	5.00%	0.00%	R	Not Updated		5.00%	0.00%	R



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021							Overall Performance as at 30 June 2021		
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R		
TL20	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Submit an Audit Action Plan to the Municipal Manager to address issues raised by the Auditor General within thirty (30) days after the end of the audit annually	Audit Action Plan submitted	0	1	B	[D153] ED: Financial Services: The audit report of the AGSA was signed off and received on the 7th of March 2021. The development of the audit action plan commenced immediately after the audit report was issued and the draft report was submitted to management and the MM on the 01st of April for inputs and corrective actions. (April 2021)	[D153] ED: Financial Services: N/A (April 2021)	1	1	G		
TL27	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To report quarterly on the progress of risk mitigation to the Accounting Officer and Executive Management Team (EMT)	Quarterly reports on strategic risk register	1	1	G	[D207] Chief Risk Officer: Report (June 2021)	[D207] Chief Risk Officer: None required (June 2021)	4	4	G		
TL28	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Submit an Annual Report on risk management maturity level of SPM to NT by 30 June each year	Maturity report submitted	1	1	G	[D208] Chief Risk Officer: Maturity Report (June 2021)	[D208] Chief Risk Officer: None required (June 2021)	1	1	G		
TL29	Promote community participation and communication	To communicate to the public (established residential areas) by issuing monthly newsletters	Number of newsletters issued	12	12	G	[D209] Manager: Communications: No newsletters issued due to Covid-19 regulations for paper tracing. Communicate municipal issues via radio, WhatsApp, e-mail and social media (April 2021) [D209] Manager:	[D209] Manager: Communications: Communicate municipal issues via radio, WhatsApp, e-mail and social media (June 2021)	12	12	G		



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Quarter ending June 2021						Overall Performance as at 30 June 2021		
				Target	Actual	R	Departmental KPI: Performance Comment	Departmental KPI: Corrective Measures	Target	Actual	R	
							Communications: No newsletters issued due to Covid-19 regulations for paper tracing. Communicate municipal issues via radio, WhatsApp, e-mail and social media (June 2021)					
TL30	Promote community participation and communication	To respond to all media enquiries and issue media statement within 24 hours after an occurrence	Response times after an event has occurred in hours	24	24	G	[D210] Manager: Communications: media enquiries responded to within set time frame (April 2021) [D210] Manager: Communications: Media enquiries responded to via e-mail within set time frame due to Covid-19 Regulations (June 2021)	[D210] Manager: Communications: Via email (April 2021)	24	24	G	
TL6	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Internal audit to perform an assessment of the internal control environment and other risk areas within the municipality and issue at least 10 internal audit reports to the audit committee during the financial year	Number of internal audit reports completed	3	4	G2	[D37] Chief Audit Executive: housing follow up fictitious payments building plans follow up training and learning (June 2021)		10	13	G2	



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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### 3.32.19 Conclusion

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We believe that this annual performance report provides a complete and accurate overview of the municipality's performance against targets set for the 2020/21 financial year

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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### 3.32.20 Municipal Manager's Quality Certification

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#### Quality Certificate

I, G Akharwaray, the Municipal Manager of Sol Plaatje Municipality, hereby certify that –



Annual Performance Report

For the year ended **30 June 2021** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

**Print name: G Akharwaray**

**Municipal Manager of Sol Plaatje Local Municipality (NC091)**

**Signature:** .....

**Date:** .....

# Chapter 4



## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

The main purpose of Organisation Development is to provide training and development interventions with the aim to increase the competencies of officials so that services can be rendered effectively.

#### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

##### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

###### 4.1.1 Employee Totals

The table below indicates the number of approved posts according to the approved organogram, posts filled and vacancies as at 30 June 2021:

Description	2019/20	2020/21			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No				%
Municipal Manager's Office	21	29	23	6	20.7
<b>Infrastructure and Services</b>					
Executive Director's Office	12	13	12	1	33.3
Water & Sanitation	234	326	239	87	26.7
Electricity Services	200	225	196	29	12.9
SECCU	0	2	0	2	100
Housing	57	77	56	21	27.3
Roads & Storm Water	113	161	114	47	29.2
<b>SEDP</b>					
SEDP	125	179	132	47	26.3
<b>Community Services</b>					
Clinics	20	98	21	77	78.6
Emergency Services	81	140	80	60	42.9
Environmental Health	17	35	18	17	48.6
Library Services	49	66	49	17	25.8
Motor Vehicle Licensing & Registration	30	48	25	23	47.9
Parks & Recreation	262	319	263	56	17.6
Social Development HIV/Aids	3	3	3	0	0
Traffic Law Enforcement	89	105	88	17	16.2
Waste Management	172	349	175	174	49.9
<b>Corporate Services</b>					



## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Description	2019/20		2020/21		
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No				%
Corporate Services	166	220	166	54	24.5
<b>Financial Services</b>					
Finance	218	247	217	30	12.1
ICT	16	20	16	4	20
Supply Chain	33	39	34	5	12.8
<b>Total</b>	<b>1 918</b>	<b>2 701</b>	<b>1 927</b>	<b>772</b>	<b>28.7</b>

Table 171: Approved Posts, Employees and Vacancies

Note: These figures exclude the Legislators. Vacancies are calculated against the posts on the approved organogram. Not all the posts on the organogram are budgeted for.

### 4.1.2 Vacancy Rate

Several attempts have been made to fill vacancies; however, the applicants often do not have the required qualifications. The post is then re-advertised. We currently have a soft lock on appointments.

The table below indicates the vacancy rate as at 30 June 2021:

Category	Total Approved Posts	Vacancies	Vacancies %
	No.		
S54 Municipal Manager	1	0	0
CFO	1	0	0
Other S56 Directors (excluding Finance posts)	7	1	14.3
Other S57 Managers (Finance posts)	0	0	0
Police officers	14	2	14.3
Fire fighters	101	43	42.6
Senior management: Levels 13-15 (excluding Finance posts)	105	25	23.8
Senior management: Levels 13-15 (Finance posts)	25	8	32
Highly skilled supervision: Levels 9-12 (excluding Finance posts)	729	301	41.3
Highly skilled supervision: Levels 9-12 (Finance posts)	218	16	7.3
<b>Total</b>	<b>1 201</b>	<b>396</b>	<b>32.97</b>

Table 172: Vacancy Rate

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 4.1.3 Staff Turnover Rate

The table below indicates the staff turnover rate for the last two years:

Description	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Staff Turnover Rate
	No.		%
2019/20	1 918	83	4.33
2020/21	1 927	47	2.44

Table 173: Staff Turnover Rate

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### 4.2 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The primary objective of Human Resource Management is to render an innovative Human Resource service which addresses both skills development and an administrative function as approved in the staff establishment.

### 4.3 POLICIES

#### 4.3.1 Overview on Workforce Policy Development

Human Resource Section regularly reviews existing policies and procedures in addressing all human resource related matters and any challenges faced by the Municipality. One of our biggest challenges remains the recruitment and retention of skilled technical staff in order to meet the Municipality's objectives as set out in the IDP.

Recruitment includes headhunting technical staff based on the provisions of the approved Human Resource recruitment and selection policy.

#### 4.3.2 Human Resource Policies and Plans

Municipalities fall under the scope of the South African Local Government Association (SALGA). Accordingly, the policy environment for municipalities, including the Sol Plaatje Municipality, is regulated by the South African Local Bargaining Council (SALBC) agreements. Given that municipalities exercise legislative and executive authority in terms of Chapter 7 of the Constitution of the Republic of South Africa (1996, as amended), read in conjunction with the legislative framework on co-operative governance, municipalities adopt policies and procedures to regulate the policy lacuna of the SALBC framework, for instance section 151(3) of the Constitution provides that

*"a Municipality has the right to govern on its own initiative, the local affairs of its community, subject to national and provincial legislation..."*

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

The policy schedule reflects this dialectical interrelationship between policies adopted by the SALBC and the Sol Plaatje Municipality for the applicable period. The local government legislative framework including but not limited to the following legislation regulates other policies:

- Constitution of the Republic of South Africa (Act No. 108 of 1996, as amended)
- Local Government: Municipal Finance Management Act (Act No. 56 of 2003) (referred to hereafter as the MFMA)
- Local Government: Municipal Structures Act (Act No. 117 of 1998)
- Local Government: Municipal Systems Act (Act No. 32 of 2000, as amended)
- Employment Equity Act (Act No. 55 of 1998)
- Basic Condition of Employment Act (Act No. 75 of 1997, as amended)
- Labour Relations Act (Act No 66 of 1995, as amended)
- Occupational Health and Safety Act (Act No. 85 of 1993, as amended)
- Skills Development Act (Act No. 97 of 1998, as amended)

The table below shows the Human Resource Policies and Plans that are applicable in the municipality:

Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
Affirmative Action	100%	100%	7 July 2010
Attraction and Retention	100%	100%	Tabled at Committee of Council: Corporate
Code of Conduct for employees	100%	100%	Schedule 1 of Municipal Systems Act
Delegations, Authorisation & Responsibility	100%	100%	Adopted by June 2005
Disciplinary Code and Procedures	100%	100%	SALGBC Agreement: Adopted
Essential Services	100%	100%	Regulated by the Labour Relations Act
Employee Assistance / Wellness	90%	100%	Tabled at Committee of Council: Corporate
Employment Equity	100%	100%	7 July 2010
Exit Management	100%	100%	HR Procedure
Grievance Procedures	100%	100%	SALGBC Agreement
HIV/Aids	100%	100%	Approved 6 June 2018
Human Resource Training and Development	100%	100%	Regulated by Skills Development Act
Information Technology Policies	100%	100%	30 June 2010, reviewed July 2012
Job Evaluation	100%	100%	Approved by Council, 4 November 2014
Leave	100%	100%	SALGBC
Occupational Health and Safety	100%	100%	Regulated by Health and Safety Act
Official Housing	N/A	N/A	Not Applicable
Travelling and Subsistence Allowance Policy	100%	100%	8 December 2009; reviewed 2012
Official transport to attend Funerals	N/A	N/A	Not applicable
Official Working Hours and Overtime	100%	0%	Conditions of Service

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
Organisational Rights	100%	100%	SALGBC Agreement
Payroll Deductions	100%	100%	HR Procedure
Performance Management and Development	100%	100%	Approved 7 July 2010
Recruitment, Selection and Appointments	100%	100%	Approved 10 December 2020
Remuneration Scales and Allowances	100%	100%	SALGBC Agreement
Resettlement	100%	100%	Housing Procedure
Sexual Harassment	100%	100%	Reviewed 7 July 2010
Skills Development	100%	100%	Regulated by Skills Development Act
Smoking	90%	100%	Tabled at Committee of Council: Corporate
Special Skills	100%	100%	Council resolution
Uniforms and Protective Clothing	100%	100%	HR Procedure
Rewards and Incentive	100%	100%	Approved 6 June 2018
Disability	100%	100%	Approved 6 June 2018
Skills and Retention	100%	100%	Approved 6 June 2018
Ethics	100%	100%	Approved 4 June 2019
Rewards & Incentive	100%	100%	Approved 6 June 2018
Overtime	100%	100%	Approved 4 February 2020
Study	100%	100%	Approved 6 June 2018
Consequence Management	100%	100%	Approved 14 October 2020
Code/Ethics	100%	100%	Approved 4 June 2019
Telecommunications	100%	100%	Approved November 2020
Danger Allowance	100%	100%	Approved April 2021
Pregnancy and Maternity	100%	100%	Reviewed

Table 174: Human Resource Policies and Plans

### 4.4 INJURIES, SICKNESS AND SUSPENSIONS

Occupational injury is a personal injury, disease or death resulting from an occupational accident. Occupational injury will influence the loss of man hours according to the seriousness of the injury/disease which can be costly to the municipality based on the financial and productivity performance.

In terms of injury on duty the Municipality is unable to prematurely calculate IOD for any future injuries. The table below indicates the number and cost of Injuries on duty for the 2020/21 financial year:

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Type of injury	Injury Leave Taken	Employees injured	Proportion employees using IOD sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	Rand
Required basic medical attention only	0	7	0	0	3 310
Required medical attention	363	26	1.76	13.96	218 884
<b>Sub Total</b>	<b>363</b>	<b>33</b>	<b>1.76</b>	<b>13.96</b>	<b>222 194</b>
Permanent disablement	0	0	0	0	0
Fatal	0	1	0	0	0
<b>Total</b>	<b>363</b>	<b>34</b>	<b>1.76</b>	<b>13.96</b>	<b>222 194</b>

Table 175: Number and Cost of Injuries on Duty

### 4.4.1 Sick Leave (excluding injuries on duty)

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 measures can be taken.

A Health and Safety Office is appointed by the municipality to educate all employees on policies as well as to improve safety measures in the workplace. Each Directorate has a Health and Safety Committee which monitors injuries in the said directorate.

Sick leave per employee is not calculated separately, it forms part of the total remuneration package per employee

The table below indicates the number of days and cost of sick leave:

Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employee	Estimated cost
	Days	%	No	No	Days	R'000
Lower skilled (Levels 1-2)	142	3.8	81	81	1.76	9 207
Skilled (Levels 3-5)	640	20.1	814	814	6.74	126 000
Highly skilled production (levels 6-8)	400	25.1	429	429	0.94	101 000
Highly skilled supervision (levels 9-12)	280	9.5	211	211	1.33	22 000
Senior management (Levels 13-15)	79	37.3	85	85	0.93	28 000
MM and S57	5	1	5	5	1	7 574
<b>Total</b>	<b>1 546</b>	<b>96.38</b>	<b>1 625</b>	<b>1 625</b>	<b>12.7</b>	<b>293 781</b>

Table 176: Number of Days and Cost of Sick Leave

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 4.4.2 Suspensions & Financial Misconduct

There were no suspension cases or cases of financial misconduct.

There is a tendency by the accused employees to contest their cases in Labour Court as well as Labour Appeal Court.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### 4.5 INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) Section 68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient, and accountable way. Annually a training plan is developed to upskill the employees and councillors based on the IDP related training needs and to improve the delivery of services. Monthly feedback, on these training interventions, is reported to the relevant Council Sub-Committee.

Access to funding for training remains a challenge. This was further problematic with the state Lockdown since March 2020. The COVID-19 protocols and restrictions in the few training venues that were accessible severely restricted the training interventions and numbers of beneficiaries.

#### Skills Development and Training 2020/21

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

Category		Trained in post	Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			Actual	Target	Actual	Target	Actual	Target	Actual	Target
Managers	Female	6	0	0	18	18	10	10	28	28
	Male	19	0	0	20	20	14	14	34	34
Professionals	Female	4	0	0	16	16	0	0	16	16
	Male	7	0	0	12	12	0	0	12	12
Technicians and Trade Workers	Female	12	0	0	3	3	7	7	10	10
	Male	116	0	0	27	27	7	7	34	34
Community and Personal Services Workers	Female	8	0	0	2	2	0	0	2	2
	Male	9	0	0	28	28	0	0	28	28
Clerical and Administrative Workers	Female	13	0	0	34	34	15	15	49	49
	Male	21	0	0	20	20	0	0	20	20
Machine Operators and Drivers	Female	0	0	0	0	0	0	0	0	0
	Male	9	0	0	23	23	0	0	23	23
Labourers	Female	17	0	0	19	19	0	0	19	19
	Male	40	0	0	114	114	0	0	114	114

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Category		Trained in post	Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			Actual	Target	Actual	Target	Actual	Target	Actual	Target
Sales and Service Workers	Female	5	0	0	18	18	0	0	18	18
	Male	22	0	0	6	6	0	0	6	6
<b>Total</b>		<b>215</b>	<b>0</b>	<b>0</b>	<b>360</b>	<b>360</b>	<b>53</b>	<b>53</b>	<b>413</b>	<b>413</b>

Table 177: Skills Development and Training

### 4.5.1 Skills Development Expenditure 2020/21

The total budget allocated for skills development and other capacitation programmes was R7 188 733 for all management levels, and the total sum spent for the skills development expenditure is R5 423 371. Councillor development is included.

Category		Employees as at the beginning of the financial year	Learner ships		Skills programmes & other short courses		Other forms of training		Total	
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
R'000										
Managers & Leg	Female	28	0	0	50	0	250	246	300	246
	Male	34	0	0	50	0	250	174	300	174
Professionals	Female	16	0	0	28	22	2 788	2 315	2 816	2 337
	Male	12	0	0	125	128	3 003	2 074	3 128	2 202
Technicians and Trade Workers	Female	10	0	0	30	25	0	0	30	25
	Male	34	0	0	136	95	0	0	136	95
Clerical and Administrative Workers	Female	49	0	0	60	56	194	194	254	250
	Male	20	0	0	38	22	4	4	42	26
Community and Personal Service Workers	Female	2	0	0	2	1	0	0	2	1
	Male	28	0	0	40	3	0	0	40	3
Machine Operators and Drivers	Female	0	0	0	0	0	0	0	0	0
	Male	23	0	0	40	34	0	0	40	34
Elementary occupations	Female	19	0	0	20	11	0	0	20	11
	Male	114	0	0	80	18	0	0	80	18
Sales and Service Workers	Female	18	0	0	0	0	0	0	0	0
	Male	6	0	0	1	1	0	0	1	1
<b>Total</b>		<b>413</b>	<b>0</b>	<b>0</b>	<b>700</b>	<b>416</b>	<b>6 489</b>	<b>5 007</b>	<b>7 189</b>	<b>5 423</b>

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Category	Employees as at the beginning of the financial year	Learner ships		Skills programmes & other short courses		Other forms of training		Total	
		Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
		R'000							
<b>% of municipal salaries (original budget) allocated for workplace skills plan</b>								<b>1%</b>	

Table 178: Skills Development Expenditure

### 4.5.2 MFMA Competencies

In 2007, the minimum competencies for officials responsible for financial and supply chain management were regulated. Minimum higher education qualifications, work-related experience and core managerial and occupational competencies are among the aspects covered by the regulations.

The minimum competency levels also seek to professionalize the local government sector and to make it a career choice for talented officials and to some extent mitigate some of the root causes of poor financial management and service delivery experienced at Local Government level. It is also required to report to National Treasury on a quarterly basis on the progress of the minimum competency levels.

The table below is the status of applicable personnel as at 30 June 2021:

Position	Highest Educational Qualification	Work Related Experience	Performance Agreement Signed (where required)	Completed Required Unit standards	Requirement met	Compliant (consider budget)
Accounting Officer	√	√	√	X	3	X
CFO Municipality	√	√	√	X	3	X
Senior Manager (S56)	√	√	√	X	3	X
Senior Manager (S56)	√	√	√	√	4	√
Senior Manager (S56)	√	√	√	X	3	X
Senior Manager (S56)	√	√	√	X	3	X
Middle Manager: Finance	√	√	√	X	3	X
Middle Manager: Finance	√	√	√	X	3	X
SCM Manager	X	√	√	X	2	X
SCM Manager	X	√	√	√	3	X
SCM Manager	√	√	√	√	4	√

Table 179: Financial Competency Development



## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

#### 4.6 INTRODUCTION TO WORKFORCE EXPENDITURE

In terms of National Treasury's MFMA Circular No. 71 (Uniform financial ratios and norms), the benchmarked norm on employee costs is between 25% to 40% which is considered acceptable depending on the size and services rendered by the Municipality. The Municipality's target is 32% employee costs ratio against total operating expenditure. Total employee costs increased by 11% from R652 million to R726 million.

As at 30 June 2021, the employee costs were 33.52% of the total operating expenditure, which is slightly higher than the target of 32%. The total overall Overtime expenditure decreased by 7% from R34 231 000 in 2019/20 to R31 792 741 in 2020/21. As indicated in the table below, employee costs as a percentage of total operational expenditure decreased by 3.43% from 33.74% in 2019/20 to 33.52% in 2020/21:

Description	2019/20	2020/21
	R	
Employee costs actual	653 808 737	726 218 896
Total Operational Expenditure	1 937 693 630	2 166 350 247
Employee costs as % of Operational Expenditure	33.74%	33.52%

Table 180: Employee Costs

#### 4.6.1 Employee Expenditure Trends

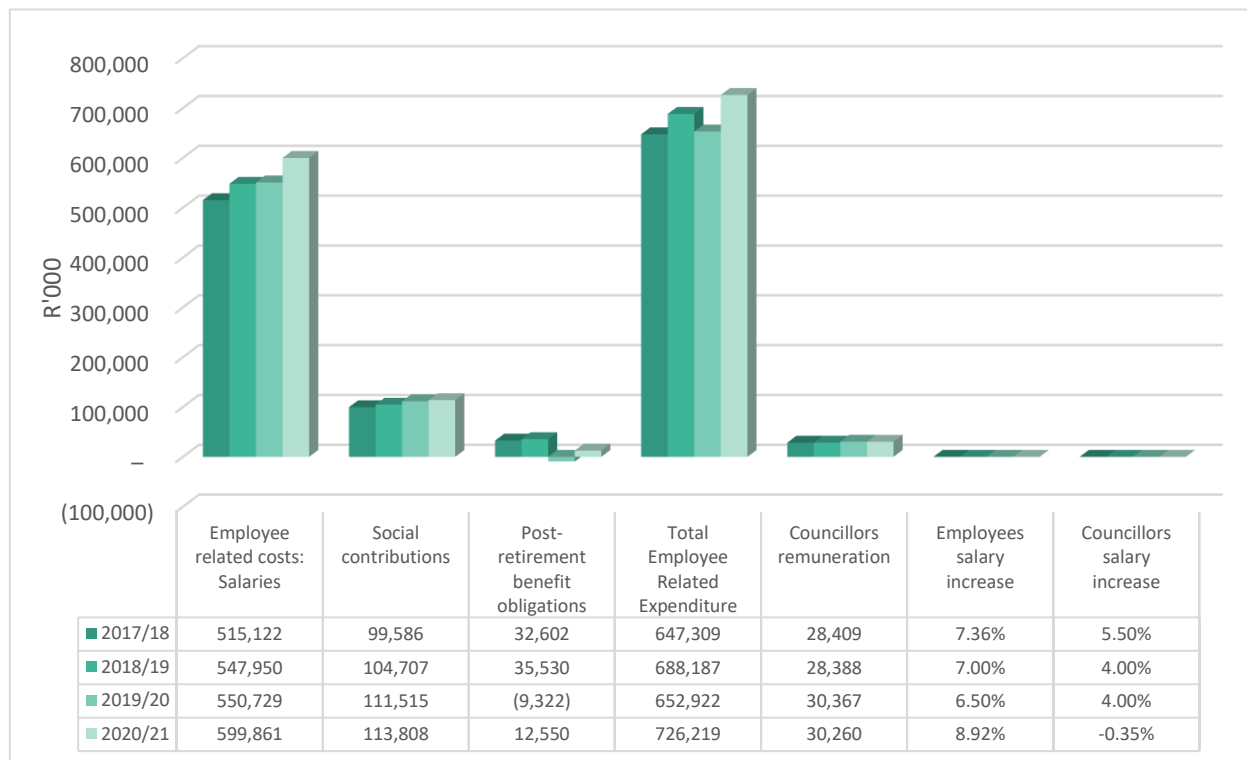
Councillors are remunerated based on upper limits gazette as promulgated by the Minister for CoGTA. An average increase of 4% was approved and implemented with total councillor's benefits amounting to R30 260 million. From the table below, it can be noted that employee related costs increased by an average of 11%.

Description	2017/18	2018/19	2019/20	2020/21	Year on year increase (decrease) (2017/18 to 2020/21)
	R'000				%
Employee-related costs: Salaries	515 122	547 950	550 729	599 861	9%
Social contributions	99 586	104 707	111 515	113 808	2%
Post-retirement benefit obligations	32 602	35 530	(9 322)	12 550	-235%
<b>Total Employee Related Expenditure</b>	<b>647 309</b>	<b>688 187</b>	<b>652 922</b>	<b>726 219</b>	<b>11%</b>
Councillors' remuneration	28 409	28 388	30 367	30 260	0%
Employees salary increase	7.36%	7.00%	6.50%	8.92%	0%
Councillors' salary increases	5.50%	4.00%	4.00%	-0.35%	0%

Table 181: Employee Expenditure Trends

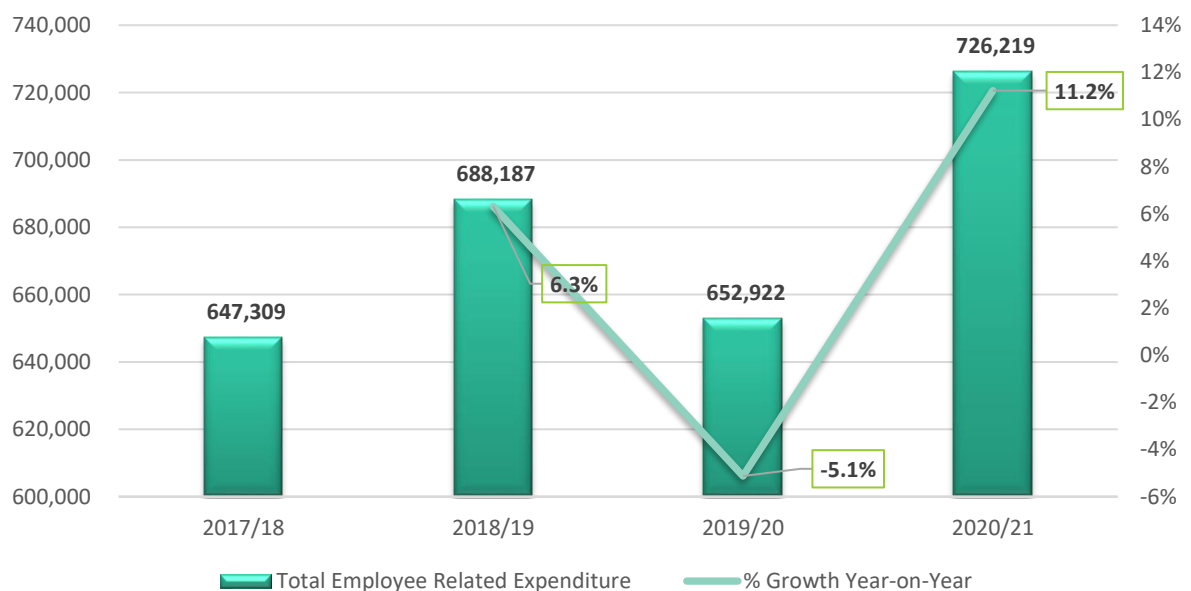
## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### Employee Expenditure Trends 2017/18 to 2020/21



Graph 24: Expenditure Trends

### Growth in Total Employee Costs Year on Year



Graph 25: Growth in Total Employee Costs Year on Year

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 4.6.2 Employees whose salary levels exceed the grade determined by job evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Admin Officer	3	T9	C3	Positions were graded below what employees were currently receiving
Admin Officers: Informal Trade	1	T10	C5	
Admin Officers: Personal Assistant	4	T10	C5	
Administrator	1	T8	C1	
Cashier	9	T5	B2	
Clerk	1	T5	C1	
Clerk	3	T5	B2	
Clerk	5	T5	B3	
Clerk: Verifications	4	T5	B2	
Communications Officer	1	T11	D1	
Controller	4	T10	C5	
Controller	2	T11	C5	
Controller: Sanitation	1	T7	C2	
Driver	2	T5	C3	
Driver Messenger	3	T4	B3	
Driver Messenger	1	T4	B1	
Employee Relations Manager	1	T11	D4	
Engineering Technician	1	T11	C5	
Foreman: Sanitation	1	T11	C5	
General Assistants	20	T3	A3	
Handyman	11	T5	B3	
Head Properties	1	T14	D3	
Head: Administration	1	T9	C5	
Internal Investigator	1	T13	D3	
Liaison Officer	1	T9	C3	
Liaison Officer	1	T12	D4	
Peace Officer	1	T9	C4	
Principal Clerk	4	T7	C1	
Project Manager	1	T12	D3	
Project Manager	1	T11	C5	
Risk Officer	1	T11	D1	
SDBIP Officer	1	T11	C5	
Senior Admin Officer	1	T11	D5	
Senior Clerk	2	T6	C1	
Senior Clerk	2	T6	B5	

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Senior Clerk	4	T6	B4	
Senior Supply Chain Officer	1	T12	D5	
Senior Supervisor: Cemetery	1	T8	C1	
Switchboard Operators	2	T5	B3	
VIP Protection	1	T6	C1	

Table 182: Salary Levels Exceed the Grade Determined

# Chapter 5



## CHAPTER 5: FINANCIAL PERFORMANCE

### COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

The statement of financial performance provides an overview of the financial performance and focuses on the financial health of the Municipality.

### INTRODUCTION TO FINANCIAL STATEMENTS STATEMENTS OF FINANCIAL PERFORMANCE

#### 5.1.1 Financial Performance of Operational Services

Financial Performance of Operational Services						
Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjust. Budget	Actual	Original Budget	Adjust. Budget
	(R'000)				%	
<b>Operating Cost</b>						
Water	265 105	278 498	303 998	314 140	13%	3%
Waste Water (Sanitation)	26 672	27 052	27 052	27 717	2%	2%
Electricity	699 201	762 833	762 333	749 833	-2%	-2%
Waste Management	55 398	66 904	66 904	58 513	-13%	-13%
Housing	20 479	22 866	22 866	21 940	-4%	-4%
<b>Component A: sub-total</b>	<b>1 066 855</b>	<b>1 158 153</b>	<b>1 183 153</b>	<b>1 172 143</b>	<b>1%</b>	<b>-1%</b>
Waste Water (Storm Water Drainage)	0	0	0	0	0%	0%
Roads	41 263	42 244	44 344	42 545	1%	-4%
Transport	36 069	46 022	44 622	39 833	-13%	-11%
<b>Component B: sub-total</b>	<b>77 332</b>	<b>88 266</b>	<b>88 966</b>	<b>82 378</b>	<b>-7%</b>	<b>-7%</b>
Planning	34 342	39 750	40 375	34 380	-14%	-15%
Local Economic Development	5 726	6 790	6 790	5 614	-17%	-17%
<b>Component B: sub-total</b>	<b>40 068</b>	<b>46 540</b>	<b>47 165</b>	<b>39 994</b>	<b>-14%</b>	<b>-15%</b>
Planning (Strategic & Regulatory)	0	0	0	0	0%	0%
Local Economic Development	0	0	0	0	0%	0%
<b>Component C: sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0%</b>
Community & Social Services	38 327	41 708	41 508	40 133	-4%	-3%
Environmental Protection	637	702	702	665	-5%	-5%
Health	16 672	17 806	19 906	17 367	-2%	-13%
Security and Safety	58 782	64 408	64 408	61 175	-5%	-5%

## CHAPTER 5: FINANCIAL PERFORMANCE

Financial Performance of Operational Services						
Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjust. Budget	Actual	Original Budget	Adjust. Budget
	(R'000)				%	
Sport and Recreation	48 493	56 172	55 572	47 702	-15%	-14%
Corporate Policy Offices and Other	590 527	719 271	739 991	704 795	-2%	-5%
<b>Component D: sub-total</b>	<b>753 438</b>	<b>900 069</b>	<b>922 089</b>	<b>871 836</b>	<b>-3%</b>	<b>-5%</b>
<b>Total Expenditure</b>	<b>1 937 694</b>	<b>2 193 028</b>	<b>2 241 373</b>	<b>2 166 350</b>	<b>-1%</b>	<b>-3%</b>

*In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

Table 183: Financial Performance of Operational Services

The municipality has used consultancies for various and specialised work during the year. The table below lists all major consultancy work procured by the municipality.

Name of the Firm	Nature of the Service	Amount Paid in Rand
Aganang Consulting Engineers	Galeshewe Storm Water Upgrade	4 824 684
Arch Actuarial Consulting cc	Actuarial Valuation - Post-Retirement Benefits	21 850
Bigen Africa Services (Pty) Ltd	Professional Fees - Lerato Park	4 625 249
Bosch Munitech (Pty) Ltd	Landfill Valuation	13 800
Gibb (Pty) Ltd	Homelite Satellite Fire Station	884 716
Go Aga Consult	Consultancy Fees Riverton	374 110
Gobetla Bepanning Dienste t/a Macroplan	Lethabo Park	999 059
MVD Kalahari Consulting Engineers and Town Planner	Gogga Outfall Sewer and Carter's Ridge Pump Station	3 262 207
Royal Haskoningdhv (Pty) Ltd	Electricity Cost of Supply Study	121 775
V3 Consulting Engineers (Pty) Ltd	Electrical Master Plans	1 599 683
<b>Grand Total</b>		<b>16 727 133</b>
<b>Total No. of Consultants</b>		<b>10</b>

Table 184: Consultancy Work Procured

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.1.2 Revenue Collection Performance by Vote and by Source

#### a) Revenue Collection Performance by Vote

Vote Description	2019/20	2020/21		2020/21 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust. Budget
	R'000				%	
Executive and Council	0	0	0	0	0%	0%
Municipal and General	431 670	419 951	454 836	419 075	0%	-8%
Municipal Manager	0	0	0	0	0%	0%
Corporate Services	1 415	6 177	6 177	6 247	1%	1%
Community Services	99 474	105 200	105 000	90 521	-14%	-14%
Financial Services	571 568	603 759	603 159	594 906	-1%	-1%
Strategy Economic Development and Planning	6 910	22 196	22 196	9 357	-58%	-58%
Infrastructure Services	1 069 606	1 186 235	1 186 235	1 056 784	-11%	-11%
<b>Total Revenue by Vote</b>	<b>2 180 643</b>	<b>2 343 517</b>	<b>2 377 602</b>	<b>2 176 889</b>	<b>-7%</b>	<b>-8%</b>

*Variances are calculated by dividing the difference between the actual and original/adjustments budget by the actual.*

Table 185: Revenue Collection Performance by Vote

#### b) Revenue Collection Performance by Source

Description	2019/20	2020/21		2020/21 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjust. Budget
	R'000				%	
Property rates	555 073	584 108	584 108	571 075	-2.2%	-2.2%
Service Charges - electricity revenue	664 828	766 232	766 232	659 307	-14%	-14%
Service Charges - water revenue	258 618	278 626	278 626	259 156	-7%	-7%
Service Charges - sanitation revenue	73 119	71 175	71 175	78 186	10%	9.8%
Service Charges - refuse revenue	52 564	53 984	53 984	56 401	4%	4%
Service Charges – other	0	0	0	0	0%	0%
Rentals of facilities and equipment	11 427	12 440	12 440	12 018	-3%	-3%
Interest earned - external investments	5 503	10 000	4 000	2 835	-72%	-29%
Interest earned - outstanding debtors	145 492	154 000	144 000	105 983	-31%	-26%
Dividends received	0	0	0	0	0%	0%
Fines	31 614	33 345	33 345	29 477	-12%	-12%
Licenses and permits	5 863	6 100	6 100	6 383	5%	5%
Agency services	0	0	0	0	0%	0%



## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjust. Budget
	R'000				%	
Transfers recognised – operational	210 548	224 542	260 137	242 442	8%	-7%
Other revenue	18 108	18 008	18 008	17 354	-3.6%	-4%
Gains on the disposal of PPE	375	0	22 000	5 727	0%	0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 033 132</b>	<b>2 212 561</b>	<b>2 254 156</b>	<b>2 046 343</b>	<b>-8%</b>	<b>-9%</b>
Capital Grants	147 511	116 556	109 046	130 547	12%	20%
<b>Total Revenue</b>	<b>2 180 643</b>	<b>2 329 117</b>	<b>2 363 202</b>	<b>2 176 889</b>	<b>-7%</b>	<b>-8%</b>

*Table 186: Revenue Collection Performance by Source*

### 5.1.3 Reconciliation of Budget Summary

Description	2020/21							2019/20				
	Original Budget	Budget Adjustments	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	R'000						%		R'000			
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Financial Performance</b>												
Property rates	584 108	0	584 108	571 075	0	-13 032	97.8%	97.8%	0	0	0	555 073
Service charges	1 170 018	0	1 170 018	1 053 050	0	-116 968	90.0%	90.0%	0	0	0	1 049 129
Investment revenue	10 000	-6 000	4 000	2 835	0	-1 165	70.9%	28.3%	0	0	0	5 503
Transfers recognised – operational	224 542	35 595	260 137	242 442	0	-17 695	93.2%	108.0%	0	0	0	214 815
Other own revenue	223 893	12 000	235 893	176 941	0	-58 952	75.0%	79.0%	0	0	0	212 879
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 212 561</b>	<b>41 595</b>	<b>2 254 156</b>	<b>2 046 343</b>	<b>0</b>	<b>-207 813</b>	<b>90.8%</b>	<b>92.5%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 037 399</b>
Employee costs	814 281	-14 202	800 080	726 219	0	-73 861	90.8%	89.2%	0	0	0	652 922
Remuneration of councillors	33 023	0	33 023	30 260	0	-2 763	91.6%	91.6%	0	0	0	30 367
Debt impairment	249 000	3 000	252 000	344 346	0	92 346	136.6%	138.3%	0	0	0	232 991
Depreciation & asset impairment	73 550	0	73 550	63 881	0	-9 669	86.9%	86.9%	0	0	0	69 001
Finance charges	23 542	12 000	35 542	36 467	0	925	102.6%	154.9%	0	0	0	31 097
Materials and bulk purchases	837 926	14 743	852 669	819 353	0	-33 316	96.1%	97.8%	0	0	0	777 931
Transfers and grants	6 060	-1 780	4 280	2 528	0	-1 752	59.1%	41.7%	0	0	0	2 733



## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2020/21								2019/20			
	Original Budget	Budget Adjustments	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	R'000						%		R'000			
	1	2	3	4	5	6	7	8	9	10	11	12
Other expenditure	155 645	34 584	190 229	143 296	0	-46 933	75.3%	92.1%	0	0	0	139 752
<b>Total Expenditure</b>	<b>2 193 028</b>	<b>48 345</b>	<b>2 241 373</b>	<b>2 166 350</b>	<b>0</b>	<b>-75 022</b>	<b>96.7%</b>	<b>98.8%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 936 795</b>
<b>Surplus/(Deficit)</b>	<b>19 534</b>	<b>-6 750</b>	<b>12 784</b>	<b>-120 007</b>	<b>0</b>	<b>-132 791</b>	<b>-938.8%</b>	<b>-614.4%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100 604</b>
Transfers recognised – capital	116 556	-7 510	109 046	130 547	0	21 501	119.7%	112.0%	0	0	0	143 011
Contributions recognised - capital & contributed assets	14 400	0	14 400	0	0	-14 400	0.00%	0.00%	0	0	0	0
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>150 490</b>	<b>-14 260</b>	<b>136 229</b>	<b>10 539</b>	<b>0</b>	<b>-125 690</b>	<b>7.7%</b>	<b>7.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>243 615</b>
Share of surplus/ (deficit) of associate	0	0	0	0	0	0	0.00%	0.00%	0	0	0	0
<b>Surplus/(Deficit) for the year</b>	<b>150 490</b>	<b>-14 260</b>	<b>136 229</b>	<b>10 539</b>	<b>0</b>	<b>-125 690</b>	<b>7.7%</b>	<b>7.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>243 615</b>
<b>Capital expenditure &amp; funds sources</b>												
<b>Capital expenditure</b>	<b>154 456</b>	<b>990</b>	<b>155 446</b>	<b>129 814</b>	<b>0</b>	<b>-25 632</b>	<b>83.5%</b>	<b>84.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135 895</b>
Transfers recognised – capital	130 956	-7 510	123 446	114 627	0	-8 818	92.9%	87.5%	0	0	0	126 994
Public contributions & donations	0	0	0	0	0	0	0.00%	0.00%	0	0	0	0
Borrowing	0	0	0	0	0	0	0.00%	0.00%	0	0	0	0



## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2020/21							2019/20				
	Original Budget	Budget Adjustments	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	R'000						%		R'000			
	1	2	3	4	5	6	7	8	9	10	11	12
Internally generated funds	23 500	8 500	32 000	15 186	0	-16 814	47.5%	64.6%	0	0	0	8 901
<b>Total sources of capital funds</b>	<b>154 456</b>	<b>990</b>	<b>155 446</b>	<b>129 814</b>	<b>0</b>	<b>-25 632</b>	<b>83.5%</b>	<b>84.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135 895</b>
<b>Cash flows</b>												
Net cash from (used) operating	647 108	0	647 108	73 411	0	-573 697	11.3%	11.3%	0	0	0	173 705
Net cash from (used) investing	-117 321	-990	-155 446	-129 814	0	25 632	83.5%	110.6%	0	0	0	135 895
Net cash from (used) financing	-5 029	5 029	0	-3 894	0	-3 894	0.00%	77.4%	0	0	0	-12 524
<b>Cash/cash equivalents at the year-end</b>	<b>726 808</b>	<b>202 090</b>	<b>693 712</b>	<b>39 010</b>	<b>0</b>	<b>-654 703</b>	<b>5.6%</b>	<b>5.4%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>371 095</b>

Table 187: Reconciliation of Budget Summary



## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.1.4 Comment on Financial Performance

The municipality renders trading and rates-related services. Trading services are provided at a cost recovery tariff structure cross-subsidisation and contributions to the rates funded services in line with the budget policy of the municipality. The major revenue source for the municipality is service charges, with sale of electricity being the largest contributor, followed by revenue from rates and taxes.

The major cost drivers for various services range between bulk purchase costs and/or employee costs. Close monitoring of major cost drivers per function are monitored to ensure that no over-expenditure takes place of which management is not aware.

As at year-end the total operating revenue was R2 176 889 billion vs an adjusted budget of R2 363 202 billion, resulting in an actual achieved of 92% with a satisfactory variance of minus 8%. This is mainly attributable to an under-performance on service charges as a result of iGRAP1, with relation to the treatment of consumption for own use and discount on early payment. Total operational expenditure amounted to R2 166 350 billion vs an adjusted budget of R2 241 373 billion, resulting in an actual of 97%, with a satisfactory variance of minus 3%.

The municipality is facing some major challenges, with cash flow remaining the most critical. The non-availability of cash can have serious repercussions with service delivery being affected the worst. The municipality has implemented cost containment measures and strategies are in place to collect outstanding debt.

## 5.2 GRANTS

The following grants were gazetted and transferred to the municipality:

### 5.2.1 Grant Performance

Description	2019/20		2020/21		2020/21 Variance	
	Actual	Budget	Adj. Budget	Actual	Original Budget	Adj. Budget
	R'000				Percentage	
<b>Operating Transfers and Grants</b>						
<b>National Government</b>	<b>199 286</b>	<b>216 542</b>	<b>245 512</b>	<b>245 173</b>	<b>13.2%</b>	<b>-0.1%</b>
Equitable share	189 150	205 072	234 642	234 642	14.4%	0.0%
Financial Management Grant	1 700	1 700	1 700	1 700	0.0%	0.0%
Municipal Systems Improvement	0	600	0	0	0.0%	0.0%
Expanded Public Works	3 608	4 170	4 170	4 170	0.0%	0.0%
Infrastructure Skills Development Grant (ISDG)	4 500	5 000	5 000	4 661	-6.8%	-6.8%
Municipal Disaster Relief Grant	328	0	0	0	0.0%	0.0%
<b>Provincial Government</b>	<b>7 800</b>	<b>8 000</b>	<b>8 425</b>	<b>8 207</b>	<b>2.6%</b>	<b>-2.6%</b>
Library Services	7 800	8 000	7 800	7 800	-2.5%	0.0%

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2019/20		2020/21		2020/21 Variance	
	Actual	Budget	Adj. Budget	Actual	Original Budget	Adj. Budget
	R'000				Percentage	
Department of Economic Development & Tourism	0	0	625	407	0.0%	-34.8%
<b>District Municipality</b>	<b>7 730</b>	<b>0</b>	<b>6 200</b>	<b>7 046</b>	<b>0.0%</b>	<b>13.6%</b>
Frances Baard District Municipality	7 730	0	6 200	7 046	0.0%	13.6%
<b>Other grant providers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Miscellaneous	0	0	0	0	0	0
Other Donations	0	0	0	0	0	0
<b>Total Operating Transfers and Grants</b>	<b>214 815</b>	<b>224 542</b>	<b>260 137</b>	<b>260 426</b>	<b>16.0%</b>	<b>0.1%</b>

Table 188: Grant Performance

### 5.2.2 Conditional Grants Received (excluding IUDG)

Details	2019/20			Variance	
	Original Budget	Adjust. Budget	Actual	Budget	Adjust. Budget
	R'000				
Financial Management Grant (FMG)	1 700	1 700	1 700	100%	100%
Expanded Public Works Programme (EPWP)	4 170	4 170	4 170	100%	100%
Infrastructure Skills Development Grant (ISDG)	5 000	5 000	4 941	99%	99%
Neighbourhood Development Partnership Grant (NDPG)	20 000	27 912	27 912	140%	100%
Integrated National Electrification Programme (INEP)	19 658	17 206	17 206	88%	100%
Water Services Infrastructure Grant (WSIG)	25 943	12 972	12 972	50%	100%
<b>Total</b>	<b>76 471</b>	<b>68 961</b>	<b>68 902</b>	<b>90%</b>	<b>100%</b>

Table 189: Conditional Grants Received

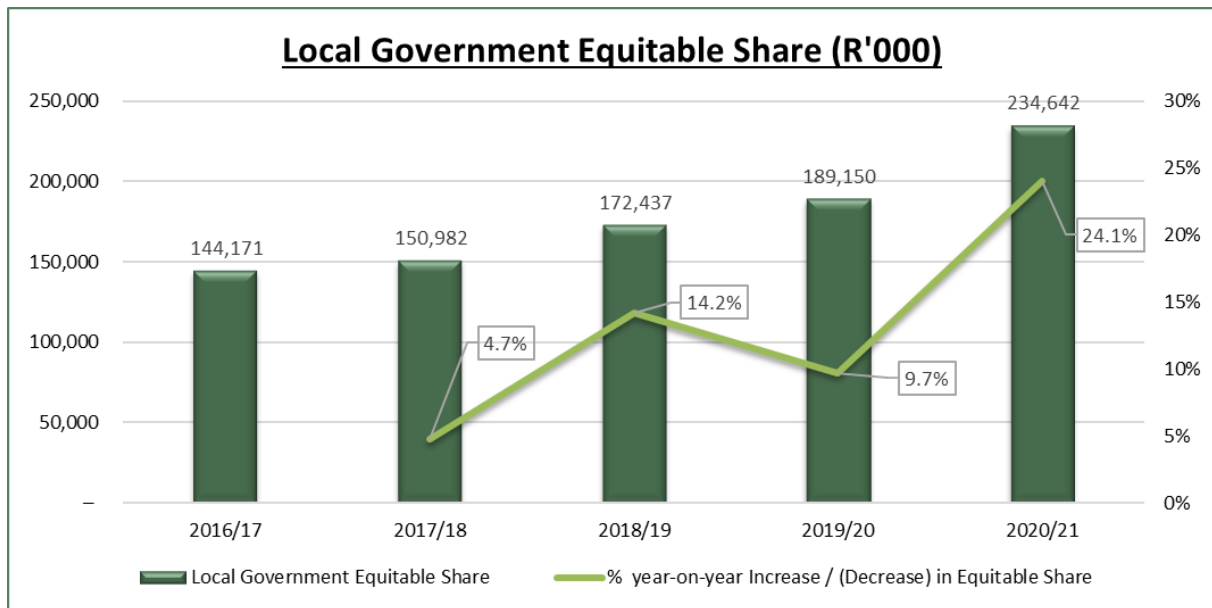
There were no major conditions applied by the donor, other than those prescribed by the grant itself.

### 5.2.3 Comment On Operating Transfers and Grants

The total operational grants recognised amounted to R260,426 million with an actual achieved of 100.1% versus the adjusted budget of R260,137 million. Operational grants performed very well for the period under review.

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The graph below indicates the percentage year-on-year increase/(decrease) in Equitable Share



Graph 26: Equitable Share

The equitable share increased by 24.1% from R189,150 million (2019/20) to R234,642 million (2020/21). There was a substantial increase in Equitable Share receipts from R172,437 million (2018/19) to R189,150 million (2019/20) with a positive increase of 9.7% year-on-year. There was a substantial increase of 14.2% from 2017/18 to 2018/19. The municipality endeavours to spend the majority of the Equitable Share to subsidise indigent households.

### Infrastructure Skills Development Grant (ISDG)

#### *ISDG Funded Unemployed Graduates Programme*

The Municipality is faced with several challenges about infrastructure management, bulk infrastructure capacity shortage, poor water quality and compromised basic service delivery resulting from the shortage of technical skills. The purpose of the Infrastructure Skills Development Grant (ISDG) Programme is to professionalise interns in areas where there is a lack of manpower and professionalised skills to assist the municipality to improve on service delivery. The Infrastructure Skills Development Programme is funded under the Infrastructure Skills Development Grant of National Treasury.

Given the Infrastructure challenges, the Municipality fully supports this Infrastructure Skills Development Grant Programme - Unemployed Graduate Project. Sol Plaatje Municipality has managed to utilize this project to enhance skills and value has been added in the following areas:

- EEDSM for Streetlights and Metering
- Electrification for Waterloo – 240 Households
- Electrification for Donkerhoek – 111 Households
- Electrification for Ivory Park – 1 175 Households

## CHAPTER 5: FINANCIAL PERFORMANCE

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- Electrification of various erven – 1 515 Households
- Upgrading of Catersglen Substation for de-loading of Galeshewe Substation
- Upgrading of Riverton Waterworks Substation
- Lerato Park Link-network strengthening
- DOE Solar geysers-Project Management
- Investigation of higher voltages experienced in Ivory Park
- Investigation of the capacity of the 11kV feeder between Midlands Substation and Roodepan Switch House Number 2
- Approval of SSEG (Small Scale Embedded Generation) projects
- Assignment for design of underground reticulation system
- Deployment for design exposure at Consulting Engineering companies

From this list one can see that Sol Plaatje Municipality is serious about skills transfer in enabling it to achieve its strategic goals in the long term. Sol Plaatje has and will attempt to employ these professionalised graduates in vacant posts to comply with the relevant legislation.

This is the second intake of graduates for the municipality and covers the four disciplines: Civil Engineering, Electrical Engineering, Town Planning and Geomatic Practitioners. During this year four of the fourteen graduates have completed their experiential learning required by their professional bodies and this has meant that they could submit their applications for professionalization. One applied for Civil Technician with the Engineering Council of South Africa; two submitted their applications with South African Council for Planners; and one applied with South African Geomatics Council to be a Professional GISc Practitioner. Feedback from these professional bodies has been delayed by the COVID-19 pandemic, but we have no doubt they will soon hear good news from them. One candidate from the previous intake still has to professionalise as a Civil Technologist.

Since appointment of the new intake, all interns have been registered under the relevant professional body and have steadily been developed. All interns have individualised personal development plans and receive the required training. They work under the supervision of a qualified supervisor and a registered mentor. The mentors that have been selected for the project include: NC Haarhoff (Town Planners); Sarel Haasbroek (Civil Engineering); Hendrik Jonck (Electrical Engineering) and Herman Booyesen (GIS). We are grateful for their commitment to the programme.

### ***Challenges and Solutions***

This programme has had its challenges and some of these matters prevented us from reaching our goals, for example:

- COVID-19 Pandemic slowing down the process;
- The shortage of engineering graduates in this region;
- Some female candidates selected on merit, declined offers for other opportunities;
- Re-alignment of requirements for the Geomatics graduates with the South African Geomatics Council; and
- Funding was reduced by National Treasury that forced overspending.



## CHAPTER 5: FINANCIAL PERFORMANCE

Overall, it continues to be a privilege to be part of this National Treasury project. The graduates have developed well during the past year and have really added much value to their sections. Sol Plaatje Municipality and the city has truly benefited from this programme.

### The Expanded Public Works Programme Incentive Grant

The Expanded Public Works Programme (EPWP) is a government strategy to reduce poverty and unemployment in society. EPWP involves creating work opportunities for the unemployed through maximising job opportunities within projects. In support to this SPLM has adopted the strategy and is implementing it through its maintenance and capital programmes. This includes work done in-house and work contracted out to service providers. SPLM has so far been steadfast in the implementation of EPWP.

An amount of R3,6 million was allocated to the municipality for the financial year. At year end the funds were fully spent on various projects. The municipality has so far been steadfast in the implementation of EPWP, however the main challenge thus far is the declining incentive grant over the years and ensuring the sustainability of jobs created through the programme. At the end of the financial year funds were fully spent on various projects. The municipality had to counter-fund the projects by approximately R15 million in order to ensure continuation of projects.

The following projects were embarked on during 2020/21 financial year, these projects are not limited to the provided list, however, are those reported on the EPWP MIS:

#### List of EPWP Projects

The table below indicates the EPWP projects:

No	Project Name	No. of Work Opportunities	No of FTE created
1	CBD cleaning section	55	52.3
2	Carters Ridge pump station	24	12.5
3	Cleaning of stormwater intakes 2021/22	54	29.5
4	G/Sol Plaatje cleaning and greening	435	271.7
5	Landfill site 2020/21	23	25.3
6	Lerato Park SO 2021/22	5	0.2
7	Reconstruction old zinc toilets	60	15.4
8	Upgrading of gravel roads in various wards	82	30.2
<b>Total</b>		<b>738</b>	<b>437</b>

Table 190: List of EPWP Projects

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### Overall Summary for the Year

The EPWP projects are progressing extremely well within the Sol Plaatje Local Municipality.

- Number of projects: 8
- Work Opportunities: 738
- Estimated FTEs created: 437

### Challenges And Conclusion

The incentive grant allocation increases due to the performance of the Monitoring and Reporting on EPWP. The Municipality remain committed in supporting the EPWP as a government strategy to reduce poverty and unemployment. There are still challenges in terms of financing all anticipated initiatives however, the municipality strives to enhance job creation efforts within all its projects.

#### 5.2.4 Grants Expenditure from Sources other than DoRA

Details of Donor	Actual Grant		Municipal Contribution	Date Grant Terminates	Date Contribution Terminates	Nature and benefit from the grant received
	2019/20	2020/21	2020/21			
	R'000					
FBDM	1 357	7 730	0	Annual allocation	N/A	The FBDM allocations are mainly utilised to fund repairs and maintenance related activities, especially with regard to Roads and Sanitation
Library Services	7 800	7 800	0	Annual allocation	N/A	The municipality received a R7.8 million grant from the Northern Cape Provincial Library Services which was utilised as set out in Chapter 3
Department of Economic Development	0	625	0	As per annual application & approval	N/A	The LED Unit received this funding from the NC Department of Economic Development and Tourism to manage an EPWP programme for the cleaning and maintenance of the CBD and surrounding areas in support of job creation and enterprise development

*Table 191: Grant Expenditure from Sources other than DoRA*

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.2.5 Comment on Conditional Grants and Grants Received from Other Sources

#### The Integrated Urban Development Grant (IUDG)

The municipality has approved a Capital Expenditure Framework (CEF) which is a consolidated, high-level view of infrastructure investment needs in a municipality over the long term (at least ten years) that considers not only infrastructure needs but also how these needs can be financed and what impact the required investment in infrastructure will have on the financial viability of the municipality going forward. The CEF includes all the infrastructure requirements (engineering as well as social infrastructure) that falls within the mandate of the municipality and is funded by the municipality including grants, own funding and borrowings. It is an important tool in ensuring that long-term infrastructure investment decisions are timeously made in a financially viable way to support the IUDF objectives in facilitating spatial transformation.

#### Allocation and Expenditure

Description	2020/21
Allocation	R51 287 000
Expenditure	R51 287 000
Difference	R 0

Table 192: Allocation and Expenditure

#### Relating Backlogs to Municipal Spending on Service Delivery Infrastructure

One of the municipal IDP objectives is that the municipality must concentrate on its core functions to improve efficiency of its service delivery to households who are in dire need of basic services.

#### List of projects for the 2020/21 financial year:

Project Name
Resealing of roads various wards
Upgrade of gravel roads in various wards
Galeshewe Stormwater Project
Roads and Stormwater Upgrade Wards
Homevale satellite fire station
Reconstruction Old Sink Toilets Phase 1
Lerato Park Sewer upgrade downstream infrastructure
Carters Glen sewer pump station
Elevated water tanks distribution
Herlear 11kv circuit breakers
Electricity Mathibe Park Service Network
Electricity Lerato Park Service Network

Table 193: List of Projects for 2020/21 Financial Year

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### What are the results and who benefits in 2020/21

The following project deliverables were achieved for financial year 2020/21:

Project Name	Project Deliverables
Resealing of roads various wards	The project was completed in the 2020/21 financial year
Upgrade of gravel roads in various wards	The project was completed in the 2020/21 financial year
Galeshewe Stormwater Project	This project is 11% completed
Roads and stormwater upgrade in various wards	The project was completed in the 2020/21 financial year
Homevale satellite fire station	This project is 80% completed
Reconstruction of zinc toilets: Phase 1	This project is 68.11% completed
Lerato Park sewer upgrade downstream infrastructure	This project is 88% completed.
Carter's Glen pump station	This project is 65% completed
Elevated water tanks distribution	This project is 13% completed (Manufacturing Backlog in re-enforcing steel due to Covid-19)
Electricity Mathibe Park service network	The following milestones have been completed: All scope of works. This project has been completed and closed off. 811 households' connections were achieved
Electricity Lerato Park service network	The following milestones have been completed: Pre-engineering, design & technical specifications, procurement plan, project scheduling, all tendering processes, contract award, site establishment and procurement of materials

Table 194: Projects Deliverables Achieved

### Water Services Infrastructure Grant (WSIG)

The 2020/21 financial year's allocation is dedicated towards the completion of the Carter's Ridge Sewer outfall line which commenced in the previous financial year 2019/20. Linked to this project is the construction of a new pump station building within Carter's Ridge area, the tender process for this project need to fast tracked in order to avoid future delays and under-spending.

### The Neighbourhood Development Partnership Grant (NDPG)

An amount of R78 million was gazetted under NDPG for 2019/20, however the physical progress was only 65% at the end of financial. Funds were rolled over to 2020/21 and the project was successfully completed at the end of February 2021. Funds were utilised for the continuation with the Galeshewe storm water upgrade programme. Sol Plaatje Municipality has committed towards a comprehensive management of its surface water. The Municipality has recognised that its storm water programme requires improvement in order to respond to multiple natural disasters. Galeshewe Storm Water Infrastructure is just one of the several programmes that were launched to develop the city socially and better meet environmental, economic and social needs

During the financial year the municipality implemented the Upgrade of Storm Water Infrastructure in Galeshewe Phase 2. Priority 2A. The scope of work consisted of the following:

- 900x900 150S Box Culverts for approximately 560m

## CHAPTER 5: FINANCIAL PERFORMANCE

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- 600Ø Pipe Culverts for approximately 4,020m
- 750Ø Pipe Culverts for approximately 2,500m
- 900Ø Pipe Culverts for approximately 1 750m; including installation of manholes and kerb inlets

The project locality at full scope for storm water management for Galeshewe will be within the following boundaries:

- Seochoareng Street in the north
- Nobengula Street to the west
- John Daka to the south, and
- Barkly Road to the east.

The current phase: Phase 2 Priority 2A, is spread over the following area:

- Vergenoeg ext. 6
- Vergenoeg ext. 8
- Galeshewe
- Galeshewe ext.2
- Galeshewe ext. 6; and
- Agisanang.

The extent of the work is 0,560km of box culverts and 8,27km of the pipe culverts. Physical progress as at end of June 2021 the project was 100% complete.

### 5.3 ASSET MANAGEMENT

#### 5.3.1 Introduction to Asset Management

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The implementation of GRAP within the public sector requires of entities to perform a review of useful lives as well as to conduct impairment testing on an annual basis.

A direct relationship exists between conditional assessment and the useful life assessment, as the condition of an asset will inform the municipality of its remaining useful life.

This exercise was duly completed and the necessary journals to adjust the RUL (Remaining Useful Lives) of the assets was implemented.

National Treasury indicates that the review of useful life is a check to see if there is any evidence to suggest that the expected life should be changed. This evidence could be internal or external.

These factors will provide evidence of an asset's function and capacity/utilisation from which to form an opinion on the condition of the asset (Conditional assessment).

The DPLG Guidelines for infrastructure management suggests this simple generic five-point grading:

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Grade	Description	Detailed description	Indicative RUL
1	Very good	Sound structure well maintained. Only normal maintenance required	71-100% EUL
2	Good	Serves needs but minor deterioration (< 5%). Minor maintenance required	46-70% EUL
3	Fair	Marginal, clearly evident deterioration (10-20%). Significant maintenance required	26-45% EUL
4	Poor	Significant deterioration of structure and/or appearance. Significant impairment of functionality (20-40%). Significant renewal/upgrade required	11-25% EUL
5	Very poor	Unsound, failed needs reconstruction/replacement (> 50% needs replacement)	0-10% EUL

Table 195: Five-Point Grading

### Heritage assets

The Municipality has identified the following categories of heritage assets:

- Municipal jewellery
- Other antiques and collections
- Antique paintings
- Areas of land of historic or specific significance
- Monuments

### Community Assets

Community assets are defined as any asset that contributes to the community's well-being. Examples are parks, libraries and fire stations.

#### 5.3.2 Repairs and Maintenance Expenditure 2020/21

Description	Original Budget	Adjustment Budget	Actual	Budget variance
	(R)			%
Repairs and Maintenance Expenditure	165 426 444	298 168 944	165 615 668	-44.46%

Table 196: Repairs and Maintenance Expenditure

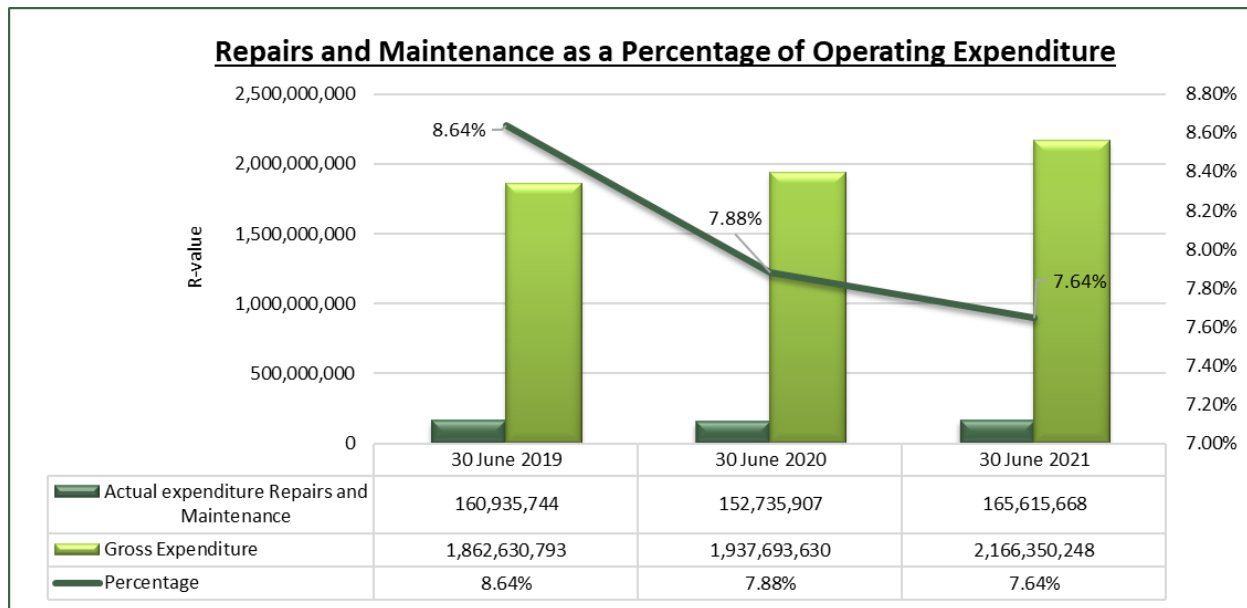
#### 5.3.3 Repairs and Maintenance over the past Three Financial Years

Repairs and Maintenance	2018/19	2019/20	2020/21
Actual expenditure Repairs and Maintenance	1 862 630 793	1 937 693 630	2 166 350 247
Gross Expenditure	160 935 744	152 735 907	165 615 668
<b>Percentage</b>	<b>8.64%</b>	<b>7.88%</b>	<b>7.64%</b>

Table 197: Repairs and Maintenance over the past Three Financial Years

## CHAPTER 5: FINANCIAL PERFORMANCE

The graph below reflects the repairs and maintenance as a percentage of operating expenditure for the past three financial years



Graph 27: Repairs and Maintenance as a Percentage of Operating Expenditure

### 5.3.4 Comment on Repairs and Maintenance 2020/21

For the 2020/21 financial year, 55.54% of the adjusted repairs and maintenance budget was spent, resulting in an underspending of 44.46%. The downscaling of operations during the Covid-19 national lockdown also contributed to the lower than anticipated spending. It should be noted that at year-end, certain qualifying repairs and maintenance expenditure is capitalised as soon as the useful life of the asset is extended, and this negatively influences the overall expenditure on the operational repairs and maintenance. Repairs and maintenance spending can be improved but with the lack of adequate maintenance plans, funds are not always spent cost-effectively. This has a negative impact on service delivery and the availability of funds for routine, planned maintenance. There appears to be a high level of crises management which is exacerbated by aging infrastructure. This urgently needs to be addressed to ensure the surety and sustainability of services.

Wastage of material and labour also needs to be addressed to maintain assets and ensure that it operates at optimal levels. It is imperative that assets are maintained at periodic intervals to ensure that the useful life of an asset is maximised. Repairs and maintenance as a percentage of gross operational expenditure was 7.64% for the period under review, which is relatively aligned to the norm of 8%.

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### 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

#### 5.4.1 Liquidity Ratio

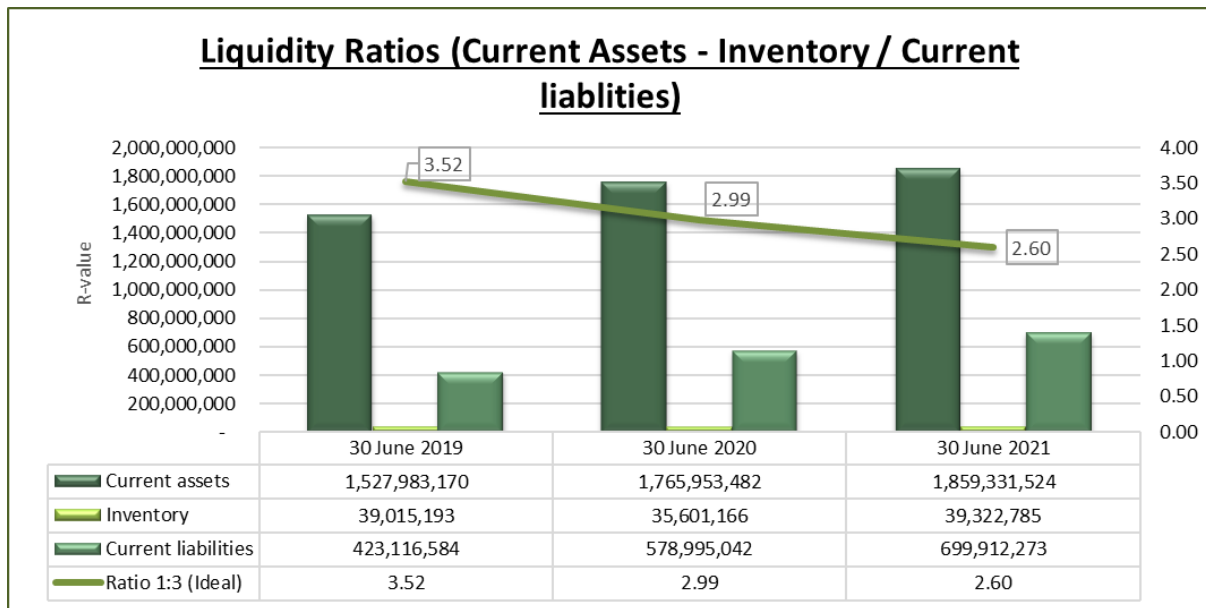
Liquidity Ratio	30 June 2019	30 June 2020	30 June 2021
Current assets	1 527 983 170	1 765 953 482	1 859 331 524
Inventory	39 015 193	35 601 166	39 322 785
Current liabilities	423 116 584	578 995 042	699 912 273
<b>Ratio 1:2 (Ideal)</b>	<b>3.52</b>	<b>2.99</b>	<b>2.60</b>

*Table 198: Liquidity Ratio*

#### Comment on Liquidity Ratio

The liquidity ratio of the municipality has declined when compared to the previous financial year, from 1:2.99 to 1:2.60, against a National Treasury norm of 1:3, which is still positive, however distorted by a significant Trade Receivables balance at year end. This means that each rand of current liabilities of the municipality is covered 2.60 times by current assets. It further indicates that the municipality can meet its short to medium term commitments from a liquidity perspective not necessarily from a cash perspective, especially when considering the debtors collection rate and cost coverage ratios below.

**The graph below reflects the liquidity ratios for the past three financial years**



*Graph 28: Liquidity Ratios*



## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.4.2 Cost Coverage Ratio

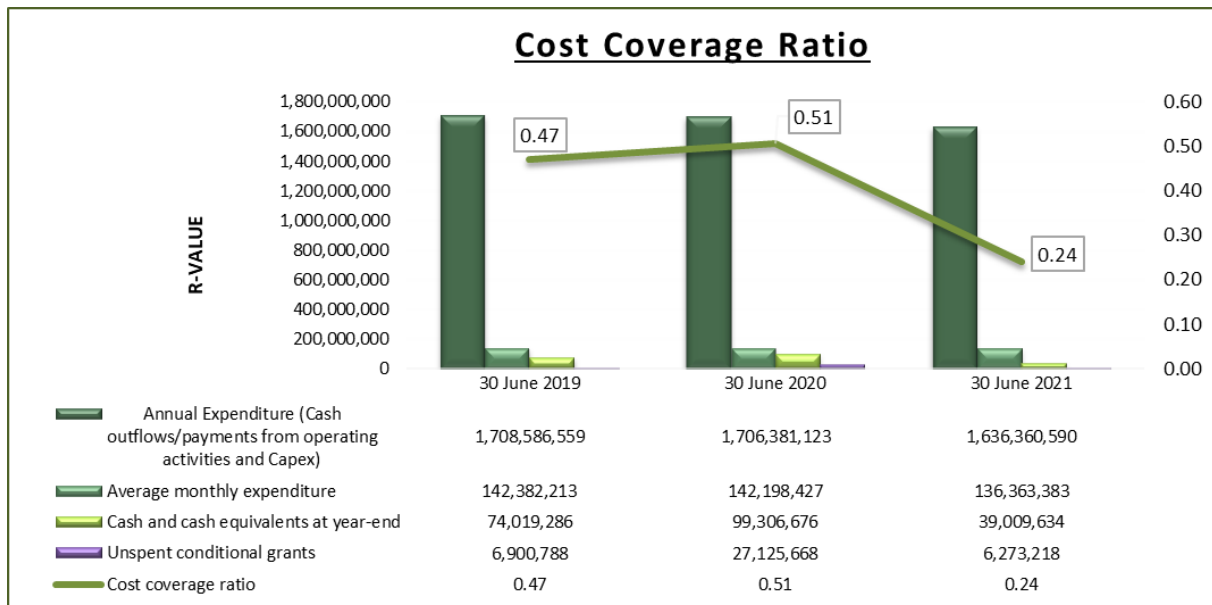
Cost Coverage Ratio	30 June 2019	30 June 2020	30 June 2021
Annual Expenditure (Cash outflows/ payments from operating activities and Capex)	1 708 586 559	1 706 381 123	1 636 360 590
Average monthly expenditure	142 382 213	142 198 427	136 363 383
Cash and cash equivalents at year-end	74 019 286	99 306 676	39 009 634
Unspent conditional grants	6 900 788	27 125 668	6 273 218
Cost coverage ratio	0.47	0.51	0.24
Number of months coverage	0 Month	1 Month	0 Month
Number of days coverage	14 Days	15 Days	7 Days

*Table 199: Cost Coverage Ratio*

#### Comment on Cost Coverage Ratio

The cost coverage ratio of the municipality has declined from 0.47 (14 days) for the year ended 30 June 2020 to 0.24 (7 days) for the year ended 30 June 2021. The ratio shows the number of months for which the municipality would be able to fund its monthly expenditure should no revenue be received. This in fact means that the municipality has cash reserves available for one week. This ratio is very alarming, and serious interventions will have to be put in place to drastically turn the situation around. The main reason for the decline is the decrease in the cash balance as at year-end, increased capital expenditure, repayment of long-term borrowing, the lower collection rate, and high operational expenditure, including excessive expenditure on overtime, EPWP and various other factors.

**The graph below reflects the cost coverage ratio for the past three financial years**



*Graph 29: Cost Coverage Ratio*

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.4.3 Total Outstanding Service Debtors

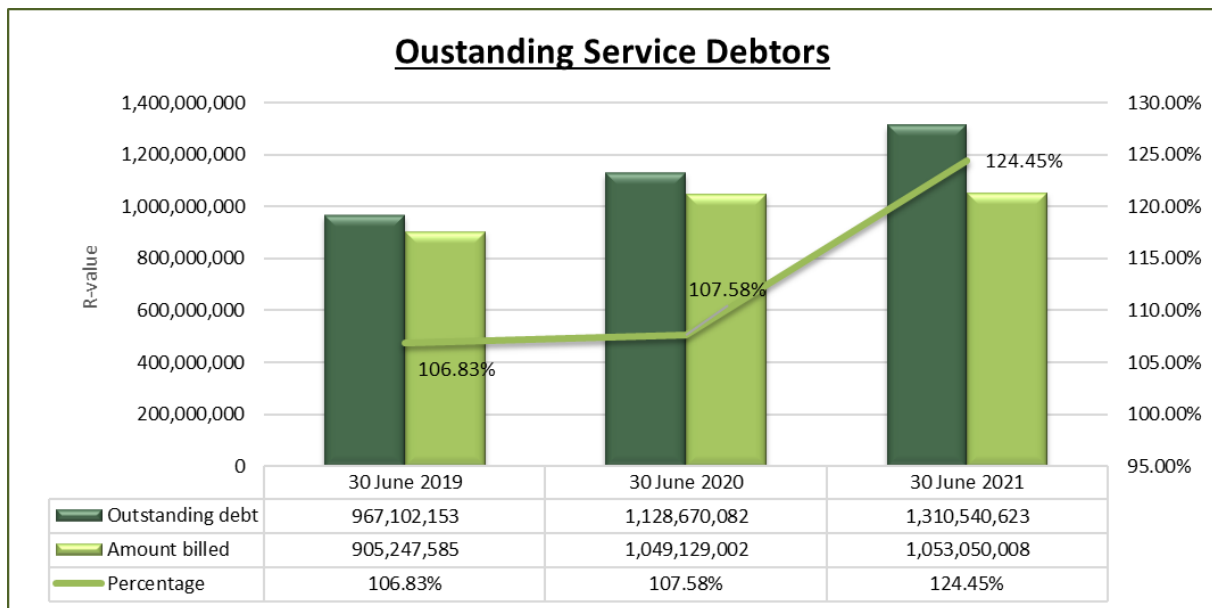
Total Outstanding Service Debtors	30 June 2019	30 June 2020	30 June 2021
Outstanding debt	967 102 153	1 128 670 082	1 310 540 623
Amount billed	905 247 585	1 049 129 002	1 053 050 008
<b>Percentage</b>	<b>106.83%</b>	<b>107.58%</b>	<b>124.45%</b>

*Table 200: Total Outstanding Service Debtors*

#### Comment on Total Outstanding Service Debtors

Outstanding service debtors have increased from 107.58% as at 30 June 2020, to 124.45% as at 30 June 2021. This is a worrying trend and debt collection measures need to be put in place to address the increasing outstanding debtors of the municipality. Tough economic conditions have largely contributed to the increase in outstanding debtors. The Covid-19 pandemic exacerbated the situation. The Credit Control and Debt Collection Policy is being applied.

**The graph below reflects the outstanding debtors as a percentage of billed revenue for the past three financial years**



*Graph 30: Debtors as a Percentage of Billed Revenue*

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.4.4 Debt Coverage

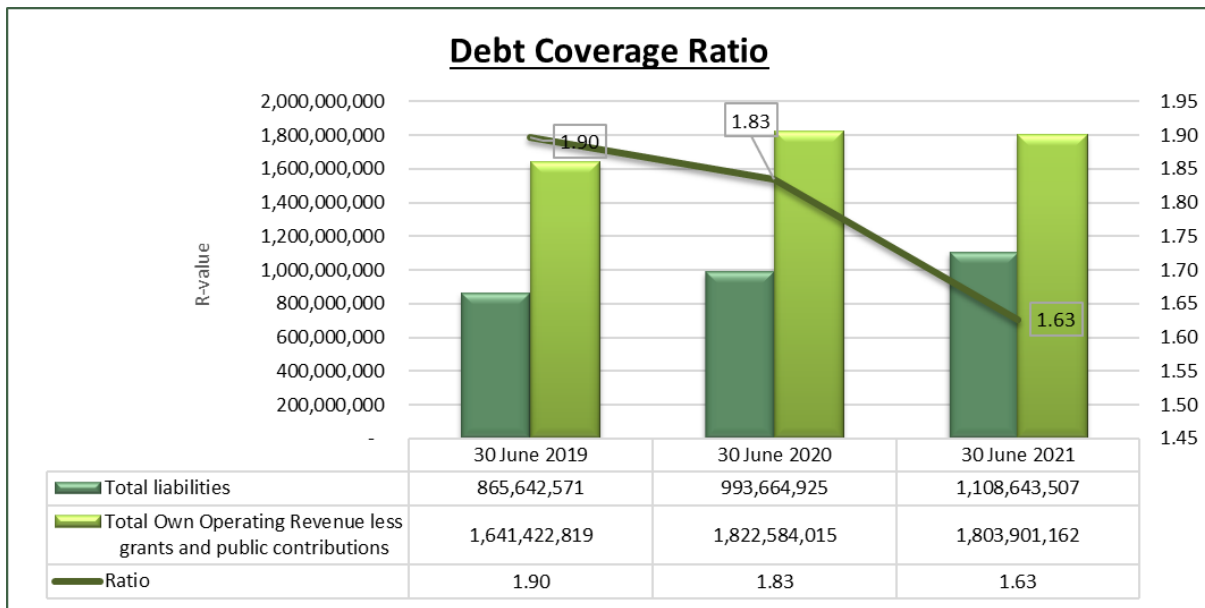
Debt Coverage	30 June 2019	30 June 2020	30 June 2021
Total liabilities	865 642 571	993 664 925	1 108 643 507
Total Own Operating Revenue less grants and public contributions	1 641 422 819	1 822 584 015	1 803 901 162
<b>Ratio</b>	<b>1.90</b>	<b>1.83</b>	<b>1.63</b>

*Table 201: Debt Coverage*

#### Comment on Debt Coverage

The debt coverage ratio examines the relationship between the municipality's own generated revenue (revenue excluding grants, subsidies and public contributions received) and the total liabilities of the municipality. This ratio has declined from the previous financial year, mainly because total liabilities increased by 11%, whilst the own revenue decreased by 1% because of an increase in billed service charges and property rates.

**The graph below reflects the debt coverage for the past three financial years**



*Graph 31: Debt Coverage*

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### 5.4.5 Creditors System Efficiency

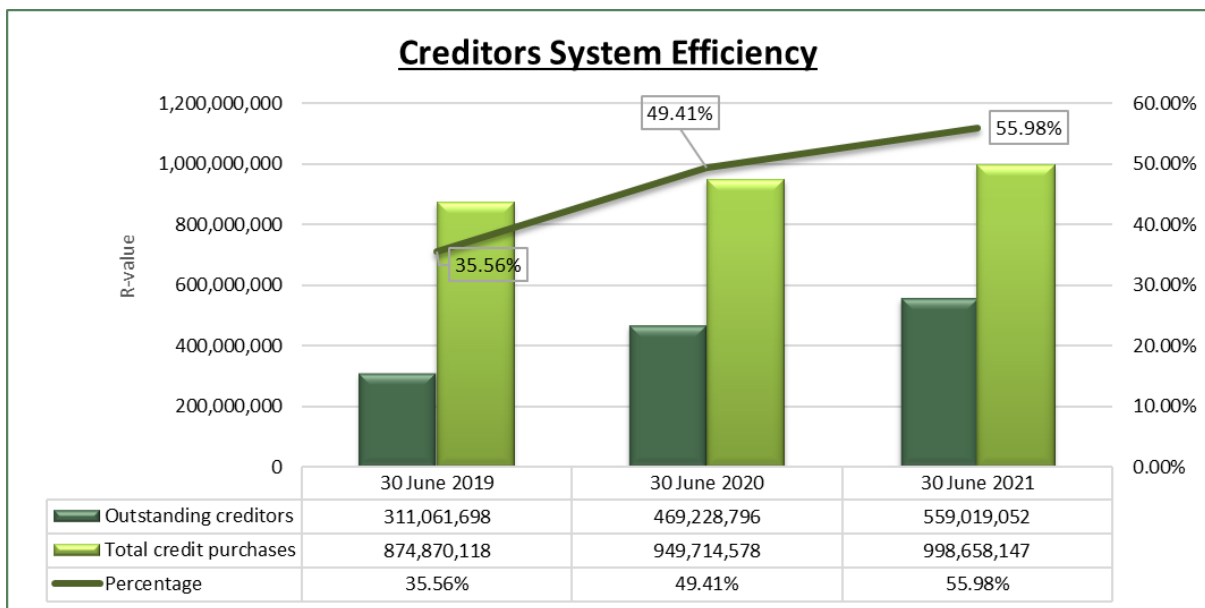
Creditors System Efficiency	30 June 2019	30 June 2020	30 June 2021
Outstanding creditors	311 061 698	469 228 796	559 019 052
Total credit purchases	874 870 118	949 714 578	998 658 147
<b>Percentage</b>	<b>35.56%</b>	<b>49.41%</b>	<b>55.98%</b>

Table 202: Creditors System Efficiency

#### Comment on Creditors System Efficiency

The percentage of outstanding creditors as a percentage of the total credit purchases of the municipality have significantly increased compared to the previous financial year. This is mainly due to the cash flow constraints experienced by the municipality and the high Eskom accounts during the winter months of June, July and August resulting in the significant increase in outstanding creditors as at 30 June 2021.

**The graph below reflects the creditors system efficiency for the past three financial years**



Graph 32: Creditors System Efficiency

### 5.4.6 Capital Charges to Operating Revenue

Capital Charges to Operating Revenue	30 June 2019	30 June 2020	30 June 2021
Total revenue	2 030 786 174	2 180 642 595	2 176 889 377
Interest paid on long term borrowings (AFS Note 33)	24 948 017	23 527 986	22 325 916
<b>Percentage</b>	<b>1.23%</b>	<b>1.08%</b>	<b>1.03%</b>

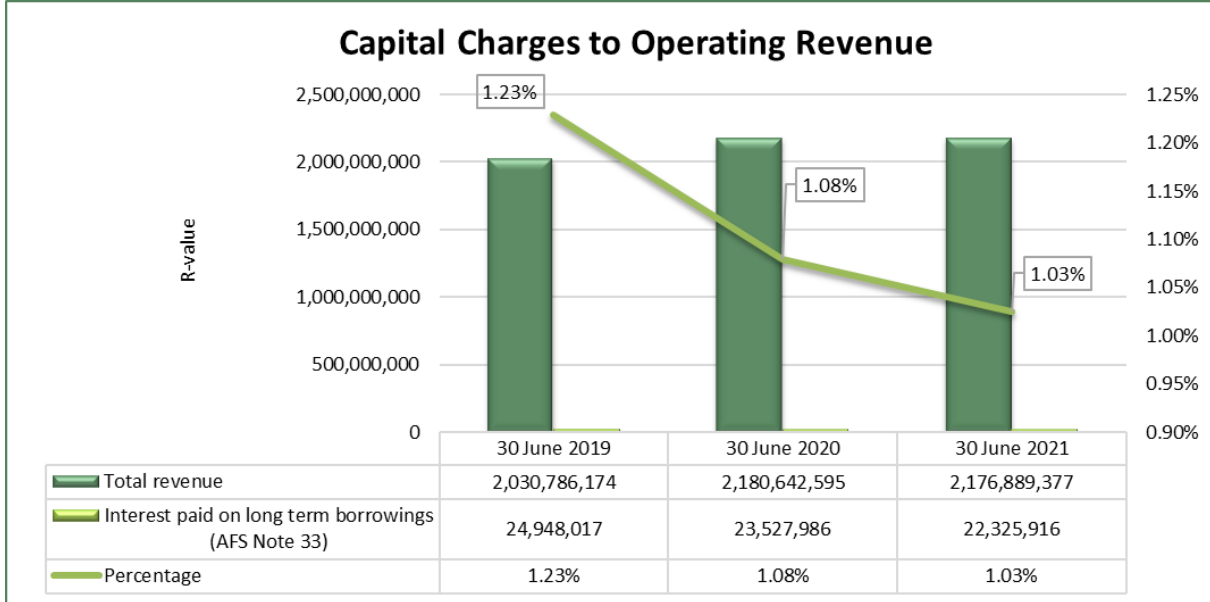
Table 203: Creditors System Efficiency

#### Comment on Capital Charges to Operating Revenue

## CHAPTER 5: FINANCIAL PERFORMANCE

The interest paid on long-term borrowing as a percentage of total revenue has decreased from 1.08% (2019/20) to 1.03% (2020/21). The municipality did not incur any long-term borrowing for the period under review.

**The graph below reflects the capital charges to operating revenue for the past three financial years**



*Graph 33: Operating Revenue*

### 5.4.7 Employee Costs

Employee costs	30 June 2019	30 June 2020	30 June 2021
Gross Revenue	2 030 786 174	2 180 642 595	2 176 889 377
Gross Expenditure	1 862 630 793	1 937 693 630	2 166 350 248
Employee costs	688 186 973	653 808 737	726 218 896
Employee costs as a % of Gross Revenue	33.89%	29.98%	33.36%

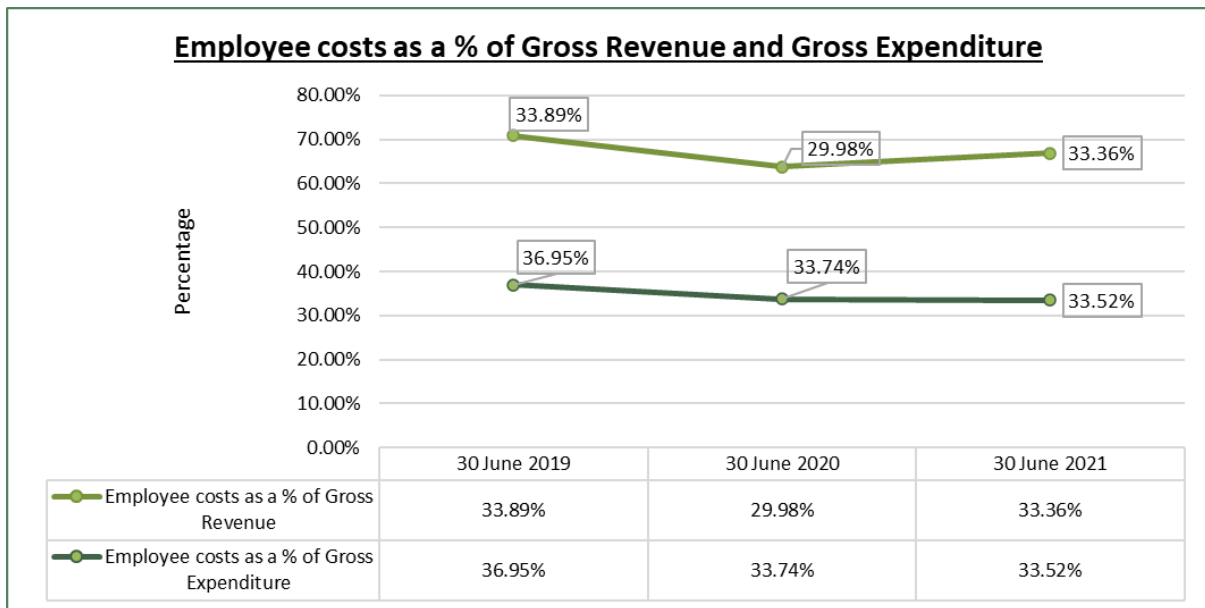
*Table 204: Employee Costs*

#### Comment on Employee Costs

Employee cost as a percentage of total revenue has increased from the previous financial year and employee cost as a percentage of total expenditure has decreased from the previous financial year.

## CHAPTER 5: FINANCIAL PERFORMANCE

**The graph below reflects the employee costs as a percentage of gross revenue and gross expenditure for the past three financial years**



*Graph 34: Employee Costs*

### 5.4.8 Repairs and Maintenance

R&M as percentage of Expenditure	30 June 2019	30 June 2020	30 June 2021
Actual expenditure Repairs and Maintenance	160 935 744	152 735 907	165 615 668
Gross Expenditure	1 862 630 793	1 937 693 630	2 166 350 247
Percentage	8.64%	7.88%	7.64%

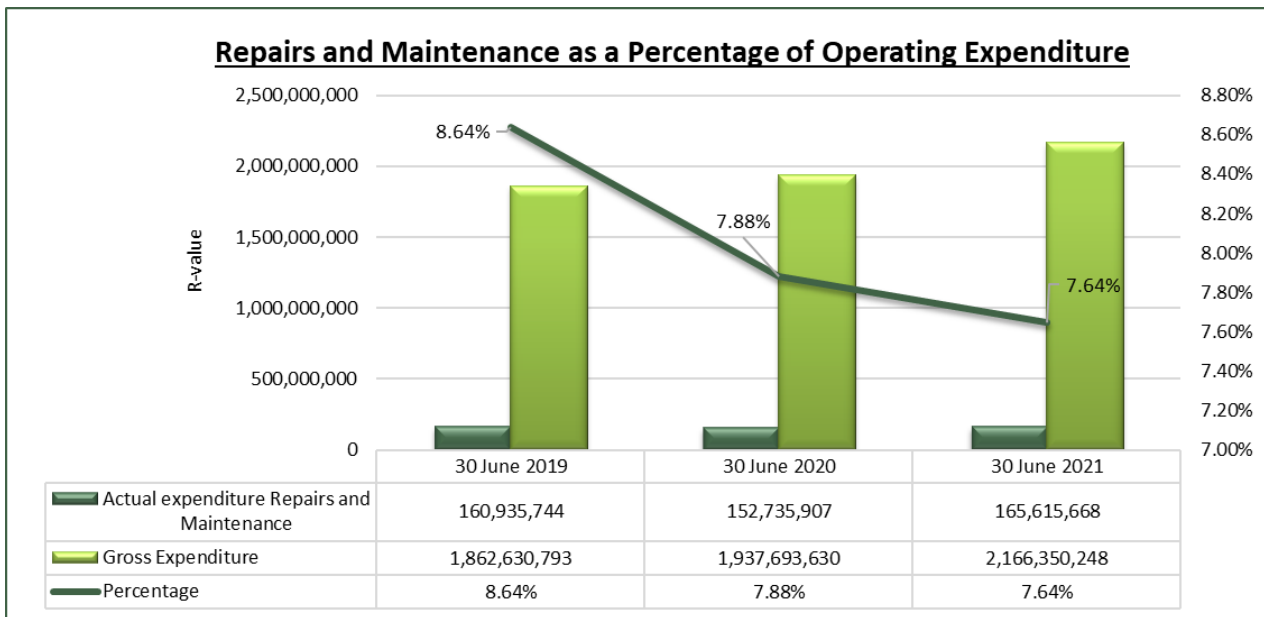
*Table 205: Repairs and Maintenance*

#### Comment on Repairs and Maintenance

Repairs and maintenance cost as a percentage of total expenditure has decreased from the previous financial year. The main contributor is cost containment measures which have been implemented to assist with the cash flow constraints being experienced by the municipality. The Covid-19 state lockdown also impeded on the ability to spend funds.

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**The graph below reflects repairs and maintenance as a percentage of operating expenditure for the past three financial years**



*Graph 35: Repairs and Maintenance as a Percentage of Operating Expenditure*

### COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

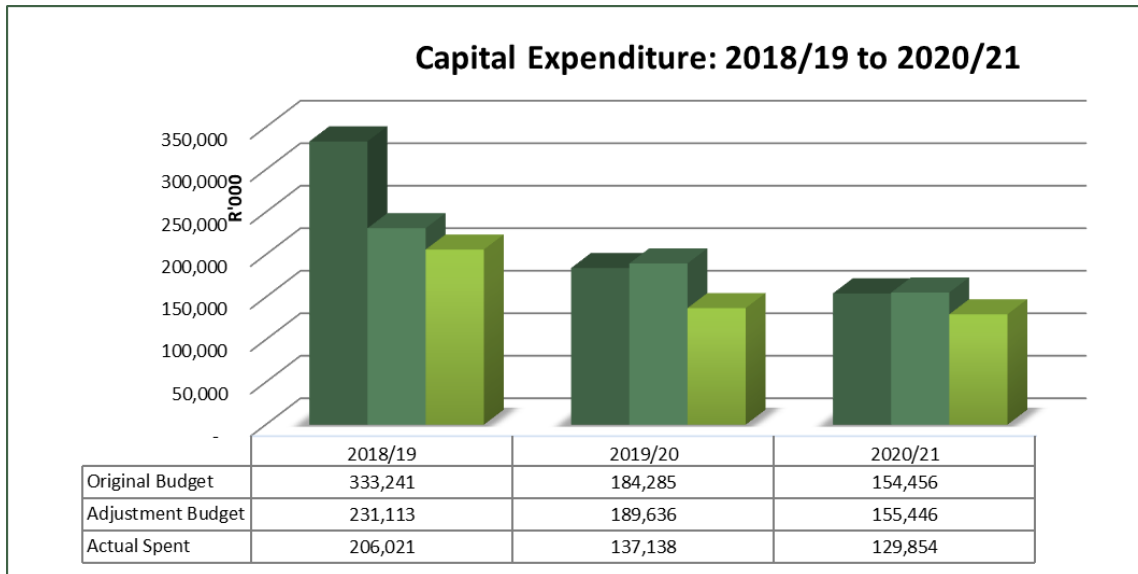
#### 5.5 Capital Expenditure

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from conditional capital grants and own internally generated funds. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. The capital spending for the 2020/21 financial year increased substantially from the 2019/20.

This is representative of the most important infrastructure programmes because it comprises of Roads, Water and Sanitation and Electricity projects. Of the projects mentioned, relates to the Lerato Park Sewer and Water projects as well as the Electricity project. The Storm Water upgrade project is also one of the major projects, with substantial funding received from the Neighbourhood Development Partnership Grant (NDPG).

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The graph below reflects Capital Expenditure 2018/19 to 2020/21



*Graph 36: Capital Expenditure*

### 5.5.1 Capital Expenditure – New & Upgrade/Renewal Programmes

#### a) Capital Expenditure - New Assets Programme

Capital Expenditure - New Assets Programme*							
Description	2019/20	2020/21			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2021/22	2022/23	2023/24
	R'000						
Capital expenditure by Asset Class							
<b>Infrastructure – Total</b>	<b>30 922</b>	<b>89 113</b>	<b>81 633</b>	<b>78 273</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Infrastructure: Road transport – Total</b>	<b>0</b>	<b>8 000</b>	<b>12 000</b>	<b>12 075</b>	<b>0</b>	<b>0</b>	<b>0</b>
Roads Pavements & Bridges	0	8 000	12 000	12 075	0	0	0
Storm water	0	0	0	0	0	0	0
<b>Infrastructure: Electricity – Total</b>	<b>11 404</b>	<b>18 158</b>	<b>17 206</b>	<b>16 469</b>	<b>0</b>	<b>0</b>	<b>0</b>
Generation	11 404	12 150	17 206	16 469	0	0	0
Transmission & Reticulation	0	6 008	0	0	0	0	0



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Capital Expenditure - New Assets Programme*							
Description	2019/20	2020/21			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2021/22	2022/23	2023/24
	R'000						
Street Lighting	0	0	0	0	0	0	0
<b>Infrastructure: Water – Total</b>	<b>3 662</b>	<b>8 000</b>	<b>6 400</b>	<b>1 312</b>	<b>0</b>	<b>0</b>	<b>0</b>
Dams & Reservoirs	0	0	0	0	0	0	0
Water purification	0	0	0	0	0	0	0
Reticulation	3 662	8 000	6 400	1 312	0	0	0
<b>Infrastructure: Sanitation – Total</b>	<b>15 857</b>	<b>54 955</b>	<b>46 027</b>	<b>48 418</b>	<b>0</b>	<b>0</b>	<b>0</b>
Reticulation	15 857	54 955	46 027	48 418	0	0	0
Sewerage purification	0	0	0	0	0	0	0
<b>Infrastructure: Other – Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Waste Management	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0
Gas	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
<b>Community – Total</b>	<b>0</b>	<b>14 400</b>	<b>20 900</b>	<b>7 538</b>	<b>0</b>	<b>0</b>	<b>0</b>
Parks & gardens	0	0	0	0	0	0	0
Sports fields & stadia	0	0	0	0	0	0	0
Swimming pools	0	0	0	0	0	0	0
Community halls	0	0	0	0	0	0	0
Libraries	0	0	0	0	0	0	0
Recreational facilities	0	0	0	0	0	0	0
Fire safety & emergency	0	0	6 500	5 055	0	0	0
Security and policing	0	0	0	0	0	0	0

## CHAPTER 5: FINANCIAL PERFORMANCE

Capital Expenditure - New Assets Programme*							
Description	2019/20	2020/21			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2021/22	2022/23	2023/24
	R'000						
Buses	0	0	0	0	0	0	0
Clinics	0	0	0	0	0	0	0
Museums & Art Galleries	0	0	0	0	0	0	0
Cemeteries	0	0	0	0	0	0	0
Social rental housing	0	0	0	0	0	0	0
Other	0	14 400	14 400	2 483	0	0	0
<b>Heritage assets – Total</b>	<b>4 207</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Buildings	0	0	0	0	0	0	0
Other	4 207	0	0	0	0	0	0
Investment properties – Total	0	0	0	0	0	0	0
Housing development	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
<b>Other assets</b>	<b>12 761</b>	<b>7 500</b>	<b>13 500</b>	<b>5 026</b>	<b>0</b>	<b>0</b>	<b>0</b>
General vehicles	5 323	2 000	2 000	1 825	0	0	0
Specialised vehicles	0	0	0	0	0	0	0
Plant & equipment	875	0	0	875	0	0	0
Computers - hardware/equipment	1 101	2 000	4 500	1 687	0	0	0
Furniture and other office equipment	115	2 000	2 000	76	0	0	0
Abattoirs	0	0	0	0	0	0	0
Markets	0	0	0	0	0	0	0
Civic Land and Buildings	0	0	0	0	0	0	0

## CHAPTER 5: FINANCIAL PERFORMANCE

Capital Expenditure - New Assets Programme*							
Description	2019/20	2020/21			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2021/22	2022/23	2023/24
	R'000						
Other Buildings	4 534	0	0	0	0	0	0
Other Land	0	1 500	5 000	1 437	0	0	0
Surplus Assets - (Investment or Inventory)	0	0	0	0	0	0	0
Other	813	0	0	0	0	0	0
Agricultural assets	0	0	0	0	0	0	0
List sub-class	0	0	0	0	0	0	0
Biological assets	0	0	0	0	0	0	0
List sub-class	0	0	0	0	0	0	0
Intangibles	0	0	0	0	0	0	0
Computers - software & programming	0	0	0	0	0	0	0
Other (list sub-class)	0	0	0	0	0	0	0
<b>Total Capital Expenditure on new assets</b>	<b>43 683</b>	<b>111 013</b>	<b>116 033</b>	<b>90 838</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 206: Capital Expenditure - New Assets Programme

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.6 SOURCES OF FINANCE

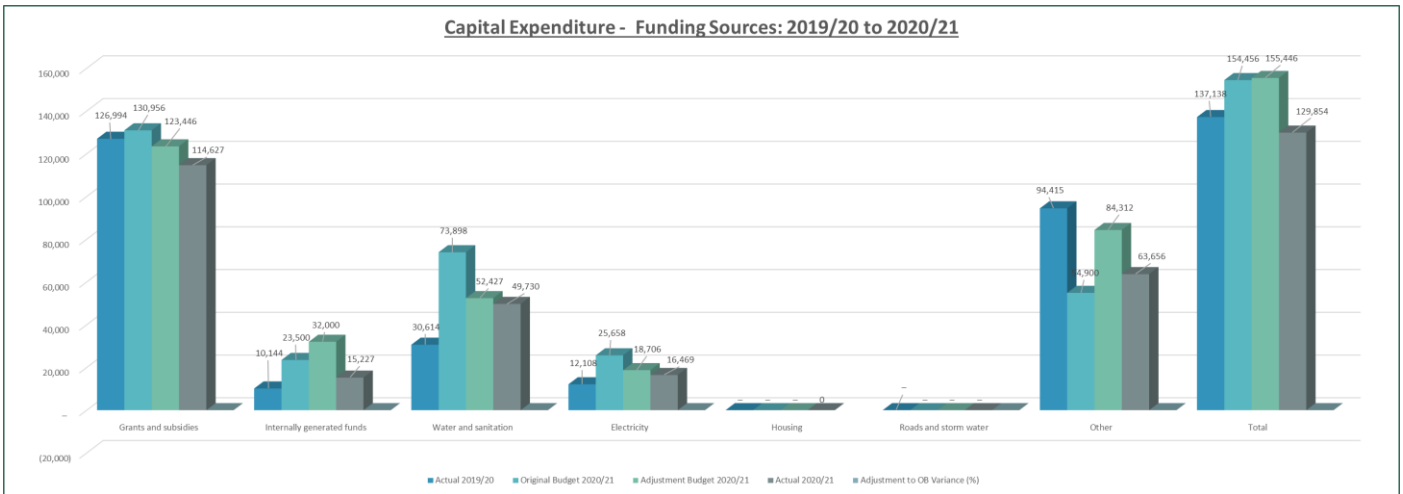
The table below indicates the capital expenditure by funding source for the 2020/21 financial year:

Details	2019/20	2020/21			2020/21 Variance	
	Audited outcome	Original budget (OB)	Adjustment budget	Actual	Adjustment to OB variance	Actual to OB variance
	R'000				%	
<b>Source of finance</b>						
External loans	0	0	0	0	0.0%	0.0%
Public contributions and donations	0	0	0	0	0.0%	0.0%
Grants and subsidies	126 994	130 956	123 446	114 627	-7.14%	-12.47%
Internally generated funds	10 144	23 500	32 000	15 227	-52.42%	-35.20%
<b>Total</b>	<b>137 138</b>	<b>154 456</b>	<b>155 446</b>	<b>129 854</b>	<b>-16.46%</b>	<b>-15.93%</b>
<b>Percentage of finance</b>						
External loans	0.0%	0.0%	0.0%	0.0%		
Public contributions and donations	0.0%	0.0%	0.0%	0.0%		
Grants and subsidies	92.6%	84.8%	79.4%	88.3%		
Internally generated funds	7.4%	15.2%	20.6%	11.7%		
<b>Capital expenditure</b>						
Water and sanitation	30 614	73 898	52 427	49 730	-5.14%	-32.70%
Electricity	12 108	25 658	18 706	16 469	-11.96%	-35.81%
Housing	0	0	0	0	0.0%	0.0%
Roads and storm water	0	0	0	0	0.0%	0.0%
Other	94 415	54 900	84 312	63 656	-24.50%	15.95%
<b>Total</b>	<b>137 138</b>	<b>154 456</b>	<b>155 446</b>	<b>129 854</b>	<b>-16.46%</b>	<b>-15.93%</b>
<b>Percentage of expenditure</b>						
Water and sanitation	22.5%	47.8%	33.7%	38.3%		
Electricity	8.9%	16.6%	12.0%	12.7%		
Housing	0.0%	0.0%	0.0%	0.0%		
Roads and storm water	0.0%	0.0%	0.0%	0.0%		
Other	68.6%	35.5%	54.2%	49.0%		

Table 207: Capital Funded by Source

## CHAPTER 5: FINANCIAL PERFORMANCE

**The graph below reflects the capital funded by source for the past three financial years**



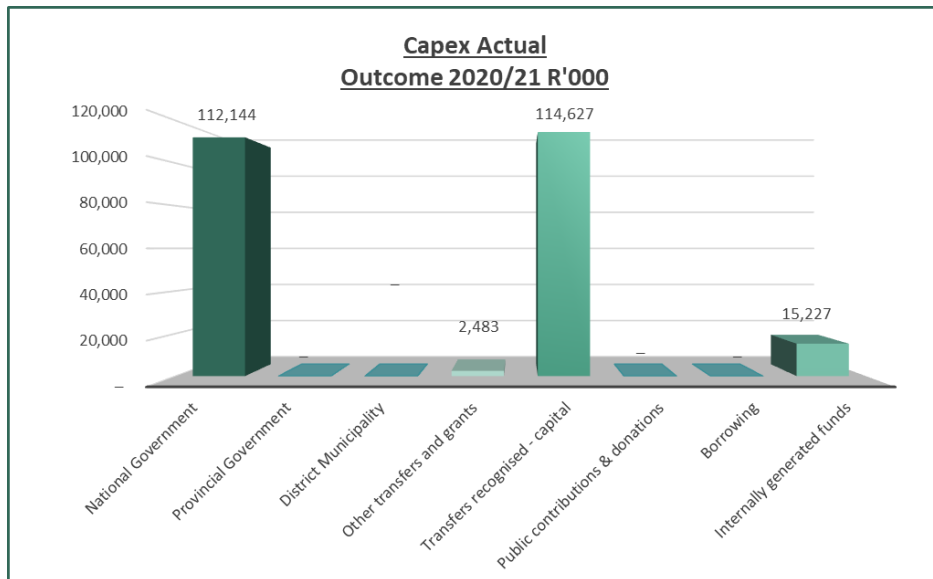
Graph 37: Capital Funded by Source

### 5.6.1 Funding the Capital Budget

Total Capital Expenditure	Original Budget	Final adjustments budget	Actual Outcome
	R'000		
<b>Funded by:</b>			
National Government	116 556	109 046	112 144
Provincial Government	0	0	0
District Municipality	0	0	0
Other transfers and grants	14 400	14 400	2 483
<b>Transfers recognised – capital</b>	<b>130 956</b>	<b>123 446</b>	<b>114 627</b>
<b>Public contributions &amp; donations</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Borrowing</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Internally generated funds</b>	<b>23 500</b>	<b>32 000</b>	<b>15 227</b>
<b>Total Capital Funding</b>	<b>154 456</b>	<b>155 446</b>	<b>129 854</b>

Table 208: Funding the Capital Budget

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Graph 38: Capex Actual Outcome

### Comment on Sources of Finance

The majority of capital is funded by National Government (86%), Other transfers and grants (2%) and internally generated funds (12%). It is evident that the municipality is highly capital grant dependent and is a major contributor to the municipality's ability to fund its capital budget. Cash flow constraints is a major impediment on the municipality's ability to implement an accelerated capital investment from its own funds to ensure that new assets are created, and existing assets are upgraded and renewed as planned. Also, due to the current financial constraints, the municipality cannot supplement the capital budget with external long-term borrowing due to a lack of affordability and its liquidity to maintain the loan.

### 5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Projects with the highest capital expenditure in 2020/21

Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment Variance
	R'000			%	
A Galeshewe Storm Water Project	20 000 000	27 912 397	19 896 174	-1%	-29%
B Lerato Park Sewer	26 455 000	21 055 00	21 320 257	-19%	1%
C Upgrade Gravel Roads	13 436 371	18 436 371	18 532 361	51%	1%
D Bulk Electrification of Lerato Park	0	14 944 800	4 453 019	0%	-4%
E Carters Glen Sewer Pump Station	20 000 000	12 972 000	19 291 170	-4%	49%

Table 209: Capital Spending on Five Largest Projects

## CHAPTER 5: FINANCIAL PERFORMANCE

Name of Project – A	Galeshewe Storm Water Project
<b>Objective of Project</b>	The Municipality has recognised that its storm water infrastructure requires improvement in order to respond to multiple natural disasters. Galeshewe Storm Water Infrastructure project is just one of the several programmes that were undertaken to develop and better meet the municipal environmental, economic and social needs
<b>Delays</b>	No significant delays were encountered during implementation of the project
<b>Future Challenges</b>	Possible funding challenges to continue with the programme
<b>Anticipated citizen benefits</b>	Better disaster management and improved storm water infrastructure management

Name of Project – B	Lerato Park Sewer
<b>Objective of Project</b>	To ensure the adequate provision, upgrading and maintenance of link bulk services infrastructure for the greater development of Lerato Park
<b>Delays</b>	Challenges experienced with slow progress by the appointed Contractor
<b>Future Challenges</b>	The Mechanical and Electrical part of the works is behind schedule due to non-responsive tenders received
<b>Anticipated citizen benefits</b>	Access to the sewer infrastructure network

Name of Project – C	Upgrade Gravel roads
<b>Objective of Project</b>	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects
<b>Delays</b>	Delays experienced with encountering existing services such as water pipe leakages to be fixed and the response to that is slow
<b>Future Challenges</b>	Availability of funds to continue with the programme
<b>Anticipated citizen benefits</b>	Paved streets and improved access to areas within the municipality

Name of Project – D	Bulk Electrification of Lerato Park
<b>Objective of Project</b>	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure
<b>Delays</b>	Delays caused due to design changes from overhead to hybrid system
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	Access to electricity

Name of Project – E	Carters Glen Sewer Pump Station
<b>Objective of Project</b>	To ensure access to municipal services and expansion for the growing city.
<b>Delays</b>	Water seepage hampering progress
<b>Future Challenges</b>	Project may not be done on the estimated timelines, because of constant pumping and halting the project.

## CHAPTER 5: FINANCIAL PERFORMANCE

<b>Name of Project – E</b>	<b>Carters Glen Sewer Pump Station</b>
<b>Anticipated citizen benefits</b>	Improved access to sanitation services and clean environment

### 5.8 CAPITAL PROGRAMME BY PROJECT: YEAR 2020/21

Capital Programme by Project: Year 2020/21					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)
	R'000			%	
<b>Water</b>					
Lerato Park Water	26 455	21 055	21 320	1%	-19%
Replacement of water meters	3 000	3 000	0	-100%	-100%
Elevated Water Tanks Distribution	0	3 400	1 312	-61%	0%
Water pipes refurb prog various wards	5 000	0	0	0%	-100%
<b>Sanitation/Sewerage</b>					
Lerato Park Sewer	26 455	21 055	21 320	1%	-19%
Sewer Pipes Refurbishment	5 000	0	0	0%	-100%
Carter's Glen Pump Station	20 000	12 972	19 291	49%	-4%
Reconstruction of zinc toilets	8 500	12 000	7 807	-35%	-100%
Reconstruction of zinc toilets Ward 17	5 943	0	0	0%	-100%
<b>Electricity</b>					
Upgrade of Hadison Park Substation	1 500	0	0	0%	-100%
Electrification Mathibe	12 150	0	0	0%	-100%
Herlear 11KV circuit breaker	3 000	500	0	-100%	-100%
Electrification Lerato park	0	17 206	16 469	-4%	0%
Electrification of houses	0	0	0	0%	0%
Prepaid Meter Replacement Programme	3 000	1 000	0	-100%	-100%
Electricity Lerato Park Service Network	6 008	0	0	0%	-100%
<b>Housing</b>					
Not Capital project	0	0	0	0%	0%
<b>Refuse removal</b>					
No Capital project	0	0	0	0%	0%
<b>Roads</b>					
Upgrade Gravel Roads	8 000	12 000	12 075	1%	51%



## CHAPTER 5: FINANCIAL PERFORMANCE

Capital Programme by Project: Year 2020/21					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)
	R'000			%	
Resealing of Roads	5 000	7 000	6 163	-12%	23%
Distribution FB District Grant	0	0	0	0%	0%
Roads & Stormwater	0	2 000	1 963	-2%	0%
<b>Storm water</b>					
Galeshewe Storm water Projects	20 000	27 912	19 896	-29%	-1%
<b>Economic development</b>					
Planning and surveying plots to be sold	1 500	5 000	1 437	-71%	-4%
European Union Bear Project	14 400	14 400	2 483	-83%	-83%
Craven Street Trade Centre	0	1 000	643	0%	0%
<b>Sports Arts &amp; Culture</b>					
No projects	0	0	0	0%	0%
<b>Environment</b>					
No Capital projects	0	0	0	0%	0%
<b>Health</b>					
No Capital projects	0	0	0	0%	0%
<b>Safety and Security</b>					
No Capital projects	0	0	0	0%	0%
<b>ICT</b>					
Replacement Program: It Hardware	2 000	4 500	1 687	-63%	-16%
<b>Parks and Recreation</b>					
No Capital projects	0	0	0	0%	0%
<b>Corporate Services</b>					
<b>Other</b>					
Fleet Replacement Programme	2 000	2 000	1 825	-9%	-9%
Replacement Furniture and Office Equipment	2 000	2 000	76	-96%	-96%
Satellite Fire station	0	6 500	5 055	-22%	100%
Other machinery and Equipment	0	0	0	0%	0%
<b>Total</b>	<b>154 456</b>	<b>155 446</b>	<b>119 502</b>	<b>-23%</b>	<b>-23%</b>

Table 210: Capital Programme by Project: Year 2020/21

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.9 CAPITAL PROGRAMME BY PROJECT BY WARD 2020/21

Capital Project	Ward(s) affected	Works completed
		(Yes/No)
<b>Water and Sanitation</b>		
Lerato Park Water	30	Yes
Replacement of water meters	All	Yes
Lerato Park Sewer	30	No
Carter's Glen Pump Station	All	No
Reconstruction of zinc toilets	15,17	No
<b>Electricity</b>		
Herlear 11KV circuit breaker	All	No
Electrification Lerato park	30	No
Prepaid Meter Replacement Programme	All	No
Electricity Lerato Park Link Service Network	30	Yes
<b>Housing (Not on Municipal Budget)</b>		
<b>Refuse removal (Not a capital item)</b>		
<b>Economic Development</b>		
Planning and surveying plots	All	No
<b>Roads and Storm Water</b>		
Upgrade Gravel Roads	All	Yes
Galeshewe Storm Water Projects	5, 18	Yes
<b>Environment; Health and Emergency Services</b>		
Satellite Fire Station	All	No
<b>ICT and Other</b>		
Replacement Program: IT Hardware	All	Yes
Fleet Replacement Programme	All	Yes
Replacement Furniture and Office Equipment	All	Yes
Other machinery and Equipment	All	Yes

Table 211: Capital Programme by Project by Ward 2020/21

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.10 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

#### 5.10.1 Introduction

##### Backlogs to Municipal Spending on Service Delivery Infrastructure

In the past years the main focus of the Municipality was to upgrade its bulk infrastructure capacity and provision of housing to complement basic service delivery needs. The bulk infrastructure priorities were meant to expedite human settlement programmes within the Municipality. The strategic programmes are ongoing and there has been a significant progress to realise these municipal objectives.

The increase in informal areas is still a major challenge for the municipality. And the rate at which the informal settlements grow outpaces the funding availed to eradicate service backlogs. The current municipal backlogs as presented in the IDP are as follows:

##### *Services backlog*

Service	Backlog Census 2011	Balance at 30 June 2017	Growth 2011 to 2014
New Houses (subsidised)	7 846	5 296	11 693
New Erven Planned and Surveyed	7 846	2 618	11 693
Houses connected to water	8 743	4 507	10 846
Houses connected to sanitation	9 343	4 076	10 415
Houses connected to electricity	9 127	4 222	12 094
Houses provided with waste removal	9 490	6 190	12 406
Roads Paved all	297km	260km	n/a
Roads resurfaced all	337km	257km	n/a

*Source: Municipal IDP Document 2017 -2022*

Table 212: Services Backlog

#### 5.10.2 Service Backlogs as at 30 June 2021

Service backlogs refer to access to services by all formalised areas without considering the development of top-structures for low-cost housing projects and subsidised houses. Formalised areas are installed with a standpipe water meter and should receive a weekly refuse collection accordingly. Where this service is not provided, these will form part of the backlogs that must be planned and eradicated.

Description	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	72 580	99.0	223	0.4
Sanitation	71 290	98.2	1 290	1.8

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Description	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Electricity	66 896	93.0	5 042	7.0
Waste management	59 526	92.9	4 526	7.1
Housing	60 297	0	10 186	0
<i>% HHs are the service above/below minimum standard as a proportion of total households. 'Housing' refers to * formal and ** informal settlements.</i>				

Table 213: Service Backlogs as at 30 June 2021

### Electricity Backlogs

The electricity backlog stands at 5 602. The Electrical Department is currently able to electrify on average 1 350 households per financial year. The Electrical Department is capacitated to perform its own designs and thus able to achieve more connections with the allocation it receives.

### Water Backlogs

The water backlog currently stands at 223 households. The Water department currently has JoJo tanks and standpipes within informal settlements to meet the minimum access standards. Water standpipes are placed within a 200m radius and where this is not possible JoJo tanks is placed. JoJo tanks are filled on a daily basis by means of hired water tankers. Provision of formal services is the responsibility of COGSTA once informal settlements has been formalised

### Sanitation Backlogs

The sanitation backlog currently stands at 814 households. The Sanitation department provides chemical toilets for all informal settlements and currently there is 375 chemical toilets placed within informal settlements. Provision of formal services is the responsibility of COGSTA once informal settlements has been formalised.

### Roads And Stormwater Backlogs

The backlog for upgrading of gravel roads to paved standard stands at 202.7km and periodic maintenance is 260.7km. Approximately 5.65km of new stormwater infrastructure is needed for Galeshewe. Upgrading of Tlhageng Dam to a concrete structure is also essential to avoid possible damages to properties.

### Housing Backlog

Baseline Backlog 12 000 but broader Backlog 22 000 considering backyard dwellers and those who have given up applying for housing.

### Implementation Of BNG Housing Projects

The Municipality targeted to construct 500 households with BNG (Breaking New Grounds) houses in 2019/20 financial year. COGHSTA through its Project Management unit (PMU) constructed 300 of the 500 houses in Diamond Park.

## CHAPTER 5: FINANCIAL PERFORMANCE

Therefore, the total number of houses constructed for the financial year was 100 units under these Covid-19 conditions/ Circumstances.

### *The Municipality's Rental Stock*

The Municipality has a rental stock of 936 units. The demand for these units is very high due to high demand for the Gap Housing Market. However, sustainability of CRUs maintenance is compromised due to high default in rental payment. In order to address this challenge, the municipality is exploring more effective methods of enhancing revenue collection strategies, by looking at appointing a management company, for the leasing and maintenance of the rental stock starting with Lerato Park as a start.

### *Facilitating the Implementation of the National Upgrading Support Programme*

The programme was initiated by National Department of Human Settlements, and Sol Plaatje Municipality was identified to be one of the participants in the programme. The mandate of the NUSP programme is to support municipalities with formalisation and infrastructure upgrading of informal settlements in their municipal area. Out of twenty-nine informal settlements, seventeen settlements totalling 5 416 sites are currently being formalised, and these are:

Area	Number of Sites	State of Progress
Snake Park	1 660 sites	Electrified with 99% services
Ivory Park	1 174 sites	Electrified 60% services
Diamant Park	892 sites	300+100 Houses with all services
Jacksonville Ext	339 sites	72 Houses formalized and 339 electrified with services
Kutlwanong	48 sites	Formalised and electrified
Colville	130 sites	Formalised phases 1 & 3
Santa Centre	139 sites	Formalised 65 services and ready for electrification
Phomolong Ext	269 sites	Electrified without services on all sites
Greenpoint	155 sites	None
Waterloo	240 sites	None
Riemvasmaak	260 sites (plus/minus)	Electrified without services
Soul City	112 sites (64 sites Forest View & 48 sites King Senare)	Electrified without services
Beaconsfield	28 sites	Infills connecting services
Donkerhoek	111 sites	Formalised Catalytic Project in terms of National Priority, electrification done without services
Ramorwa	98 sites	Formalised and electrified
Witdam	138 sites	100% Formalised and electrified
Lerato Park	4 600 sites	Catalytic Project in terms of National Priority

Table 214: Housing Sites Progress Status

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The NUSP has enabled the municipality to integrate human settlement interventions

### 5.10.3 Neighbourhood Development Partnership Grant (NDPG) on Service Backlogs

An amount of R78 298 820 was gazetted for the Municipality under the NDPG programme for the 2019/20 financial year. The bulk of the funds were spent to implement the upgrade of Storm Water Infrastructure in Galeshewe Phase 2, Priority 2a Project.

The extent of the project was spread over the following areas:

- Vergenoeg ext 6
- Vergenoeg ext 8
- Galeshewe
- Galeshewe ext 2
- Galeshewe ext 6, and
- Agisanang.

The scope of the work was to construct 0,560km of box culverts and 8,27km of the pipe culverts. Physical progress as at end of June 2021 the project was 100% complete.

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.11 CASH FLOW OUTCOMES

The management of cash flow is one of the pivotal tasks of the Finance Department of the municipality. Adequate cash management enables effective decision making and the identification of early warning signs in terms of potential cash flow constraints. It is therefore imperative that cash flow trends be closely monitored, and corrective action be taken timeously when required.

Sol Plaatje Local Municipality invests in short term call investment and notice deposits, all with maturity dates of less than twelve months.

The cash flow status of the municipality is currently being monitored on a daily basis due to the constraints being experienced as depicted in the charts below.

The table below reflects the cost coverage ratio of the municipality for the last three years.

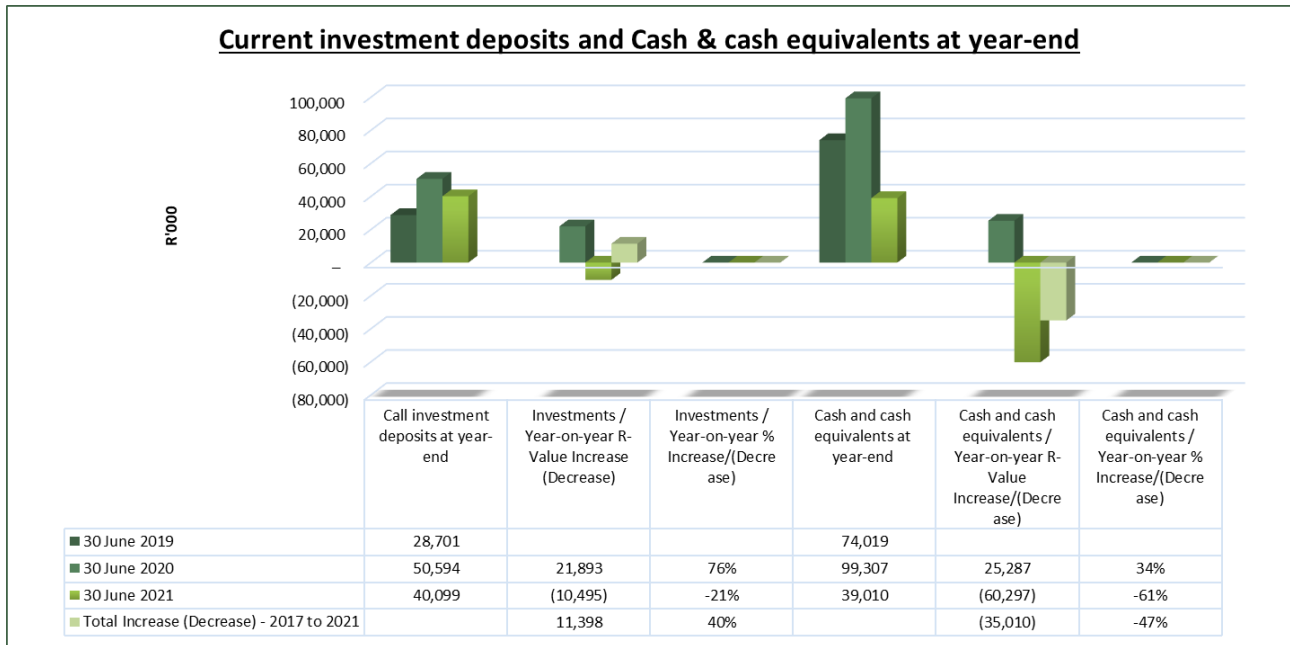
Cost Coverage Ratio	30 June 2019	30 June 2020	30 June 2021
Annual Expenditure (Cash outflows/ payments from operating activities and Capex)	1 708 586 559	1 706 381 123	1 636 360 590
Average monthly expenditure	142 382 213	142 198 427	136 363 383
Cash and cash equivalents at year-end	74 019 286	99 306 676	39 009 634

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Cost Coverage Ratio	30 June 2019	30 June 2020	30 June 2021
Unspent conditional grants	6 900 788	27 125 668	6 273 218
Cost coverage ratio	0.47	0.51	0.24
Number of months coverage	0 Month	1 Month	0 Month
Number of days coverage	14 Days	15 Days	7 Days

*Table 215: Cost Coverage Ratio*

### Bar chart depicting call investment deposits and cash & cash equivalents at year-end



*Graph 39: Call Investment Deposits and Cash & Cash Equivalents*

### Comment on Cash Flow Outcomes

From the above charts, the cash flow position of the municipality is under severe pressure. Although the net cash generated from operating activities (after interest), is still positive, there is a declining trend in the cash balance held by the municipality. There was a marginal increase of R25 287 million from 2018/19 to 2019/20. For the year under review, Cash and cash equivalents decreased by R60 297 million from R99 307 million (2019/20) to R39 010 million (2020/21).

Factors that contribute to the declining cash balance, is the weaker debt collection rate, fuelled by the economic climate and high unemployment rate within the municipal area. The Covid-19 pandemic also exacerbated the situation. The Municipality has been encouraging consumers who cannot afford to pay, to apply for indigent support from the municipality. Stringent measures to control cash outflow and curb expenditure have been implemented by the municipality to ensure that the situation is properly controlled and monitored. The municipality's contribution of own revenue to fund capital expenditure has been reviewed

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The cash flow outcomes at year end are presented in the table below:

Description	2019/20	2020/21		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
<b>Cash flow from Operating Activities</b>				
<b>Receipts</b>				
Property rates, penalties & collection charges	367 759	634 569	634 569	370 606
Service charges	801 925	1 616 147	1 616 147	869 973
Other revenue	65 232	(238 057)	(238 057)	62 566
Government - operating	215 048	65 355	65 355	260 426
Government - capital	143 011	65 601	65 601	85 390
Interest	150 995	10 000	10 000	108 817
<b>Payments</b>				
Suppliers and employees	(1 535 412)	(1 476 904)	(1 476 904)	(1 645 370)
Finance charges	(31 097)	(23 542)	(23 542)	(36 467)
Transfers and Grants	(2 733)	(6 060)	(6 060)	(2 528)
<b>Net Cash from (used) Operating Activities</b>	<b>174 726</b>	<b>647 108</b>	<b>647 108</b>	<b>73 411</b>
<b>Cash flow from Investing Activities</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	224	0	0	41
Decrease (Increase) in non-current debtors	0	0	0	0
Decrease (increase) other non-current receivables	0	0	0	0
Decrease (increase) in non-current investments	0	0	0	0
<b>Payments</b>				
Capital assets	(137 138)	(154 456)	(155 446)	(129 854)
<b>Net Cash from (used) Investing Activities</b>	<b>(136 915)</b>	<b>(154 456)</b>	<b>(155 446)</b>	<b>(129 814)</b>
<b>Cash flow from Financing Activities</b>				
<b>Receipts</b>				



## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2019/20	2020/21		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Short term loans	0	0	0	0
Borrowing long term/refinancing	(3,172)	0	0	5,653
Increase (decrease) in consumer deposits	0	(5,029)	0	0
<b>Payments</b>				
Repayment of borrowing	(9,352)	0	0	(9,548)
<b>Net Cash from (used) Financing Activities</b>	<b>(12 524)</b>	<b>(5 029)</b>	<b>0</b>	<b>(3 894)</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>25 287</b>	<b>487 623</b>	<b>491 663</b>	<b>(60 297)</b>
<b>Cash/cash equivalents at the year begin</b>	<b>74 019</b>	<b>202 050</b>	<b>202 050</b>	<b>99 307</b>
<b>Cash/cash equivalents at the year end</b>	<b>99 307</b>	<b>689 673</b>	<b>693 712</b>	<b>39 010</b>

Table 216: Cash Flow Outcomes

### 5.12 BORROWING AND INVESTMENTS

The municipality currently has long term borrowings at the Development Bank of South Africa (DBSA). The municipality applies a conservative approach to borrowing. No additional long-term debt was incurred for the year under review. The balance of these loans amount to R188,623 million as at 30 June 2021.

The table below reflects movement on the loan for the year reported on

Description	Original Budget 2020/21	Adjustment Budget 2020/21	Actual spent 30 June 2021
External borrowings	191 896 463	191 896 463	188 623 708

Table 217: Movement on Loan

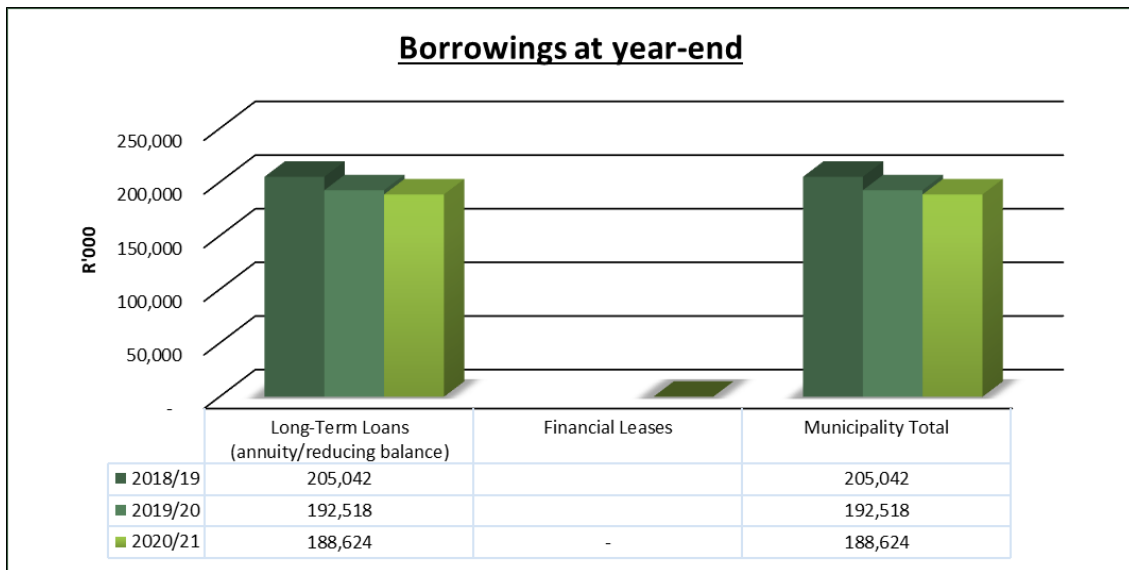
#### 5.12.1 Actual Borrowings: 2018/19 to 2020/21

Instrument	2018/19	2019/20	2020/21
	(R'000)		
Municipality			
Long-Term Loans (annuity/reducing balance)	205 042	192 518	188 624
<b>Municipality Total</b>	<b>205 042</b>	<b>192 518</b>	<b>188 624</b>

Table 218: Actual Borrowings

## CHAPTER 5: FINANCIAL PERFORMANCE

The graph below reflects the borrowings at year-end for the past three financial years



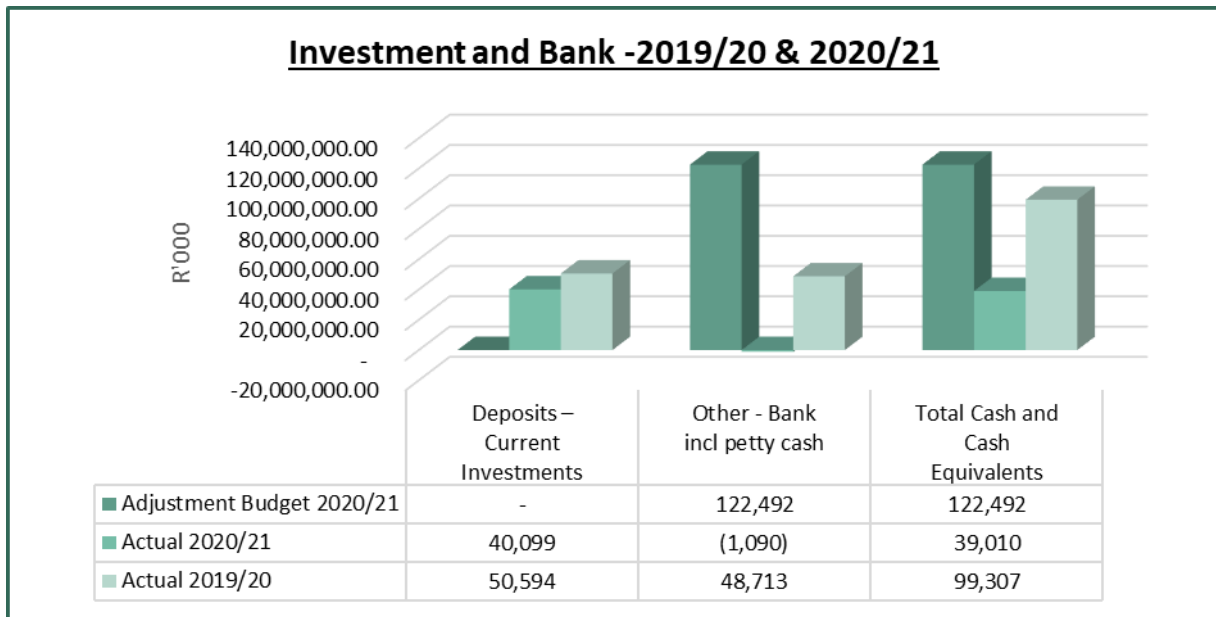
Graph 40: Borrowings at Year-end

### 5.12.2 Municipal Investments

Investment type	Adjustment Budget 2020/21	Actual 2020/21	Actual 2019/20
	(R'000)		
<b>Municipality</b>			
Securities - National Government	0	0	0
Listed Corporate Bonds	0	0	0
Deposits – Current Investments	0	40 099	50 594
Deposits - Public Investment Commissioners	0	0	0
Deposits - Corporation for Public Deposits	0	0	0
Bankers' Acceptance Certificates	0	0	0
Negotiable Certificates of Deposit – Banks	0	0	0
Guaranteed Endowment Policies (sinking)	0	0	0
Repurchase Agreements – Banks	0	0	0
Municipal Bonds	0	0	0
Other - Bank including petty cash	122 492	(1 090)	48 713
<b>Total Cash and Cash Equivalents</b>	<b>122 492</b>	<b>39 010</b>	<b>99 307</b>

Table 219: Municipal Investments

## CHAPTER 5: FINANCIAL PERFORMANCE



Graph 41: Municipal Investments

### 5.12.3 Comment on Borrowing and Investments

The cash and investment balance have been declining year-on-year, due to several factors which are described in more detail elsewhere in this document. There is a marginal improvement from the 2019/20 to 2020/21 financial year. The external borrowing balance is gradually decreasing as interest and capital is redeemed. No additional loan agreements were entered into for the 2020/21 financial year. The repayment terms on all loans are bi-annual instalments payable in December and June of each year.

The Municipality only has long term borrowings at the Development Bank of South Africa (DBSA). The Municipality applies a conservative approach to borrowing. No additional long-term debt was incurred for the year under review, and as at year end, the balance of these loans amount to R188 623 million.

### 5.13 DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

All Organisations or Persons in receipt of Loans*/Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2019/20	Total Amount committed over previous and future years (From 2018/19 to 2022/23)
			R	
SPCA	Stray animal pound	Impounding of stray animals	2 100 000	15 200 000
Sol Plaatje Educational Trust	Upkeep of Sol Plaatje Museum	Upkeep	269 664	1 984 064
Diamantveld High Wildeklawer Tournament	Sports	Annual event	0	240 000

## CHAPTER 5: FINANCIAL PERFORMANCE

All Organisations or Persons in receipt of Loans*/Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2019/20	Total Amount committed over previous and future years (From 2018/19 to 2022/23)
			R	
Meals on Wheels SA	Poverty alleviation	Providing a meal, a day to the poor	0	50 000
Other	On merit	Based on application	0	9 110 284
<b>Total</b>			<b>2 369 664</b>	<b>26 584 348</b>

*\* Loans/Grants - whether in cash or in kind*

Table 220: Declaration of Loans and Grants made by the Municipality

### COMPONENT D: OTHER FINANCIAL MATTERS

#### 5.14 SUPPLY CHAIN MANAGEMENT

The table below reflects the remedial action taken by SCM in response to the finding of the Auditor-General's Report.

Findings	Remedial actions
In the audit, was found that the calculation of PPPFA scoring was not correctly calculated and this led to the wrong bidder being awarded the contract	<p>The following segregation of duties mechanism will be implemented:</p> <ul style="list-style-type: none"> <li>• The Evaluation Officer will perform a pre-evaluation and sign as a compiler</li> <li>• The Risk Officer will verify the calculation and sign as a proof of verification</li> <li>• The Supervisor will review the scoring and sign as a proof of review</li> <li>• The Bid Evaluation Committee will verify to confirm that the calculations were performed correctly as required, and chairperson will sign as a proof that the committee has reviewed and verified mathematical accuracy</li> <li>• The segregation of duties will be implemented and if not, consequence management will be implemented</li> </ul>
During the audit it was noted that long term contracts were not advertised for thirty days as is required by the SCM regulations 22(i)(b)(i)	<p>The Contract Custodian must determine the dates and calculate the number of advertisement dates as required.</p> <p>The Supervisor of the Contract Custodian will review and recalculate the advertisement days as required.</p> <p><b>Consequence management will be implemented in failure to implement segregation of duties</b></p>
Instances where three quotations were not obtained	<p>The acquisition supervisor must ensure that three quotations are attached to all requisitions.</p> <p>In the case of one quotation, a memo explaining why three quotations were not obtained must be attached. Eg. Accredited agencies</p>
The requirements of SCM regulations 32 were not fully understood and implemented	The process will be performed in consultation with Provincial Treasury for advice in order to close all gaps

Table 221: Remedial Action Implemented

#### 5.15 GRAP COMPLIANCE

## CHAPTER 5: FINANCIAL PERFORMANCE

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The municipality has adopted the Generally Recognised Accounting Practices (GRAP) as the accounting reporting framework. As such, the annual financial statements are prepared in accordance with the approved GRAP standards. Where there are no approved GRAP standards, principles of accounting in terms of International Accounting Standards (IASs) and International Public Sector Accounting Standards (IPSASs).

In preparing the financial statements for 2019/20 the municipality complied with all the issued and approved accounting standards. The accrual basis of accounting informed the preparation of the financial statements, and all amounts are disclosed in the South African Currency, the ZAR. The municipality is a going concern business, and it is expected to continue to exist in the foreseeable future.

The municipality also limits its exposure to foreign currency by ensuring that all contracts are expressed in ZAR. However, there is a single three-year contractual obligation in USD which the municipality has entered into with Microsoft.

Assets are disclosed at cost less accumulated depreciation, whilst inventory is carried at the lower of cost or net realisable value. The weighted average cost method is utilised for the valuation of inventory.

All financial instruments are recognised at amortised cost. There were interpretation GRAPs issued by ASB to give clarity and further information with regards to disclosure requirements such as i-GRAP1 and i-GRAP17. These are also considered in formulating policy and procedures for recognition and measurement.

# Chapter 6



## CHAPTER 6: AUDITOR-GENERAL FINDINGS

### COMPONENT A: AUDITOR-GENERAL OPINION 2019/20

The following tables provide the details on the audit outcomes for the past two financial years with the corrective steps implemented:

#### 6.1 AUDITOR-GENERAL REPORT 2019/20

##### 6.1.1 Financial performance 2019/20

Auditor-General Report on Financial Performance 2019/20	
<b>Audit Report Status:</b>	<b>Qualified Audit Opinion</b>
<b>Audit Findings</b>	<b>94</b>
<b>Non-Compliance Issues</b>	
<b>Basis for qualified opinion</b>	
Employee Benefits Liabilities	
Service charges	
Property, Plant and Equipment	
Investment Property	
Irregular Expenditure	
Non-Current Provisions	
Sol Plaatje Group Life Trust Fund	
<b>Emphasis of matter paragraphs</b>	
Restatement of corresponding figures	
Material impairments – trade receivables	
Material losses	
Underspending of the budget	

Table 222: AG Report on Financial Performance 2019/20

## CHAPTER 6: AUDITOR-GENERAL FINDINGS

### COMPONENT B: AUDITOR-GENERAL OPINION 2020/21

#### 6.2 AUDITOR-GENERAL OPINION 2020/21

##### 6.2.1 Financial performance 2020/21

Auditor-General Report on Financial Performance 2020/21	
<b>Audit Report Status:</b>	<b>Qualified Audit Opinion</b>
Audit Findings	118
<b>Non-Compliance Issues</b>	
<b>Basis for qualified opinion</b>	
Property, Plant and Equipment	
Service charges	
Trade Receivables from exchange transactions	
Trade Receivables from non-exchange transactions	
Employee Benefits Liabilities	
Non-Current Provisions	
Irregular Expenditure	
<b>Emphasis of matter paragraphs</b>	
Restatement of corresponding figures	
Material losses	
Underspending of the budget	

Table 223: AG Report on Financial Performance 2020/21



## CHAPTER 6: AUDITOR-GENERAL FINDINGS

### 6.2.2 Report of the Auditor-General to the Northern Cape Provincial Legislature and the council on Sol Plaatje Local Municipality

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### QUALIFIED OPINION

1. I have audited the financial statements of the Sol Plaatje Local Municipality set out on pages X to X, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Sol Plaatje Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2020 (Act No. 4 of 2020) (Dora).

##### BASIS FOR QUALIFIED OPINION

###### Property, plant and equipment

3. The municipality did not review the useful lives and indicators of impairment of property, plant and equipment at each reporting date in accordance with GRAP 17, Property, plant and equipment. As a result, property, plant and equipment with a carrying amount of R1 865 760 538 had a zero net carrying amount while still being in use. I was unable to determine the impact on the net carrying amount of property, plant and equipment as it was impracticable to do so. Additionally, there was an impact on the surplus for the period.
4. Completed infrastructure assets amounting to R268 363 890 included in note 9 to the financial statements was incorrectly classified as work-in-progress, while it was available for use in terms of GRAP 17, Property, plant and equipment. This resulted in the overstatement of work-in-progress and understatement of infrastructure assets by R268 363 890. I was unable to quantify the misstatement of the depreciation amount as the municipality did not determine useful lives for these completed assets.
5. The municipality did not account for infrastructure asset in accordance with GRAP 17, Property, plant and equipment, due to all assets not being included in the asset register. This resulted in an understatement of infrastructure assets by R250 252 546. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.
6. During 2020, the municipality did not account for community assets in accordance with GRAP 17, Property, plant and equipment. As the municipality did not maintain adequate records of land under the control of the municipality, I was unable to determine the full extent of the misstatement of community assets for the current year as it was impracticable to do so. Additionally, there was an impact on the surplus for the 2020 financial

## CHAPTER 6: AUDITOR-GENERAL FINDINGS

period and on the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2020 was modified accordingly. My opinion on the current period's financial statements is also modified because of the effect of this matter on the comparability of the current period's figures.

### Service charges

7. The municipality did not recognise all sale of water accurately that has accrued in accordance with GRAP 9, Revenue from exchange transactions. As the municipality did not maintain adequate and complete records of services rendered, I was unable to determine the full extent of the understatement of sale of water included in service charges and water service debtors included in trade receivables from exchange transactions and VAT payable for the current and previous year as it was impracticable to do so. Since revenue from sale of water is included in the determination of net cash flows from operating activities reported in the cash flow statements, I was unable to determine whether any adjustment were necessary in the cash flows from operating activities stated at R73 411 214 in the financial statements.
8. The municipality did not recognise all sale of electricity accurately that has accrued in accordance with GRAP 9, Revenue from exchange transactions. As the municipality did not maintain adequate and complete records of services rendered, I was unable to determine the full extent of the understatement of sale of electricity included in service charges and electricity service debtors included in trade receivables from exchange transactions and VAT payable for the current and previous year as it was impracticable to do so. Since revenue from sale of electricity is included in the determination of net cash flows from operating activities reported in the cash flow statements I was unable to determine whether any adjustment were necessary in the cash flows from operating activities stated at R73 411 214 in the financial statements.
9. The municipality did not account for all revenue in accordance with GRAP 9, Revenue from exchange transactions, as the municipality did not bill all properties monthly for sewerage and sanitation. I was unable to determine the full extent of the understatement of sale of sewerage and sanitation included in service charges, and sewerage and sanitation service debtors included in the trade receivables from exchange transactions for the current year as it was impracticable to do so. Since revenue from sale of sewerage and sanitation is included in the determination of net cash flows from operating activities reported in the cash flow statements I was unable to determine whether any adjustment were necessary in the cash flows from operating activities stated at R73 411 214 in the financial statements.
10. The municipality did not account for all revenue in accordance with GRAP 9, Revenue from exchange transactions, as the municipality did not bill all properties monthly for refuse removal. I was unable to determine the full extent of the understatement of sale of refuse removal included in service charges, and refuse removal service debtors included in the trade receivables from exchange transactions for the current year as it was impracticable to do so. Since revenue from refuse removal is included in the determination of net cash flows from operating activities reported in the cash flow statements I was unable to determine whether any adjustment were necessary in the cash flows from operating activities stated at R73 411 214 in the financial statements.

### Trade Receivables from exchange transactions

11. I was unable to obtain sufficient appropriate audit evidence for the provision for impairment for trade receivables exchange transaction due to the status of the accounting records. The municipality did not have adequate systems of internal control for the recording of all transactions and events and could not reconcile the transactions and events to the financial statements. I could not confirm the provision for impairment for exchange receivables by alternative means. Additionally, I was unable to obtain the approval of council for the write – off of debts amounting to R330 208 614. Consequently, I was unable to determine whether any adjustment was necessary to impairment provision, stated at R559 206 109 in note 4.2 and the impairment loss stated at R369 187 738 in note 32 to the financial statements.
12. I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for housing debtors, due to the status of the accounting records and non-submission of information in support of these assets. I was unable to confirm these debtors by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to housing debtors stated at R35 926 496 in note 4 to the financial statements.

### Trade Receivables from non-exchange transactions

13. I was unable to obtain sufficient appropriate audit evidence for the statutory receivables impairment provision due to the status of the accounting records. The municipality did not have adequate systems of internal control for the recording of all transactions and events and could not reconcile the transactions and events to the financial statements. I could not confirm statutory receivables impairment provision by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to impairment provision stated at R201 779 734 in note 5 to the financial statements.

### Employee Benefits Liabilities

14. I was unable to obtain sufficient appropriate audit evidence that post-retirement health care benefits liability for the current year had been properly accounted for, due to the municipality not providing documentation to support the assumptions used. I was unable to confirm the post-retirement health care benefits liability by alternative means. Consequently, I was unable to determine whether any further adjustment to post-retirement health care benefits liability stated at R242 085 000 and the amounts recognised in the statement of financial performance stated at R12 550 113 as disclosed in note 19.1 and 29 respectively, to the financial statements was necessary.

### Non-Current Provisions

15. During 2020, I was unable to obtain sufficient appropriate audit evidence that the provision for rehabilitation of land-fill sites for the previous year had been properly accounted for, due to the status of the accounting records. I was unable to confirm the rehabilitation of land-fill sites by alternative means. Additionally, there was an impact on the surplus for the 2020 financial period and on the accumulated surplus. My audit opinion on the financial statements for the period ended 30 June 2020 was modified accordingly. My opinion on the current period's financial statements is also modified because of the effect of this matter on the comparability of the current period's figures.

## CHAPTER 6: AUDITOR-GENERAL FINDINGS

### Irregular expenditure

16. I was unable to obtain sufficient appropriate audit evidence for irregular expenditure, due to the status of the accounting records. The municipality did not have adequate systems of internal control for the recording of all irregular expenditure incurred and could not reconcile the transactions to the financial statements. I could not confirm irregular expenditure by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to irregular expenditure stated at R427 446 419 (2020: R310 877 742) in note 45.3 to the financial statements was necessary.

### CONTEXT FOR THE OPINION

17. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
18. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
19. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Emphasis of matters

20. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### Restatement of corresponding figures

21. As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors in the financial statements of the municipality at, and for the year ended 30 June 2021.

### Material losses

22. As disclosed in note 46.9 to the financial statements, material water losses of R69 576 202 (2020: R66 605 225) was incurred, which represents 61.69% (2020: 62.30%) of total water purchased.
23. As disclosed in note 46.9 to the financial statements, material electricity losses of R142 893 865 (2020: R99 335 064) was incurred, which represents 26.42% (2020: 19.25%) of total electricity purchased.

### Underspending of the budget

24. As disclosed in note 61 to the financial statements, the municipality materially underspent the budget by R75 022 277 on expenditure and R38 897 559 on acquisition of property, plant and equipment.

## CHAPTER 6: AUDITOR-GENERAL FINDINGS

### OTHER MATTERS

25. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### Unaudited disclosure notes (MFMA125)

26. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

### Unaudited supplementary schedules

27. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

### Responsibilities of the accounting officer for the financial statements

28. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and the Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
29. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

### Auditor-General's responsibilities for the audit of the financial statements

30. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
31. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

### REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

#### Introduction and scope

32. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against

## CHAPTER 6: AUDITOR-GENERAL FINDINGS

predetermined objectives for selected key performance areas presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

33. I was engaged to evaluate the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2021:

Key performance area	Pages in the annual performance report
Development priority 2 – Basic and Sustainable Service Delivery and Infrastructure Development	x – x

34. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete
35. The material findings on the usefulness and reliability of the performance information of the selected development priorities are as follows:

### Development priority 2 – Basic and Sustainable Service Delivery and Infrastructure Development

#### Various indicators

36. I was unable to obtain sufficient appropriate audit evidence. This was due to the lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to these reported achievements.

Indicator	Reported achievement
Construction of at least 70% of the new sewer outfall mains for Cartersridge sewer pump station by 30 June 2021	58%
To complete 100% work for the bulk sewer infrastructure for the Lerato Park development by 30 June 2021	98%
To complete 50% of the reconstruction work of 320 aged sink toilets in Kagisho, Kutlwanong and Phomolong by 30 June 2021	38%

#### Various indicators

37. The measures taken to improve performance against targets were not included in the annual performance report for the indicators listed below.

## CHAPTER 6: AUDITOR-GENERAL FINDINGS

Indicator	Planned target	Reported achievement
Construction of at least 70% of the new sewer outfall mains for Cartersridge sewer pump station by 30 June 2021.	70%	58%
To complete 100% work for the bulk sewer infrastructure for the Lerato Park development by 30 June 2021	100%	98%
To complete 50% of the reconstruction work of 320 aged sink toilets in Kagisho, Kutlwanong and Phomolong by 30 June 2021	50%	38%
To complete the construction 2 out of the 4 elevated water tanks with a combined capacity of 720 kl for critical areas by 30 June 2021	2	0

### Decrease water losses to 50% by 30 June 2021

38. A comparison between the actual performance of the year under review and previous year was not included in the annual performance report. In addition, the measures taken to improve performance against targets was not reported in the annual performance report.

### Other matters

39. I draw attention to the matters below.

### Achievement of planned targets

40. Refer to the annual performance report on pages X to X for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 36 to 38 of this report.

## REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

### Introduction and scope

41. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
42. The material findings on compliance with specific matters in key legislation are as follows:

### Annual financial statements, performance reports and annual reports

43. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets and disclosures identified by the auditors in the submitted financial statements identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

## CHAPTER 6: AUDITOR-GENERAL FINDINGS

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### Expenditure management

44. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM Regulations.

### Revenue management

45. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

### Asset management

46. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

### Strategic planning and performance management

47. The SDBIP for the year under review did not include the monthly operational expenditure by vote, as required by section 1 of the MFMA.

### Procurement and contract management

48. Awards were made to providers who were in the service of other state institutions or whose directors / principal shareholders were in the service of other state institutions, in contravention of MFMA 112(1)(j) and SCM Regulation 44.
49. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.

### Consequence management

50. Fruitless and wasteful and Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA

### OTHER INFORMATION

51. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected development priority presented in the annual performance report that have been specifically reported in this auditor's report
52. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it



## CHAPTER 6: AUDITOR-GENERAL FINDINGS

53. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
54. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### INTERNAL CONTROL DEFICIENCIES

55. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
56. The leadership of the municipality did not exercise their oversight responsibility to enable a stable control environment. Issues identified ranged from the prolonged vacancies in key positions to basic expectations from the municipality to address both internal and external audit findings
57. The leadership of the municipality did not effectively deal with the instability at the key positions of the accounting officer and the chief financial officer. Measures put in place to stabilise these positions have not brought any improvement to the control environment at the municipality. Most of the municipality's processes have led to material findings in financial and performance reports as well as areas of laws and regulations scoped for the audit.
58. Management has not effectively demonstrated its ability to conduct the business of the municipality within all the laws and regulations that governs it. Audit revealed that no action was taken on material findings on laws and regulations that were reported in the previous years with new material findings added in the current year. Management did not effectively monitor and provide guidance on these regulated transactions in the current year. Further to that, the audit also revealed more activities that led to new qualification paragraphs, and these proving that control environment extremely weak.
59. The accounting officers and senior management did not create an effective control environment to promote financial and performance reporting disciplines. The instability in leadership contributed to the deteriorating control environment. Repeat and the increasing number of new findings were identified on transactions, balances and disclosures in the financial statements and activities in the performance report.
60. The annual financial statements were subjected to material amendments that can be attributed to weaknesses in the implementation of controls. In addition, the collation of different information from various units for incorporation into the financial statements and annual performance report was not done in time to allow for sufficient and adequate reviews.

## CHAPTER 6: AUDITOR-GENERAL FINDINGS

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### Material irregularities

61. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

### Material irregularities in progress

62. I identified a material irregularity during the audit and notified the accounting officer of this, as required by material irregularity regulation 3(2). By the date of this auditor's report, I had not yet completed the process of evaluating the responses from the accounting officer. This material irregularity will be included in the next year's auditor's report.

Cape Town

28 January 2022



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## CHAPTER 6: AUDITOR-GENERAL FINDINGS

### ANNEXURE – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected key performance areas and on the municipality’s compliance with respect to the selected subject matters.

### FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting officer
  - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Sol Plaatje Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## CHAPTER 6: AUDITOR-GENERAL FINDINGS

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, the actions taken to eliminate threats or the safeguards applied.

### 6.3 MFMA SECTION 71 RESPONSIBILITIES

The municipality is non-delegated and as such submits the monthly data strings to National Treasury in terms of Municipal Finance Management Act 56 of 2003, Section 71. The monthly budget statement is at the same time submitted to the Executive Mayor. The Municipal Public Accounts Committee are also provided with the monthly budget statement in terms of the Guidelines for the Establishment of MPACs.

The Section 71 monthly budget statement is signed off by the Municipal Manager and submitted within ten working days after the end of each month to the relevant authorities as explained herein. The monthly budget statement with the signed municipal quality certificate and the monthly C-schedules is also uploaded onto the National Treasury Local Government portal.

Signed: .....

Chief Financial Officer

Dated: .....



## CHAPTER 6: AUDITOR-GENERAL FINDINGS

### 6.4 AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 30 JUNE 2021

#### 6.4.1 Overview

The Audit Committee (AC) is a formal committee of the Council and its functions are as per section 166 of the Municipal Finance Management Act (Act No 56 of 2003).

We are pleased to present our report for the financial year ended 30 June 2021.

#### 6.4.2 Audit Committee Members and Attendance

The Audit Committee consists of the members listed hereunder and meets as often as it deems necessary as per the approved terms of reference.

During the year 2021, the term of the serving audit committee came to an end 30 November 2020. For the purpose of continuity within the committee some members were retained to serve in the committee. The following members were retained.

- Mr Abdul Kimmie (Accounting and auditing field)
- Mr Letlhogonolo Berends (Law field)
- Mr Bongani Mathae (Performance management and Governance Processes field)

The following new members were appointed on 1<sup>st</sup> December 2020:

- Mr Giveous Ndou (Accounting and auditing field)
- Ms Lungelwa Sonqishe (Accounting field)

During the period under review, there were four normal meetings and one special meeting held on the following dates:

- 14 September 2020
- 18 December 2020
- 22 February 2021
- 26 February 2021 (special AC meeting)
- 28 June 2021

## CHAPTER 6: AUDITOR-GENERAL FINDINGS

The attendance of meetings by audit committee members is reflected in the table below:

Name of the Member	Position	Date of Appointment/renewal	Number of meetings attended
Shelley Thomas	Chairperson	December 2017	2 out of 2
Lattief Kimmie	AC member/ Chairperson	December 2017	4 out of 5
Thembeke Semane	AC member	December 2017	2 out of 2
Lethogonolo Berend	AC member	December 2017	5 out of 5
Bongani Mathae	AC member	December 2017	5 out of 5
Lungelwa Sonqishe	AC member	1 December 2020	4 of 4
Giveous Ndou	AC member	1 December 2020	4 of 4

In addition to the meetings indicated above the Chairperson met with the Executive Mayor and also reported to Council as indicated below:

10 August 2020 and 26 August 2020

### 6.4.3 Audit Committee Responsibility

The Audit Committee has fulfilled its responsibilities as stipulated in the Municipal Finance Management Act read in conjunction with Treasury Regulations. The Committee has adopted an appropriate formal charter, which regulates its affairs. It has also discharged its responsibilities in compliance with the approved Audit Charter.

### 6.4.4 The Effectiveness of Internal Control

Internal audit, in accordance with the MFMA and the most recent King IV Report on Corporate Governance requirements, provides assurance to the Audit Committee and Management that internal controls require improvement. This is accomplished through the risk management process, as well as the identification of corrective actions and suggested improvements to controls and processes.

It was noted that matters that indicated significant deficiencies or deviations in the system of internal control were reported in the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, and the management report of the Auditor-General South Africa. There were a significant number of instances where internal audit issues were not satisfactorily resolved.

Accordingly, we report that the internal control system over financial reporting for the period under review requires improvement. Management was informed that closer monitoring and resolution of the audit action plan was required. The timely implementation of the audit action plan will help management achieve its strategic goals and achieve a better/clean audit outcome.

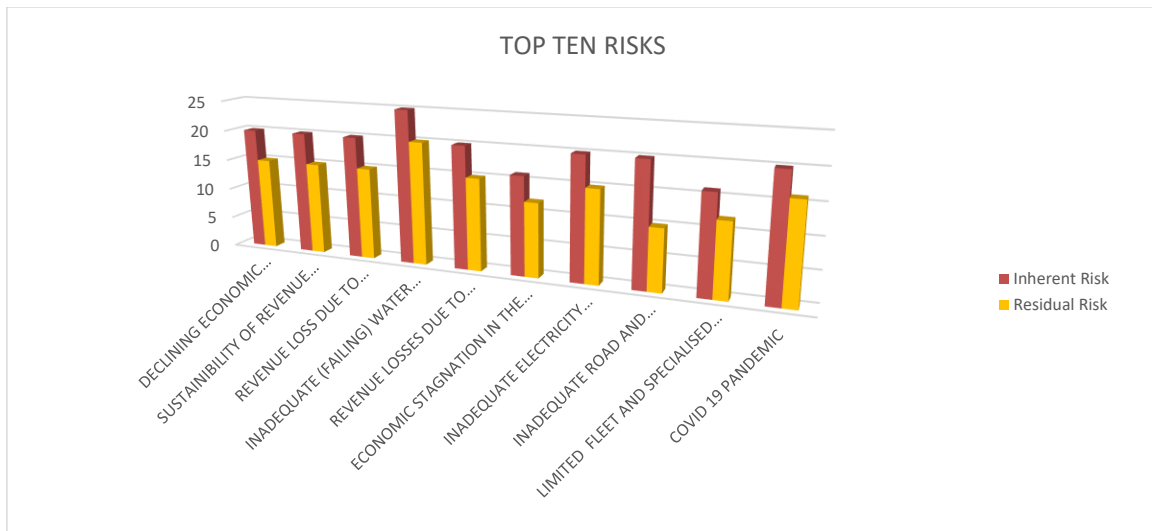
## CHAPTER 6: AUDITOR-GENERAL FINDINGS

### 6.4.5 Governance and Performance Management

The audit committee believes that significant improvement is needed in governance, compliance, risk monitoring, and the management of predetermined objectives and the implementation of improvement plans. When compared to previous fiscal years, governance has remained stagnant, which has been exacerbated by the absence of top leadership.

### 6.4.6 Risk Management

Concerns on the major risk areas were raised during engagement with management. An updated risk registers and comprehensive report on the top ten risks, including the effective management of these risks has been prepared by management. The current financial position challenges the municipality's ability to mitigate risks. This directly impacts service delivery and the sustainability thereof.



### 6.4.7 Submission of in-year management and monthly/quarterly reports in terms of the Municipal Finance Management Act and the Treasury Regulations

Management has assured the committee that the monthly/quarterly in-year management reports were compiled and submitted on time as required by legislation.

### 6.4.8 Municipality's compliance with legal and regulatory provision

Audit committee notes matters of non-compliance as reported by office of Auditor General. Management action plan on matters raised will be monitored and regular reporting on progress of implementation will be submitted to audit committee.

## CHAPTER 6: AUDITOR-GENERAL FINDINGS

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### 6.4.9 Information Technology and other corporate related policies

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Delays in the review of the ICT Governance Charter and ICT Governance Policy as reported by management is a cause for concern as they need to enforce operational direction on successful implementation of business processes. was due for review was supposed to be reviewed at EMT and then submitted to Council for approval.

The committee noted the expiry of Chief Information Officer employment contract on 31 August 2021 and urged management to attended to the matter urgently.

Sol Plaatje municipality participated as a pilot site with other municipalities towards the implementation of mSCOA prior to the effective date of the legislation, being 1 July 2017. The pilot programme started in October 2015 with 1 July 2016 being the date of conversation to mSCOA. This date was achieved, however; There were key findings that came from National Treasury assessment, and these are summarised as follows:

- The municipality's system operated using a flat file for data extraction which made date upload impractical.
- The system's language was not SQL, which was the only recommended programming language.

After implementation of mSCOA GL, an audit was performed to test system compliance, The Audit reflected a 35% compliance and slow progress has been noted in achieving the full compliance.

### 6.4.10 Evaluation of Financial Statements

---

The financial statements reflect a bleak picture on Sol Plaatje Municipality, however; it is an accurate picture of what the current state of affairs is at SPM. The long-term going concern and the cash flow problems currently experienced due to growing debtors' book and the current economic challenges needs closer supervision and enforcement of debt recovery policy. Proper control measures regarding the completeness of contingent liabilities needs to be improved going forward.

### 6.4.11 Internal Audit

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We are satisfied that the internal audit function is operating efficiently and effectively and that the internal audit plan has addressed the risks pertinent to the municipality during the year under review.



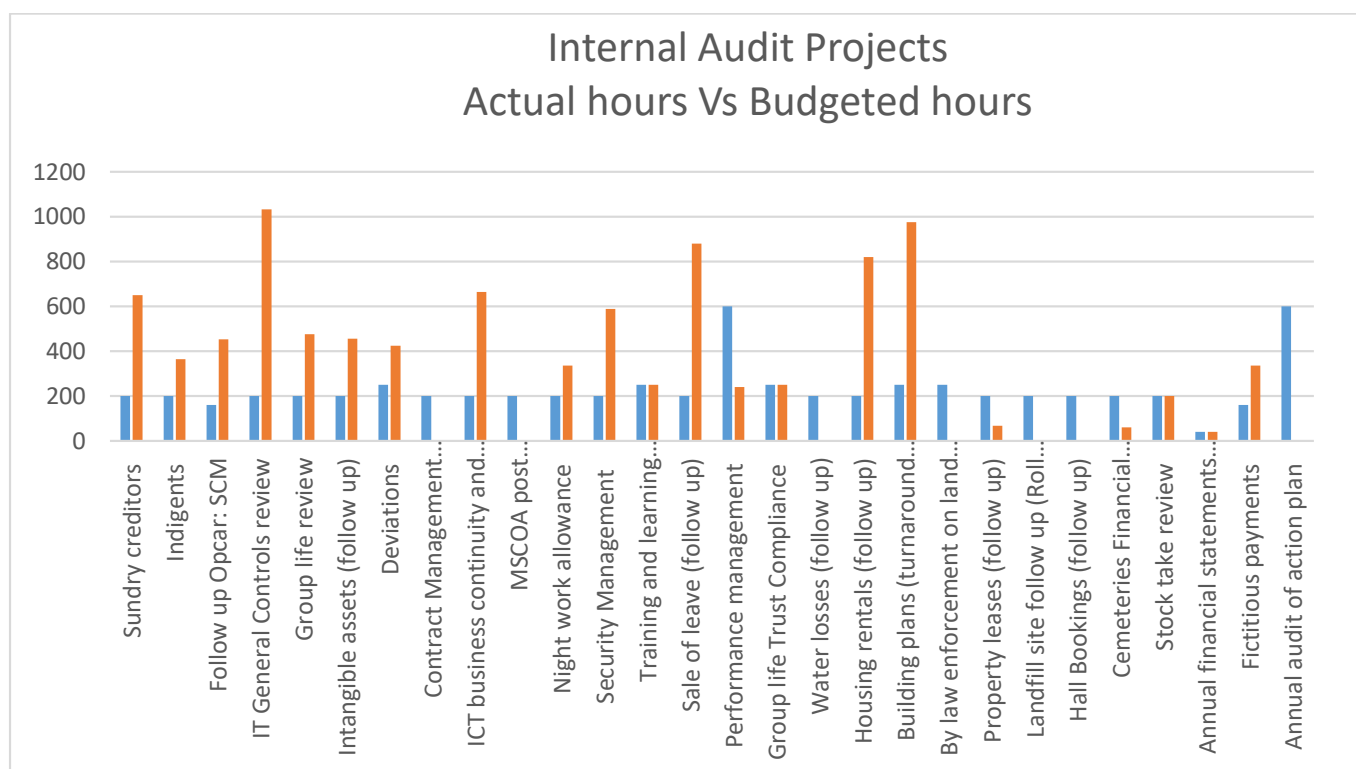
## CHAPTER 6: AUDITOR-GENERAL FINDINGS

### 6.4.12 Internal Audit Staff Complement

Name	Position	Qualification	Years of experience
Noxolo Molepo	Chief Audit Executive	Professional Accountant (SA); PIA and IAT, Post Grad IA	17 years audit experience
Farouk Feltman	Manager: Assurance Audit	B. Admin Hons (Public Administration); PIA, IAT	21 years auditing experience
Wilson Namukolo	Senior Internal Auditor	Diploma: Data Processing and Systems Analysis	21 years auditing experience
Myrtle van Staden	Internal Auditor	ND: Internal Auditing, IAT	8 years auditing experience
Setshaba Mosata	Internal auditor	ND: Internal Auditing	5 years accounting and auditing experience
Julia Bogatsu	Intern	B Com Accounting	2 years auditing experience
Denise Van Rooyen	Manager IT/Systems Audit	BSC: Computer Science	16 years information technology experience

### Progress against Plan

The performance of the Internal Audit for the year ending June 2021 is as follows:



## CHAPTER 6: AUDITOR-GENERAL FINDINGS

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### 6.4.13 Auditor-General South Africa

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We have met with the Auditor- General South Africa to ensure that there are no unresolved issues and report that there are none.

### 6.4.14 Recommendations made by the Audit Committee

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The audit committee recommends that action plans be implemented to close significant gaps in governance, risk management, internal controls, and reporting on predetermined objectives. We also recommend that, in order to ensure the smooth operation of the municipality, quicker action be taken to close leadership gaps as they arise, considering the challenges associated with the municipality environment.

### 6.4.15 Conclusion

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The Audit Committee has noted the matters and concerns raised by the Auditor General and accept that there is still significant improvement required in the accounting and internal control environment at the municipality. Regression by the municipality has been noted which is attributed with instability in leadership position, Council is advised to ensure that vacancies in leadership and key administrative position are funded and filled.

### 6.4.16 Appreciation

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The committee expresses its sincere appreciation to the Honourable Executive Mayor, Accounting Officer, Executive management team, Internal Audit and the Auditor-General of South Africa.

**L Berend**

**Acting Chairperson of the Audit Committee**

## 6.5 MPAC OVERSIGHT REPORT

## ABBREVIATIONS

### ABBREVIATIONS

<b>AG</b>	Auditor-General	<b>EXECMAN</b>	Executive Management
<b>CAPEX</b>	Capital Expenditure	<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice
<b>CBD</b>	Central Business District	<b>GDPR</b>	Gross Domestic Product Rate
<b>CBP</b>	Community Based Planning	<b>GRAP</b>	Generally Recognised Accounting Practice
<b>CDW</b>	Community Development Worker	<b>HOD</b>	Head of Department
<b>CFO</b>	Chief Financial Officer	<b>HR</b>	Human Resources
<b>CWP</b>	Capital Works Program	<b>HVWUA</b>	Hex Valley Water Users Association
<b>DCAS</b>	Department of Cultural Affairs and Sport	<b>ICT</b>	Information and Communication Technology
<b>DCF</b>	District Co-ordinating Forum	<b>IDP</b>	Integrated Development Plan
<b>DEDAT</b>	Department of Economic Development and Tourism	<b>IFRS</b>	International Financial Reporting Standards
<b>DLG</b>	Department of Local Government	<b>IGR</b>	Intergovernmental Relations
<b>DoA</b>	Department of Agriculture	<b>IMFO</b>	Institute for Municipal Finance Officers
<b>DoE</b>	Department of Education	<b>KPA</b>	Key Performance Area
<b>DoH</b>	Department of Housing	<b>KPI</b>	Key Performance Indicator
<b>DoRA</b>	Division of Revenue Act	<b>LED</b>	Local Economic Development
<b>DoRD</b>	Department of Rural Development	<b>LG</b>	Local Government
<b>DPLG</b>	Department of Provincial and Local Government	<b>MayCo</b>	Executive Mayoral Committee
<b>DSD</b>	Department of Social Development	<b>MBRR</b>	Municipal Budget and Reporting Regulations
<b>DSBD</b>	Department of Small Business Development	<b>MEC</b>	Member of the Executive Committee
<b>DTI</b>	Department of Trade and Industry	<b>MERO</b>	Municipal Economic Review and Outlook
<b>DWAF</b>	Department of Water Affairs and Forestry	<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)
<b>ECD</b>	Early Childhood Development	<b>MGRO</b>	Municipal Governance Review Outlook
<b>EE</b>	Employment Equity	<b>MIG</b>	Municipal Infrastructure Grant
<b>EM</b>	Executive Manager	<b>MM</b>	Municipal Manager
<b>EPWP</b>	Extended Public Works Programmes	<b>MMC</b>	Member of Mayoral Committee
<b>ERM</b>	Enterprise Risk Management	<b>MPAC</b>	Municipal Public Accounts Committee
		<b>MSA</b>	Municipal Systems Act No. 32 of 2000



## ABBREVIATIONS

<b>mSCOA</b>	Municipal Standard Chart of Accounts	<b>SAMDI</b>	South African Management Development Institute
<b>MTECH</b>	Medium Term Expenditure Committee	<b>SANRAL</b>	South African National Roads Agency Limited
<b>MTOD</b>	Municipal Transformation and Organisational Development	<b>SAPS</b>	South African Police Services
<b>NGO</b>	Non-Governmental Organisation	<b>SASRIA</b>	South African Special Risks Insurance Association
<b>NT</b>	National Treasury	<b>SCM</b>	Supply Chain Management
<b>OPEX</b>	Operating Expenditure	<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>PMS</b>	Performance Management System	<b>SDF</b>	Spatial Development Framework
<b>PPP</b>	Public Private Partnership	<b>SEDA</b>	Small Enterprise Development Agency
<b>PPPCOM</b>	Provincial Public Participation and Communication Forum	<b>SEFA</b>	Small Enterprise Finance Agency
<b>PT</b>	Provincial Treasury	<b>SLA</b>	Service Level Agreement
<b>RBAP</b>	Risk Based Audit Plan	<b>SMME</b>	Small, Medium and Micro Enterprise
<b>RSEP</b>	Regional Socio-Economic Programme	<b>TASK</b>	Tuned assessment of skills and knowledge
<b>SAI</b>	Supreme Audit Institute	<b>WWTW</b>	Waste Water Treatment Works
<b>SALGA</b>	South African Local Government Association		

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